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SECTION I. GENERAL PROVISIONS

Article 1. Terms and Definitions

OTC Acceptance means the consent of the CC to conclude an Internal OTC Contract or an Internal OTC Contracts Pair with the Clearing Member under the terms set out in the OTC Offer.

Wet Signature Equivalent/ WSE means an essential element of an electronic communication sent using the Clearing System/ System that identifies the person who sent the said electronic communication and proves the integrity of electronic documents through the specialised software and hardware used and organisational measures taken. The Username and Password are considered a Wet Signature Equivalent.

Beneficial Owner means a CC, Clearing Member or Client, whose securities are recorded in the Trading Custody Account, Custody Account or the Nominee Custody Account, who has the actual right to receive the Income on such securities, who is the direct Beneficial Owner of such Income, i.e. a person who actually benefits from the Income paid and determines its further economic destiny.

Available Funds Currency means the currency specified by the CC in order to calculate the Available Funds.

Internal OTC Currency Swap means a Currency Swap concluded with the CC off Trading in accordance with the procedure and on the terms and conditions defined by these Rules and/or the Trading Platform Rules.

Internal OTC Contract means an Internal OTC Sale and Purchase Agreement or an Internal OTC Currency Sale and Purchase Agreement or an Internal OTC Repurchase Agreement or an Internal OTC Currency Swap.

Internal OTC Sale and Purchase Agreement means a securities purchase agreement concluded with the CC off Trading under the terms listed herein.

Internal OTC Currency Sale and Purchase Agreement means Currency Sale and Purchase Agreement, concluded with the CC off Trading in accordance with the procedure and on the terms and conditions defined by these Rules and/or the Business Rules.

OTC Repurchase Agreement means a repurchase agreement concluded with the CC off Trading in accordance with the procedure and on the terms and conditions defined by these Rules, and, in the cases set out herein and the terms of the General Agreement on Repurchase Agreement.

Allocated Capital means the amount of the CC own funds calculated in accordance with the Methodology for Determination of Allocated Capital and established by the resolution of the CC; this amount is intended to cover possible losses caused by the Clearing Members' improper performance or failure to perform obligations to the CC admitted to clearing, and it is used by the CC before drafting on funds contributed by Bona Fide Clearing Members to the Default Fund.

Collateral means a value denominated in the Available Funds Currency, used to assess the adequacy of the Collateral Assets of the Clearing Members and calculated in accordance with the Collateral Calculation Methodology. The amount of the Collateral is determined under the CC's assessment of the risk of failure to perform the obligations admitted to clearing, accounted for in position registers (portfolio risk assessment), using the risk parameters calculated in accordance with the Methodology for Establishing and Modifying Risk Parameters.

Default Fund means the collateral established by the CC out of contributions of all Clearing Members.

General Agreement on Repurchase Agreements means an agreement defining the general terms of the Repurchase Agreements and OTC Repurchase Agreements, the subject matter of which is Hong Kong issuers' Securities, concluded between the CC and the Clearing Member in the form approved by the CC and posted on the CC Website.

Depositary means an entity in the name of which a Nominee Trading Custody Account is opened with the Settlement Depositary, which accounts for the rights to securities of the Clearing Member and (or) Client.

Dividend Equivalent means cash or other property which are subject to transfer under Repurchase Agreements or Derivative Contracts and the amount of which depends directly or indirectly on the amount of the Income.

Contract means a Sale and Purchase Agreement, or a Repurchase Agreement, or a Derivative Contract, or a Donor Agreement.

Sale and Purchase Agreement means a securities sale and purchase agreement in the course of Trading under the Business Rules and these Rules.

A Derivative Contract is used in the meaning defined in the AIFC Glossary.

Repurchase Agreement means a Repurchase Agreement entered into in the course of Trading in accordance with the Business Rules, these Rules, and in cases set out in these Rules, the terms of the General Agreement on Repurchase Agreements.

Donor Agreement means a Donor Sale and Purchase Agreement, Donor Repurchase Agreement or Donor Internal OTC Currency Swap.

Donor Internal OTC Currency Swap means an Internal OTC Currency Swap entered into where and as provided for by Article 26 hereunder.

Donor Sale and Purchase Agreement means a Pair of Contracts entered into where and as provided for by Article 26 hereunder.

Donor Repurchase Agreement means a Repurchase Agreement or an OTC Repurchase Agreement where and as provided for by Article 26 hereunder.

Additional Collateral means a value denominated in the Available Funds Currency, used to assess the adequacy of the Collateral Assets of the Clearing Members and calculated in accordance with the Collateral Calculation Methodology.

Available Funds means an amount denominated in the Available Funds Currency, calculated by the CC and used to limit the risks of the Clearing Member in accordance with Article 15 of these Rules.

Income means cash and/or other assets, which also include dividends and interest, owed to the person exercising the rights to the securities.

Debt means a claim of the CC against the Clearing Member in the amount equal to that of the outstanding Margin Call.

Username means a login ID-code of the Clearing Member/ CC assigned to the Clearing Member/ CC for executing operations in the Clearing System/ System.

Other Obligation means an obligation(s) arising from a Derivative Contract which does not constitute a Principal Obligation, an obligation to pay the Variation Margin or an obligation to pay the Premium.

Qualified Derivatives Dealer (QDD) means a Qualified Intermediary who has signed an agreement with the US Internal Revenue Service under which such intermediary may provide Beneficial Owners with tax benefits regarding Dividend Equivalents for US issuers' Securities being the subject matter of a Repurchase Agreement or the Underlying Asset of a Derivative Contract, in accordance with the double taxation agreement between Republic of Kazakhstan and US (and other similar agreements of foreign countries with US), as well as collect and store supporting documents on Beneficial Owners as the grounds for possible provision and implementation of tax benefits.

Qualified Intermediary (QI) means an Intermediary who has signed an agreement with the US Internal Revenue Service, under which such Intermediary may provide Beneficial Owners with benefits in accordance with double taxation agreement between Republic of Kazakhstan and US (and other similar agreements of foreign countries with US), as well as collect and store supporting documents on Beneficial Owners as grounds for possible provision and implementation of tax benefits.

Clearing System means a set of computing facilities, software, databases, telecommunication facilities and other equipment used by the CC to carry out clearing.

Clearing Account means an account opened by the CC with the Settlement Organisation to which the monetary funds are credited which may be used for performance and/or enforcement of the obligations of the Clearing Members admitted to clearing.

Critical Processes means processes/operations of the CC, which, if suspended or terminated, will cause a disruption in the normal operations of the CC, its counterparties and/or the Clearing Members.

CC means the Private Company International Trading System Limited ("ITS Ltd."), operating on the basis of a license to carry out the activities of a Clearing House as a Central Counterparty.

Issuer Concentration Risk Limit means a value determined by the CC in accordance with the Methodology for Establishing and Modifying Risk Parameters for the control of issuer concentration risk (a group of securities of one issuer).

Lot means a number of securities / amount of currency set by the Trading Platform/ CC for each security/ currency, of which the amount of securities/ currency indicated in the Order/ OTC Offer/ OTC Acceptance must be a multiple.

Margin Call means the CC claim to the Clearing Member on enforcing and performing the obligations made where and as provided for hereunder.

Collateral Calculation Methodology means an internal regulation of the CC, approved by the CC's Sole Executive Body, it sets out the procedure for determining the Collateral and Additional Collateral.

Methodology for Establishing and Modifying Risk Parameters means an internal regulation of the CC approved by the Sole Executive Body of the CC, it sets out the procedure for determining risk parameters and rules for determining the value of assets accepted as Collateral Assets and Default Fund Assets.

Tax Agent means a person who, in accordance with the applicable legislation of Republic of Kazakhstan and/or foreign legislation, is responsible for calculating taxes, withholding them from the taxpayer and paying them.

Trading Custody Account Operator means a legal entity which is an authorised representative of the person in respect of whom the Trading Custody Account is opened and who has the right to give instructions to the Settlement Depositary on the basis of an order or a Power of Attorney to carry out operations in the Trading Custody Account within the limits of the established authority.

OTC Offer means an offer made by the Clearing Member to the CC to conclude an Internal OTC Contract or an Internal OTC Contract Pair, featuring the terms of the said contract(s) and other information provided for herein.

Offsetting Derivative Contracts are two Derivative Contracts which, in accordance with the Specification of such Derivative Contracts, constitute offsetting Derivative Contracts, concluded with the same TCA and short code of the Clearing Member / the Clearing Member's client being specified.

Pair of Contracts means two Sale and Purchase Agreements (the "Pair of Exchange Contracts") or two Internal OTC Sale and Purchase Agreements (the "Internal OTC Contract Pair") provided that they meet all of the following conditions:

- both contracts are concluded at the same time between the same persons;
- the due date of one contract is defined as T+k (the "First Contract") and the due date of the other contract is defined as T+n (the "Second Contract"), where T is the date of the Pair of Contracts and k and n are the number of Settlement Days decided by the CC, with the value of k not exceeding the value of n;
- under the First Contract, one party agrees that it will purchase from the other party (transfer to the other party) a certain number of securities, and under the Second Contract, it agrees that it will transfer to the other party (purchase from the other party) the same securities in the same quantity;
- the number of securities falling under the scope of both contracts is determined hereunder;
- payment for the securities under the First Contract and the Second Contract should be made in the same currency;

- the price of the Second Contract is determined according to the price of the First Contract and the Repurchase Rate;

- under the Second Contract, the party that is the seller should transfer the Income to the party that is the buyer.

Password means a string of letters and/or numbers and/or other symbols used to authenticate the Clearing Member/ CC to execute operations in the Clearing System/ System.

List of Currencies of the CC Market means the list of currencies that can be deposited as Collateral Assets.

List of Securities as Collateral Assets means the list of securities that can be deposited as Collateral Assets.

Intermediary means a financial institution in accordance with US Foreign Account Tax Compliance Act (FATCA), in particular participating in accounting of rights in US issuers' Securities, that is a Clearing Member, Clearing Member's client or Depository whose clients' securities are shown on the Nominee Account or Nominee Trading Custody Account.

Membership Rules mean an internal document of International Trading System Limited (ITS Ltd.), that defines procedure for registration of Clearing Members and their clients, as well as procedure for Clearing Member admission to clearing services, suspension, renewal, and termination of Clearing Member admission to clearing services, and procedure for suspension, renewal, and termination of registration of Clearing Members' clients.

Business Rules means an internal regulation of the Trading Platform, which establishes the procedure for providing services for Trading.

QI/QDD Provision means a provision on tax administration of Income on foreign issuer securities, in particular, that constituting subject matters of Repurchase Agreements, for subsequent transfer of information to the Tax Agent in order for the latter to apply relevant tax rates.

Non-Trading Section means a constituent part of the Trading Custody Account intended for accounting of the rights to securities that are not subject to Collateral Assets. Types of the Non-Trading Sections are set by the decision of the Settlement Depositary.

Trading Section means a constituent part of the Trading Custody Account intended for accounting of the rights to securities subject to Collateral Assets. Securities that are not Collateral Assets may be accounted for in that section.

Settlement Day means the period of time during which the CC provides clearing services hereunder.

Settlement Organisation means an authorized organisation for money settlements in line with the AIFC Rules with which the Clearing Account is opened, which performs cash settlements in connection with clearing activities of the CC and information about which is disclosed on the CC Website.

Settlement Depositary means a legal entity carrying out depository activities, which, under an agreement concluded with the CC, executes operations related to the performance of obligations to transfer securities based on clearing results.

Clearing Regulations mean the CC Regulations on Clearing Activities, which is an integral regulation of the CC, approved by the sole executive body of the CC, disclosed on the CC Website; it sets the schedule of the CC Settlement Day (including time of operations performed in accordance with these Rules), terms for sending and receiving documents to and from the CC during interaction with the Clearing Members according hereto, forms/ formats of documents used in document flow between the Clearing Members and the CC, as well as other provisions.

Regulations on Information Exchange means Regulations on Information Exchange for the purposes of the US Foreign Account Tax Compliance Act (FATCA) and other legislation in the area of taxation of Income from Securities of Foreign Issuers, which are approved by CC and disclosed on the CC Website.

Regulations on Transaction Taxes means Tax Administration Regulations on Transaction Taxes, which are approved by CC and disclosed on the CC Website.

CC Website means a website at https://itsx.kz/ with the information disclosed.

System means a set of computing facilities, software, databases, telecommunication facilities and other equipment designed for the exchange of electronic messages between the Clearing Members and CC in accordance with these Rules, including the OTC Offers, associated OTC Offers, OTC Acceptances.

Electronic Document Management System means an organisational and technical system of the Technical Centre defined by the CC, with the information whereof disclosed on the CC Website on the Internet, which is a set of software, databases and computing facilities ensuring the exchange of Electronic Documents signed with an Electronic Signature.

List of Obligations means a list of the objects of obligations from contracts concluded off Trading, in respect of which the CC provides clearing services. The List of Obligations is compiled by the CC and is disclosed on the CC Website.

The Derivatives List is a list of Derivative Contracts the clearing of which is carried out by the CC.

List of Securities means a list of securities that are subject to obligations under the Sale and Purchase Agreements and Repurchase Agreements cleared by the CC.

Collateral Assets means property, which may be used to secure and/or perform obligations of the Clearing Member under the Contracts, OTC Contracts and other obligations admitted to clearing according to these Rules.

Repurchase Rate means a value expressed as a percentage per annum and used to calculate the price of the second part of a Repurchase Agreement (the second part of an OTC Repurchase Agreement, a Second Contract constituting a Pair of Contracts) or the amount of the second part of a Repurchase Agreement (the second part of an OTC Repurchase Agreement, a Second Contract constituting a Pair of Contracts).

Swap Rate means a value expressed as a percentage per annum and used to calculate the price of the Second OTC Currency Sale and Purchase Agreement, which makes up the Internal OTC Currency Swap.

Trading Custody Account means a Custody Account opened by the Settlement Depositary for the Clearing Member, Client, Depositary, and designed to record the rights to securities and to carry out operations on the basis of the instructions of the CC.

Client means client of the Clearing Member, who is also a Trading Member, and (or) another person in whose interests the Trading Member concludes Contracts.

Custody Account means a custody account of the owner or a custody account of the trustee opened with the Clearing Member, the Clearing Member's client or with the Depositary to account for the rights to securities belonging to the Clearing Member or the Client.

Nominee Custody Account means a Nominee Custody Account opened with the Clearing Member or the Depositary to account for the rights to securities belonging to the Client.

Technical Centre means an organisation providing the Clearing Members with technical access to the System and/or providing the Trading Platform with technical access to the Clearing System, as well as an organisation providing the Clearing Members with access to the Electronic Document Management System**.**

Trading means organised trading in securities, organised trading on which Derivative Contracts are concluded, conducted by the Trading Platform in accordance with the requirements of the Business Rules and these Rules.

Trading Platform means International Trading System Limited ("ITS Ltd."), operating based on a Multilateral Trading Facility license issued by the AFSA.

TCA (Trading and Clearing Account) means a group of clearing registers designed to account for the internal accounting objects of the CC, united in the internal accounting of the CC by a common attribute.

Transaction Tax means a tax, levy or other charge levied under the laws of the jurisdiction of incorporation or place of establishment of the issuers of securities and/or the jurisdiction of their initial listing, upon the execution of the Contracts or Internal OTC Contracts subject to such securities or upon any other method of transfer and exercise of rights to such securities.

Clearing Member means a legal entity with which the CC has a valid signed clearing service agreement.

Settlement Price means the price of a security/currency determined by the CC for the purposes of concluding agreements in accordance with Article 25 of these Rules, as well as for concluding Donor Agreements, in accordance with the Methodology for Establishing and Modifying Risk Parameters.

Hong Kong issuers' Securities mean securities of foreign issuers listed on a stock exchange established in Hong Kong in accordance with the requirements of its local legislation, which differs from that of the People's Republic of China (The Stock Exchange of Hong Kong).

US issuers' Securities mean securities the proceeds of which are subject to US taxation under Chapters 3 and 4 of the US Internal Revenue Code and the rights to which are or may be dealt with in the Trading Custody Accounts, Custody Accounts or corresponding Nominee Accounts.

Emergency means a circumstance that the CC considers to have violated, violate or be likely to violate the proper provision of services to the Clearing Members in accordance with these Rules.

Electronic Document means documented information provided in electronic form, i.e. in a form suitable for perception using electronic computing machines, as well as for transmission via information and telecommunication networks or for processing in the Electronic Document Management System.

Electronic Signature means information in electronic form, which is attached to or otherwise linked to other information in electronic form (the information to be signed) and which is used to identify the person signing the information.

The terms "Principal Obligation", "Variation Margin", "Premium", "Seller", "Buyer", "Performance of the Derivative Contract", "Settlement Date of the Principal Obligation" and "Payment Date" are used in these Rules in accordance with the meanings defined in the Specifications of the respective Derivative Contracts.

Terms not specifically defined herein have the meanings set forth in the Business Rules, Membership Rules and/or the documents of the Settlement Organisation/Settlement Depositary, Specifications of Derivative Contracts and/or the provisions of regulatory documents and rules of the Astana International Financial Centre (the "AIFC").

Article 2. General provisions

2.1. These Rules have been drafted in accordance with the Charter and other internal regulations of the CC, as well as the provisions of regulatory documents and rules of the AIFC.

2.2. These Rules establish the procedure for provision of clearing services by the CC to the Clearing Members and determine, in conjunction with the Membership Rules, the terms of the clearing service agreement to be concluded by the CC with the Clearing Members.

2.3. The clearing service agreement is concluded and enters into force in accordance with the procedure laid down in the Membership Rules. Termination of the clearing service agreement is effected under procedure set out in Membership Rules.

In case of the clearing service agreement termination, the CC returns to the Clearing Member funds comprising Collateral Assets, as well as funds comprising Clearing Member's contribution to the Default Fund accounted for as of the date of termination of the clearing service agreement. Besides, if in accordance with these Rules and CC's decision interests are accrued on Clearing Members' contribution to the Default Fund, that are included in the contribution to the Default Fund or Collateral Assets, then the amount of funds to be returned to the Clearing Member is defined in view of interests actually received as of the date of the clearing service agreement termination. Procedure for determination of the amount of interest accrued, but not paid to the Clearing Member, is defined by CC's decision on accrual of interests on Clearing Member's contributions to the Default Fund and published on CC Website. Interests accrued, but not paid as of the date of the clearing service agreement termination, are included in the amount of

Clearing Member's contribution to the Default Fund or Collateral Assets and must be returned in accordance with this clause.

Funds comprising Collateral Assets and/ or Default Fund Assets are returned no later than ten (10) business days from the date of the clearing service agreement termination, except for the cases indicated in Article 39 hereof. Funds are returned to the Account registered with CC. If a Clearing Member does not have an Account registered with CC or it is impossible to return funds to the said Account, CC returns funds to the bank account of the Clearing Member indicated in the application on change of details of the Clearing Member.

In case of termination of clearing service agreement, CC no longer accounts securities of the Clearing Member as Collateral Assets, and no longer acts as the Trading Custody Account Operator, on which they inform the Settlement Depositary.

At the CC's discretion, its obligation to return Collateral Assets/ Default Fund Assets denominated in securities can be terminated upon arising of the obligation to pay Clearing Member funds in the amount calculated based on the amount of securities and settlement price of relevant security as of the date of the clearing service agreement termination.

2.4. Registration of Clearing Members and Clients, as well as Clearing Member admission to clearing services, suspension, renewal, and termination of Clearing Member admission to clearing services and suspension, renewal, and termination of Client registration are effected under procedure set out in the Membership Rules.

2.5. The CC is entitled to unilaterally amend these Rules.

Amendments to these Rules amend the terms of all previously concluded clearing service agreements accordingly, unless otherwise provided for by a decision of the CC.

2.6. These Rules and Contracts/ Internal OTC Contracts are subject to AIFC legislation.

All disputes, claims, and misunderstandings arising in connection with service provision by the CC in accordance with these Rules, with execution, amendment or termination of Contracts/ Internal OTC Contracts, as well as fulfilment of obligations under Contracts/ Internal OTC Contracts or in connection therewith shall be settled by AIFC court in accordance with their rules applicable as of the date of claim submission.

Dispute transfer for settlement by AIFC court is only possible after implementation of preliminary claim procedure. In case of full or partial refusal to fulfil the claim or if no response is received within seven (7) days from receipt of the claim, the claimant may submit a claim to AIFC court.

AIFC court decisions are final and binding upon the parties.

Clearing Members must avoid actions aimed at delay in dispute resolution by AIFC court, and if a decision is made by AIFC court, they must avoid actions aimed at delay in fulfilment of resolutions and decisions made by AIFC court.

CC undertakes to store documents and information associated with consideration of all disputes arising within the framework of these Rules for at least 6 years from the date of receipt of such documents and information.

2.7. If provisions of the General Agreement on Repurchase Agreements contradict Business Rules and/ or these Rules, then provisions of Business Rules and/ or these Rules apply, respectively.

Article 3. Clearing Procedure

3.1. The CC sets out requirements for the procedure, amount, and time limits for Collateral Asset provision, controls sufficiency of Collateral Assets provided for the purpose of Order submission to sign Contracts and/ or OTC Offers for Internal OTC Contracts execution under the procedure set out in these Rules. The CC controls sufficiency of Collateral Assets provided for settlements on cash and securities under the procedure and within the time limits set out in these Rules.

3.2. For obligations arising from Sale and Purchase Agreements and Repurchase Agreements with Settlement Code Tn, settlement code TkTn, as well as for obligations arising from Derivative Contracts, the CC clears with the central counterparty.

For obligations arising from Internal OTC Contracts, the CC clears without the involvement of a central counterparty.

3.3. When clearing with a Central Counterparty, the functions of the Central Counterparty are performed by the CC.

3.4. The CC provides clearing services every business day. The CC is entitled to provide clearing services on other days. The CC is entitled to decide not to provide clearing services on any of the specified days. The CC may decide to restrict the conduct of certain operations on a particular day.

The CC provides clearing services on Settlement Days. The start time and end time of the Settlement Day is set by the Clearing Regulations.

Information on the provision of clearing services or on the failure to provide clearing services is disclosed by the CC in the System and/or on the CC Website at least one (1) business day before the fixed time.

Disclosure of information in the System and/or on the CC Website is considered to be appropriate ways of informing the Clearing Members.

3.5. Cash and securities settlements in connection with the performance of the Contracts, except for the performance of obligations to pay the Premium, obligations to pay the Variation Margin, Principal Obligations and Other Obligations under Derivative Contracts, are settled on the Settlement Dates.

Settlements of funds in connection with the performance of obligations to pay the Premium under Derivative Contracts shall be carried out on the Payment Dates.

Settlements of funds in connection with the performance of Principal Obligations under Derivative Contracts shall be carried out on the Settlement Dates of the Principal Obligations.

Settlements of funds in connection with the performance of obligations to pay the Variation Margin under Derivative Contracts shall be carried out on the dates for the performance of obligations to pay the Variation Margin determined by the Specification of the respective Derivative Contract.

Settlements of funds in connection with the performance of Other Obligations shall be carried out on the dates for the performance of the Other Obligations determined by the Specification of the respective Derivative Contract.

Cash and securities settlements in connection with the execution of Internal OTC Contracts take place on the Settlement Dates specified in the terms of the said contracts.

If, as a result of the adoption of a regulatory legal act of the Republic of Kazakhstan or a decision of the Trading Platform, the Settlement Date / Payment Date / Settlement Date of the Principal Obligation / date of performance of the obligation to pay the Variation Margin / date of performance of the Other Obligation / (hereinafter in this clause – the Obligation Settlement Date) falls on a day that is not a Settlement Day, the CC shall determine to postpone the Obligation Settlement Date to the nearest following Settlement Day, unless a different date is determined by a decision of the CC. Such decision shall be taken within ten (10) Business Days from the date on which the CC became aware or should reasonably have become aware of the adoption of the relevant regulatory legal act of the Republic of Kazakhstan or the decision of the Trading Platform.

3.6. The obligations arising from Contracts are cleared on the basis of information about Contracts concluded, without receiving confirmation of the conclusion of Contracts from the Clearing Members. The CC does not clear Contracts concluded during Trading in violation of the requirements set forth herein.

The Clearing of obligations arising from Internal OTC Contracts concluded on the basis of the OTC Offers is carried out on the basis of the information on the conclusion of the said contracts generated in the System.

3.7. The CC controls the availability of securities on the depositary registers, and cash on the cash registers, which are necessary for settlement of the obligations admitted to clearing.

3.8. The CC record on the clearing registers the obligations of the Clearing Members under the Contracts, Internal OTC Contracts, information on securities and cash, which are subject to Collateral Assets.

3.9. The CC carries out clearing the obligations under the Sale and Purchase Agreements and the Repurchase Agreements entered into in relation to the securities included in the List of Securities.

The CC shall carry out the clearing of obligations arising from Derivative Contracts included in the Derivatives List. The inclusion of Derivative Contracts in the Derivatives List shall be carried out in accordance with a decision of the Trading Platform.

The CC carries out clearing obligations from Internal OTC Contracts, provided that the subject matter of such contracts is included in the List of Obligations.

3.10. The CC may, for the purposes of concluding the Contracts and Internal OTC Contracts and fulfilling the total net claims determined as a result of the clearing of obligations under those agreements, acquire and dispose of securities as a result of trades executed at organised trading held outside the Trading Platform, or as a result of OTC trades. In doing so, the CC is obliged to make reasonable efforts to achieve parity between the prices at which the said operations are executed and the prices at which the Contracts and Internal OTC Contracts are concluded.

In cases of non-performance or improper performance by the Clearing Member of the obligations admitted to clearing, the CC is entitled to conclude Contracts without submission of Orders on Trading and Internal OTC Contracts without submission of OTC Offers and OTC Acceptances, and is also entitled to conclude Contracts and Internal OTC Contracts in respect of itself personally on behalf of the Clearing Member, determined by the CC, without a special authority (power of attorney), and also without consent of the Clearing Member.

Article 4. Interaction of the CC with the Settlement Organisation, Settlement Depositary and Technical Centre

4.1. The list of Technical Centres, Settlement Organisations and Settlement Depositaries with which the CC is interacting is set out on the CC Website.

4.2. The procedure for interaction of the CC with the Settlement Organisation, the Settlement Depositary, the Technical Centre, including the list of documents exchanged between the CC and the said organisations in the course of interaction when carrying out clearing and settlements according to clearing results, details and formats of the said documents, methods and terms of their submission are determined by these Rules, the Business Rules, and the agreements concluded between the CC and the said organisations.

4.3. In the event of circumstances that cause and/or create prerequisites for the occurrence of failures (failures) during the operation of the System/ Clearing System and/or directly impeding its standard (regular) functioning, including force majeure, failures, malfunctions and equipment failures; software failures and errors; failures, malfunctions and failures of communication systems, power supply, air conditioning and other life support systems, as well as other circumstances, such as cases of violation of the delimitation of access rules and/or attempts of unauthorised access to the System/ Clearing System, the CC immediately notifies the Settlement Organisation, Settlement Depositary and/or the Technical Centre by any of the available means of communication and takes all possible measures aimed at eliminating these circumstances.

4.4. In the event of an Emergency, the CC is governed by an internal regulation setting out the measures to be taken by the CC in the event of an Emergency and aimed at ensuring the continuity of clearing activities.

4.5. The CC immediately notifies the Clearing Members, the Settlement Organisation, the Settlement Depositary and the Technical Centre of the occurrence of an Emergency by available means of communication and takes all possible measures to eliminate it. In doing so, the CC uses one or more of the following notification methods:

- by posting information about the Emergency occurrence on the CC Website;

- through all available means of communication, including the System, by sending the information to the e-mail addresses indicated in the form provided for the purpose of registration as a Clearing Member, in the form specified in the Membership Rules (the " Application") and/or in any other available manner.

The CC may decide to inform the Clearing Members additionally by telephone numbers indicated in the Application.

4.6. During the day of the Emergency, the CC takes all possible measures to eliminate the Emergency that has occurred.

Article 5. General Rules on the Use of Information

5.1. This article establishes general provisions concerning information confidentiality that has become known to the CC in connection with the provision of clearing services, including that provided to the CC by the Clearing Members, the Settlement Organisation, the Settlement Depositary, and/or the Technical Centre.

5.2. Such information includes, in particular, the information on the obligations in respect of which the clearing is conducted, the information provided by the Clearing Members in accordance with Membership Rules, the information on the Trading Custody Accounts, on operations on the said Trading Custody Accounts and on cash operations in cash registers, as well as other information which has become known in connection with provision of the CC services (the "Information").

5.3. By entering into a clearing service agreement, a Clearing Member agrees that Information or part of it may be provided to a Settlement Organisation, Settlement Depositary, Technical Centre, AIFC, and other persons entitled to request such information.

The CC, in particular, transfers:

- Settlement Depositary Orders for operations on the Trading Custody Accounts, including for crediting and debiting securities from the Trading Custody Account at the initiative of the Clearing Member and/or Clients, as well as when making settlements on total net obligations and total net claims determined by obligations arising from Contracts, Internal OTC Contracts;

- to the Settlement Organisation Refund Orders of the Clearing Member and/or Clients from the Clearing Account;

- to the Technical Centre information on the registration, change of parameters and deletion of the TCA of the Clearing Members;

- to the Technical Centre information on the Internal OTC Contracts concluded.

5.4. The availability of Information to the CC is a prerequisite for clearing.

Article 6. Clearing Registers

6.1. In carrying out clearing activities, the CC maintains clearing registers of Clearing Members. Clearing Registers are maintained in the Clearing System. The CC opens and maintains, including, but not limited to, the following clearing registers:

- Depositary Registers where securities positions are taken into account. In the case of depositary registers, the securities position is the number of securities in the Trading Section of the Trading Custody Account accounted by the CC as Collateral Assets;

- Cash Registers on which the cash positions are recorded. For cash registers, the cash position is the amount of cash recorded by the CC as Collateral Assets;

- Registers on which cash, the accounting of which as Collateral Assets is terminated by a decision of the CC in accordance with Article 40 of these Rules (the "Block Registers"), are recorded;

- Position Accounting Registers where the obligations and claims of the Clearing Member admitted to clearing are recorded;

- Collateral Registers on which the claims of the CC on the Clearing Member's collateral for the obligations of the Clearing Member are recorded;

- Default Funds accounting registers on which the contributions to the Default Funds are recorded;

6.2. The following internal accounting objects (the "Accounting Objects") are accounted for by the CC on the clearing registers:

- positions of the Clearing Member in securities constituting the Collateral Assets/ Default Fund Assets. These positions are taken into account in the depositary registers. The securities position is calculated for each Trading Custody Account and for each identification code/security code on the basis of the information on the balances of securities on the Trading Section of the Trading Custody Account received from the Settlement Depositary;

- positions of the Clearing Member in cash constituting the Collateral Assets/ Default Funds Assets. These items are accounted for by currency type, which are recorded in the cash registers;

- obligations and claims of the Clearing Members under each obligation admitted to clearing from the Contract. These obligations and requirements are recorded on the position registers;

- obligations and claims of the Clearing Members under each obligation admitted to clearing from the Internal OTC Contract. These obligations and requirements are recorded on the position registers;

- net obligations/ net claims of the Clearing Members in cash/ securities from the Contracts/ Internal OTC Contracts broken down by cash registers/ associated depositary registers, Settlement Dates/ Payment Dates/ Settlement Dates of the Principal Obligations/ dates of performance of obligations to pay the Variation Margin/ dates of performance of Other Obligations/ Settlement Dates determined in accordance with the said contracts, currencies/ securities identification codes/ securities codes/ Derivative Contract Identification Codes. These net obligations and net claims are recorded in the Position Accounting Registers;

- total net obligations/ total net claims of the Clearing Members under the obligations included in the clearing pool under the Intra-Brokerage Contracts, where the Settlement Code TkTn is indicated and which are concluded under the Orders with the same TCAs (the "Intra-Brokerage Contracts") and under the Internal OTC Contracts, where the Identifier of the Clearing Member indicated in the OTC Offer coincides with the Identifier of the Clearing Member that has sent the linked OTC Offer and where the identical TCAs are indicated (the "Intra-Brokerage Internal OTC Contracts"), by cash registers/ associated depositary registers/ currency/ securities identification codes/ securities codes. These net obligations and net claims are recorded in the position books;

- total net obligations/ total net claims of the Clearing Members under the obligations included in the clearing pool broken down by cash registers/ associated depositary registers/ currency/ securities identification codes/ securities codes. These net obligations and net claims are recorded in the position books;

- total net obligations/ total net claims of the Clearing Members under the obligations included in the clearing pool for settlements based on Trading results, broken down by cash registers. These net obligations and net claims are recorded in the position books;

- total net obligations/ total net claims of the Clearing Members under the obligations included in the clearing pool under Fully Collateralised Agreements with CC, by cash registers/ associated depositary registers/ currency/ securities identification codes. These net obligations and net claims are recorded in the position books;

- estimated value of the Collateral Assets broken down by TCA, determined on the basis of the estimated price determined in accordance with the Methodology for Establishing and Modifying Risk Parameters. This estimated value of the Collateral Assets is recorded on the collateral registers;

- requirements for Clearing Members on Collateral by TCA, calculated in accordance with the Methodology for Establishing and Modifying Risk Parameters. These requirements are recorded on the collateral registers;

- requirements for Clearing Members for Additional Collateral by the TCA, calculated in accordance with the Methodology for Establishing and Modifying Risk Parameters. These requirements are recorded on the collateral registers;

Available Funds of each Clearing Member by the TCA, calculated in the manner prescribed in these Rules. The said Available Funds are recorded on the collateral registers;

- Margin Calls for Clearing Members (if any). These Margin Calls are recorded on the collateral registers;

- contributions of the Clearing Members to the Default Funds, calculated in the Available Funds Currency in accordance with the Methodology for Establishing and Modifying Risk Parameters. These contributions are recorded in the Default Funds accounting registers;

6.3. Obligations and claims from Sale and Purchase Agreements/ Repurchase Agreements/ Internal OTC Contracts are recorded by the CC on the position registers where each position is identified by the following:

- the party to the obligation to transfer securities (which party to the obligation to transfer securities is the Clearing Member on whose register such obligation is recorded);

- the security in respect of which the contract is entered into;

- the Settlement Date under the Contract/ Settlement Date under the Internal OTC Contract;

- the TCA with which the contract is concluded;

- the number of securities (in units) for which transfer obligations are accounted for in the position;

- the amount of cash corresponding to the amount of the obligation to pay for the securities under the contracts constituting the position.

6.4. Obligations and claims arising from Derivative Contracts shall be recorded by the CC in the position registers, in which each position is determined by:

- the party to the obligations under the Derivative Contract (which party to the obligation under the Derivative Contract is the Clearing Member in whose register such obligation is recorded);

- the Derivative Contract Identification Code;

- the Settlement Date / the Settlement Date of the Principal Obligation / the date for the performance of the obligation to pay the Variation Margin / the date for the performance of the Other Obligation under the Derivative Contract;

- the TCA and short code of the Clearing Member / the Clearing Member's client with which the contract was concluded;

- the number of Derivative Contracts (in units) constituting the position under Derivative Contracts;

- the amount of funds corresponding to the size of the obligation to pay the Premium, and/or the size of the Principal Obligation, and/or the size of the obligation to pay the Variation Margin, and/or the size of the Other Obligation.

The CC shall also record positions under Derivative Contracts for each TCA in aggregate across all short codes of the Clearing Member / the Clearing Member's client.

6.5. Obligations and claims from Internal OTC Currency Sale and Purchase Agreements/ Internal OTC Currency Swaps are recorded by the CC on registers for accounting of positions, on which each position is defined by:

- the party to the obligations in cash in relevant currency (which party to the obligation to transfer cash in relevant currency is the Clearing Member on whose register such obligation is recorded);

- the currency in respect of which a Internal OTC Currency Sale and Purchase Agreement/ Internal OTC Currency Swap;

- the Settlement Date of obligations under the Internal OTC Currency Sale and Purchase Agreement/ Internal OTC Currency Swap;

- the TCA, as indicated in the Internal OTC Currency Sale and Purchase Agreement/ Internal OTC Currency Swap;

- the amount of cash in the respective currency corresponding to the amount of the monetary obligation under the Internal OTC Currency Sale and Purchase Agreement/ Internal OTC Currency Swap.

6.6. Cash positions by currency may be of the following types:

- CC cash position;
- Clearing Member cash position;
- Client's cash position;
- cash position of the Clearing Member - Trust Manager;
- the Clearing Member cash position for the accounting of the funds deposited in the special Default Funds;

Securities positions can be of the following types:

- CC position;
- position of the Clearing Member - Owner;
- position of the Clearing Member - Nominee;
- position of the Client having a separate Trading Custody Account;
- position of the Clearing Member - Trust Manager;
- position of the Clearing Member - Owner, whose depository service is carried out by the Depositary;
- position of a Clearing Member - Nominee, whose depository service is provided by the Depositary;
- position of the Clearing Member - Trust Manager, whose depository service is carried out by the Depositary;
- position of the Clearing Member on securities deposited in Default Funds;
- position of the Clearing Member whose securities deposited in the Default Funds are handled by the Depositary.

6.7. At the request of a Clearing Member, the CC shall carry out, in separate clearing registers, the segregated recording of the following Accounting Objects in respect of the Clearing Member's clients:

- positions of the Clearing Member's client in securities constituting Collateral Assets. Such positions shall be recorded in depositary registers. The position in securities shall be calculated for each Trading Custody Account and for each securities identification code / securities code on the basis of information on the balances of securities in the “Trading” section of the Trading Custody Accounts received from the Settlement Depositary;
- positions of the Clearing Member's client in funds constituting Collateral Assets. Such positions shall be recorded in cash registers;
- the obligations and claims of the Clearing Member in respect of each obligation admitted to clearing arising from a Sale and Purchase Agreement / Repurchase Agreement concluded for the account of and on the instructions of the Clearing Member's client. Such obligations and claims shall be recorded in the position registers;
- the obligations and claims of the Clearing Member in respect of each obligation admitted to clearing arising from a Derivative Contract concluded for the account of and on the instructions of the Clearing Member's client. Such obligations and claims shall be recorded in the position registers;
- the obligations and claims of the Clearing Member in respect of each obligation admitted to clearing arising from an Internal OTC Contract concluded for the account of and on the instructions of the Clearing Member's client. Such obligations and claims shall be recorded in the position registers;
- the net obligations / net claims of the Clearing Member in funds / securities arising from Contracts / Internal OTC Contracts (with the exception of fully collateralised Internal OTC Currency Contracts) concluded by the Clearing Member for the account of and on the instructions of the Clearing Member's client. Such net obligations and net claims shall be recorded in the position registers;
- the final net obligations / final net claims of the Clearing Member in respect of obligations included in the settlement clearing pool. Such net obligations and net claims shall be recorded in the position registers;
- the final net obligations / final net claims of Clearing Members in respect of obligations arising from Contracts / Internal OTC Contracts concluded by the Clearing Member for the account of and on the instructions of the Clearing Member's client and included in the clearing pool for Intra-Broker Contracts. Such net obligations and net claims shall be recorded in the position registers;
- the final net obligations / final net claims of Clearing Members in respect of obligations determined in relation to the Clearing Member's client and included in the clearing pool for settlements based on the results of the Trading. Such obligations and claims shall be recorded in the position registers;
- the final net obligations / final net claims of Clearing Members in respect of obligations arising from fully collateralised Internal OTC Currency Contracts concluded by the Clearing Member for the account of and on the instructions of the Clearing Member's client and included in the clearing pool for fully collateralised Contracts with the CCP. Such net obligations and net claims shall be recorded in the position registers;
- the estimated value of the Collateral Assets of the Clearing Member's client, determined on the basis of the settlement price determined in accordance with the Methodology for Setting and Changing Risk Parameters. Such estimated value of the Collateral Assets shall be recorded in the collateral registers;
- the requirements to the Clearing Member for Collateral, calculated in respect of obligations arising from Contracts / Internal OTC Contracts concluded for the account of and on the instructions of the Clearing Member's client, in accordance with the Methodology for Setting and Changing Risk Parameters. Such requirements shall be recorded in the collateral registers;
- the Available Funds of each client of the Clearing Member, calculated in the manner provided for by these Rules. Such Available Funds shall be recorded in the collateral registers.

6.8. Clearing Registers are grouped under the TCA.

Unless otherwise specified in these Rules, the following TCA types can be opened by the CC: own (main), client, Trust Manager, TCA to account for Additional Collateral and/or TCA to account for the funds of Default Funds.

6.9. The TCA takes into account, respectively, the positions of the Clearing Member and Client(s).

6.10. The CC opens cash registers, depositary registers, NFI accounting registers, position accounting registers where the obligations and claims of the Clearing Member in cash and securities admitted to clearing are recorded, and collateral accounting registers upon receipt of the Clearing Member's application form for a new TCA registration.

6.11. The CC opens collateral registers to record the claims to the Clearing Members on the Additional Collateral without additional orders from the Clearing Members upon provision to the Clearing Member of admission to clearing services (for newly registered Clearing Members) or upon occurrence by the CC of such claim to the Clearing Member (for existing Clearing Members).

6.12. The CC opens accounting registers of the Default Funds without any additional application forms from the Clearing Members upon taking a decision to form Default Funds (for existing Clearing Members) or upon granting the Clearing Member admission to clearing services (for newly registered Clearing Members).

6.13. The clearing registers included into the TCA may be closed on the basis of the application form for closure of the TCA or on the initiative of the CC in case of termination of the clearing service agreement between the Clearing Member and the CC provided that there are no open positions under the Contracts / Internal OTC Contracts and if there are zero balances of cash on such clearing registers. The main (own) TCA of the Clearing Member is closed by the CC after closing all other TCAs of this Clearing Member.

Article 7. Types of Clearing and Trading Accounts

7.1. Clearing Accounts are used to deposit Collateral Assets and the Default Fund Assets in cash.

The CC is entitled to open several Clearing Accounts with one or more Settlement Organisations.

Information on details of the Clearing Accounts intended for recording cash constituting Collateral Assets and Default Fund are placed on the CC Website. The CC should notify the Clearing Members of any changes in the details of such accounts by placing relevant information on the CC Website not later than one (1) business day prior to putting such changes into effect. Placing the said information on the CC Website is considered to be an appropriate way of informing the Clearing Members about changes in the details of Clearing Accounts.

The CC, at its discretion, designates Settlement Organisations.

Trading Custody Accounts are used to provide Collateral Assets and Default Fund in securities.

Cash operations are carried out on the Clearing Account on the basis of the orders of the CC in accordance with the requirements set forth in the documents of the Settlement Organisation where the relevant Clearing Account is opened and these Rules. Securities operations are executed in the Trading Custody Account on the basis of the CC instructions in accordance with the requirements established by the internal regulations of the Settlement Depositary where the relevant Trading Custody Account is opened, and these Rules.

The CC, at its discretion, designates Settlement Depositaries.

The Default Funds are accounted on the cash registers of the Default Funds after receipt of cash on the Clearing Accounts designed to record Default Fund Assets and/or crediting of securities to the Trading Custody Account designed to record Default Fund Securities.

7.2. A condition for the Clearing Member to enter into Contracts in its own name and for its own account, is opening of the Owner's Trading Custody Account for such Clearing Member or opening by the Clearing Member of the Trading Custody Account with the Depositary, provided that the said Depositary opens the relevant Custody Account of the nominee of the Depositary with the Settlement Depositary.

A condition for the Clearing Member to conclude Internal OTC Contracts on its own behalf and at its own expense, except for the following:

- Internal OTC Currency Sale and Purchase Agreement;
- Internal OTC Currency Swap;

is opening of the Owner's Trading Custody Account for such Clearing Member or opening by the Clearing Member of the Trading Custody Account with the Depositary, provided that the said Depositary opens the relevant Trading Custody Account of the nominee of the Depositary with the Settlement Depositary.

A condition for the Clearing Member to conclude Contracts for the benefit and at the expense of the Clients, is opening of the Nominee Trading Custody Account for such Clearing Member, Client or the Depository that takes into account the rights of the Clients to securities.

A condition for the Clearing Member to conclude Internal OTC Contracts for the benefit and at the expense of the Clients, except for the following:

- Internal OTC Currency Sale and Purchase Agreement;
- Internal OTC Currency Swap;

is opening of the Nominee Trading Custody Account for such Clearing Member, Client or the Depository that takes into account the rights of the Clients to securities.

A condition for the Clearing Member that is a Trust Manager to enter into Agreements for the benefit and at the expense of their Clients is opening of a Nominee Trading Custody Account for such Clearing Member.

A condition for the Clearing Member that is a Trust Manager to enter into Internal OTC Contracts for the benefit and at the expense of their Clients, except for the following:

- Internal OTC Currency Sale and Purchase Agreement;
- Internal OTC Currency Swap;

is opening of the Nominee Trading Custody Account for such Clearing Member.

Clearing Member opens separate Trading Custody Accounts to resister funds of Default Funds in securities.

7.3. The condition for opening a Trading Custody Account is the submission to the Settlement Depositary of documents, the list of which is determined by the Settlement Depositary.

Upon opening of Trading Custody Account, the person, for whom the said Trading Custody Account is being opened, must assign CC as the Trading Custody Account Operator by putting relevant mark in the application on Trading Custody Account opening.

Documents can be submitted directly to the Settlement Depositary or the CC. The CC having received the documents for Trading Custody Account opening must pass them to the Settlement Depositary.

7.4. The documents for opening of the Trading Custody Account for the Clearing Member, the Client, the Depositary, shall be submitted by the person to whom the Trading Custody Account is opened or by its authorised representative.

7.5. The CC is not liable if the Settlement Depositary refuses to open a Trading Custody Account due to failure to submit and/or improper submission of documents required under these Rules and internal regulations of the Settlement Depositary for opening a Trading Custody Account, and/or failure to comply with the term for opening a Trading Custody Account established by the Settlement Depositary.

7.6. A Trading Custody Account may be closed at the initiative of the person to whom the said Trading Custody Account is opened, or its authorised representative.

To close a Trading Custody Account at the initiative of the person to whom this Trading Custody Account is opened, or their authorised representative, the person concerned must submit an application form to close the Trading Custody Account to the CC.

7.7. Opening and closing the Trading Custody Account and making transactions in the Trading Custody Account are carried out in accordance with these Rules, the internal regulations of the Settlement Depositary and in accordance with the agreements concluded between the CC and the Settlement Depositary.

7.8. Submission of an order for crediting securities to a Trading Custody Account by a person to whom a Trading Custody Account is opened or by their authorised representative to the CC are considered an assurance that if the said instructions are submitted in connection with transactions and/or operations which are subject to Transaction Tax under foreign law, then on the date of submission of the said instruction there is no violation of the obligation to pay the Transaction Tax in connection with the execution of the said transactions and/or operations.

The submission of an instruction to transfer securities to the CC by an authorised representative... shall be deemed a representation by such authorised person that on the date of the submission of the order they have the authority to submit it and/or perform other actions which may result in transactions in the said Trading Custody Account.

The said representations are considered to be representations about circumstances within the meaning of Article 4 of the AIFC REGULATIONS ON OBLIGATIONS.

The Clearing Member is obliged to ensure that it and Clients duly perform all obligations related to payment of the Transaction Tax on their own and/or involving other persons, including CC pursuant to Article 37 of these Rules, in connection with execution of trades and/or transactions in securities registered in the Trading Custody Account, which are imposed on them pursuant to the applicable legislation.

7.9. In respect of each Trading Custody Account opened, the CC may:

- receive information from the Settlement Depositary about the securities recorded in the Trading Custody Account;

- draw up and sign orders binding on the Settlement Depositary to carry out transactions in the Trading Custody Account.

Article 8. Procedure for Registering Trading and Clearing Accounts

8.1. The Clearing Member registers the Trading and Clearing Account by submitting to the CC an application for registration of the Trading and Clearing Account.

Trading Custody Account not registered as part of the TCA is not used for the purposes of contracting and clearing of contractual obligations.

The clearing registers provided for in Article 6 of these Rules are opened within the registered TCA, on which the CC keeps records of the Accounting Objects.

The Clearing Member is entitled upon registration of the TCA to specify one Trading Custody Account in accordance with the balances of securities on the Trading Section on which the CC will record the securities position of the Clearing Member.

The TCA for recording CC claims to the Clearing Member on the Additional Collateral should be registered simultaneously with opening of the Collateral register for recording the claims of the Clearing Members on the Additional Collateral without submission of the application form for registration of the Trading and Clearing Account by the Clearing Member. The TCA for recording the CC claims to the Clearing Member on the Additional Collateral should be the Clearing Member's own TCA.

The TCA for accounting of cash and/or securities, contributed by the Clearing Member to the Default Funds, is opened simultaneously with opening of the Default Funds Register without submission by the Clearing Member of the application form for registration of the Trading and Clearing Account.

List of acceptable TCAs:

- Clearing Member's own TCA, which includes the securities position and/or the Clearing Member's cash position of the Clearing Member-Owner;

- Trust Manager TCA, which includes the securities position of the Clearing Member-Trust Manager and/or cash position of the Clearing Member-Trust Manager;

- client TCA, which includes the securities position of the Clearing Member-Nominee and/or client cash position;

- client TCA, which includes a position in securities of the Client-Trust Manager and/or a position in cash of the Client-Trust Manager;

- own TCA of the Clearing Member, which includes the position of the Clearing Member - Owner in securities, deposited by the Depositary and/or the cash position of the Clearing Member;

- Trust Manager's TCA, which includes the securities position of the Clearing Member - Trust Manager whose custody services are provided by the Depositary and/or the Clearing Member's cash position;

- client TCA, which includes the securities position of the Clearing Member - Nominee whose custody service is maintained by the Depositary and/or the Client's cash position;

- client TCA, which includes a position in securities of the Client to which the Owner's Trading Custody Account and/or Client's cash position is opened;

- TCA of accounting of the Default Funds, which includes the Clearing Member's position in cash deposited into the Default Fund and the Clearing Member's position in securities deposited into the Default Fund;

- own TCA of the Clearing Member to record the CC claims to the Clearing Member on the Collateral.

8.2. A Clearing Member shall be entitled to register a separate TCA for its client for the purposes of the separate recording of the funds and/or securities of the said client of the Clearing Member provided as Collateral Assets, and of the obligations of the Clearing Member arising from Contracts / Internal OTC Contracts concluded for the account of the said client (hereinafter, the Segregated Client). For the purposes of registering a separate TCA for the Clearing Member's client, the Clearing Member shall be obliged to indicate, in the application for the registration of the Trading and Clearing Account, the Registration Code assigned by the CC to the said client upon its registration.

8.3. The TCA may contain an attribute indicating that the CC is carrying out separate accounting of the Collateral Assets of the Clearing Member accounted as part of this TCA. Separate accounting of the Collateral Assets of the Clearing Member recorded as part of the TCA is set upon registration of such TCA, if the Clearing Member indicates such attribute in the application form for registration of the Trading and Clearing Account. The Collateral Assets accounted as part of the TCA, in respect of which the attribute of segregated accounting of the Collateral Assets (the "Separate TCA") is set, participate in the calculation of the Available Funds in the manner prescribed in Article 15 of these Rules. The attribute of separate accounting of the Collateral Assets accounted within the TCA opened to the Clearing Member - Trust Manager, as well as within the TCA opened for the purpose of separate accounting of the property of the Clearing Member's Segregated Client, provided as the Collateral Assets, and obligations of the Clearing Member, arising from the Contracts/ Internal OTC Contracts, concluded on account of the Clearing Member's Segregated Client, is automatically filled in.

8.4. In order to include in the TCA the obligations and claims of the Clearing Member from the concluded Internal OTC Currency Sale and Purchase Agreement, Internal OTC Currency Swaps, the said Clearing Member is entitled to register TCA without specifying the Trading Custody Account in the application form for its registration.

8.5. The CC has the right to refuse to register a TCA or to suspend TCA transactions if the use of this TCA in the conclusion of Contracts/ Internal OTC Contracts and/or settlements under the said contracts leads to a violation of these Rules.

8.6. The CC cancels the TCA registration in the following cases:

- on the basis of the application form of the Clearing Member who has registered this TCA. In this case, the CC will cancel the TCA registration for which the application form has been made;

- in case of termination of the clearing service agreement with the Clearing Member who registered the TCA. In this case, the CC cancels the registration of all TCAs of the Clearing Member;

- if there have been no TCA transactions for 6 (six) consecutive months.

The cancellation of the TCA registration is subject to the condition that the clearing registers opened under this TCA do not include the Accounting Objects on the date of cancellation of the TCA registration. If on the said date the CC, in respect of which the decision on registration cancellation has been made, takes account of the Accounting Objects, after fulfilment/ termination of outstanding obligations/ demands of the Clearing Member, the CC transfers cash to the account registered by the Clearing Member for cash withdrawal in accordance with clause 8.7 of these Rules and notifies the Settlement Depository of the termination of the functions of the Trading Custody Account Operator.

8.7. The Clearing Member should register with the CC on the basis of the application for registration of the Cash Withdrawal Account (the form of which is stipulated in the Clearing Regulations) a settlement/correspondent account (the "Account"). Only the Current/Correspondent Account of the Clearing Member itself or their client may be registered as an Account.

Refunds of cash from the Clearing Account can only be allowed to the said Account, except as provided for in these Rules.

In the event it is necessary to change the details of the Account registered with the CC, the Clearing Member submits to the CC a new application form for registration of the Account for cash withdrawal before such Clearing Member carries out operations using the changed details. Funds will be transferred to the new account details as of the business day following the day on which the new application form for account registration for withdrawal is received by the CC.

The risk of failure to notify the CC of up-to-date account details should be borne by the Clearing Member.

8.8. In the event it is necessary to close the Account registered with the CC, the Clearing Member should inform the CC thereof according to the form stipulated in the Clearing Regulations.

8.9. The CC is entitled to cancel the Account registration:

- on the basis of the application form of the Clearing Member who has registered the Account;

- if it is impossible to withdraw funds to such an Account due to its blocking or closure;

- in case of termination of the clearing service agreement with the Clearing Member who registered the Account.

SECTION II. RIGHTS AND OBLIGATIONS OF CC AND CLEARING MEMBERS

Article 9. Rights, Duties and Responsibilities of the CC and the Clearing Members

9.1. The procedure for interaction between the Clearing Members and the CC, as well as the rights and obligations of the Clearing Members and the CC are determined by the provisions of regulatory documents and rules of the AIFC and the clearing service agreement.

9.2. The CC is not liable for non-performance or improper performance of its duties under these Rules if its non-performance or improper performance was a consequence of the following:

- actions or omissions of the Clearing Member or the Guarantor, including untimely submission by the Clearing Member or the Guarantor of information and/or submission by the Clearing Member or the Guarantor of incomplete or untrue information;

- occurrence of an Emergency (provided that the Clearing Members are duly informed of its occurrence);

- non-performance or improper performance by the Settlement Organisation, the Settlement Depositary, the persons with which the cash accounts of the Settlement Organisation or custody accounts of the Settlement Depositary are opened, the Technical Centre and/or other persons of their obligations, including in case of suspension or termination of transactions with cash and/or securities (except for cases when the said non-performance or improper performance is due to the fault of the CC);

- decisions and actions of state authorities of the Republic of Kazakhstan, AIFC, other bodies, institutions and entities of the Republic of Kazakhstan (including amendments to the legislation of the Republic of Kazakhstan, AIFC, issuance of an order of the AIFC in relation to CC) and/or state authorities, financial market regulators, institutions, organisations of other states.

9.3. The CC is not responsible for the obligations of the Clearing Member.

9.4. The Clearing Member or the CC should be released from liability for non-performance or improper performance of its obligations if it proves that their proper performance was impossible due to force majeure.

The Clearing Member (CC) is obliged to take all reasonable measures to immediately notify the CC (Clearing Member) of the occurrence and termination of force majeure circumstances and to provide the CC (Clearing Member) with the documents confirming their occurrence and termination. If the Clearing Member (CC) breaches this obligation, they lose the right to invoke these circumstances as grounds for exemption from liability.

Article 10. Payment for the CC, Trading Platform, and the Settlement Depositary

10.1. Unless otherwise provided in these Rules, the CC calculates and charges the following to the Clearing Member:

- amount of the fee for clearing services, as well as other payments stipulated by these Rules or the CC tariffs, including the fee for accounting of Collateral Assets and the remuneration for accounting of Default Fund Assets (the "Clearing Fee");

- amount of the fee for the provision of Trading services, as well as other payments provisioned in the Business Rules or Trading Platform Tariffs for Trading Services (the "Trading Fee");

- amount of the fee for the provision of depository and other services in favour of the Trading Custody Accounts, provided for by the conditions for the activities of the Settlement Depository and the tariffs of the Settlement Depository (the "Depository Fee").

10.2. The amount of the Clearing Fee is calculated by the CC in accordance with the tariffs set by the CC. The CC tariffs are disclosed on the CC Website.

The Clearing Fee also includes reimbursement of the following CC expenses:

1) expenses related to the payment of the Transaction Tax and an amount equivalent to the amount of the Transaction Tax in accordance with clause 37 of these Rules. These costs are determined in accordance with the Transaction Tax Administration Regulations;

2) other expenses to be reimbursed by the Clearing Members in accordance with these Rules, the CC Tariffs and/or tariffs for services of Settlement Organisations.

10.3. The amount of the Trading Fee is calculated by the CC in accordance with the Tariffs of the Trading Platform, except where the said Tariffs or the Business Rules provide that the Trading Fee is calculated and charged directly by the Trading Platform.

10.4. The CC calculates and charges the amount of the Depository Fee in accordance with the Settlement Depositary tariffs, unless the said tariffs or conditions of depository activities provide, that Depository Fee is calculated and charged by Settlement Depositary.

10.5. The obligations to pay the fees charged by the CC to the Clearing Members are admitted to clearing on the basis of the information on the fees calculated by the CC. The obligations to pay the fees associated with conclusion of the Contracts should be admitted to clearing from the moment the CC receives information on registration of the relevant Contract the Contracts Register, and the obligations to pay other fees should be admitted to clearing from the moment the grounds for the relevant fees arise.

10.6. Unless otherwise stipulated by this clause or the CC tariffs, the obligations admitted to clearing for payment of fees charged in connection with conclusion by the Clearing Members of the Contracts/ Internal OTC Contracts should be included in the clearing pool for settlements upon the Trading results on the date of conclusion by the Clearing Members of the relevant contracts, and in case of conclusion of the said contracts after the time of formation of the clearing pool for settlements based on Trading results – to the nearest clearing pool for settlements based on Trading results, formed after the date of conclusion of the relevant contract. The obligations to pay the fees

charged in connection with conclusion by the Clearing Members of the Pairs of Contracts/ Internal OTC Currency Swaps are included in the clearing pool for settlements upon Trading results on the date of conclusion of the Pairs of Contracts/ Internal OTC Currency Swaps.

The obligations admitted to clearing for payment of the fees charged in connection with the conclusion by the Clearing Members of the Contracts/ Internal OTC Contracts (except for the fees charged in connection with the conclusion of the Contracts on the basis of the Orders with the same TCA, after the start time of formation of the clearing pool for the Contracts), may be included in the clearing pool for settlements upon the Trading results on the Settlement Date of the Contract/ Settlement Date of the Internal OTC Contract/ Settlement Date of the Derivative Contract, in connection with the conclusion of which the relevant fees are charged, upon the application form of the Clearing Member submitted to the CC under the form stipulated in the Clearing Regulations. The obligations to pay the fees charged in connection with the conclusion by the Clearing Members of the Pairs of Contracts/ Internal OTC Currency Swaps are included in the clearing pool for settlements upon Trading results on the Settlement Date of the Second Contract constituting the Pairs of Contracts/ Second Contract of OTC Currency Sale and Purchase Agreement.

SECTION III. MEASURES AIMED AT RISK MANAGEMENT

Article 11. Ways of Mitigating Risks in Clearing

11.1. In order to reduce the risks associated with clearing, the CC:

- imposes requirements for the financial stability of the Clearing Members and monitors the financial stability of the Clearing Members at least once a quarter;
- verifies that the Clearing Members meet the requirements imposed by the CC on the Clearing Members;
- imposes the requirement to deposit the Collateral Assets on the Clearing Members;
- performs preliminary control over sufficiency of the Collateral Assets for each Clearing Member upon submission of the Orders for Contract conclusion and the OTC Offers where such Clearing Member is indicated (if such control is performed);
- calculates and controls the Available Funds when submitting Orders and OTC Offers, when concluding Contracts/ Internal OTC Contracts, when fulfilling/ terminating obligations from Contracts and Internal OTC Contracts, when refunding Collateral Assets;
- sets risk parameters and limits in accordance with the Methodology for Establishing and Modifying Risk Parameters;
- forms a Default Fund/ Default Funds to secure the performance of obligations admitted to clearing;
- at least once during the Settlement Day, re-evaluates the Collateral, the Additional Collateral, the Collateral Assets and controls the sufficiency of the Available Funds and, in case of insufficiency, submit to the Clearing Member the Margin Call;
- at least once during the Settlement Day, revaluate the value of currency and securities recorded as contributions to the Default Funds and, in case of insufficiency, submit to the Clearing Member the claim on replenishment of contributions to the Default Fund;
- ensures that the Settlement Depositary controls Trading Custody Account transactions based on CC orders;
- limits the extent of its liability in accordance with Article 13 of these Rules;
- takes other measures aimed at reducing the risks of clearing activities in accordance with the requirements of the CC internal regulations.

11.2. The CC establishes a list of currencies and securities accepted as Collateral Assets in accordance with the procedure laid down in Article 19 hereof.

11.3. Securities which are issued by the Clearing Member or related person, recorded under the TCA, which includes the Trading Custody Account of the owner of such Clearing Member, should be taken into account in determining the value of the Collateral Assets in accordance with the Methodology for Establishing and Modifying Risk Parameters with a 100% discount.

Securities issued by the Clearing Member or its affiliate are not recorded as a contribution to the Default Fund of such Clearing Member.

11.4. The CC sets the Issuer Concentration Risk Limit, in accordance with the Methodology for Establishing and Modifying Risk Parameters. Upon reaching the Concentration Risk Limit Per Issuer, the CC recalculates the value of the Additional Collateral taking into account the reduction of the Collateral Assets of the Clearing Members whose securities of this issuer are recorded on the TCA, pursuant to the procedure set forth in the Collateral Calculation Methodology.

11.5. The CC is entitled to approve the list of securities in respect of which the Clearing Member should be entitled to conclude the Contracts/ Internal OTC Contracts, where the Clearing Member acts as a seller, only on terms of full collateral, i.e. provided that there are securities as the Collateral Assets in the amount and quantity sufficient for proper performance of obligations under the said contracts (the "List of Securities with Full Collateral").

11.6. The CC has the right to approve the list of currency pairs and their respective execution dates (the "List of Fully Collateralised Currency Pairs"). The Clearing Member shall be entitled to conclude Internal OTC Contracts in respect of the currency pair with the relevant Settlement Date, specified in the List of Fully Collateralised Currency Pairs (the "Fully Collateralised Internal OTC Currency Contract), on the terms of full collateral on the part of both the buyer and the seller, i.e. provided that there is currency in the amount sufficient for proper performance of the obligations under the said contracts as the Collateral Assets. The List of Fully Collateralised Currency Pairs is published on the CC Website.

Article 12. Ensuring Performance of the Obligations of the Clearing Members

12.1. Unless otherwise provided by the provisions of regulatory documents and rules of the AIFC, as well as by these Rules the obligations of the Clearing Members admitted to clearing are secured by Collateral Assets and Default Fund Assets.

12.2. A condition for ensuring performance of the obligations of the Clearing Members admitted to clearing is mandatory preliminary reservation by the Clearing Members in the Clearing Cash Accounts in cash and/or on the Trading Section of the Trading Custody Account in securities to pass the collateral control procedure in the manner prescribed in articles 21 and 22 hereof.

The CC is entitled to claim security for the cash obligations admitted to clearing in full before the Settlement Date of the Contracts/ Internal OTC Contracts. In case of such a decision, the CC determines the date of conclusion of the Contracts/Internal OTC Contracts from which this requirement applies, as well as the list of securities for conclusion of the Contracts/Internal OTC Contracts with which full cash collateral must be paid, and/or the list of Derivative Contracts and the period until the Settlement Date of the Contracts/Internal OTC Contracts on which this requirement is to be fulfilled. The list of securities and/or the list of Derivative Contracts and the time limit within which the requirement is to be complied with should be established by the CC and published on the CC Website, indicating the date from which the CC will commence making the said requirement.

Within the set term, the CC verifies the availability of funds in the cash register belonging to the TCA with which the Contract/ Internal OTC Contract has been concluded, in an amount sufficient to fulfil the cash obligations. In case of insufficient funds on the cash register, the Clearing Member is liable to pay a fine to the CC, determined as follows:

$$\text{Penalty} = \text{Liability} * \text{Forfeit rate prepayment} * \left(\frac{T365}{365} + \frac{T366}{366} \right),$$

where:

Penalty means the value of the penalty;

Liability means the amount of cash shortage to secure cash liabilities in full in the relevant currency;

Forfeit rate prepayment means the penalty rate set by the CC for the currency in which there was a cash shortage and determined in accordance with the Methodology for Establishing and Modifying Risk Parameters;

T_{365} means the number of calendar days between the current and the next Settlement Day falling in a calendar year consisting of 365 days;

T_{366} is the number of calendar days between the current and the next Settlement Day falling in a calendar year consisting of 366 days.

The obligation of the Clearing Member on payment of the fine should be admitted to clearing at the moment of its occurrence and included in the clearing pool for settlements according to the results of the Trading, formed according to Article 28 hereof, on the date of admission of the said obligation to clearing.

12.3. The assets intended to be used as Collateral Assets may consist of cash, as well as securities. Assets encumbered by collateral cannot constitute Collateral Assets.

12.4. The property subject to Collateral Assets may be used to secure the fulfilment and/or performance of obligations admitted to clearing, including the total net obligation.

12.5. The condition for ensuring the fulfilment of the obligations of the Clearing Member is the transfer of the property constituting the Collateral Assets before concluding the Contracts/ Internal OTC Contracts.

12.6. Income from cash, which is subject to Collateral Assets, is not credited to the Collateral Assets.

12.7. Collateral Assets is recorded in the Clearing Accounts and on the Trading Section of the Trading Custody Accounts.

12.8. The transfer of property intended to be used as Collateral Assets is effected by crediting money to the Clearing Accounts, and securities to the Trading Section of the Trading Custody Accounts.

Assets should be included by the CC in the Collateral Assets and be recorded as Collateral Assets upon cash and/or securities are credited to the relevant accounts. Particulars of the deposit and return of the Collateral Assets are defined in Article 19 of these Rules.

12.9. The amount of assets transferred as Collateral Assets is determined by the Clearing Member based on the amount of Contracts and Internal OTC Contracts planned to be concluded by the relevant Clearing Member, and the amount of existing outstanding obligations under the previously concluded Contracts and Internal OTC Contracts subject to the following:

- if there are not enough Available Funds, the Order/ Order of the Trading Platform submitted by the Clearing Member are not registered in the Order/ Order of the Trading Platform Register, the Order for Clearing OTC Contracts submitted by such Clearing Member are not accepted for execution and/or the CC does not accept the OTC Offer;

- if the value of the Clearing Member's Available Funds is negative, the Margin Call is imposed on the Clearing Member;

- the Total Net Obligations of the Clearing Member should be secured by Collateral Assets on the Settlement Date, Settlement Date of the Internal OTC Contract and/or on the Settlement Date of the Principal Obligation / Payment Date / date of performance of the obligation to pay the Variation Margin / date of performance of the Other Obligation under Derivative Contracts in full (except as otherwise provided for in the relevant agreement): the Total Net Obligation in cash in the amount of the net obligation - cash in the appropriate currency, the total net obligation of securities in the amount of the net obligation - securities of the same issuer, kind, category, type, and issue.

12.10. The obligation to provide the CC with sufficient collateral, which is Collateral Assets, is incumbent on the Clearing Member.

12.11. The CC is entitled to use for its own benefit the funds subject to the Collateral Assets. In this case, the cash subject to the Collateral Assets are credited by the CC to the own bank account of the CC.

The CC is obliged to return to the Collateral Assets the funds in the amount and time required to meet the claims secured by the Collateral Assets.

Income from the use by the CC for its own benefit of the cash subject to the Collateral Assets are not credited to the Collateral Assets.

12.12. In order to secure the performance of obligations admitted to clearing by any of the Clearing Members, the CC forms one or more Default Funds. The conditions and procedure for the formation of the Default Funds are laid down in this Article and in Article 14 of these Rules

12.13. Particulars of making and returning a contribution to the Default Fund are laid down in Article 20 of these Rules.

12.14. The property intended for use as a contribution to the Default Fund is transferred by crediting funds to the Clearing Accounts, as well as securities to the Trading Custody Accounts intended for accounting of Default Fund Assets.

12.15. The CC is entitled to use the funds constituting the Default Fund for its own benefit. In this case, the funds constituting the Default Fund are credited to the own bank account of the CC.

The CC is obliged to return to the Default Fund the funds in the amount and time required to meet the claims secured by the Default Fund.

The Income from the use by the CC for its own benefit of the cash subject to the Default Fund is not credited to the Default Fund, unless otherwise provided for by a resolution of the CC.

The CC is entitled to decide on calculation and payment of interest on the contributions of the Clearing Members to the Default Fund. The interest rate, procedure and terms for calculation and payment of the said interest are determined by the CC resolution. In addition, the CC resolution may provide that such interest should not be transferred to the Clearing Members, but should be included in the contributions to the Default Fund or be included in the Collateral Assets. The CC is entitled at any time to decide to change or cancel the decision on the accrual and payment of interest on the contributions of the Clearing Members to the Default Fund. All CC decisions provided for in this paragraph should be disclosed on the CC Website at least three (3) days prior to their entry into force.

Article 13. Limitation of Central Counterparty Liability (Central Counterparty Protection Levels)

13.1. If there is a Defaulting Clearing Member (the "Debtor") recorded on the clearing registers of the TCA, the CC uses the property and measures in the following order of priority:

- the Debtor's Collateral Assets;
- Debtor's contributions to the Default Fund;
- own CC funds in the amount of the Allocated Capital;
- contributions of the non-Debtors (the "Bona Fide Clearing Members") to Default Funds;
- reduction of the obligation to repay the Collateral Assets to the Bona Fide Clearing Members by the total amount equal to the outstanding Debt of the Debtor by increasing the claims on the Additional Collateral of the Bona Fide Clearing Members.

The property of each subsequent queue should be used only if the property of the previous queue is insufficient, in accordance with the procedure laid down in Article 18 of these Rules.

13.2. The liability of the CC for non-performance or improper performance of its obligations to the Bona Fide Clearing Members is limited to the amount of the Allocated Capital of the CC.

The amount of the CC Allocated Capital is three (3) million US dollars.

13.3. If the Allocated Capital is used, the CC decides on the replenishment of the Allocated Capital.

Article 14. Default Funds

14.1. The CC forms one or more Default Funds out of the contributions of the Clearing Members.

14.2. Clearing Members make contributions to the Default Fund on the basis of the notification to the CC and these Rules.

14.3. Contributions to the Default Funds may be made in cash and/or securities.

Assets encumbered by a pledge may not constitute Default Funds.

14.4. The list of currencies and/or securities that can be contributed to the Default Funds is established by an internal regulation of the CC.

The maximum proportion of currency accepted as a contribution to the Default Funds is 100%. The said share may be reduced by a decision of the CC.

The marginal proportion of securities accepted as a contribution to the Default Funds should be determined by a decision of the CC and posted on the CC Website.

14.5. The CC independently decides on the starting date of formation of the Default Fund and inform the Clearing Members at least ten (10) business days prior to the starting date of the Default Funds by sending notifications as the Electronic Documents signed with a Digital Signature and/or in hard copy.

14.6. The aggregate amount of the Default Funds is determined by the CC on the basis of the need to maintain it at a level sufficient to cover potential losses of the CC in case of non-performance or improper performance of the obligations admitted to clearing by the two Clearing Members with the largest potential losses. In this case, the amount of potential losses is determined with a confidence probability determined at the level of 99.5%, taking into account the Collateral Assets of such Clearing Members and the Allocated Capital of the CC.

For the purposes of determining the adequacy of the aggregate amount of the Default Funds, the CC conducts stress-testing procedures and assesses the accuracy of the Central Counterparty model in accordance with the CC internal regulations. If the aggregate size of the Default Funds is insufficient to successfully pass the stress test and/or one of the reverse stress test scenarios is, in the judgement of the CC, plausible, the CC decides to increase the aggregate size of the Default Funds or to change the size of the Collateral Assets. If the stress test is successful and none of the reverse stress test scenarios are, in the judgement of the CC, plausible, the aggregate size of the Default Funds can remain unchanged. The CC may decide to reduce the aggregate size of the Default Funds provided that the stress test using the reduced aggregate size of the Default Funds is successful and none of the reverse stress test scenarios are, in the assessment of the CC, plausible.

Based on the aggregate amount of the Default Funds determined in accordance with this clause, the CC determines the minimum contribution of the Clearing Member to the relevant Default Fund (the "Contribution Amount") or its determination procedure. The Contribution Amount is determined in the Available Funds Currency.

14.7. Information on the Contribution Amounts of the Clearing Members to the Default Fund and/or the procedure for their determination are sent to the Clearing Members or Guarantors via the Electronic Document Management System and/or posted on the CC Website.

The amount of contributions set by the CC or the procedure for determining them should be the same for all Clearing Members of the same category. However, the procedure for determining the Contribution Amounts may take into account the volume of the Clearing Members' obligations cleared over a certain period of time and other indicators, which may have different values for different Clearing Members.

The CC notifies the Clearing Members of the respective Clearing Member's share in the Default Fund pursuant to the procedure set forth in these Rules and in the form set forth in the Clearing Regulations.

14.8. A person who fails to fulfil or improperly fulfils the obligation to make a contribution to the Default Fund is liable to compensate in full the losses incurred by the CC as a result of their failure to fulfil or improper fulfilment of the said obligation.

Article 15. Procedure for Calculating the Amount of Available Funds

15.1. The value of the Available Funds is used to check the possibility for the Clearing Member to submit Orders to conclude Contracts, to send OTC Offers, to terminate obligations from Contracts/ Internal OTC Contracts, to return Collateral Assets to the Clearing Member, to submit the Margin Call and to monitor its execution. The said check is carried out based on the analysis of changes in the value of the Clearing Member's Available Funds both before and after the actions specified in clause 15.2 hereof.

15.2. The CC calculates the amount of the Available Funds in case of change in the amount of the Collateral Assets of the Clearing Member, in case of submission by the Clearing Member of the Orders for conclusion of the Contracts, withdrawal or cancellation of such Orders, conclusion by the Clearing Member of the Contracts/ Internal OTC Contracts, submission by the Clearing Member of the OTC Offer, performance/ termination of the obligations under the Contracts/ Internal OTC Contracts, change in the risk parameters.

15.3. The amount of Available Funds of the Clearing Member is calculated taking into account the Announced Orders and OTC Offers of this Clearing Member.

15.4. The CC calculates the following values:

15.4.1. The amount of Available Funds for each TCA of the Clearing Member:

$$AF_{TCA} = CLT_{TCA} - IM_{TCA}$$

where:

$\mathbf{AF_{TCA}}$ - the value of the Clearing Member's TCA Available Funds in the Available Funds Currency;

$\mathbf{CLT_{TCA}}$- the value of the estimated value of the Collateral Assets under this TCA, in the Available Funds Currency;

$\mathbf{IM_{TCA}}$ - the Collateral amount for the positions accounted under the position accounting register/position accounting registers grouped under one TCA, the Announced Orders and the OTC Offers containing this TCA, in the Available Funds Currency.

15.4.2. The amount of the Clearing Member's Available Funds:

$$AF_{CM} = \sum\nolimits_{TCA \notin B} AF_{TCA} - AdM + \sum\nolimits_{TCA \in B} min(AF_{TCA}; 0)$$

where:

$\mathbf{AF_{CM}}$ - the amount of the Clearing Member's Available Funds on the CC market in the Available Funds Currency;

$\boldsymbol{AF_{TCA}}$ - the value of the Clearing Member's TCA Available Funds in the Available Funds Currency;

$\sum_{\mathbf{TCA} \notin \mathrm{B}}$ – $\sum_{TCA \notin B}$ – - amount of Available Funds for all Clearing Member's TCAs, except for the Separate TCAs (the "TCA Group");

$\sum_{\mathbf{TCA} \in \mathrm{B}}$ – the amount of Available Funds for all Separate TCAs of the Clearing Member;

AdM– means the value of the Additional Collateral taken into account as a claim of the CC against the Clearing Member in the Available Funds Currency.

15.5. The Collateral amount and the Additional Collateral amount are calculated on the aggregate of the positions and the announced Orders, the sent OTC Offers using the risk parameters determined in accordance with the Methodology for Establishing and Modifying Risk Parameters.

15.6. A change in the risk parameters will result in recalculation of the Collateral and Additional Collateral.

15.7. The list of Available Funds Currencies is established by the CC and disclosed on the CC Website.

Article 16. Margin Calls

16.1. The CC holds a clearing session within the term set forth in the Clearing Regulations in order to revalue the Collateral Assets and the funds constituting the contributions to the Default Funds and the obligations and claims of the Clearing Member (the "Clearing Session"), during which the CC:

- sets risk parameters in accordance with the Methodology for Establishing and Modifying Risk Parameters;
- controls the Collateral Assets sufficiency for each Clearing Member under the obligations arising from the Contracts / Internal OTC Contracts;
- identifies the Clearing Members with Margin Calls and the amounts of those Margin Calls;
- monitors the compliance of the Clearing Members with the contribution requirements of the Default Funds in the Contribution Amount. If the Clearing Members or Guarantors fail to comply with this requirement, the CC requires such Clearing Members to replenish the contribution to the Default Funds.

16.2. The Margin Call on the CC market arises against the Clearing Member if the value calculated according to the formula below is a negative value:

$$\mathrm{MC_{CM}} = \min(\sum\nolimits_{\mathrm{TCA}\in\mathrm{B}} \mathrm{AF_{TCA}} - \mathrm{AdM}; 0) + \sum\nolimits_{\mathrm{TCA}\in\mathrm{B}} \min(\mathrm{AF_{TCA}}; 0)$$

where:

$\mathrm{MC_{CM}}$ means the value of the Margin Call for the Clearing Member in the Available Funds Currency;

$\mathrm{AF_{TCA}}$ - the value of the Clearing Member's TCA Available Funds in the Available Funds Currency;

$\sum_{\mathbf{TCA}\in\mathrm{B}}$ – the amount of Available Funds for the TCA Group;

$\sum_{\mathbf{TCA}\in\mathrm{B}}$ – - the amount of Available Funds for all Separate TCAs of the Clearing Member;

AdM means the value of the Additional Collateral, recorded as a claim of the CC against the Clearing Member, in the Available Funds Currency.

16.3. The Margin Call arising for the Clearing Member after the Clearing Session should be settled by the Clearing Member not later than the time stipulated in the Clearing Regulations.

The Margin Call of the Clearing Member is considered fulfilled when the Margin Call calculated according to the formula specified in clause 16.2 hereof becomes a non-negative value.

16.4. The Margin Call should be fulfilled by the Clearing Member by contributing the Collateral Assets as set out in Article 19 hereof.

The Margin Call is also considered to have been met if the following actions result in a reduction in the amount of the Collateral and/or an increase in the Available Funds amount:

- performance of obligations under matured Settlement Date Contracts / Settlement Date of the Principal Obligation / Settlement Date / date of performance of the obligation to pay the Variation Margin / date of performance of the Other Obligation and/or matured Internal OTC Contracts;
- withdrawal of announced Orders/ sent OTC Offers;
- entering into Contracts/ Internal OTC Contracts.

Article 17. Consequences of Violating the Margin Call

17.1. If a Clearing Member violates the Margin Call, the CC applies the Forced Closure Procedure to such Clearing Member in accordance with this Article.

The CC notifies the Trading Platform of the impossibility of registering new Orders submitted by the Debtor.

The CC notifies the Debtor of the inability to accept the OTC Offers sent.

The CC notifies the Trading Platform of the need to delete the registered Orders submitted by the Debtor.

The CC carries out the Forced Closure Procedure until one of the following events occurs: the execution of the Margin Call or the termination of the recording of obligations and claims on the position register relating to the TCA in respect of which the forced closure was carried out.

If the Clearing Member having the Margin Call has negative Available Funds on the Segregated TCA, the Forced Closure Procedure applies first to such TCA until the Available Funds of the Separate TCA cease to be negative.

If after the forced closure in respect of the Separate TCA the Available Funds of this Separate TCA cease to be negative, but the Margin Call to the Clearing Member remains outstanding, the CC carries out the forced closure in respect of the TCAs belonging to the TCA Group.

17.2. To carry out a Forced Closure Procedure, the CC is entitled to:

- enter into Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements in respect of CC on behalf of the Clearing Member not having fulfilled the Margin Call, without a special authority (Power of Attorney), and without consent of this Clearing Member; and/or
- conclude Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements, without sending OTC Offers and OTC Acceptances.

17.3. Conclusion of Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements without submitting Orders, without sending OTC Offers and OTC Acceptances when applying the Forced Closure Procedure is subject to, inter alia, the following conditions:

- if on the position accounting registers of the Clearing Member not fulfilling the Margin Call, which relate to different TCAs, the opposite positions arisen in connection with the concluded Contracts/ Internal OTC Contracts are accounted, the CC first of all concludes Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements without submitting Orders/ Orders of the Trading Platform (without sending OTC Offers and OTC Acceptances) of the opposite direction with the Clearing Member not fulfilling the Margin Call, and secondly with other Clearing Members and with a Clearing Member who has not fulfilled a Margin Call;

- Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements without submitting Orders (without sending OTC Offers and OTC Acceptances) are concluded by the CC with the Clearing Members, on the position accounting registers of which the position opposite to the position of the Clearing Member not fulfilling the Margin Call is accounted, and with this Clearing Member. The said contracts are concluded in the volumes proportional to the volume of the position in the given security/ Derivative Contract/ currency of each Clearing Member with whom the CC concludes contracts;

- in case of impossibility to conclude Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements in accordance with the third paragraph of this clause, the CC concludes the relevant contracts without submission of Orders (without sending OTC Offers and OTC Acceptances) with the Clearing Members, on the position accounting registers of which the position opposite to the position of the Clearing Member not fulfilling the Margin Call is not recorded, and with this Clearing Member. The said contracts are concluded in amounts proportionate to the value of the Collateral Assets of each Clearing Member with which the CC concludes contracts;

- if the CC concludes the Sale and Purchase Agreements / Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements without submission of Opposite Orders (without sending OTC Offers and OTC Acceptances) with the Clearing Member not fulfilling the Margin Call, whose position registers record the opposite positions, the price of such contracts is considered equal to the last Settlement Price determined;

- the conclusion price of the Sale and Purchase Agreement/ Derivative Contract/ Internal OTC Sale and Purchase Agreement/ Internal OTC Currency Sale and Purchase Agreement, where the buyer (seller) is the Clearing Member who has not fulfilled the Margin Call, are considered equal to the Upper (Lower) Forced Closing Price determined at the last Clearing Session according to the Methodology for Establishing and Modifying Risk Parameters. The conclusion of a Sale and Purchase Agreement/ Internal OTC Sale and Purchase Agreement, the subject of which is a security taken into account in determining the value of the Collateral Assets at a discount of 100%, is made at a price determined on the basis of an expert evaluation by the CC.

When establishing a price value on the basis of expert evaluation, the CC should, inter alia, ensure that the said price value is between the minimum price of a security and the maximum price of a security determined in relation to the security which is the subject of the Sale and Purchase Agreement/ Derivative Contract/ Internal OTC Sale and Purchase Agreement by the exchange on which the said security is listed as of the date of conclusion of the relevant agreement.

If a security is not listed on an exchange, the Internet sites where information on the specified values is disclosed are used to determine the values of the minimum price of the security and the maximum price of the security. For the purposes of this clause, the CC uses the current values of the minimum security price and the maximum security price as at the moment of conclusion of the Purchase and Sale Agreement/ Derivative Contract/ Internal OTC Sale and Purchase Agreement.

17.4. Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements/ Internal OTC Currency Sale and Purchase Agreements concluded under the Forced Closure Procedure, are taken into account when calculating the Net Obligations/ Net Claims of the Clearing Member in cash/ securities/ under the Contracts on the relevant Settlement Dates/ under the Derivative Contracts on the relevant Settlement Dates of the Principal Obligation, Payment Dates, dates of performance of the obligation to pay the Variation Margin, dates of performance of Other Obligations/ Internal OTC Sale and Purchase Agreements Settlement Dates.

17.5. If, after the Forced Closure Procedure, the Clearing Member has an outstanding Margin Call, it is recorded as Debt and the Clearing Member is recognised as the Debtor.

17.6. The CC, in order to repay the Debt, uses the Debtor's Collateral Assets. Such funds are used to repay the Debt of the Clearing Member without the consent of, and without prior notification to, the Clearing Member.

If the Debtor has negative Available Funds on the Separate TCA, the Debtor's Debt in the amount equal to the absolute value of the said negative Available Funds should be repaid from the Collateral Assets recorded on the cash and depositary registers relating to such Separate TCA. If after the said use of the Collateral Assets the negative value of the Available Funds remains on such Separate TCA, the Debtor's Debt in the amount equal to the absolute value of the said negative Available Funds is repaid out of the Collateral Assets recorded on the Clearing Member's own TCA. However, the CC is entitled to carry out the Forced Closure Procedure in respect of the Clearing Member's own TCAs.

If the Debtor has negative Available Funds under the TCA Group, the Debtor's Debt in the amount equal to the absolute value of the amount of negative Available Funds under the TCA Group is repaid out of the Collateral Assets recorded on the cash and depositary registers relating to the TCAs belonging to the TCA Group.

17.7. If the Debtor holds the Collateral Assets in a currency other than the Available Currency (the "other currency"), the CC uses the Debtor's Collateral Assets in the said other currency to repay the Debtor's Debt by selling the said other currency for the Available Funds Currency.

The Debtor's Debt is repaid by exchanging the Debtor's Collateral Assets in other currency for the Available Funds Currency at the exchange rate at the time of the transaction.

For the purpose of these Rules, the said replacement of the property constituting the object of the Collateral Assets is referred to as replacement of the currency of the cash recorded as the Collateral Assets.

The amount resulting from the replacement of the Debtor's Collateral Assets is credited to the Debtor's Debt by the CC.

The amount of the Debtor's Collateral Assets in another currency on the relevant cash register is reduced by the amount of the Debtor's Collateral Assets in other currency used in accordance with this clause.

17.8. If the Debtor holds the Debtor's Collateral Assets in securities, the CC at its discretion uses the Debtor's Collateral Assets in such securities for the purpose of repaying the Debtor's Debt by selling such securities.

Securities may be sold by the CC at the Trading by entering into Contracts, including in relation to itself personally, on behalf of the Debtor whose Collateral Assets are used to repay the Debt, without a special authorisation (Power of Attorney), and without the Debtor's consent. The CC sells securities at the highest possible price and on the terms and conditions determined in accordance with the Business Rules.

Securities may be sold by the CC by entering into Internal OTC Sale and Purchase Agreements in relation to itself personally on behalf of the Debtor whose Collateral Assets are used to repay the Debt, without a special authorisation (Power of Attorney) and without the Debtor's consent. The CC sells the securities at a price determined on the basis of the CC's expert judgement. The price value is determined on the basis of expert assessment by the CC in compliance with the requirements for its determination in case of conclusion of the Sale and Purchase Agreements/ Derivative Contracts/ Internal OTC Sale and Purchase Agreements without submission of Orders, without sending OTC Offers and OTC Acceptances when the Forced Closure Procedure is applied.

17.9. If the sale of securities at the Trading by entering into Internal OTC Sale and Purchase Agreements on the basis of the OTC Offers is made for a currency other than the Available Funds Currency, the funds received from the sale of the securities are used to repay the Debtor's Debt by selling the said other currency for the Available Funds Currency in the manner prescribed by this Article.

17.10. The amount of cash received from the sale of the securities is credited to the Debtor's Debt by the CC.

17.11. The selection of the Collateral Asset to be used to repay the Debtor's Debt is made by the CC without prior notification to the Debtor.

17.12. If the Debtor does not have the Collateral Assets in another currency and/or securities or if the Debtor's Debt has not been repaid in full as a result of the use of the Debtor's Collateral Assets in another currency and/or securities by the CC and the Debtor has not contributed the collateral to repay the Debt, the CC is entitled to take action in accordance with Article 22 hereof and/or is entitled to claim from such Debtor the Debt in a court procedure.

Article 18. Procedure for the Use and Reimbursement of Default Funds and the Use of Allocated Capital

18.1. The Default Funds and the Allocated Capital are used to repay the Debtor's Debt.

18.2. The Debtor's contribution to the Default Fund is used to repay the Debtor's Debt by transferring the cash and/or securities constituting the said contribution towards the repayment of the said Debt.

18.3. If the Debtor's contribution to the Default Fund, denominated in a currency other than the Available Funds Currency, is used to repay the Debt, the amount resulting from the sale of the said currency for the Available Funds Currency should be transferred to repay the said Debt. The CC sells the currency for the Available Funds Currency under the conditions specified in Article 17 of these Rules.

If the Debtor's contribution to the Default Fund in securities is used to repay the Debt, the amount resulting from the sale of such securities for the Available Funds Currency should be transferred to repay the said Debt. The CC sells the securities for the Available Funds Currency under the conditions specified in Article 17 of these Rules.

18.4. Repayment of the Debtor's Debt from the Debtor's contribution to the Default Fund is made by the CC without the Debtor's consent and prior notification.

18.5. The Debtor's contribution to the Default Fund is reduced by the amount used to repay the Debtor's Debt.

18.6. If the Debtor's Debt has arisen due to the presence of negative Available Funds on the TCAs belonging to the TCA Group and the Debtor's contribution to the Default Fund was insufficient to fully repay the Debtor, the CC will forcibly close the Debtor on the Separate TCAs.

18.7. If the Debtor's Debt has arisen due to the presence of negative Available Funds on the Separate TCA and the Debtor's contribution to the Default Fund has been insufficient to fully repay the Debtor's Debt, the CC takes the following actions:

- performs the forced closure of the Debtor on the TCAs belonging to the TCA Group as well as on the Separate TCAs;
- uses the Collateral Assets recorded on the TCAs belonging to the TCA Group in the amount of the excess of the Additional Collateral over the amount of the Available Funds on the own TCAs. The Available Funds on own TCAs are defined as the sum of the Available Funds on all own TCAs.

The amount of the Additional Collateral and the amount of the Available Funds on own TCA are determined at the time of commencement of the actions referred to in clause 17.1 of these Rules.

18.8. If the Debt is not repaid in full, the CC reduces the amount of the Allocated Capital and the amount of the Indebtedness by the minimum value of the amount of the Debtor's Indebtedness and the amount of the said Allocated Capital.

18.9. If the Debtor's contribution to the Default Funds and the Allocated Capital of the CC are insufficient to fully repay the Debt of the Debtor, the CC uses the contributions of Bona Fide Clearing Members to the Default Fund in the Contribution Amount, for its repayment.

The Contribution Amount of the Bona Fide Clearing Members to the Default Fund is used to repay the Debtor's Debt by transferring cash and/or securities constituting the Contribution Amount to repay the said Debt.

If the contribution of the Bona Fide Clearing Member to the Default Fund in a currency other than the Available Funds Currency is used to repay the Debtor's Debt, the amount resulting from the sale of such currency for the Available Funds Currency should be transferred to repay the said Debt. The CC sells the securities for the Available Funds Currency under the conditions specified in Article 17 of these Rules.

If the contribution of the Bona Fide Clearing Member to the Default Fund in securities is used to repay the Debtor's Debt, the amount resulting from the sale of such securities for the Available Funds Currency should be transferred to repay the said Debt. The CC sells the securities for the Available Funds Currency under the conditions specified in Article 17 of these Rules.

The remaining Debtor's Debt is repaid in proportion to the contribution of each of the Bona Fide Clearing Members to the Default Fund. The contributions of the Bona Fide Clearing Members to the Default Fund are reduced by the amount of funds used to repay the Debtor's Debt.

The use of the contributions of the Bona Fide Clearing Members, other than the Debtor, to the Default Fund to repay the remaining Debtor's Debt is made by the CC without consent and prior notification to such Clearing Members.

18.10. The claims of the CC on the Debtor's Debt are terminated to the extent of the utilised contribution of the Debtor to the Default Funds, and the utilised contributions of the Bona Fide Clearing Members to the Default Fund in the Contribution Amount.

18.11. If the contributions of the Bona Fide Clearing Members to the Default Fund are insufficient to fully repay the Debtor's Debt, the CC performs actions aimed at reducing the claims of Bona Fide Clearing Members for the return of Collateral Assets for the amount of the remaining Debtor's Debt.

The claims of the Bona Fide Clearing Members to the CC on repayment of the Collateral Assets are reduced due to the claims of the CC to the Bona Fide Clearing Members included into the claims on the Additional Collateral in the securities market where the Debt is recorded and calculated due to the Debtor's Debt exceeding the liability of the Central Counterparty, in proportion to the value of the Collateral Assets of each Bona Fide Clearing Member (the “Additional Collateral for Liability Limitation”). The said claims included in the claims on the Additional Collateral are recorded on the TCAs of the Bona Fide Clearing Members designed to record the claims of the CC to the Clearing Member on the Additional Collateral.

In the course of clearing, the CC forms and provides the Clearing Members with information on the calculated claims on the Additional Collateral as prescribed by Article 35 hereof.

18.12. In the event of full or partial settlement of the Debt by the Debtor after the CC first made the claims on the Additional Collateral for Liability Limitation, the CC shall proportionately reduce the amount of the claims on the Additional Collateral for Liability Limitation for each Bona Fide Clearing Member.

If, on the 3rd (third) Settlement Day after the CC first made the claims on the Additional Collateral for Liability Limitation, the Debt has not been fully settled by the Debtor, the CC's obligations to return the Collateral Assets to such Bona Fide Clearing Members shall terminate to the extent of the amounts of the claims on the Additional Collateral for Liability Limitation against the Bona Fide Clearing Members, and the said Collateral Assets shall be used to settle the Debtor's Debt. In this case, the CC shall cease to make the claims determined in accordance with this Article of the Rules against the Bona Fide Clearing Members.

The amount of the Debt shall be reduced by the amount of the Collateral Assets of the Bona Fide Clearing Members used to settle the Debtor's Debt in accordance with this clause.

18.13. The Debtor shall be obliged, within 2 (two) Settlement Days after the full discharge of the Debtor's Debt, to reimburse the CC for the Collateral Assets of the Bona Fide Clearing Members, the funds of the Default Funds and the Allocated Capital used for the purposes of discharging the Debtor's Debt.

A notice of the need to reimburse the Collateral Assets of the Bona Fide Clearing Members, the funds of the Default Funds and the Allocated Capital used for the purposes of discharging the Debt, containing information on the aggregate amount of the funds used which are subject to reimbursement by the Debtor and on the period within which the said funds must be reimbursed, shall be sent to the Debtor in the form of an Electronic Document signed with an Electronic Signature and/or in hard copy, no later than the Settlement Day following the date of the full discharge of the Debtor's Debt.

In the event of a breach by the Debtor of the obligation to reimburse the Collateral Assets of the Bona Fide Clearing Members, the funds of the Default Funds and the Allocated Capital used for the purposes of discharging the Debtor's Debt, the CC shall be entitled to claim from the Debtor, through the courts, the reimbursement of the said funds and compensation in full for the losses caused by the breach of the said obligation.

The CC shall use the funds reimbursed by the Debtor to return the Collateral Assets of the Bona Fide Clearing Members, as well as to increase the amount of contributions to the Default Funds and the Allocated Capital, in the following order of priority:

- firstly, the Collateral Assets of the Bona Fide Clearing Members shall be returned in the amount used to discharge the Debtor's Debt;

- secondly, the amount of the contributions of the Bona Fide Clearing Members to the Default Fund shall be increased by the amount of the said contributions used to discharge the Debtor's Debt;

- thirdly, the amount of the Allocated Capital shall be increased.

The use of the funds reimbursed by the Debtor to return the Collateral Assets of the Bona Fide Clearing Members, as well as to increase the amount of contributions to the Default Funds and the amount of the Allocated Capital, within each subsequent order of priority shall be carried out after the due return of the Collateral Assets or increase in the amount of contributions within the preceding order of priority.

In the event that the funds reimbursed by the Debtor are insufficient to return the Collateral Assets of the Bona Fide Clearing Members to each Bona Fide Clearing Member in full, the return of the Collateral Assets to the Bona Fide Clearing Members shall be carried out in proportion to the amount of the Collateral Assets used of each of the Bona Fide Clearing Members.

In the event that the funds reimbursed by the Debtor are insufficient for the due increase in the amount of contributions of all Bona Fide Clearing Members to the Default Fund, the increase in the amount of the said contributions shall be carried out in proportion to the amounts of the contributions of the Bona Fide Clearing Members used to discharge the Debtor's Debt.

In the event that the Debtor has not reimbursed in full, within the established period, the funds of the Default Fund used, each person whose contributions to the Default Fund were used to discharge the Debtor's Debt shall be obliged, within 2 (two) Settlement Days after the CC has sent it the relevant notice, to contribute funds and/or securities towards the increase of its contribution to the Default Fund up to the Contribution Amount.

SECTION IV. PROCEDURE FOR DEPOSIT, USE AND RETURN OF COLLATERAL ASSETS

Article 19. Procedure for deposit, use and return of collateral assets

19.1. The Collateral Assets may include monetary funds included in the List of Currencies, securities included in the List of Securities as Collateral Assets.

The list of securities and the list of currencies which can be deposited as Collateral Assets is determined by a decision of the CC and published on the CC Website.

19.2. The marginal proportion of currency accepted as Collateral Assets is 100%. The said share may be reduced by a decision of the CC.

The marginal proportion of securities included in the List of Securities and included in the List of Securities as Collateral Assets included in the Collateral Assets is 100%. The said share may be reduced by a decision of the CC. The marginal proportion of securities included in the List of Securities as Collateral Assets and not included in the List of Securities included in the Collateral Assets are set by the CC resolution.

19.3. The CC is entitled to set a maximum number of securities and a maximum amount of currency accepted as Collateral Assets. The maximum number of securities and currencies accepted as Collateral Assets is set by the internal regulations of the CC, which determines the methodology for selection and evaluation of currencies and/or securities accepted as collateral.

19.4. The amount of requirements imposed by the CC on the Clearing Members to contribute Collateral Assets is set in accordance with the Methodology for Establishing and Modifying Risk Parameters.

19.5. Collateral Assets are used:

- to secure the fulfilment and/or performance of obligations under the Contracts, Internal OTC Contracts, as well as obligations to pay Clearing Fees, Depositary Fees and Trading Fees;

- to secure the performance and/or fulfilment of other obligations admitted to clearing in accordance with these Rules.

19.6. Deposit of the Collateral Assets in currency is possible in the following ways:

- by transferring cash to the Clearing Account;

- by transferring funds between the cash registers on the basis of a transfer order submitted by the Clearing Member using the System;

- by transferring funds between the cash registers on the basis of an application for exchange of cash recorded as Collateral Assets;

- by transferring funds between the cash registers in connection with the performance of the Total Net Obligations/Net Claims by the Clearing Members in accordance with these Rules;

by transferring funds between cash registers opened for Clearing Members for the separate accounting of the Clients' assets of the Clearing Members, which constitute Collateral Assets, when the CC performs actions related to debt transfer, assignment of claims, and transfer of assets in accordance with Article 41 of these Rules;

- by increasing the amount of Collateral Assets in cash within the cash register in accordance with Article 18 of these Rules.

Where there is a debt on a TCA in the currency in which funds are contributed to be recorded as Collateral Assets under such TCA, that debt shall be discharged in full or in part. In such case, the amount of the funds contributed, reduced by the amount of funds used to discharge the debt, shall be recorded as Collateral Assets in the cash register.

19.7. Transfer of cash to the Clearing Account for the purpose of its further accounting as the Collateral Assets is made with obligatory indication in the purpose of payment of the cash transfer, number of the clearing service agreements and respective TCA.

The CC records the funds transferred to the Clearing Account as the Collateral Assets under the cash register that corresponds to the Clearing Member's TCA indicated in the purpose of payment, after receipt of the information

message from the Settlement Organisation on the Clearing Account of the CC containing information on the said transfer, and recalculate the Clearing Member's Available Funds under the TCA indicated in the purpose of payment, with account of the transferred cash amount.

If the funds are credited to the Clearing Account under settlement documents with incorrect or incomplete purpose of payment, such funds are not included in the Collateral Assets. The payer should provide a letter confirming the appropriate purpose of the payment for the deposit of the Collateral Assets as the Electronic Document signed with a Digital Signature. Letter indicated in this paragraph can be sent to CC by the bank being the sender of funds under settlement documents with incorrect or incomplete purpose of payment via SWIFT system.

19.8. The transfer between the cash registers are accepted by the CC for execution if the amount of cash in the relevant currency, indicated by the Clearing Member in the order, does not exceed the amount of cash in the same currency, recorded as the Collateral Assets of the Clearing Member for the cash register from which the cash is written off, and if the Clearing Member's Available Funds under the TCA corresponding to the cash register from which the cash recorded as the Collateral Assets of the Clearing Member is to be written off do not become negative as a result of such write-off, or negative Available Funds of the Clearing Member under the TCA corresponding to this cash register do not decrease as a result of such write-off.

Upon execution of the cash transfer order, the amount of cash of the Clearing Member recorded as the Collateral Assets on the cash register from which the cash is debited should decrease, and on the cash register to which the cash is credited should increase by the amount of the cash to be transferred.

19.9. After the cash is credited to the Clearing Account and recorded as the Collateral Assets on the cash register, the CC should have the obligation to return the cash to the Clearing Member recorded on the relevant cash register.

19.10. Refund by the CC to the Clearing Member of the funds recorded as the Collateral Assets is made on the basis of the Refund Order.

The cash recorded as Collateral Assets on the cash register of the Clearing Member are returned to the Account registered with the CC for the cash return.

The Refund Order must contain the Clearing Member's TCA, the currency and the amount of cash to be refunded. The Refund Order is sent by the Clearing Member in electronic form using the System or as the Electronic Document signed with a Digital Signature.

The CC is entitled to require from the Clearing Member submitting the refund order the documents required by the Settlement Organisation for debiting the funds from the Clearing Accounts.

The refund of cash to the Clearing Member by the CC under the Refund Order of cash from the Collateral Assets should be executed under the following conditions:

- if the amount of cash in the respective currency indicated by the Clearing Member in the order does not exceed the amount of cash in the same currency recorded as the Collateral Assets of the Clearing Member on the cash register from which the cash should be written off;
- if the balance on the cash register after debiting it will be sufficient to secure the performance of the cash liabilities, including to secure the performance of cash liabilities;
- if the value of the Clearing Member's Available Funds for the TCA corresponding to the cash register from which the cash recorded as the Collateral Assets of the Clearing Member should be written off, as well as the value of Available Funds of the Clearing Member do not become negative as a result of such write-off and the value of the estimated value of the Collateral Assets of the Clearing Member does not become less than the obligations on transfer of the Income, if the Clearing Member has such obligations;
- if the value of Available Funds of the Clearing Member for the TCA corresponding to the cash register from which the cash recorded as the Clearing Member's Collateral Assets is to be written off, as well as the value of Available Funds of the Clearing Member were negative before such write-off, the said values of Available Funds calculated with such writing off will not become lower than the values of Available Funds calculated before such writing off.

If the Clearing Member submits the free-form application form, the CC performs the check referred to in the two previous paragraphs not in respect of the TCA corresponding to the cash register from which the cash recorded as the Collateral Assets of the Clearing Member should be written off, but in respect of the TCA Group of the Clearing Member, which includes such TCA, with subsequent check of sufficiency of Available Funds of the Clearing Member to make refund in the manner described in this paragraph.

The CC may refund to the Clearing Member in accordance with the cash refund order in case of non-fulfilment of the said conditions within the amount equal to the value of the Total Net Cash Claim of the Clearing Member to be fulfilled on the date of receipt of the Refund Order. In this case, if there are conditions specified in clause 24.10 hereof, the CC carries out the procedure for settlement of improper obligations in respect of the said Clearing Member within the procedure specified in Article 25 hereof, and if the said Clearing Member violates the Margin Call, the CC applies the Forced Closure Procedure to it within the procedure specified in Article 17 hereof.

After write-off of cash from the Clearing Account of the Clearing Member by the Settlement Organisation, the Refund Order is considered fulfilled, the amount of cash in the respective currency recorded as the Clearing Member's Collateral Assets under the cash register from which the cash was written off should decrease by the amount of returned cash, the obligation of the CC on return of cash in the amount of write-off is considered terminated.

19.11. The term for submitting Refund Orders are set out in the Clearing Regulations. If the refund order is submitted later than the time specified in the Clearing Regulations, the Refund Order is accepted for execution within the next business day of the CC and the Settlement Organisation.

19.12. The currency of cash recorded as the Collateral Assets may be replaced with another currency of cash recorded as the Collateral Assets on the basis of the application form for replacement of the currency of cash recorded as the Collateral Assets submitted by the Clearing Member to the CC.

An application form for replacement of the currency of cash held as Collateral Assets may be executed by the CC only on condition that the maximum amount of currency accepted as Collateral Assets set by the CC is not exceeded. Execution of the said application form is considered to be the CC consent to exchange the currency of the funds recorded as Collateral Assets.

Currency exchange of cash held as Collateral Assets is carried out by the CC as follows:

- The application form for the replacement of cash recorded as Collateral Assets is sent by the Clearing Member as the Electronic Document signed with a Digital Signature or via the System in form of the electronic message signed by the WSE. The said application form should specify the currency and amount of money to be recorded as Collateral Assets to be exchanged;

- Cash accounted for as Collateral Assets should be replaced by the CC at the exchange rate at the time of the transaction.

- The CC executes the application form for replacement of the currency of the funds recorded as the Collateral Assets not later than within the time limits stipulated in the Clearing Regulations;

- The cash received as a result of currency sales are recorded by the CC as the Collateral Assets in the cash register relating to the same TCA as the cash collateral register where the cash was recorded prior to the procedure of currency exchange of the cash recorded as the Collateral Assets and recalculates the Clearing Member's Available Funds under this TCA, taking into account the changed currency of the cash recorded as the Collateral Assets.

The CC charges the Clearing Members for the replacement of the funds recorded as Collateral Assets in accordance with the tariffs set by the CC.

19.13. Securities Collateral Assets may be deposited by crediting the securities to the Trading Section of the Trading Custody Account.

19.14. Securities is credited to the Trading Custody Account on the basis of an order of the CC submitted to the Settlement Depositary and drawn up based on the order of the person to whom the Trading Custody Account is opened, or their authorised representative, submitted to the CC. The execution of the CC order to credit the securities to the Trading Custody Account is carried out by the Settlement Depositary in accordance with the internal regulations of the Settlement Depositary.

CC uses relevant clearing registers to register information on securities crediting to the Trading Section of Trading Custody Account upon receipt from Settlement Depositary of a report confirming securities crediting to the Trading Section of relevant Trading Custody Account.

Upon securities crediting to Trading Custody Account, CC becomes obliged to return securities to the Clearing Member.

The CC is entitled to make a decision in accordance with Article 40 of these Rules imposing restrictions on crediting securities on the Trading Custody Account. If such decision is made to impose restrictions, the CC informs the Clearing Members of such decision by sending an Electronic Document signed with a Digital Signature or on the CC Website.

19.15. Writing-off of securities from the Trading Custody Account is performed on the basis of the CC order submitted to the Settlement Depositary and drawn up based on the order of the person to whom the Trading Custody Account is opened, or their authorised representative, submitted to the CC. The execution of the CC order to debit the securities from the Trading Custody Account is carried out by the Settlement Depositary in accordance with the internal regulations of the Settlement Depositary.

Upon receipt by the CC of an instruction to debit securities from the Trading Section of the Trading Custody Account from the person to whom the Trading Custody Account is opened or its authorised representative, the CC decreases the Collateral Assets of the Clearing Member recorded in the relevant clearing registers and orders the Settlement Depositary to debit the securities from the Trading Section of the Trading Custody Account, subject to the following conditions:

1) in case of writing-off of securities, which are not included into the List of Securities as Collateral Assets included into the Collateral Assets, from the Trading Section of the Trading Custody Account – the number of securities to be written-off does not exceed the value of the relevant securities of the Clearing Member recorded in the depositary register.

2) when writing off securities which are included in the List of Securities as Collateral Assets included in the Collateral Assets from the Trading Section of the Trading Custody Account:

- the number of securities to be written off does not exceed the value of the relevant securities position of the Clearing Member;

- the value of the Clearing Member's Available Funds under the TCA, which includes the relevant securities position, as well as the value of the Clearing Member's Available Funds will not become negative as a result of such write-off;

if the value of Clearing Member's Available Funds under the TCA, which includes the relevant securities position, and the value of the Clearing Member's Available Funds were negative before such write-off, the said values of Available Funds calculated with such write-off will not become lower than the values of Available Funds calculated before such write-off;

- the amount of the estimated value of the Collateral Assets of the Clearing Member will not become less than the obligations to transfer the Income, if the Clearing Member has any such obligations.

The order for write-off of securities included in the List of Securities with Full Collateral should also not be executed by the CC if, as a result of its execution, the number of securities recorded in the depositary register of the

Clearing Member decreases, taking into account the settlement of the net obligations of the Clearing Member in the said securities admitted to clearing.

Upon receipt of an instruction to write off securities from the Non-Trading Section of the Trading Custody Account from the person to whom the Trading Custody Account has been opened or its authorised representative, the CC shall give an order to the Settlement Depositary to write off securities from the Non-Trading Section of the Trading Custody Account, provided that the number of securities to be written off does not exceed the number of securities recorded in the Non-Trading Section of the Trading Custody Account.

An order to debit securities from the Trading Custody Account of the person to whom the Trading Custody Account is opened or their authorised representative is considered to be executed from the moment the Settlement Depositary receives information from the CC on the debiting of securities from the Trading Custody Account.

The CC is entitled to make a decision in accordance with Article 40 of these Rules imposing restrictions on writing off securities from the Trading Custody Account. If such decision is made to impose restrictions, the CC informs the Clearing Members of such decision by sending an Electronic Document signed with a Digital Signature or on the CC Website.

19.16. The CC is entitled to request from the person to whom a Trading Custody Account is opened or their authorised representative, who has sent an order for debiting securities, to provide documents and/or information required by the Settlement Depositary when debiting securities from the Trading Custody Account. If the person to whom a Trading Custody Account has been opened or their authorised representative has not duly fulfilled the obligation to provide the mentioned documents and/or information to the CC, the CC is not liable for possible non-execution of the order of the Settlement Depositary to debit the securities from the Trading Custody Account. The procedure and deadline for providing the said documents and information is specified by the CC in the relevant request.

19.17. The CC may refuse to accept an order for crediting securities to a Trading Custody Account, debiting securities from a Trading Custody Account or transferring securities between Trading Custody Accounts when a corporate event which results in a change in the number of securities takes place. If the decision is made to impose restrictions on the acceptance of such orders, the CC informs the Clearing Members of such decision by sending an Electronic Document signed with a Digital Signature or on the CC Website.

19.18. The CC does not record cash and/or securities on the clearing registers of the TCA on the date of TCA registration and/or on the date of registration of the Trading Custody Account.

19.19. The term for submission of securities debit orders are stipulated in the Clearing Regulations. If the securities transfer order is submitted later than the time specified in the Clearing Regulations, the securities transfer order is accepted for execution on the next Settlement Day of the CC and the business day of the Settlement Depositary.

Information on the amount of the Collateral Assets and on changes in the amount of the Collateral Assets is transferred to the Clearing Member as part of the information provided by the CC to the Clearing Members according to Article 35 hereof.

Article 20. Procedure for Making and Returning a Contribution to the Default Funds

20.1. Upon notification to the CC of the starting date of the Default Funds and within the time period specified in the said notification, the Clearing Members are obliged to deposit cash and/or securities with which the Default Funds will be formed, in an amount not less than the Contribution Amount to the relevant Default Fund specified by the CC and specified in the notification.

20.2. The Clearing Members transfer cash to the Clearing Accounts designed to record the Default Fund with obligatory indication in the purpose of payment of the words "Default Fund", the type of Default Fund, number and date of the clearing service agreements.

The CC records the funds transferred to the Clearing Account as a contribution to the relevant Default Fund on the cash register corresponding to the TCA of the Clearing Member opened for accounting of the Default Funds, upon receipt from the Settlement Organisation of a statement on the Clearing Account containing the information, including the amount of contribution and the person who has provided the said contribution. The said cash transferred by the Clearing Member is accounted on the said cash register not before admission of this Clearing Member to clearing services.

Contributions to the Default Fund may be made by transferring funds from the TCA designated for the accounting of the Collateral Assets, subject to the conditions stipulated in clause 19.8 hereof.

20.3. Securities are credited to the Trading Custody Account designed to record the Default Fund Assets on the basis of the order of the CC, submitted to the Settlement Depositary and drawn up on the basis of the order of the Clearing Member or the Depositary submitted to the CC. The execution of the CC order to credit the securities to the Trading Custody Account is carried out by the Settlement Depositary in accordance with the internal regulations of the Settlement Depositary.

The CC records the securities transferred to the Trading Custody Account as a contribution to the relevant Default Fund in the depositary register corresponding to the TCA of the Clearing Member opened to record the Default Funds, upon receipt of the information from the Settlement Depositary.

A contribution of securities to the Default Fund may be made by transferring securities from the Trading Section of the Trading Custody Account intended for accounting Collateral Assets, subject to the conditions stipulated in clause 19.15 hereof.

20.4. The value of the currency and/or securities contributed to the Default Fund is determined in accordance with the procedure laid down in the Methodology for Establishing and Modifying Risk Parameters.

If the value of the currency and/or securities contributed to the Default Fund becomes less than the Contribution Amount, the CC notifies the Clearing Member of the need to increase the contribution to the Default Fund. The Clearing Member are obliged to increase their contribution to the Default Fund up to the Contribution Amount.

If the Clearing Member contributes cash and/or securities to the Default Fund in an amount exceeding the Contribution Amount, the full amount of the contributed cash and/or securities is recorded as the contribution to the Default Fund. The Clearing Member is entitled on the basis of the application form for refund of the contribution to the Default Fund to demand the refund of the amount of cash and/or securities in excess of the Contribution Amount.

20.5. If funds are received in the Clearing Accounts on payment orders with an incorrect or incomplete purpose of payment, these funds are not included in the Default Fund. The payer must submit a letter signed by the head and the chief accountant of the payer's organisation confirming the appropriate purpose of the payment for contributing to the Default Funds.

20.6. If the decision is made to increase the Contribution Amount, the CC notifies the Clearing Member of the necessity to contribute additional funds to the relevant Default Funds not later than fifteen (15) days before the date of increase in the Contribution Amount established by the decision.

Information on the increase of the Contribution Amount, on the need to pay additional cash in currency, and securities to increase the current contribution to the relevant Default Fund to the newly set Contribution Amount, as well as on the effective date of the changed Contribution Amount is posted on the CC Website and also sent to each Clearing Member as the Electronic Document signed with a Digital Signature and/or in hard copy.

20.7. Additional cash and securities contributed by the Clearing Member increase the Contribution Amount of the Clearing Member to the relevant Default Fund and the obligation of CC on refund of the cash and securities in the amount of the contribution made by the respective person.

20.8. Refund to the Clearing Member of its contribution to the relevant Default Fund is made at the discretion of the CC in the form of the property constituting the contribution of the Clearing Member to the relevant Default Fund or in cash the value of which is determined on the basis of the value of the property constituting the relevant Default Fund calculated as of the date of termination of the clearing service agreement in proportion to the contribution of such Clearing Member, pursuant to the procedure specified in clause 9.5 of these Rules.

20.9. The Clearing Member is entitled to submit to the CC an application for refund of the contribution to the Default Fund.

Upon receipt from the Clearing Member of the application form for refund of the contribution to the Default Fund, the CC immediately informs the Trading Platform in order to suspend/ terminate admission to participation in the Trading, except for the refund of the amount of cash and/or securities in excess of the Contribution Amount.

The Application for refund of the contribution to the Default Fund is executed by the CC not later than on the Settlement Day following the date of receipt of the said application form from the Clearing Member, provided that the Clearing Member has no Debt and/or outstanding obligations admitted to clearing.

Refunds of cash constituting the Clearing Member's contribution to the Default Fund is made to the accounts previously registered by the Clearing Member with the CC.

When executing an application form for the refund of a contribution to the Default Fund, the CC reduces the Applicant's Contribution Amount to the relevant Default Fund and its obligation to refund to the applicant the amount of its contribution to the Default Fund by the amount of the refunded money and/or securities.

SECTION V. PROCEDURE AND CONDITIONS FOR THE ADMISSION OF OBLIGATIONS TO CLEARING

Article 21. Procedure for Interaction With the Trading Platform When Submitting Orders and Concluding Contracts. Procedure and conditions for the admission of obligations to clearing

21.1. When the Trading Member submits the Order, an automated electronic digital request exchange between the Trading System of the Trading Platform and the Clearing System takes place to verify that:

- the Trading Member who has submitted the Order has a valid admission to clearing services;
- a security is included in the List of Securities, a Derivative Contract is included in the Derivatives List.

When submitting an Order an automated electronic digital request exchange between the Trading System of the Trading Platform and the Clearing System is also performed to check that the submission of the said Order will not result in a breach of the following conditions:

- the value of the Clearing Member's Available Funds under the TCA determined by the Submitted Order and the value of the Available Funds of the Clearing Member, calculated taking into account the Submitted Order/ Order of the Trading Platform, will not become negative;
- if the value of the Available Funds under the TCA determined by the Submitted Order and the value of the Available Funds of the Clearing Member were negative before the submission of the Order, the said values of the Available Funds calculated in view of the said Submitted Order will not become less than the values of the Available Funds calculated before the submission of the said Order.

When the Clearing Member submits the Order for conclusion of the Contract, subject to which are securities included in the List of Securities With Full Collateral, and where this Clearing Member is the Seller, the CC checks that the total number of securities under the Contract and the amount of net securities claims registered in the clearing registers included in the TCA, indicated in this Order, is not less than the number of securities required to perform the obligations arising from the Contract concluded on the basis of the mentioned Order.

The CC shall be entitled to establish a list of Derivative Contracts the performance of the obligation to pay the Premium under which requires full collateralisation. The said list of Derivative Contracts shall be disclosed on the CC's Website. Where a Clearing Member which is a Trading Member submits an Order for the conclusion of a Derivative Contract included in the said list, upon the conclusion of which that Clearing Member will be the Buyer, the

CC shall additionally verify that the amount of funds recorded in the cash register forming part of the TCA specified in that Order is not less than the amount of funds required for the performance of the obligation to pay the Premium.

21.2. If the conditions referred to in clause 21.1 hereof are fulfilled, the CC confirms that the Order can be registered in the Order Register. Such an Order is considered to be secured. In this case the Available Funds under the TCA determined by the Submitted Order, as well as the Available Funds of the Clearing Member shall be calculated taking into account the specified announced Order.

If at least one of the conditions specified in clause 21.1 hereof is not fulfilled, the CC notifies the Trading Platform that the Submitted Order cannot be registered in the Order Register. In this case, the value of the Clearing Member's Available Funds specified in the Order is not recalculated and considered to be equal to the last calculated value.

21.3. In case of cancellation of the Announced Order, the Trading Platform notifies the CC of this fact.

In case of withdrawal of the Announced Order in cases specified in the Business Rules, the automated electronic digital exchange of requests between the Trading System of the Trading Platform and the Clearing System shall be carried out in order to verify the possibility of its withdrawal. The CC notifies Trading Platform on refusal to withdraw the Announced Order in case of conclusion of a transaction on organised trading conducted by foreign exchanges or conclusion of an over-the-counter transaction. If the specified transactions are not concluded, the CC notifies the Trading Platform about the possibility of withdrawal of the Announced Order.

In case of cancellation or withdrawal of the Announced Order, the value of the Available Funds of the TCA determined by the Announced Order to be withdrawn or cancelled and the value of the Clearing Member's Available Funds, indicated in the Order, are recalculated without regard to the said Announced Order.

21.4. After the Contracts have been registered in the register of Contracts, an automated electronic digital information exchange between the Trading System of the Trading Platform and the Clearing System of the CC is carried out by the Trading Platform. The Trading Platform sends to the CC information about the registration of the Contract, on the basis of which the CC:

- calculates the amount of Available Funds under the TCA determined by the Announced Order under which the Contract was concluded, as well as the amount of the Clearing Member's Available Funds without regard to the Announced Order under which the Contract was concluded, but with regard to the said Contracts;

- changes, taking into account the said concluded Sale and Purchase Agreement/ Repurchase Agreement net obligation and/or net claim of the Clearing Member from the Contracts in cash and securities with the Settlement Date, corresponding to the Settlement Date under the concluded Contract accounted on the position accounting register corresponding to the TCA determined by the Announced Order under which the said Contract is concluded.

- shall change, taking into account the concluded Derivative Contract and the termination of the Offsetting Derivative Contracts, the position under Derivative Contracts of the Clearing Member, as well as the net obligation and/or net claim of the Clearing Member arising from Derivative Contracts in the currency, indicating the Payment Date under the concluded Derivative Contract, recorded in the position register corresponding to the TCA determined by the Announced Order on the basis of which the said Contract was concluded.21.5. Obligations arising from Contracts are accepted for clearing upon the CC receives information on the registration of the respective Contract in the register of Contracts. The said obligations are taken into account by the CC from the moment of their admission to clearing on the basis of the information on the registration of the concluded Contract in the register of Contracts received by the CC from the Trading Platform.

Article 22. Procedure for entering into Internal OTC Contracts on the basis of OTC Offers

22.1. The sending of OTS Offers is carried out using the System.

The CC may determine the list(s) of securities/ currency pairs in respect of which the OTC Offer(s) may be sent and/or the period(s) of time during which the OTC Offer(s) may be sent and/or other requirements to be met in connection with the sending of the OTC Offer(s) to be published on the CC Website. It is not permissible to submit an OTC Offer that does not comply with the established requirements.

For each security in respect of which an OTC Offer may be made, the CC sets the currencies in which the prices of this security are determined (the "Price Currency"), as well as the currencies in which the Internal OTC Contracts under the said securities are settled (the "Settlement Currency") and publishes the said information on the CC Website.

The CC may suspend or terminate OTC Offers, including OTC Offers in respect of certain securities/ currency pairs and/or OTC Offers containing certain settlement term.

22.2. When the CC sends the OTC Offer by the Clearing Member, it checks the following conditions:

- the Clearing Member submitting the OTC Offer has a valid admission to clearing services of the CC;

- The OTC Offer is sent within the time period set by the CC and during which OTC Offers may be sent;

- the security, in respect of which the OTC Offer is made, is (are) included in the list of subjects of obligations in the Obligations List and in the list of securities in respect of which OTC Offers may be made (if so established), as well as the price currency and the settlement currency specified in the OTC Offer are the currencies established by the CC for this security;

- currencies of the currency pair in respect of which the OTC Offer is sent are included in the list of subjects of obligations in the List of Obligations, as well as in the list of currency pairs in respect of which OTC Offers may be sent (if established);

- the OTC offer complies with the other requirements set out by the CC;

- the value of the Clearing Member's Available Funds under the TCA determined by the directed OTC Offer and the value of the Clearing Member's Available Funds calculated taking into account the OTC Offer, will not become negative;

- if the value of the Available Funds under the TCA defined by the directed OTC Offer and the value of the Available Funds of the Clearing Member were negative before the sending of the OTC Offer, the said values of the Available Funds calculated with the directed OTC Offer will not become lower than the values of the Available Funds calculated before the sending of the said OTC Offer.

- if the OTC Offer is aimed at conclusion of the Fully Collateralised Internal OTC Currency Contract, the CC checks that the total amount of the transferred currency under the Fully Collateralised Internal OTC Currency Contract and the amount of net claims for this currency, accounted on the clearing registers included in the TCA specified in this OTC Offer, are not less than the amount of currency required for fulfilment of the obligations arising from the Fully Collateralised Internal OTC Currency Contract concluded on the basis of this OTC Offer.

If the Clearing Member sends the OTC Offer for execution of the Internal OTC Contract, the subject of which are securities included in the List of Fully Collateralised Securities and in which this Clearing Member is the Seller, the CC should verify that the total number of securities under the Internal OTC Contract and the amount of net claims in securities, recorded on the clearing registers included in the TCA specified in this OTC Offer should not be less than the number of securities required to fulfil the obligations arising from the Internal OTC Contract concluded under this OTC Offer.

22.3. If the conditions specified in clause 22.2 of these Rules are fulfilled, the CC may conclude an Internal OTC Contract with the Clearing Member who sent the OTC Offer, and if there is a counter OTC Offer in relation to the sent OTC Offer, the CC is obliged to conclude an Internal OTC Contract.

If at least one of the conditions specified in clause 22.2 of these Rules is not fulfilled, the OTC Offer should not be sent and the CC should inform the Clearing Member that sent the OTC Offer that the OTC Contract cannot be concluded. In this case, the value of the Available Funds of the Clearing Member specified in the sent OTC Offer is not recalculated and is deemed to be equal to the last calculated value.

22.4. The OTC offers are sent to the System in the form of an electronic message signed by the WSE, according to the forms specified in the Clearing Regulations.

22.5. The OTC Offer may only contain data for one or more Internal OTC Contracts.

22.6. The Clearing Member sends the OTC Offer exclusively to CC for the purpose of concluding the Internal OTC Contract with CC.

22.7. The OTC Acceptance is generated by the CC in the System.

The Internal OTC Contract is concluded in the System between the Clearing Member who has submitted the OTC Offer and the CC.

Information on the execution of the Internal OTC Contract is sent to the Clearing Member via the System.

22.8. For the purposes of concluding the OTC Contract, the CC may use information on the prices and quantity of securities indicated in the bids submitted on a foreign exchange, obtained from organisations authorised to distribute the said information (hereinafter referred to as Information from a foreign exchange). The list of indicators constituting the Foreign Exchange Information, the start time and the end time of the use by the CC of the Foreign Exchange Information is determined by a decision of the CC. The CC may use Information from a foreign exchange in relation to one or more securities.

22.9. The OTC Offer may contain a Clearing Member Identifier assigned to a Clearing Member which may send an OTC Offer that has the opposite direction to the original OTC Offer (hereinafter referred to as the linked OTC Offer). If the OTC Offer and the bonded OTC Offer are sent, two Internal OTC Contracts will be concluded simultaneously between the CC and each of the Clearing Members that have sent the OTC Offer and the bonded OTC Offer.

22.10. For the purposes of this clause, an Internal OTC Contract means an Internal OTC Contract whose subject matter is a security.

Unless otherwise stated in this Article, the Internal OTC Contract is concluded between the Clearing Member and the CC, provided that the OTC Offer and the OTC Acceptance simultaneously satisfy the following conditions:

- the OTC Offer and the OTC Acceptance specify the same securities codes which will be the subject of the Internal OTC Contract;

- the price per security specified in the OTC Acceptance directed towards the purchase of the securities is not less than the price of the security specified in the OTC Offer directed towards the sale of the securities, or

- the price per security specified in the OTC Acceptance aimed at selling the securities is not higher than the price of the security specified in the OTC Offer aimed at buying the securities (for Internal OTC Sale and Purchase Agreements, if the OTC Offer specifies the price of the security);

- The Repurchase Rate indicated in the OTC Acceptance for the securities is not greater than the repurchase rate indicated in the OTC Offer for the securities or the repurchase rate indicated in the OTC Acceptance for the securities is not less than the repurchase rate indicated in the OTC Offer for the securities (for OTC Repurchase Agreements and Internal OTC Contract Pairs);

- the price of the first part of the OTC Repurchase Agreement specified in the OTC Offer is the same as the price of the first part of the OTC Repurchase Agreement specified in the OTC Acceptance (for OTC Repurchase Agreements);

- the First Contract price constituting a Internal OTC Contract Pair stated in the OTC Offer is the same as the First Contract price constituting a Internal OTC Contract Pair stated in the OTC Acceptance (for the execution of a Internal OTC Contract Pair);

- the settlement currency stated in the OTC Offer is the same as the settlement currency stated in the OTC Acceptance;

- the deadline for settlement of the obligations arising from the Internal OTC Contract stated in the OTC Offer is the same as the deadline for settlement of the obligations arising from the Internal OTC Contract stated in the OTC Acceptance.

If the OTC Offer does not specify the price of the security, the OTC Purchase and Sale Agreement is concluded at the best of the prices specified in the OTC Acceptances. The best of the prices indicated in the OTC Orders for the purchase of securities is deemed to be the highest of them and the best of the prices indicated in the OTC Orders for the sale of securities are deemed to be the lowest of them.

For the purposes of conclusion of the Internal OTC Contract, the OTC Acceptance aimed at purchase of securities shall mean the OTC Acceptance representing the consent of the CC to conclusion of the Internal OTC Contract with the Clearing Member, where the CCwill be the buyer under the Internal OTC Sale and Purchase Agreement/ under the first part of the OTC Repurchase Agreement/ under the First Contract constituting an Internal OTC Contract Pair.

For the purposes of conclusion of the Internal OTC Contract, the OTC Acceptance aimed at sale of securities shall mean the OTC Acceptance representing the consent of the CC to conclusion of the Internal OTC Contract with the Clearing Member, where the CCwill be the buyer under the Internal OTC Sale and Purchase Agreement/ under the first part of the OTC Repurchase Agreement/ under the First Contract constituting an Internal OTC Contract Pair.

If the OTC Offer contains the Clearing Member Identifier assigned to the Clearing Member who can send the linked OTC Offer, the Internal OTC Contract is concluded provided that the OTC Offer, the linked OTC Offer and the OTC Acceptances simultaneously satisfy the following conditions:

- the OTC Offer/ linked OTC Offer and OTC Acceptances contain the same securities codes which will be the subject of the Internal OTC Contract;

- the terms of settlement of the obligations from the Internal OTC Contract as specified in the OTC Offer, the bonded OTC Offer and the OTC Acceptances coincide;

- the prices per security stated in the OTC Offer, the linked OTC Offer and the OTC Acceptances are the same (for Internal OTC Sale and Purchase Agreements);

- Repurchase Rates stated in the OTC Offer, the linked OTC Offer and the OTC Acceptances are the same (for OTC Repurchase Agreements and Pair of Internal OTC Contracts);

- the prices of the first part of the OTC Repurchase Agreement as set out in the OTC Offer, the bonded OTC Offer and the OTC Acceptances are the same (for OTC Repurchase Agreements);

- the First Contract price constituting the OTC Internal OTC Contract Pair stated in the OTC Offer, the linked OTC Offer and the OTC Acceptances are the same (for the execution of the OTC Internal OTC Contract Pair);

- the number of securities stated in the OTC Offer, the linked OTC Offer and the OTC Acceptances are the same;

- the settlement currency stated in the OTC Offer bonded to the OTC Offer is the same as the settlement currency stated in the OTC Acceptances;

The Identifier of the Clearing Member stated in the OTC Offer and assigned to the Clearing Member who may send the bonded OTC Offer coincides with the Identifier of the Clearing Member who sent the bonded OTC Offer.

22.10.1. For the purposes of this sub-clause, an Internal OTC Contract means an Internal OTC Contract whose subject matter is a currency pair.

The following terms are used in relation to a currency pair:

- a currency pair consists of the First (Base) currency and the Second (Settlement) currency;

- currency pair price is the amount of the Second (Settlement) Currency paid per unit (or other number) of the First (Base) Currency;

- purchase means the purchase (receipt) of the First (Base) Currency and payment (transfer) of the Second (Settlement) Currency;

- sale means payment (transfer) of the First (Base) Currency and purchase (receipt) of the Second (Settlement) Currency.

Unless otherwise stated in this Article, the Internal OTC Contract is concluded between the Clearing Member and the CC, provided that the OTC Offer and the OTC Acceptance simultaneously satisfy the following conditions:

- the OTC Offer and the OTC Acceptance contain the same currency pair codes, the currencies of which will be the subject of this Internal OTC Contract;

- the price stated in the OTC Acceptance for purchase is not less than the price stated in the OTC Offer for sale, or

- the price specified in the OTC Acceptance for sale is not more than the price specified in the OTC Offer for purchase (for conclusion of Internal OTC Currency Sale and Purchase Agreement, if the OTC Offer specifies the price);

- Swap Rate specified in the OTC Acceptance to buy is not greater than the Swap Rate specified in the OTC Offer to sell or the Swap Rate specified in the OTC Acceptance to Sell is not less than the Swap Rate specified in the OTC Offer to Buy (for entering into Internal OTC Currency Swaps);

- the price of the First Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap specified in the OTC Offer coincides with the price of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap specified in the OTC Acceptance (for conclusion of Internal OTC Currency Swaps);

- the deadline for settlement of the obligations arising from the Internal OTC Contract stated in the OTC Offer is the same as the deadline for settlement of the obligations arising from the Internal OTC Contract stated in the OTC Acceptance.

If no price is specified in the OTC Offer, the Internal OTC Currency Sale and Purchase Agreement is concluded at the best of the prices specified in the OTC Acceptances. At that, the best of the prices indicated in the

OTC Acceptances for purchase shall be considered the highest of them, and the best of the prices indicated in the OTC Acceptances for sale shall be considered the lowest of them.

For the purposes of conclusion of the Internal OTC Contract, the OTC Acceptance to buy means the OTC Acceptance representing the consent of the Clearing Member to conclusion of the Internal OTC Contract with the Clearing Member, where the Clearing Member will be the buyer under the Internal OTC Currency Sale and Purchase Agreement/ the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap.

For the purposes of conclusion of the Internal OTC Contract, the OTC Acceptance to sell means the OTC Acceptance representing the consent of the Clearing Member to conclusion of the Internal OTC Contract with the Clearing Member, where the Clearing Member will be the seller under the Internal OTC Currency Sale and Purchase Agreement/ the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap.

If the OTC Offer contains the Clearing Member Identifier assigned to the Clearing Member who can send the linked OTC Offer, the Internal OTC Contract is concluded provided that the OTC Offer, the linked OTC Offer and the OTC Acceptances simultaneously satisfy the following conditions:

- the OTC Offer/ related OTC Offer and the OTC Acceptances contain the same currency pair codes, the currencies of which will be the subject of this Internal OTC Contract;
- the terms of settlement of the obligations from the Internal OTC Contract as specified in the OTC Offer, the bonded OTC Offer and the OTC Acceptances coincide;
- the prices specified in the OTC Offer, the bonded OTC Offer and the OTC Acceptances coincide (for the conclusion of Internal OTC Currency Sale and Purchase Agreement);
- Swap rates specified in the OTC Offer, the linked OTC Offer and the OTC Acceptances are the same (for entering into Internal OTC Currency Swap);
- the prices of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap specified in the OTC Offer, the bonded OTC Offer and the OTC Acceptances coincide (for entering into Internal OTC Currency Swap);
- the currency amounts stated in the OTC Offer, the linked OTC Offer and the OTC Acceptances coincide;

The Identifier of the Clearing Member stated in the OTC Offer and assigned to the Clearing Member who may send the bonded OTC Offer coincides with the Identifier of the Clearing Member who sent the bonded OTC Offer.

22.11. The Internal OTC Sale and Purchase Agreement is concluded at the price indicated in the OTC Acceptance in respect of the lower number of securities indicated in the OTC Offer and OTC Acceptance.

Internal OTC Sale and Purchase Agreements are concluded on the basis of the OTC Offer and the linked OTC Offer at the price specified in the OTC Acceptances and in the quantity specified in the OTC Acceptances.

22.11.1. The Internal OTC Currency Sale and Purchase Agreement is concluded at the price specified in the OTC Acceptance for the lesser amount of the First Currency from those specified in the OTC Offer and the OTC Acceptance.

The Internal OTC Currency Sale and Purchase Agreements are concluded on the basis of the OTC Offer and the linked OTC Offer at the price specified in the OTC Acceptances and in the amount specified in the OTC Acceptances.

22.12. An OTC Repurchase Agreement is concluded based on the Repurchase Rate specified in the OTC Acceptance in respect of the smaller number of securities specified in the OTC Offer and OTC Acceptance.

The OTC Repurchase Agreement is concluded on the basis of the OTC Offer and the bonded OTC Offer on the basis of the Repurchase Rate specified in the OTC Acceptances and in the amount of securities specified in the OTC Acceptances.

22.12.1. The Internal OTC Currency Swap is concluded on the basis of the Swap Rate specified in the OTC Acceptance in respect of the lesser amount of the First Currency specified in the OTC Offer and the OTC Acceptance.

The Internal OTC Currency Swap is entered into on the basis of the OTC Offer and the linked OTC Offer based on the Swap Rate specified in the OTC Acceptances and the amount of the First Currency specified in the OTC Acceptances.

22.13. A pair of Internal OTC Contracts is concluded based on the Repurchase Rate specified in the OTC Acceptance in respect of the lower number of securities specified in the OTC Offer and OTC Acceptance.

A pair of Internal OTC Contracts is concluded on the basis of the OTC Offer and the linked OTC Offer on the basis of the Repurchase Rate specified in the OTC Acceptances and in the amount specified in the OTC Acceptances.

22.14. Obligations under the Internal OTC Contract are included in the clearing pool in accordance with these Rules.

22.15. The CC when entering into an Internal OTC Contract:

- calculates the value of the Available Funds of the TCA specified in the OTC Offer/Linked OTC Offer and the value of the Available Funds of the Clearing Member
- changes taking into account the Internal OTC Contract concluded under the OTC Offer, the net obligation and/or the net claim of the Clearing Member under the Internal OTC Contracts in currency with indication of the Settlement Date in accordance with the terms of the said contracts, accounted on the position accounting register corresponding to the TCA indicated in the OTC Offer/ linked OTC Offer.

22.16. CC is entitled not to send the OTC Acceptance to the Clearing Member who sent the OTC Offer, unless there is a counter OTC Offer in relation to the sent OTC Offer. If the CC has not sent the OTC Acceptance to the Clearing Member, the OTC Offer sent by the Clearing Member is valid until the end of the Operating Day determined in accordance with the Methodology for Establishing and Changing Risk Parameters.

22.17. Information on the OTC Offer, on the concluded Internal OTC Contracts and on the obligations arising from these agreements are provided to the Clearing Members in accordance with the procedure stipulated in Article 35 of these Rules.

22.18. The CC admits obligations from Internal OTC Contracts to clearing at the time of the execution of the said contracts. These obligations are taken into account by the CC as soon as they are admitted to clearing.

22.19. The fair (estimated) value of an OTC Repurchase Agreement is determined based on the product of the estimated price of the security set by the CC in accordance with the Methodology for Establishing and Modifying Risk Parameters and the number of securities that are the subject of the OTC Repurchase Agreement.

SECTION VI. PROCEDURE FOR INCLUDING OBLIGATIONS IN THE CLEARING POOL. PROCEDURE FOR SETTLEMENT/TERMINATION OF OBLIGATIONS

Article 23. Types of clearing pools. Procedure for including obligations in clearing pools

23.1. The following clearing pools are formed by the CC for the purpose of clearing the obligations:

- obligations arising from the Contracts with Settlement Code Tn and Settlement Code TkTn (except for the obligations arising from the Intra-Brokerage Contracts and Intra-Brokerage Internal OTC Contracts), obligations to pay the Premium, Principal Obligations, obligations to pay the Variation Margin, Other Obligations arising in accordance with the Specification from certain Derivative Contracts determined by a decision of the CC, are included in the clearing pool under the Contracts in accordance with Article 24 of these Rules;
- obligations arising from the Intra-Brokerage Contracts and the Intra-Brokerage OTC Contracts are included in the clearing pool under the Intra-Brokerage Contracts in accordance with Article 24 of these Rules;
- obligations arising from Internal OTC Contracts with full collateral are included in the Clearing Pool under Contracts with full collateral with the CC in accordance with Article 27 of these Rules;
- obligations arising from Internal OTC Contracts (except for obligations arising from Internal OTC Currency Contracts with full collateral) are included in the OTC Clearing Pool in accordance with Article 24 of these Rules;
- obligations as defined in Article 24 of these Rules are included in the clearing pool in accordance with Article 24 of these Rules;
- obligations referred to in Article 28 of these Rules, obligations to pay the Variation Margin, obligations to pay the Premium, Principal Obligations, Other Obligations arising in accordance with the Specification from certain Derivative Contracts determined by a decision of the CC, are included in the clearing pool for the settlement of trades in accordance with Article 28 of these Rules;
- obligations indicated in Article 39 of these Rules are included in the liquidation clearing pool in accordance with Article 39 of these Rules.
- the obligations to pay the Variation Margin, the obligations to pay the Premium, the Principal Obligations, the Other Obligations arising in accordance with the Specification from certain Derivative Contracts established by a decision of the CC are included in the Derivatives Clearing Pool in accordance with Article 31 of these Rules.

An obligation to pay the Variation Margin / an obligation to pay the Premium / a Principal Obligation / an Other Obligation arising in accordance with the Specification from a Derivative Contract shall be included either in the clearing pool for Contracts, or in the Derivatives Clearing Pool, or in the clearing pool for the settlement of Trading results, on the basis of the relevant instruction in the CC's decision for such Derivative Contract.

The specified clearing pools cannot include obligations that are not cleared.

23.2. An obligation included in a clearing pool cannot be excluded from the relevant clearing pool.

Article 24. Procedure for the formation of the Contracts Clearing Pool, Settlement Clearing Pool, Intra-Brokerage Contracts Clearing Pool, and OTC Clearing Pool. Procedure for Settlement/Termination of Obligations Admitted to Clearing

24.1. To determine the Total Net Obligations/ Total Net Claims under the Contracts with Settlement Code Tn and TkTn Settlement Code, as well as under the Derivative Contracts, the CC should form a clearing pool under the Contracts, which should include the obligations arising from the Contracts, with Tn Settlement Code and TkTn Settlement Code, admitted to clearing in accordance with Articles 21 of these Rules with matured Settlement Dates, and the obligations under the Derivative Contracts admitted to clearing with matured Settlement Dates of the Principal Obligation / Settlement Dates / dates of performance of the obligation to pay the Variation Margin / dates of performance of Other Obligations.

24.2. The CC should form a clearing pool for the Contracts within the time limit stipulated in the Clearing Regulations:

1) The CC should include the Contracts in the clearing pool:

- obligations/ claims of the Clearing Members and CCs in cash and securities arising from the Contracts with Settlement Code Tn or Settlement Code TkTn with matured Settlement Date;
- the obligations / claims of the Clearing Members and the CC in respect of the payment of the Premium under a particular Derivative Contract with a Settlement Date that has fallen due;
- the Principal Obligations / claims of the Clearing Members and the CC under a particular Derivative Contract with a Settlement Date of the Principal Obligation that has fallen due;
- the obligations / claims in respect of the payment of the Variation Margin under a particular Derivative Contract with a performance date that has fallen due;
- the Other Obligations / claims under a particular Derivative Contract with a performance date that has fallen due;

- obligations to transfer/claim for the receipt of the Income, the amount and timing of which are determined in accordance with Article 30 of these Rules;

2) the obligations referred to in sub-clause 1 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 1 of this clause and recorded on the same position accounting registers as the said obligations, and the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member for each cash register/ Trading Custody Account.

24.3. To determine the Total Net Obligations/ Total Net Claims under the Internal OTC Contracts, the CC should form the OTC Clearing Pool, which should include the obligations arising from the Internal OTC Contracts (with the exception of obligations arising from Internal OTC Currency Contracts with full collateral) accepted for clearing in accordance with Article 22 of these Rules with matured Settlement Dates.

24.4. The CC forms the clearing pool of the OTC within the deadline set out in the Clearing Regulations:

1) The CC includes the OTC in the clearing pool:

- obligations/ claims of the Clearing Members and CC in cash and securities arising from Internal OTC Contract (with the exception of obligations arising from Internal OTC Currency Contracts with full collateral) with matured settlement date;

- obligations to transfer/claim for the receipt of the Income;

2) the obligations referred to in sub-clause 1 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 1 of this clause and recorded on the same position accounting registers as the said obligations, and the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member for each cash register/ Trading Custody Account.

24.5. Once the net obligations/ net claims have been determined in accordance with clauses 24.2 and 24.4 of these Rules, the CC should form the clearing pool. The specified clearing pool includes:

- the net obligations/ net claims on cash/ securities determined in accordance with sub-clause 2 of clause 24.2 of these Rules;

- the net obligations/ net claims on cash/ securities/ determined in accordance with sub-clause 2 of clause 24.4 of these Rules;

- the cash collateral register debt determined in accordance with Article 29 of these Rules upon the results of formation of the clearing pool for settlements at the end of the Trading Day, in case of the corresponding decision of the CC in accordance with Article 29 of these Rules.

24.5.1. Under the obligations/ claims included in the clearing pool in accordance with clause 24.5 of these Rules the CC should conduct netting (offsetting), following the results of which it determines net obligations/ net claims in cash and securities of the CC to each Clearing Member, as well as net obligations/ net claims in cash and securities of each Clearing Member to the CC. The said net obligations/ net claims are determined for each cash register/ Trading Custody Account. The Net Obligations/ Net Claims of the Clearing Member in respect of CCs determined in accordance with this clause constitute the Total Net Obligations/ Total Net Claims of such Clearing Member.

24.6. The Clearing Members are obliged to fulfil their Total Net Obligations within the time limit stipulated in the Clearing Regulations.

The CC is entitled to set the term within which the Clearing Members are obliged to fulfil their Total Net Obligations different from the term stipulated in the Clearing Regulations, of which the CC should notify the Clearing Members via the System, the CC Website and/or in the form of an Electronic Document signed with a Digital Signature not less than one (1) Settlement Day before the effective date of the CC decision on change of the said term.

The CC should fulfil its Total Net Obligations out of cash and securities received as a result of settlement of the Total Net Obligations of the Clearing Members and, except for settlement of the Total Net Obligations resulting from termination of obligations arising from the Contracts and Internal OTC Contracts, subject of which are Hong Kong issuers' Securities, free cash, securities of the CC, recorded on the Trading Custody Accounts.

Settlement of total net obligations/ total net claims is carried out in accordance with the procedure laid down in Clause 24.9 of these Rules.

The total net obligations/ total net claims arising from the clearing of obligations may be included in other clearing pools.

24.7. Settlement of the Total Net Claims of the Clearing Member determined in respect of the cash register/ Trading Custody Account relating to a certain TCA is possible only after that Clearing Member fulfils the Total Net Obligations determined in respect of the cash register/ Trading Custody Account relating to the same TCA.

24.8. To fulfil the Total Net Obligation of the Clearing Member in cash/ securities recorded in respect of a certain Cash Register/ Trading Custody Account, cash/ securities recorded in the same Cash Register/ Trading Custody Account should be used.

24.9. Unless otherwise stipulated by this article, the Total Net Obligation of the Clearing Member in cash/ securities may be performed for the cash register/ Trading Custody Account, in respect of which it is determined, if the amount of cash/ number of securities, recorded in the same cash register/ Trading Custody Account, is not less than the amount of the Total Net Obligation of the Clearing Member in cash/ securities, determined in the cash register/ Trading Custody Account.

The CC should execute the total net obligations/ total net claims on cash and securities in the following order:

- the total net obligation in cash is discharged by reducing the amount of the Cash Collateral Assets in respect of the cash register in respect of which the total net obligation to be discharged is determined by the amount of this total net obligation;

- if the Clearing Member has any Debt to CC in currency, such Debt is terminated (fully or partially) by offsetting with the counter Total Net Cash Claim of the same kind. The total net cash claim, subject to the termination

of the debt, is satisfied by increasing the amount of the Collateral Assets in respect of the cash collateral register in respect of which the total net claim to be settled is determined by the amount of this total net claim;

- for the settlement of the total net obligations/ total net claims in securities, the CC should transmit to the Settlement Depositary a consolidated custody order for the settlement of the Trading Section of the Trading Custody Account. Confirmation of the settlement of the total net obligations/ total net claims is the receipt by the CC of a report from the Settlement Depositary confirming the execution of the said order.

The total net obligation/ total net claim in cash is deemed to have been fulfilled at the moment of entering the changes in the accounting of the Clearing Member's clearing registers stipulated in this clause.

The total net obligation/ total net claim in securities is deemed to have been fulfilled when the CC receives the Settlement Report from the Settlement Depositary on the settlement of the consolidated order for settlement of the Trading Section of the Trading Custody Accounts. Information on their settlement is recorded on the Clearing Member's clearing registers.

24.10. In case of improper settlement by the Clearing Member to the CC of the total net obligation in securities, determined in accordance with clause 24.5.1. of these Rules, as a result of insufficient securities, recorded in depositary registers in respect of a certain Trading Custody Account, this Clearing Member is recognised as a Defaulting Clearing Member and the CC should perform actions aimed at settlement of the said total net obligation in the manner prescribed by Article 25 of these Rules.

24.11. After carrying out, in accordance with Article 25 of these Rules, the procedure for settlement of the total net obligations/ total net claims in securities, under which the Clearing Member has not properly fulfilled its obligations, the CC should form a clearing pool under the Contracts and/or the clearing pool of the OTC Clearing Members

On the Settlement Date of the first part of the Contracts in which the TkTn Settlement Code is specified, on the Settlement Date of the First Contracts constituting the Pairs of Contracts, on the Settlement Date of the first part of the OTC Repurchase Agreement concluded in the manner prescribed by Article 25 or Article 26 of these Rules:

1) The CC should include the Contracts in the clearing pool:

- obligations/ claims of the Clearing Members and CC in cash and securities arising from the Contracts with TkTn Settlement Code and from the Pairs of Contracts with matured Settlement Date concluded in accordance with Article 25 of these Rules;

- obligations/ claims of the Clearing Members and CC under the Donor Agreements that are Pairs of Exchange Contracts with matured Settlement Date;

2) The CC includes the OTC in the clearing pool:

- obligations/ claims of the Clearing Members and CCin cash and securities under OTC Repurchase Agreements and Pairs of Internal OTC Contracts with matured Settlement Date concluded in accordance with Article 25 of these Rules;

- obligations/ claims of the Clearing Members and CC under the Repurchase Donor Agreements being OTC Repurchase Agreements and under the Sale and Purchase Donor Agreements of being Pairs of Internal OTC Agreements concluded in accordance with Article 26 of these Rules with matured settlement date;

3) the obligations referred to in sub-clause 1 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 1 of this clause and recorded on the same position accounting registers as the said obligations, and the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member for each cash register/ Trading Custody Account;

4) the obligations referred to in sub-clause 2 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 2 of this clause and recorded on the same position accounting registers as the said obligations, and in the remaining part the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member for each cash register/ Trading Custody Account;

5) The CC, after carrying out the actions referred to in sub-clauses 1 to 4 of this clause, should form a clearing pool. The said settlement clearing pool should include:

- net obligations/ net claims in cash and securities arising from the clearing of obligations in the Contracts clearing pool and in the OTC Clearing Pool in accordance with sub-clauses 1 to 4 of this clause;

- the outstanding total net obligations/ total net claims on cash and securities determined in accordance with Clause 24.5.1 of these Rules.

6) under the obligations/ claims included in the settlement clearing pool, the CC should conduct netting (offsetting), following the results of which it determines the net obligations/ net claims in cash and securities of the CC in respect of each Clearing Member, as well as the net obligations/ net claims in cash and securities of each Clearing Member in respect of the CC. The said net obligations/ net claims are determined for each cash register/ Trading Custody Account. The net obligations/ net claims of the Clearing Member in respect of CC determined in accordance with this subclause constitute the Total Net Obligations/ Total Net Claims of such Clearing Member.

7) the settlement of the total net obligations/ total net claims determined in accordance with sub-clause 6 of this clause is in accordance with the procedure laid down in clauses 24.6 to 24.9 of these Rules.

24.12. If the Clearing Member does not have enough cash to fulfil the Total Net Cash Obligation of the Clearing Member determined according to clause 24.11 of these Rules, such Clearing Member is recognised as a Defaulting Clearing Member and the CC should perform actions aimed at fulfilment of the said Total Net Obligation as defined in Article 25 of these Rules.

24.13. After carrying out the net settlement procedure in accordance with Article 25 of these Rules, the CC should form the Contracts Clearing Pool and the OTC Clearing Pool.

On the Settlement Date of the first part of the Contracts with Settlement Code TkTn, on the Settlement Date of the First Contracts constituting Pairs of Contracts, on the Settlement Date of the first part of OTC Repurchase

Agreements, on the Settlement Date of the First Currency Exchange Contracts, the Date of settlement of the first part of the Contracts constituting the Currency Swap/ the First Contracts of Purchase and Sale of OTC Currency constituting the OTC FX Swap concluded as stipulated in Article 25 or 26 of these Rules to the Contracts Clearing Pool or to the OTC Clearing Pool:

1) The CC should include the Contracts in the clearing pool:

- obligations/ claims of the Clearing Members and CC in cash and securities under the Contracts with Settlement Code TkTn and from the matured Stock Exchange Contracts concluded in accordance with Article 25 of these Rules;

- obligations/ claims of the Clearing Member and the CC under the Donor Agreements that are Pairs of Exchange Contracts and Currency Swaps concluded according to Article 26 of these Rules, with matured Settlement Date;

2) The CC includes the OTC in the clearing pool:

- obligations/ claims of the Clearing Members and CCin cash and securities under OTC Repurchase Agreements and Pairs of Internal OTC Contracts with matured Settlement Date concluded in accordance with Article 25 of these Rules;

- obligations/ claims of the Clearing Members and CC in cash from Internal OTC Currency Swap with matured Settlement Date, concluded in accordance with Article 25 of these Rules;

- obligations/ claims of the Clearing Members and CC under the Donor Repurchase Agreements that are OTC Repurchase Agreements, under the Donor Sale and Purchase Agreements that are Pairs of Internal OTC Contracts, and under the Donor Internal OTC Currency Swaps concluded in accordance with Article 26 of these Rules, with matured Settlement Date;

3) the obligations referred to in sub-clause 1 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 1 of this clause and recorded on the same position accounting registers as the said obligations, and in the remaining part the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member on each cash register/Trading Custody Account;

4) the obligations referred to in sub-clause 2 of this clause are terminated by offsetting the counter claims of the same kind referred to in sub-clause 2 of this clause and recorded on the same position accounting registers as the said obligations, and in the remaining part the CC should determine the net obligations/ net claims in cash and securities in respect of the CC and each Clearing Member for each cash register/ Trading Custody Account.

24.14. Once the net obligations/ net claims have been determined in accordance with clause 24.13 of these Rules, the CC should form the clearing pool. The said settlement clearing pool should include:

- the outstanding total net obligations/ total net claims for cash and securities determined in accordance with Clause 24.5.1 herein or the outstanding total net obligations/ total net claims for cash and securities determined in accordance with sub-clause 6 of Clause 24.11 of these Rules;

- net obligations/ net claims for cash and securities determined in accordance with sub-clauses 3 and 4 of clause 24.13 of these Rules.

Under the obligations/ claims included in the said settlement clearing pool, the CC should conduct netting (offsetting), following the results of which it determines net obligations/ net claims in cash and securities of the CC to each Clearing Member, as well as net obligations/ net claims in cash and securities of each Clearing Member to the CC. The said net obligations/ net claims are determined for each cash register/ Trading Custody Account. The Net Obligations/ Net Claims of the Clearing Member in respect of CCs determined in accordance with this clause constitute the Total Net Obligations/ Total Net Claims of such Clearing Member.

The settlement of the total net obligations/ total net claims determined pursuant to this clause should be in accordance with the procedure laid down in clauses 24.6 to 24.9 of these Rules.

24.15. If in the cases stipulated in clause 24.12 of these Rules the Clearing Member has not concluded the Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts, Internal OTC Currency Swaps the Total Net Obligation in cash are performed in accordance with clause 24.9 of these Rules within the amount of cash accounted on the cash register whereunder the Total Net Obligation is to be performed. The amount of the excess of the said total net obligations over the amount of cash recorded in the cash register for which it is to be executed is recorded by the CC as an outstanding amount in the cash register in question.

24.16. To determine the total net obligations/ total net claims under the Intra-Brokerage Contracts and/or the Intra-Brokerage OTC Contracts the CC should form the clearing pool under the Intra-Brokerage Contract.

On the Settlement Date of the Intra-Brokerage Contracts and/or Settlement Date of the Intra-Brokerage OTC Derivatives Contracts, the obligations/ claims in cash and securities arising from the Intra-Brokerage Contracts should be included in the clearing pool under the Intra-Brokerage Contracts, admitted to clearing in accordance with Article 21 of these Rules with matured Settlement Dates and from the OTC Intra-Brokerage Contracts admitted to clearing in accordance with Article 21 of these Rules with matured Settlement Dates.

The obligations and claims of the Clearing Member and CCs in cash and securities under the Intra-Brokerage Contracts and under the Intra-Brokerage Internal OTC Contracts should be terminated by offsetting in the clearing pool under the Intra-Brokerage Contracts.

24.17. In the course of clearing, the CC should form and provide the Clearing Members with information on the total net obligations/ total net claims in cash/ securities pursuant to the procedure set forth in Article 35 of these Rules.

Article 25 Procedure for the settlement of improper settlement of obligations

25.1. Subject to the conditions referred to in Clause 24.10 and/or 24.12 of these Rules, the CC should enter into Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts and/or Internal OTC Currency Swaps on the terms and subject to the procedure specified in this Article.

A pair of contracts is concluded between the CC and the Clearing Member if:

- when registering or changing the parameters of the TCA the Clearing Member has indicated that in case of improper settlement of the obligations recorded in respect of a certain cash register/ Trading Custody Account, settlement of such obligations in accordance with this Article is made by entering into a Pair of contracts; or

- applicable law does not allow the execution of Repurchase Agreements and OTC Repurchase Agreements with securities in respect of which the grounds for concluding the said agreements have arisen.

Agreements provisioned in this clause are executed under following conditions:

- the first part of Repurchase Agreement/ the first part of OTC Repurchase Agreement/ the First Contract in a Pair of Contracts/ the First OTC Currency Sale and Purchase Agreement comprising OTC Currency Swap are fulfilled on the day of execution, and the second part of Repurchase Agreement/ the second part of OTC Repurchase Agreement/ the Second Contract in a Pair of Contracts/ the Second OTC Currency Sale and Purchase Agreement comprising OTC Currency Swap are fulfilled on the next Settlement Day;

- Repurchase Agreement, Pair of Exchange Agreements is executed during Trading without Order submission;

- CC executes OTC Repurchase Agreement, Pair of OTC Agreement, and OTC Currency Swap without submission of OTC Offer and OTC Acceptance regarding itself personally in the name of the Clearing Member without special authority (power of attorney), as well as without consent of the Clearing Member.

Agreements under this clause should be entered into in accordance with these Rules on the date of failure to fulfil the total net obligations determined in accordance with Article 24 of these Rules.

25.2. Agreements provided for in clause 25.1 of these Rules should be concluded subject to the following conditions:

a) the CC has no information on the circumstances which entail or may entail termination of the Clearing Member's clearing services;

b) The CC has not notified the Clearing Member by means of the Electronic Document signed with a Digital Signature at least four (4) Settlement Days prior to the date of settlement of the relevant agreement on non-execution of the said agreements in order for the Clearing Member to settle the total net obligation in cash or the total net obligation in relevant securities, recorded in respect of a certain cash register/ Trading Custody Account;

c) there is no decision to remove the security for which the total net obligation is recorded from the List of Securities, there is no decision to remove the obligation which is the subject of OTC Repurchase Agreements or Internal OTC Contract Pairs from the List of obligations from the following Settlement Day;

d) there is no decision of the CC not to conclude the said agreements in respect of the security due to consolidation, split-up of the securities, due to reorganisation of the securities issuer/issuer of the securities in the form of merger, takeover, spin-off or split-up, due to changes in the parameters of the security, or due to suspension of the Trading of the security or prohibition to tender and conclude agreements in respect of the security;

e) there is no decision by the issuer or the issuer of the securities to pay the Income in securities.

25.3. Agreements provided for in clause 25.1 of these Rules should be concluded between the CC and the Defaulting Clearing Member in the following cases:

- in case of improper settlement by the Clearing Member of the total net obligation in securities, the CC should conclude with that Clearing Member the Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts.

Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts are entered into by the CC on the following terms:

a) under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts, the CC is obliged to transfer to the Clearing Member the securities subject to the total net obligation in the number equal to the number in respect of which the total net obligation has not been fulfilled, and the Clearing Member is obliged to accept and pay for them. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

b) under the Second Part of the Repurchase Agreement, the Second Part of the OTC Repurchase Agreement or the Second Contract constituting a Pair of Contracts, the Clearing Member should be obliged to transfer to CC the securities subject to the Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts in the same quantity and CC should be obliged to accept and pay for them;

- in case of improper settlement by the Clearing Member of the total net obligation in cash, the CC should conclude Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts and/or Internal OTC Currency Swap with such Clearing Member.

Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts are entered into by the CC on the following terms:

a) under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts, the Clearing Member should be obliged to transfer to CC the number of securities not exceeding the number of securities determined on the basis of the outstanding amount of the total cash obligation and the price per security, and CC should be obliged to accept and pay for them. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

b) under the Second Part of the Repurchase Agreement, the Second Part of the OTC Repurchase Agreement or the Second Contract constituting a Pair of Contracts, the CC should be obliged to transfer to the Clearing Member the

securities subject to the Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts in the same quantity and CC should be obliged to accept and pay for them;

c) The CC, at its discretion, determines the securities subject to the Repurchase Agreement, OTC Repurchase Agreement or Pair of Contracts. The Clearing Member should be deemed to have agreed to conclude a Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts in respect of such securities;

- the price of one security under the first part of a Repurchase Agreement, under the first part of an OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be deemed to be equal to the Settlement Price of that security.

- price of one security under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be determined based on the price of one security under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract, constituting a Pair of Contracts, due dates of obligations to transfer securities under the first and second parts of the Repurchase Agreement (OTC Repurchase Agreement) or under the First Contract and under the Second Contract constituting a Pair of Contracts, and the Repurchase Rate. The said repurchase rate is set by the CC and disclosed on the CC Website;

- obligations to transfer securities and their payment under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be due and payable on the day on which the agreement is concluded;

- obligations to transfer securities and their payment under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be due and payable on the Settlement Day following the day on which the agreement is concluded;

- the determination and settlement of obligations under a Repurchase Agreement, OTC Repurchase Agreement or a Pairs of Contracts should be in accordance with these Rules.

The Internal OTC Currency Swap is concluded by CC under the following conditions:

a) under the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, the CC is obliged to transfer to the Clearing Member the currency which is the currency of the outstanding Total Net Obligation, in the quantity not exceeding the quantity in respect of which the Total Net Obligation has not been fulfilled, and the Clearing Member is obliged to transfer to the CC other currency in the quantity determined on the basis of the amount of the outstanding part of the Total Net Cash Obligation and the price of such currency. The amount of currency which is the subject of an Internal OTC Currency Swap should be a multiple of the Lot rounded up;

b) under the Second OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, the Clearing Member should be obliged to transfer currency to CC, received under the First OTC Currency Sale and Purchase Agreement, in the same quantity, and the CC should be obliged to accept and pay for such currency;

c) The CC should, at its discretion, determine the currency in which payment should be made for the currency of the outstanding net obligations in cash. The Clearing Member should be deemed to have agreed to conclude an Internal OTC Currency Swap in respect of such currency;

- price of a unit of currency transferred by the CC to the Clearing Member under the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap should be deemed equal to the Settlement Price of such currency;

- the price of a unit of currency under the Second OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, is determined based on the price of the First OTC Currency Sale and Purchase Agreement, the deadlines for the settlement of obligations under the First and Second OTC Currency Sale and Purchase Agreements constituting the Internal OTC Currency Swap, and the Swap Rates. The said swap rate is set by the CC and disclosed on the CC Website;

- obligations to transfer the currency which is the subject of an Internal OTC Currency Swap and their payment under the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap should be due on the date of the respective agreement;

- obligations to transfer currency being the subject of a OTC Currency Swap and their payment under the Second OTC Currency Swap Agreement constituting the OTC Currency Swap should be due on the Settlement Day following the day of execution of the respective agreement;

- the determination and settlement of obligations under Internal OTC Currency Swaps should be carried out in accordance with these Rules.

The CC should charge a penalty to the Defaulting Clearing Member.

The amount of the penalty is calculated according to the following formula:

a) in case of improper settlement by the Clearing Member of the total net obligation in securities:

$$\text{Penalty} = \text{Sum} \times \text{fine_short} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

b) in case of improper settlement by the Clearing Member of the total net obligation in cash (in case of execution by the CC with the Defaulting Clearing Member of the Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts):

$$\text{Penalty} = \text{Sum} \times \text{fine_long} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

c) in case of improper settlement by the Clearing Member of the total net obligation in cash (if the CC concludes an Internal OTC Currency Swap with the Defaulting Clearing Member):

$$\text{Penalty} = \text{Sum} \times \text{Forfeit_rate} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

where:

Penalty means the value of the penalty;

Sum means the amount calculated on the basis of the price of the first part of the Repurchase Agreement, the first part of the OTC Repurchase Agreement, the First Contract constituting the Pair of Contracts, or the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and the number of securities/ amount of currency which is the subject of that agreement. If the subject of the relevant agreement is bonds, the accumulated coupon income, calculated in accordance with the decision on the issue of securities, should also be taken into account when calculating the amount of Sum;

fine_short, fine_long means the penalty rates set by the CC for each security included in the List of Securities/ List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

Forfeit_rate means the penalty rates set by the CC for each currency included in the List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

T_{365} means the number of calendar days between the Settlement Date of the first part of the Repurchase Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting a Pair of Exchange Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Exchange Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 365 days;

T_{366} means the number of calendar days between the Settlement Date of the first part of the Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting an Pair of Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 366 days.

The obligation of the Clearing Member on payment of the fine should be admitted to clearing at the moment of its occurrence on the basis of the information specified in this clause and should be included in the clearing pool for settlements according to the Trading results, formed according to Article 28 of these Rules, on the date of execution of the Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts.

If the Clearing Member has a Total Net Obligation in cash which cannot be settled and is recorded in respect of a certain cash register, the Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts or Internal OTC Currency Swap in accordance with this clause should be concluded in securities/ currency which are recorded in a depositary register/cash register belonging to the same TCA as the said cash register.

25.4. In case of insufficient own funds and/or securities of the CC registered in the Clearing Accounts, as well as if there are Defaulting Clearing Members, the Total Net Claims in cash/securities of the Bona Fide Clearing Members should be satisfied or terminated by the CC by performing the following actions in the sequence below:

25.4.1. concluding a Donor Agreement in accordance with Article 26 of these Rules;

25.4.2. in case of impossibility to conclude the Donor Agreement - execution by CC with a Bona Fide Clearing Member without submission of the Orders in the Trading of the Repurchase Agreements with TkTn settlement code, or a Pair of Exchange Contracts or execution, without submitting the OTC Offer and OTC Acceptance, of the OTC Repurchase Agreement, Internal OTC Contract Pair, Internal OTC Currency Swap in the following cases:

- in case of improper settlement of the Total Net Obligation in securities by the CC, the CC concludes Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts with the Bona Fide Clearing Member.

Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts are entered into by the CC on the following terms:

A) under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts, the Clearing Member should be obliged to transfer to CC the securities subject to the total net obligation in the number equal to the number in respect of which the total net obligation has not been fulfilled and CC is obliged to accept and pay for them. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

B) under the Second Part of the Repurchase Agreement, under the Second Part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts, CC is obliged to transfer to the Clearing Member the securities that are the subject of the relevant agreement in the same quantity, and the Clearing Member is obliged to accept and pay for them;

- in case of improper settlement by the CC of the total net obligation in cash, the CC should conclude Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts and/or Internal OTC Currency Swap with Bona Fide Clearing Member.

Repurchase Agreements, OTC Repurchase Agreements and/or Pairs of Contracts are entered into by the CC on the following terms:

a) under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts, the CC should be obliged to transfer to Clearing Member the

number of securities not exceeding the number of securities determined on the basis of the outstanding amount of the total cash obligation and the price per security, and the Clearing Member is obliged to accept and pay for them. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

b) under the Second Part of the Repurchase Agreement, under the Second Part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts, Clearing Member is obliged to transfer to the CC the securities that are the subject of the relevant agreement in the same quantity, and the CC is obliged to accept and pay for them;

c) The CC at its discretion determines the securities subject to a Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts and the Clearing Member should be deemed to have agreed to conclude a Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts in respect of such securities;

- the price of one security under the first part of a Repurchase Agreement, under the first part of an OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be deemed to be equal to the Settlement Price of that security;

- price of one security under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be determined based on the price of one security under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract, constituting a Pair of Contracts, due dates of obligations to transfer securities under the first and second parts of the Repurchase Agreement or OTC Repurchase Agreement or under the First Contract and under the Second Contract constituting a Pair of Contracts, and the Repurchase Rate. The said repurchase rate is set by the CC and disclosed on the CC Website;

- obligations to transfer securities and their payment under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be due and payable on the day on which the agreement is concluded;

- obligations to transfer securities and their payment under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be due and payable on the Settlement Day following the day on which the agreement is concluded;

- the determination and settlement of obligations under a Repurchase Agreement, OTC Repurchase Agreement or a Pair of Contracts should be in accordance with these Rules.

The Internal OTC Currency Swap is concluded by CC under the following conditions:

a) under the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, the Clearing Member is obliged to transfer to the CC the currency which is the currency of the outstanding Total Net Obligation, in the quantity not exceeding the quantity in respect of which the Total Net Obligation has not been fulfilled, and the CC is obliged to transfer to the Clearing Member other currency in the quantity determined on the basis of the amount of the outstanding part of the Total Net Cash Obligation and the price of such currency. The amount of currency which is the subject of an Internal OTC Currency Swap should be a multiple of the Lot rounded up;

b) under the Second OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, the CC should be obliged to transfer currency to the Clearing Member, received under the First OTC Currency Sale and Purchase Agreement, in the same quantity, and the Clearing Member should be obliged to accept and pay for such currency;

c) The CC should, at its discretion, determine the currency in which payment should be made for the currency of the outstanding net obligations in cash. The Clearing Member should be deemed to have agreed to conclude an Internal OTC Currency Swap in respect of such currency;

- price of a unit of currency transferred by the Clearing Member to the CC under the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap should be deemed equal to the Settlement Price of such currency;

- the price of a unit of currency under the Second OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, is determined based on the price of the First Currency Sale and Purchase Agreement, the deadlines for the settlement of obligations under the First and Second OTC Currency Sale and Purchase Agreements constituting the Internal OTC Currency Swap, and the Swap Rates. The said swap rate is set by the CC and disclosed on the CC Website;

- obligations to transfer the currency which is the subject of an Internal OTC Currency Swap and their payment under the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap should be due on the date of the respective agreement;

- obligations to transfer currency being the subject of an OTC Currency Swap and their payment under the OTC Currency Swap Second Currency Swap Agreement constituting the OTC Currency Swap should be due on the Settlement Day following the day of execution of the respective agreement;

- the determination and settlement of obligations under Internal OTC Currency Swap should be carried out in accordance with these Rules.

The CC pays a penalty to the Bona Fide Clearing Member.

The amount of the penalty is calculated according to the following formula:

a) in the event of improper settlement of the total net obligations for the securities by the CC:

$$\text{Penalty} = \text{Sum} \times \text{ch_fine_short} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

b) in case of improper settlement by the CC of the total net obligation in cash (in case of execution by the CC with the Bona Fide Clearing Member of the Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts):

$$\text{Penalty} = \text{Sum} \times \text{ch_fine_long} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

c) in case of improper settlement by the CC of the total net obligation in cash (when the CC enters into an Internal OTC Currency Swap with a Bona Fide Clearing Member):

$$\text{Penalty} = \text{Sum} \times \text{ch_forfeit_rate} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

where:

Penalty means the value of the penalty;

Sum means the amount calculated on the basis of the price of the first part of the Repurchase Agreement, the first part of the OTC Repurchase Agreement, the First Contract constituting the Pair of Contracts, or the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and the number of securities/ currency which is the subject of that agreement. If the subject of the relevant agreement is bonds, the accumulated coupon income, calculated in accordance with the decision on the issue of securities, should also be taken into account when calculating the amount of Sum;

ch_fine_short, ch_fine_long means the penalty rates set by the CC for each security included in the List of Securities/ List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

ch_forfeit_rate means the penalty rates set by the CC for each currency included in the List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

T_{365} means the number of calendar days between the Settlement Date of the first part of the Repurchase Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting a Pair of Exchange Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Exchange Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 365 days;

T_{366} means the number of calendar days between the Settlement Date of the first part of the Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting an Pair of Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 366 days.

The obligation of the CC on payment of the penalty should be admitted to clearing at the moment of its occurrence and included in the clearing pool for settlements upon Trading results, formed in accordance with Article 28 of these Rules, on the date of execution of the Repurchase Agreement, which specifies TkTn Settlement Code, OTC Repurchase Agreement, Pair of Contracts or Internal OTC Currency Swap.

25.5. If the Clearing Member is unable to settle its total net obligations in cash/ securities due to force majeure circumstances, the penalty determined in accordance with clause 25.3 of these Rules should not be charged. The Clearing Member should notify the CC of the occurrence of such circumstances by any available funds of communication before the time of settlement of the total net obligations in cash/securities stipulated in the Clearing Regulations.

The Clearing Member should be obliged to provide the CC with documents confirming the existence of force majeure circumstances within seven (7) days. If the Clearing Member fails to submit such documents to the CC within the stipulated term, the CC should charge the Clearing Member a penalty determined in accordance with clause 25.3 of these Rules, for the number of calendar days between the Settlement Date of the first part of the Repurchase Agreement, Settlement Date of the first part of the OTC Repurchase Agreement, Settlement Date of the First Contract constituting a Pair of Contracts and Settlement Date of the First Contract, the date of settlement of the First Contract constituting a Internal OTC Contract Pair or the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, and the date of calculation of the forfeit.

25.6. Regardless of the obligation to execute agreements according to clause 25.1 of these Rules, CC may notify Clearing Members on non-execution of Repurchase Agreements, OTC Repurchase Agreements, Pair of Contracts or OTC Currency Swap in following cases:

- failure to fulfil terms and conditions indicated in clause 25.2 of these Rules;
- decision on exclusion of security, regarding which the total net obligation is registered, from the List of Securities and/ or decision on exclusion of subject matters of obligations under OTC Repurchase Agreements or Pairs of OTC Agreements or OTC Currency Swaps from the List of Obligations from the next Settlement Day;
- consolidation, fracturing of securities, reorganisation of securities issuer/ person having issued securities in form of merger, acquisition or separation, changes in security parameters, as well as in case of suspension of Trading in securities or prohibition of order submission and agreement execution regarding security;
- decision by the issuer or the issuer of the securities to pay the Income in securities;
- CC decision not to execute Repurchase Agreement, of OTC Repurchase Agreement, Pairs of Contracts, OTC Currency Swap, subject to obligatory notification of the Clearing Member four (4) Settlement Days before the date of non-execution of the said agreements by means of and Electronic Document signed with Digital Signature.

25.7. If decision is made for CC not to execute Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts, OTC Currency Swap, CC implements procedure to forcedly close positions of the Clearing Member, regarding which CC made decision not to execute the said agreements, in accordance with Article 21 of these Rules. CC may decide to commence procedure aimed at forced closing 2 Settlement Days before the date, starting from which CC decided not to execute Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts, OTC Currency Swap, if such decision is made in connection with the grounds provisioned in paragraphs 3 - 5 clause 25.6 of these Rules.

Forced closing is implemented subject to observation of the following conditions:

- Parties to Agreement, OTC Agreement are CC and the Clearing Member, regarding which forced closing is being implemented;

- Settlement Date and/ or settlement date set out in OTC Agreement is the date, starting from which CC decided not to execute Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts, OTC Currency Swap;

- unit price of security under Agreement/ OTC Agreement equals Price of settlement of obligation fulfilment under such security/ currency;

- in case of execution of an Agreement/ OTC Sales and Purchase Agreement, subject matter of which are foreign issuer securities, CC calculates the amount of compensation.

The amount of compensation is calculated according to the following formula:

$\mathrm{Refund} = (\mathrm{RefP_t} - \mathrm{PD}) \times \mathrm{Q}$,

where:

Refund – amount of compensation;

$\mathrm{RefP_t}$ – settlement price of security being the subject matter of Agreement or OTC Sales and Purchase Agreement defined based on the results of the next Clearing Session after execution of Agreement/ OTC Agreement;

PD – unit price of security under executed Agreement or OTC Sales and Purchase Agreement;

Q – amount of securities constituting the subject matter of Agreement or OTC Sales and Purchase Agreement.

If the amount of compensation calculated under the above mentioned formula is positive and the Clearing Member has net obligation on cash, regarding which forced closing procedure is being implemented, CC credits the amount of compensation to the said Clearing Member, and if the Clearing Member, regarding which forced closing procedure is being implemented, has net claims on cash, the amount of compensation is to be withdrawn from the said Clearing Member in favour of CC.

If the amount of compensation calculated under the said formula is negative and the Clearing Member has net obligation on cash, regarding which forced closing procedure is being implemented, the absolute value of this amount is to be withdrawn from the said Clearing Member in favour of CC, and if the Clearing Member, regarding which forced closing procedure is being implemented, has net claims on cash, CC has to credit the absolute value of the amount of compensation to the said Clearing Member.

The obligation to pay/ claim to receive compensation is admitted for clearing from the time of arising of the said obligation. The obligation to pay/ claim to receive compensation is included in the clearing pool for settlements based on Trading results, that is formed in accordance with Article 28 of these Rules, on the next day after the date of execution of Agreement or OTC Sales and Purchase Agreement indicated in this clause.

25.8. Obligations under agreements executed in accordance with clauses 25.3, 25.4 and 25.7 of these Rules are admitted for clearing at the time of arising of the said obligations and are included in the clearing pool under Agreements on the Settlement Date and/ or in OTC clearing pool on the settlement date defined under terms and conditions of OTC Sale and Purchase Agreement/ OTC Repurchase Agreement.

25.9. To settle undue fulfilment of obligations in accordance with this Article, CC may use information on codes of Clients provided by the Clearing Member under the form set out in Clearing Regulations as an Electronic Document signed with Digital Signature. The said information can also be used for forced closing of the Clearing Member.

25.10. On the date of execution of Agreements or OTC Agreements in accordance with clauses 25.3, 25.4, and 25.7 of these Rules, information on the said agreements is included in data provided by CC to Clearing Members in accordance with Article 35 of these Rules.

Article 26. Donor Agreement

26.1. Clearing Member and CC may sign a Donor Agreement, that is a Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts, OTC Currency Swap.

26.2. CC executes a Pair of Contracts comprising a Donor Agreement with a Clearing Member, if:

- when registering or changing the parameters of the TCA the Clearing Member has indicated that in case of improper settlement of the obligations recorded in respect of a certain cash register/ Trading Custody Account, settlement of such obligations in accordance with this Article is made by entering into a Pair of contracts; or

- applicable law does not allow the execution of Repurchase Agreements and OTC Repurchase Agreement with securities in respect of which the grounds for concluding the said agreements have arisen.

Agreements provided for in clause 26.1 of these Rules should be concluded subject to the following conditions:

- the first part of Repurchase Agreement/ the first part of OTC Repurchase Agreement/ the First Contract in a Pair of Contracts/ the First OTC Currency Sale and Purchase Agreement comprising OTC Currency Swap are fulfilled on the date of execution, and the second part of Repurchase Agreement/ the second part of OTC Repurchase

Agreement/ the Second Contract in a Pair of Contracts/ the Second OTC Currency Sale and Purchase Agreement comprising OTC Currency Swap are fulfilled on the next Settlement Day.

26.3. In accordance with this Article:

- Repurchase Agreement, Pair of Exchange Agreements are executed during Trading without Order submission;

- CC executes OTC Repurchase Agreement, Pair of OTC Agreements and OTC Currency Swap without submission of OTC Offer and OTC Acceptance regarding itself personally in the name of the Clearing Member without special authority (power of attorney), as well as without consent of the Clearing Member.

Agreements under this clause should be entered into in accordance with these Rules on the date of failure to fulfil the total net obligations determined in accordance with Article 24 of these Rules.

26.4. Subject matter of a Donor Agreement can be only securities included in the List of Securities (if executed during Trading) or the List of Obligations (if executed not during Trading), as well as currency included in the List of Obligations.

26.5. If CC lacks securities for fulfilment of net obligations before fair Clearing Member under the first part of Repurchase Agreement, under the first part of OTC Repurchase Agreement or under the First Contract comprising a Pair of Contracts, securities seller is the Clearing Member, and CC is the buyer. Under the second part of Repurchase Agreement, under the second part of OTC Repurchase Agreement or under the Second Contract comprising a Pair of Contracts, CC is the seller of securities, and Clearing Member is the buyer.

If CC lacks funds for fulfilment of net obligations before fair Clearing Member under the first part of Repurchase Agreement, under the first part of OTC Repurchase Agreement or under the First Contract comprising a Pair of Contracts, CC is the seller of securities, and Clearing Member is the buyer. Under the second part of Repurchase Agreement, under the second part of OTC Repurchase Agreement or under the Second Contract comprising a Pair of Contracts, Clearing Member is the seller of securities, and CC is the buyer.

If CC lacks funds for fulfilment of net obligation before fair Clearing Member, CC may also execute an agreement, that is a Donor OTC Currency Swap. In this case, currency seller under the First OTC Currency Sale and Purchase Agreement comprising OTC Donor Currency Swap is the Clearing Member, and CC is the buyer. Under the Second OTC Currency Sale and Purchase Agreement comprising OTC Donor Currency Swap, CC is the currency seller, and Clearing Member is the buyer.

26.6. Donor Agreement can be executed with a Clearing Member having submitted relevant application, if:

- the application indicates TCA and amounts of funds and/ or securities available for Donor Agreement execution;

- the application is made up in the form and under the procedure set out in Clearing Regulations, in form of an Electronic Document signed with Digital Signature;

- the application is valid and is not withdrawn by the Clearing Member.

By providing CC with the said application, the Clearing Member represents, that they have all the necessary orders, authorities, and corporate permits to execute Donor Agreements regarding funds and/ or securities registered on the Clearing Account, Trading Section of Trading Custody Account indicated in such application.

The said representation is considered to be representations about circumstances within the meaning of Article 4 of the AIFC REGULATIONS ON OBLIGATIONS.

When executing Donor Agreements, CC may start using information on TCA and amounts of funds and/ or securities indicated in the application at any time within three (3) Settlement Days from the date of receipt of the said application from the Clearing Member. CC selects the Clearing Member, with which Donor Agreement is executed, if necessary, and determines the amount of funds and/ or securities in pieces, regarding which Donor Agreement is executed, in view of information indicated in the application.

26.7. Terms of a Donor Agreement:

- if CC lacks securities for fulfilment of the total net obligation before fair Clearing Member, CC executes Donor Agreements, that are Repurchase Agreements, OTC Repurchase Agreements and/ or Pairs of Contracts.

CC executes Donor Agreements, that are Repurchase Agreements, OTC Repurchase Agreements and/ or Pairs of Contracts under the following terms:

A) under the first part of Repurchase Agreement, under the first part of OTC Repurchase Agreement or under the First agreement comprising a Pair of Contracts, the Clearing Member must transfer to CC securities being the subject matter of CC's total net obligation before fair Clearing Member in the amount, that do not exceed the lack of CC's securities for fulfilment of the total net obligation before fair Clearing Member, and CC must accept and pay for the same. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

B) under the Second Part of the Repurchase Agreement, under the Second Part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts, CC is obliged to transfer to the Clearing Member the securities that are the subject of the relevant agreement in the same quantity, and the Clearing Member is obliged to accept and pay for them;

- if CC lacks funds for fulfilment of the total net obligation before fair Clearing Member, CC executes Donor Agreements, that are Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts and/ or OTC Currency Swap.

CC executes Donor Agreements, that are Repurchase Agreements, OTC Repurchase Agreements and/ or Pairs of Contracts under the following terms:

A) under the first part of Repurchase Agreement, under the first part of OTC Repurchase Agreement or under the First agreement comprising a Pair of Contracts, CC must transfer to the Clearing Member securities being the subject matter of the total net obligation of the fair Clearing Member before CC in the amount defined based on the lack of CC's funds for fulfilment of the total net obligation before the fair Clearing Member and unit price of security, and

the Clearing Member must accept and pay for the same. For Repurchase Agreements and Pairs of Contracts, the stated number is a multiple of the Lot rounded up;

B) under the Second Part of the Repurchase Agreement, under the Second Part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts, Clearing Member is obliged to transfer to the CC the securities that are the subject of the relevant agreement in the same quantity, and the CC is obliged to accept and pay for them;

- the price of one security under the first part of a Repurchase Agreement, under the first part of an OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be deemed to be equal to the Settlement Price of that security;

- price of one security under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be determined based on the price of one security under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract, constituting a Pair of Contracts, due dates of obligations to transfer securities under the first and second parts of the CC Repurchase Agreement or OTC Repurchase Agreement or under the First Contract and under the Second Contract constituting a Pair of Contracts, and the Repurchase Rate. The said repurchase rate is set by the CC and disclosed on the CC Website;

- obligations to transfer securities and their payment under the first part of the Repurchase Agreement, under the first part of the OTC Repurchase Agreement or under the First Contract constituting a Pair of Contracts should be due and payable on the day on which the agreement is concluded;

- obligations to transfer securities and their payment under the second part of the Repurchase Agreement, under the second part of the OTC Repurchase Agreement or under the Second Contract constituting a Pair of Contracts should be due and payable on the Settlement Day on which the relevant agreement was concluded or on the Settlement Day following the day the relevant agreement was concluded. CC defines time limits for fulfilment of obligations to transfer securities and their payment under the second part of relevant agreement at the time of its execution with the Clearing Member;

- the determination and settlement of obligations under Donor Agreement should be carried out in accordance with these Rules.

CC executes Donor Agreements that are OTC Currency Swap, under the following terms:

A) under the First OTC Currency Sale and Purchase Agreement comprising OTC Currency Swap, the Clearing Member must transfer to CC currency being the subject matter of CC's total net obligation before fair Clearing Member in the amount defined based on the lack of CC's funds for fulfilment of the total net obligation before fair Clearing Member, and CC must transfer to the Clearing Member another currency in the amount defined based on the sum of the pending part of the total monetary obligation and price of this currency. The amount of currency which is the subject of an Internal OTC Currency Swap should be a multiple of the Lot rounded up;

B) under the Second OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap, the CC should be obliged to transfer currency to the Clearing Member, received under the First OTC Currency Sale and Purchase Agreement, in the same quantity, and the Clearing Member should be obliged to accept and pay for such currency;

- price of a unit of currency transferred by the Clearing Member to the CC under the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap should be deemed equal to the Settlement Price of such currency;

- the price of a unit of currency under the Second OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, is determined based on the price of the First OTC Currency Sale and Purchase Agreement, the deadlines for the settlement of obligations under the First and Second OTC Currency Sale and Purchase Agreements constituting the Internal OTC Currency Swap, and the Swap Rates. The said swap rate is set by the CC and disclosed on the CC Website;

- obligations to transfer the currency which is the subject of an Internal OTC Currency Swap and their payment under the First OTC Currency Sale and Purchase Agreement constituting an Internal OTC Currency Swap should be due on the date of the respective agreement;

- obligations to transfer currency being the subject of a OTC Currency Swap and their payment under the Second OTC Currency Swap Agreement constituting the OTC Currency Swap should be due on the Settlement Day following the day of execution of the respective agreement;

- the determination and settlement of obligations under Internal OTC Currency Swap should be carried out in accordance with these Rules.

The CC pays a penalty to the Clearing Member.

The amount of the penalty is calculated according to the following formula:

A) if CC lacks securities for fulfilment of the total net obligation before fair Clearing Member:

$$\text{Penalty} = \text{Sum} \times \text{ch}_{\text{fine}_{\text{borrow_security}}} \times \left(\frac{\text{T}_{365}}{365} + \frac{\text{T}_{366}}{366}\right),$$

B) if CC lacks funds for fulfilment of the total net obligation before fair Clearing Member (if CC executes Donor Agreements, that are Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts):

$$\text{Penalty} = \text{Sum} \times \text{ch}_{\text{fine}_{\text{borrow_money}}} \times \left(\frac{\text{T}_{365}}{365} + \frac{\text{T}_{366}}{366}\right),$$

C) if CC lacks funds for fulfilment of the total net obligation before fair Clearing Member (if CC executes Donor Agreements, that are OTC Currency Swaps):

$$\text{Penalty} = \text{Sum} \times \text{ch}_{\text{forfeit_rate}_{\text{borrow_money}}} \times \left(\frac{T_{365}}{365} + \frac{T_{366}}{366}\right),$$

where:

Penalty means the value of the penalty;

Sum means the amount calculated on the basis of the price of the first part of the Repurchase Agreement, the first part of the OTC Repurchase Agreement, the First Contract constituting the Pair of Contracts, or the First OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and the number of securities/ currency which is the subject of that agreement. If the subject of the relevant agreement is bonds, the accumulated coupon income, calculated in accordance with the decision on the issue of securities, should also be taken into account when calculating the amount of Sum;

ch_fine_borrow money, ch_fine_borrow_security means the penalty rate set by the CC for each security included in the List of Securities/ List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

ch_ forfeit_borrow money means the penalty rate set by the CC for each currency included in the List of Obligations, in accordance with the Methodology for Establishing and Modifying Risk Parameters;

T_{365} means the number of calendar days between the Settlement Date of the first part of the Repurchase Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting a Pair of Exchange Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Exchange Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 365 days;

T_{366} means the number of calendar days between the Settlement Date of the first part of the Agreement, the Settlement Date of the first part of the OTC Repurchase Agreement, the Settlement Date of the First Contract constituting an Pair of Contracts, the Settlement Date of the First Contract constituting an Internal OTC Contract Pair, or the Settlement Date of the First Internal OTC Currency Sale and Purchase Agreement constituting the Internal OTC Currency Swap, and, accordingly, the Settlement Date of the second part of the Repurchase Agreement, the Settlement Date of the second part of the OTC Repurchase Agreement, the Settlement Date of the Second Contract constituting a Pair of Contracts, the Settlement Date of the Second Contract constituting a Internal OTC Contract Pair, or the Settlement Date of the Second Internal OTC Currency Sale and Purchase Agreement, constituting an Internal OTC Currency Swap, which falls on a calendar year consisting of 366 days.

The obligation of the CC on payment of the penalty should be admitted to clearing at the moment of its occurrence and included in the clearing pool for settlements upon Trading results, formed in accordance with Article 28 of these Rules, on the date of execution of the Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts or Internal OTC Currency Swap.

26.8. CC executes Repurchase Agreements, Pairs of Contracts or OTC Currency Swap in the amount not exceeding the amount indicated in the application for Donor Agreement execution, if CC lacks securities and/ or funds for fulfilment of the total net claims of fair Clearing Members, with Clearing Members having provided the said application with the use of TCA indicated in such application, if the cash register/ Trading Section of the Trading Custody Account included in such TCA is used to account CC's lacking securities and/ or funds.

By providing CC with the said application, Clearing Member represents, that securities available for Donor Agreement execution are not encumbered with the rights of the Clearing Member or other persons.

The said representation is considered to be representations about circumstances within the meaning of Article 4 of the AIFC REGULATIONS ON OBLIGATIONS.

26.9. Obligations under Donor Agreements are admitted for clearing at the time of Donor Agreement execution in accordance with this Article of the Rules, and are included in the clearing pool under Agreements or in the OTC clearing pool on the Settlement Date/ settlement date.

26.10. On the date of Donor Agreement execution, information on the said agreements is included in data provided by CC to Clearing Members in accordance with Article 35 of these Rules.

Article 27. Procedure for clearing pool establishment under fully secured Agreements with CC. Procedure for Settlement/Termination of Obligations Admitted to Clearing

27.1. To define total net obligations/ net claims under fully secured OTC Currency Agreements, CC establishes a clearing pool under fully secured Agreements with CC, that includes obligations under fully secured OTC Currency Agreements admitted for clearing in accordance with Article 22 of these Rules with mature settlement dates.

27.2. Time limits for CC to establish a clearing pool under fully secured Agreements with CC are set out in Clearing Regulations. CC may provide for time limits different from that set out in Clearing Regulations, subject to Clearing Member notification on changes in such time limits via the System, CC Web-Site and/ or in form of Electronic Document signed with Digital Signature at least one (1) Settlement Day before the date of introduction of CC's decision to change the said time limits.

27.3. On the date of establishment of the clearing pool under fully secured Agreements with CC:

- CC includes in the clearing pool under fully secured Agreements with CC obligations and claims on cash under fully secured OTC Currency Agreements with mature settlement date;

- obligations are set-off with Clearing Members' counter claims of the same kind on cash under the above mentioned agreements with mature settlement date, and to the extent, that obligations and counter claims of the same kind were not set-off, CC defines total net obligations and/ or total net claims on cash of each Clearing Member under each cash register, via which the total net obligations and/ or total net claims will be fulfilled.

27.4. To settle the total net obligation in cash of the Clearing Member recorded in respect of a certain cash register, the cash recorded in the same cash register should be used.

27.5. Total net obligation of a Clearing Member on cash can be fulfilled under cash register, regarding which it was defined, if the amount of funds under the same cash register is at least equal to the amount of the total net obligation of the Clearing Member on cash defined under the same cash register.

The CC should execute the total net obligations/ total net claims on cash in the following order:

- the total net obligation in cash is discharged by reducing the amount of the Cash Collateral Assets in respect of the cash register in respect of which the total net obligation to be discharged is determined by the amount of this total net obligation;

- the total net cash claim is satisfied by increasing the amount of the Collateral Assets in respect of the cash collateral register in respect of which the total net claim to be settled is determined by the amount of this total net claim.

The total net obligation/ total net claim in cash is deemed to have been fulfilled at the moment of entering the changes in the accounting of the Clearing Member's clearing registers stipulated in this clause.

27.6. In the course of clearing, the CC should form and provide the Clearing Members with information on the total net obligations/ total net claims in cash/ securities pursuant to the procedure set forth in Article 35 of these Rules.

Article 28. Clearing Pool Formation Procedure for the Settlement of Trading

28.1. Each Settlement Day, within the deadlines set out in the Clearing Regulations, the CC forms a clearing pool for settlement of Trades.

The CC includes in the clearing pool for the settlement of Trades:

- obligations to pay the amounts under these Rules and the Tariffs, including the Trading Fee, Depositary Fee and the Clearing Fee determined in accordance with Article 10 of these Rules. The amount of the obligation to pay these amounts should be mathematically rounded off to two decimal places. If there is at least one Contract, at least 0.01 (one hundredth) of the currency of the Trading Fee, Clearing Fee should be charged;

- obligation to indemnify the CCs against the losses provided for in Section VI of these Rules;

- obligations to pay penalties arising if the Clearing Member does not have enough cash to cover the cash obligations until the Settlement Date in accordance with Article 12 of these Rules;

- obligations to pay/ claims for penalties and compensation arising from the settlement of settlement cases pursuant to Article 25 of these Rules;

- claims for penalties arising from the execution of the Donor Agreements in accordance with Article 26 of these Rules;

- obligations to pay penalties arising if the Clearing Member has outstanding cash registers in accordance with Article 29 of these Rules;

- obligations to repay the Income paid and transferred in accordance with clause 30.9 of these Rules;

- obligation to pay an amount equivalent to the amount of the Transaction Tax determined in accordance with Article 37 of these Rules;

- the obligations to pay the Premium under a particular Derivative Contract with a Settlement Date that has fallen due;

- the Principal Obligations under a particular Derivative Contract with a Settlement Date of the Principal Obligation that has fallen due;

- obligations to pay the Variation Margin under a particular Derivative Contract whose settlement date has fallen due;

- Other Obligations under a particular Derivative Contract whose settlement date has fallen due.

The CC offsets the counter obligations and claims of the Clearing Member and the CC of the same kind in cash, and in the part where obligations and claims have not been offset - determines the Total Net Obligations and/or the Total Net Claims in cash of each Clearing Member and CC in respect of each Clearing Member and CC respectively for each cash register through which the total net obligations and/or the total net claims will be performed. The net obligations/ net claims of the Clearing Member in respect of the CC determined in accordance with this clause of these Rules should collectively constitute the total net obligations/ total net claims of such Clearing Member.

28.2. To settle the total net obligation in cash of the Clearing Member recorded in respect of a certain cash register, the cash recorded in the same cash register should be used.

28.3. The total net obligation of the Clearing Member in cash in certain currency may be performed under the cash register in respect of which it is determined if the amount of cash in the same currency under the same cash register is not less than the total net obligation of the Clearing Member in cash recorded under the cash register.

28.4. If the amount of the total net obligation in cash of the Clearing Member under the cash register in respect of which the said obligation is determined is higher than the amount of cash recorded under the same cash register, the CC should perform the Total Net Obligation in the amount equal to the amount of cash recorded under the said cash register. The obligations of the Clearing Member to the CC should be fulfilled first, and the obligations of the Clearing Member to the other Clearing Members should be fulfilled second. In case of insufficient funds to fully settle the obligations of the Clearing Member to the other Clearing Members, the said obligations are performed in proportion to their size.

The outstanding amount of the total net obligation is recorded by the CC as debts on this cash register. The CC should account for the Clearing Member's debt to the other Clearing Members and to the CC respectively.

28.5. In the course of clearing, the CC should form and provide the Clearing Members with information on the total net obligations/ total net claims in cash/ securities pursuant to the procedure set forth in Article 35 of these Rules.

Article 29. Debt in the cash register

29.1. If the total net obligation in cash of the Clearing Member to the CC determined on the cash register, as a result of clearing in accordance with Articles 24 and 28 of these Rules, exceeds the amount of cash recorded on the same cash register, the CC should record such excess as the Debt on such cash register to the CC respectively.

29.2. The Clearing Member should repay the incurred Debt to the CC by crediting the cash to the Clearing Account, indicating the TCA that corresponds to the cash register under which the Debt arose. The Clearing Member should be obliged to repay the arisen Debt to the CC before the start of the clearing pool formation for settlements at the end of the following Trade day.

29.3. If the cash register debt is not repaid within the term specified in clause 29.2 of these Rules, the CC should charge in its favour a fine calculated according to the following formula:

$$\text{Penalty} = \text{Debt} \times \text{fine}_{\text{debt}} \times \left(\frac{\text{T}_{365}}{365} + \frac{\text{T}_{366}}{366}\right),$$

where:

Penalty means the value of the penalty;

Debt means the amount owed on the cash register;

fine_debt means the penalty rate set by the CC and determined in accordance with the Methodology for Establishing and Modifying Risk Parameters;

T_{365} means the number of calendar days between the current and the next Settlement Day falling in a calendar year consisting of 365 days;

T_{366} is the number of calendar days between the current and the next Settlement Day falling in a calendar year consisting of 366 days.

The obligation of the Clearing Member on payment of the fine should be admitted to clearing at the moment of its occurrence and included in the clearing pool for settlements according to the results of the Trading, formed according to Article 28 hereof, on the date of occurrence of the said obligation.

The CC is entitled to include the obligation to settle the cash register debt in the settlement clearing pool formed on the Settlement Day following the Settlement Day on which the cash register debt occurred for the Clearing Member.

The CC is entitled to require the Clearing Member with the cash register Debt to the CC to repay the said Debt within one Settlement Day after receipt of the notification by the CC. The CC sends a notification to the Clearing Member in the form of an Electronic Document signed with a Digital Signature or in paper form.

If the Clearing Member fails to repay the cash collateral register debt within the term set in the notification, the CC should use the Collateral Assets for its repayment in accordance with Article 17 of these Rules.

Article 30. Procedure for the Income Transfer under Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts, Bond Sale and Purchase Agreements and payments under Derivative Contracts related to receipt of the Income

30.1. If, on a security that is:

- the subject of the obligations under a Repurchase Agreement / OTC Repurchase Agreement / Pair of Contracts entered into in accordance with Articles 25 and 26 of these Rules, a Bond Sale and Purchase Agreement, or

- the Underlying Asset of a Derivative Contract,

the issuer of that security or the person that issued that security has taken a decision to pay the Income (hereinafter — the Decision to Pay the Income), the CC shall determine, respectively:

- the obligation to transfer the Income, or

- the obligation to pay the Income equivalent.

Obligations to transfer the Income should arise:

- from Repurchase Agreements, from OTC Repurchase Agreements and from Pairs of Contracts entered into in accordance with Articles 25 and 26 of these Rules and outstanding as at the date of the list of persons entitled to receive the Income;

- from the Sale and Purchase Agreements the subject of which are bonds, the Settlement Date of which falls between the date of the list of persons entitled to receive the Income and the end date of the coupon period and/or the date of payment of part of the nominal value of the bond, excluding those dates.

Obligations to deliver the Income arise for the buyer under the first part of the Repurchase Agreement/ OTC Repurchase Agreement/ First Contract constituting the Pair of Contracts. Claims for Income arise for the seller under the first part of the Repurchase Agreement/ OTC Repurchase Agreement/ First Contract constituting the Pair of Contracts. Obligations to deliver/ claims to receive Income should be determined by each Repurchase Agreement/ OTC Repurchase Agreement/ Pair of Contracts.

Further for the purpose of this article:

- Repurchase Agreement and OTC Repurchase Agreement in which, as at the date of the list of persons entitled to receive the Income, the obligation to transfer the securities under the first part of the relevant agreement has been fulfilled and the obligation to transfer the securities under the second part of the relevant agreement has not been fulfilled are together referred to as unexecuted repurchase agreements;

- Pairs of Contracts in respect of which, as at the date of the list of persons entitled to receive the Income, the obligation to transfer the securities under the First Contract constituting the Pair of Contracts and the obligation to transfer the securities under the Second Contract constituting the Pair of Contracts are jointly referred to as unperformed purchase and sale Agreements;

- Sale and Purchase Agreements the subject of which are bonds, the settlement date of which falls between the date of the list of persons entitled to receive the Income and the end date of the coupon period and/or the date of payment of part of the nominal value of the bond, not including the said dates, should be referred to as the Revenue Obligation Agreements.

Not later than on the Settlement Day following the Settlement Day on which the obligations under this article have been determined for the purpose of transferring the Income, the CC sends to the Clearing Members that have concluded outstanding Repurchase Agreements, outstanding Sale and Purchase Agreement, Agreements with the obligation to transfer the Income, a notification in the form of an Electronic Document signed with a Digital Signature, of the amount of calculated obligations in the manner prescribed by Article 35 of these Rules.

30.2. Under Repurchase Agreements, OTC Repurchase Agreements or Pairs of Contracts, the subject of which are securities of foreign issuers, other than financial instruments qualified as bonds, if the issuer (the person who issued the security) decided to pay the Income in cash and/or securities (except for the case provided for in clause 30.4 of these Rules), the amount of the obligation to deliver the Income in cash is calculated according to formula:

Inc = ROUND(N × d; 2) - ROUND(N × d × tx; 2), where:	
Inc	the amount of the obligation to transfer the Income;
N	the number of securities to be transferred under the Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts (in units);
d	the amount of the accrual per security as determined by the issuer of the securities or other obligor under the securities (in the currency determined by the issuer);
tx	the tax rate applicable to dividend income on securities in accordance with the tax laws of the country of which the issuer of the security or other person obligated on the securities is a resident.

If currency of the amounts of accruals set by the issuer differs from the price currency of Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts s, CC may decide to redefine obligations to transfer Income in the price currency of Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts based on the exchange rate from the source indicated on CC Website determined as of the date of occurrence of the obligation to transfer the Income. The obligation to transfer the Income shall be recalculated on each Settlement Day until its performance based on the exchange rate determined as of the date of the relevant transaction.

Income indicated in this clause is transferred in view of QI/QDD Provision.

30.3. Under Repurchase Agreements, OTC Repurchase Agreements, Pairs of Contracts subject to bonds and under Agreements with an obligation to transfer the Income, the amount of the obligation to transfer the Income should be calculated according to the formula:

Inc = ROUND(N × (n + p); 2) – ROUND(N × n × tx; 2), where:	
Inc	the amount of the obligation to transfer the Income (in the currency in which the issuer has announced the payment of the income);
N	the number of bonds to be transferred under a Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts or an Agreement Committing to Transfer Income (in units);
n	the amount of accumulated coupon income per bond set by the issuer of the securities (in the currency in which the issuer has announced the payment of the income);
tx	the tax rate applicable to income in the form of accumulated coupon income on securities in accordance with the tax law of the country of residence of the security issuer
p	the amount of the nominal value of the bond or a part thereof payable by the issuer on redemption, including the amount of the premium payable by the issuer on early redemption of the bond (in the currency in which the issuer has declared the payment of the income).

If the currency of the accrual amounts set by the issuer differs from the price currency of a Repurchase Agreement, OTC Repurchase Agreement, Pair of Contracts or Agreement with an obligation to transfer the Income, the CC may decide to determine the obligation to transfer the Income in the price currency of the relevant agreement based on the exchange rate from the source indicated on CC Web-Site determined on the date of occurrence of the obligation to transfer the Income. The obligation to transfer the Income shall be recalculated on each Settlement Day until its performance based on the exchange rate determined as of the date of the relevant transaction.

30.4. Under Repurchase Agreements, OTC Repurchase Agreements or Pairs of Contracts subject to securities, if the Issuer (the obligor under the securities) has decided to pay the Income solely in securities, the amount of the obligation to transfer the Income should be determined on the basis of the following conditions:

30.4.1. if the securities to be transferred in the form of the Income are admitted to Trading/ entering the Internal OTC Contracts, the transfer of the Income should be in the form of securities and the amount of the obligation to transfer the said Income should be calculated according to the following formula:

Inc = N × d, where:	
Inc	the amount of the obligation to transfer the Income (in units);
N	number of securities to be transferred under a Repurchase Agreement, OTC Repurchase Agreement or Pair of Contracts (in units);
d	the number of securities determined by the issuer to constitute the Income per security subject to a Repurchase Agreement or a Pair of Exchange Contracts (in units).

30.4.2. if the securities to be transferred as the Income on the date on which the Settlement Depositary makes the distribution of the Income based on the corporate event, are not admitted to Trading and entering into Internal OTC Contracts, but are admitted to trading conducted by other exchange / trading platform, the transfer of the Income should be in the form of cash and the amount of obligations to transfer the said Income should be determined based on the closing price of the security to be transferred as the Income. The closing price of a specified security is determined on the last day on which the security is traded on such an exchange / trading platform with the right of receipt of Income by the acquirer of such security;

30.4.3. in the event that the securities to be transferred in the form of the Income as at the date on which the Settlement Depositary makes the distribution of the Income based on the corporate event are not admitted to Trading and entering into Internal OTC Contracts, and are not admitted to trading on other exchange / trading platform, the transfer of the Income should be in cash and the amount of obligations to transfer the said Income should be determined by the CC taking into account, in particular, the estimated cash value of the Income to be paid, based on the decision of the issuer.

30.4.4. The transfers referred to in clauses 30.2. and 30.4. of these Rules Income should be subject to the QI/QDD Provision.

30.5. The transfer of the Income, the amount of which is determined in accordance with clauses 30.2 to 30.4 of these Rules, should take place on the following dates, unless otherwise decided by the CC:

- the transfer of the Income under the Repurchase Agreements, OTC Repurchase Agreements or Pairs of Contracts, the subject of which are securities other than bonds, should take place within thirty (30) days from the date of disclosure by the issuer of information on the fact of settlement (fully or partially) of its obligations to pay the Income;

- the transfer of the Income under the Repurchase Agreements, OTC Repurchase Agreements, Bond Repurchase Pairs of Contracts or Contracts with an obligation to transfer the Income should take place within thirty (30) days from the date of disclosure by the issuer of information on the fact of settlement (in whole or in part) of its obligations to pay the Income.

If the due date for transfer of the Income falls on a day other than a business day, the transfer of the Income should take place on the next following business day.

30.6. Unless otherwise stipulated by this clause, the CC should admit the calculated obligations to transfer and/or claims to receive the Income of each Clearing Member to clearing in the following order:

- obligations to transfer the Income determined on the basis of information on outstanding Repurchase Agreements/ outstanding Sale and Purchase Agreements, the subject of which are securities, except for bonds are admitted to clearing within one (1) day from the date of drawing up the list of persons entitled to receive the Income. In the event that the CC is unable to determine the amount of obligations in accordance with this article within the specified term, the obligations to transfer the Income is admitted to clearing as soon as the CC receives the missing information, whereby the term for the said obligation should not exceed the term set forth in clause 30.5 of this Rules;

- obligations to transfer the Income determined on the basis of information on outstanding Repurchase Agreements/ outstanding Sale and Purchase Agreements, the subject of which are bonds, Contracts with the obligation to transfer the Income are allowed for clearing within five (5) days from the date of disclosure by the issuer of information on the fact of settlement (fully or partially) of its obligations to pay the Income. In the event that the CC is unable to determine the amount of obligations in accordance with this article within the specified term, the obligations to transfer the Income are admitted to clearing as soon as the CC receives the missing information, whereby the term for the said obligation should not exceed the term set forth in clause 30.5 of these Rules.

With respect to obligations to transfer the Income determined on the basis of information on outstanding Repurchase Agreements / outstanding Sale and Purchase Agreements, the subject matter of which are US-issued securities recorded in the buyer's Trading Custody Account as of the record date, the CC should not admit such obligations to clearing. Instead, the CC should perform such obligations in its status of QDD in accordance with these Rules and the QI/QDD Provision. In such case, the CC receives the Income directly from the Settlement Depository for the benefit of Beneficial Owners. The transfer of the Income to Beneficial Owners performed by the CC in its status of QDD shall constitute due and proper performance of the relevant obligations by a third person within the meaning of Article 100 of the AIFC Contract Regulations.

30.7. On the date specified in clause 30.5 of these Rules, the obligations to transfer the Income should be included in the clearing pool under the Agreements and/or in the OTC Clearing Pool taking into account the specifics stipulated in clause 30.6 of these Rules and should be settled as set out in Article 24 of these Rules.

30.8. Where, in respect of a security constituting the Underlying Asset of a Derivative Contract, a Decision on the payment of Income has been taken, one party to the Derivative Contract shall have an obligation to pay the Income equivalent to the other party to the Derivative Contract. The procedure for determining the obligation to pay the Income equivalent, as well as the procedure for its performance, shall be established by the QI/QDD Provision.30.9.

The CC should provide the Clearing Members with the information on occurrence, termination and settlement of obligations to transfer the Income and obligations to pay the Income equivalent, starting from the moment of admission of the said obligations to clearing and up to the moment of termination of the said obligations in the clearing pool in accordance with these Clearing Regulations, in the form set forth in the Clearing Regulations. The CC is entitled to provide the Clearing Members with information on the amount of the obligations to transfer the Income and obligations to pay the Income equivalent as stipulated in the Clearing Regulations.

30.10. If, due to circumstances beyond the control of the CC, the amounts paid and the transferred Income are subject to refund, the Clearing Members are obliged to refund the relevant amounts within the time period determined by the CC. The relevant obligations should be admitted to clearing at the time of the decision to return the Income and should be included in the clearing pool for settlement at the end of the Trading on the date of such decision.

Article 31. Procedure for the Emergence and Termination of Obligations under Derivative Contracts; Procedure for the Formation of the Derivatives Clearing Pool

31.1. Under a Derivative Contract, the Clearing Member shall acquire the rights and obligations provided for by the Specification of that Derivative Contract.

The CC shall determine the rights and obligations under Derivative Contracts in the following manner:

- in the manner specified in the Specification of the Derivative Contract, where the Specification of the Derivative Contract contains an express reference to such manner;
- in the manner specified in these Rules, where the Specification of the Derivative Contract contains no express reference to such manner, or where the Specification contains a reference to the manner specified in these Rules.

The termination of rights and obligations under a Derivative Contract shall be carried out in the following manner:

- in the manner specified in these Rules;
- in the manner specified in the Specification of the Derivative Contract, where these Rules contain no express reference to such manner, or where these Rules contain a reference to the manner specified in the Specification.

31.2. Offsetting Derivative Contracts recorded within a position shall terminate subject to the particularities provided for by this clause.

Obligations to pay the Premium shall be retained and shall be performed in accordance with the Specification of the relevant Derivative Contracts, unless otherwise provided for by that Specification.

Obligations to pay the Variation Margin shall arise on a single occasion and shall be performed in accordance with the Specification of the relevant Derivative Contracts, unless otherwise provided for by that Specification.

Other Obligations shall arise on a single occasion and shall be performed in accordance with the Specification of the relevant Derivative Contracts, unless otherwise provided for by that Specification.

31.3. The Performance of the Derivative Contract shall be carried out in accordance with the terms specified in the Specification of that Derivative Contract, within the time limits established by the Clearing Regulations.

The Performance of the Derivative Contract shall not be carried out if the CC receives from a Clearing Member acting as the Buyer of the option (as this term is defined in the Specification) a Notice of Non-Exercise of the Option (hereinafter – the Notice), in the manner specified in the Specification. On the date of receipt of the Notice, the CC shall, at its discretion, identify one or more Clearing Members who are Sellers of the option (as this term is defined in the Specification) and whose position registers reflect positions that are opposite to the position in respect of which the Notice was received and, in total, correspond to it (hereinafter – the Opposite Position). The CC shall not execute the Derivative Contract entered into by such Clearing Members with respect to the Opposite Position. At the same time, the CC shall amend the positions in Derivative Contracts and in obligations arising from Derivative Contracts in respect of cash. Following the said amendments, the CC shall calculate the amount of Available Funds for the TCA on the position register of which the rights and obligations under the Derivative Contract being performed were recorded.

31.4. Within the time limit established by the Clearing Regulations, the CC shall, for the purpose of terminating obligations under particular Derivative Contracts, form a Derivatives Clearing Pool. The said clearing pool shall include:

- obligations to pay the Premium whose Settlement Date has fallen due;
- Principal Obligations whose Settlement Date of the Principal Obligation has fallen due;
- obligations to pay the Variation Margin whose settlement date has fallen due;
- Other Obligations whose settlement date has fallen due.

The obligations of a Clearing Member included in the Derivatives Clearing Pool shall terminate by set-off of counter homogeneous claims of the Clearing Member included in the Derivatives Clearing Pool that are recorded on the same position registers as the said obligations. The obligations/claims of a Clearing Member included in the Derivatives Clearing Pool that have not been terminated by set-off shall terminate upon the emergence of a resulting net obligation / net claim of the Clearing Member, the currency of which corresponds to the currency of the said obligations/claims and the amount of which equals the sum of the amounts of the said obligations/claims.

31.5. The resulting net obligation of a Clearing Member referred to in clause 31.4 of these Rules, recorded on the position register of a TCA, shall be performed by reducing the amount of Collateral Assets on the cash register of the same TCA in the same currency as the said resulting net obligation. If the amount of cash recorded on the said cash register is not less than the amount of the said resulting net obligation, the reduction shall be carried out by the amount of that resulting net obligation. If the amount of cash recorded on the said cash register is less than the amount of the said resulting net obligation, the reduction shall be carried out by the amount of cash recorded on the said cash register.

An unperformed resulting net obligation of a Clearing Member in a particular currency shall be recorded by the CC as a Debt of the Clearing Member on the cash register in that currency, in the absence of any recorded Debt of

the Clearing Member in the same currency on that cash register. Where there is a recorded Debt of the Clearing Member in the same currency on that cash register, the unperformed resulting net obligation of the Clearing Member in that currency shall terminate by increasing the amount of the said Debt by the amount of the said unperformed net obligation.

The resulting net claim of a Clearing Member referred to in clause 31.4 of these Rules, recorded on the position register of a TCA, shall be performed by increasing the amount of Collateral Assets on the cash register of the same TCA in the same currency as the said resulting net claim, taking into account the termination of Debt in the manner specified in clause 19.6 of these Rules.

The said resulting net obligation / resulting net claim shall be deemed to have been performed in full or in part from the moment the amendments provided for by this clause are made to the records on the clearing registers of the Clearing Member.

31.6. Within a single Settlement Day, the CC shall be entitled to form several Derivatives Clearing Pools within the time limits established by the Clearing Regulations.

SECTION VII. PROCEDURE AND METHODS OF INTERACTION BETWEEN THE CC, CLEARING MEMBERS, SETTLEMENT ORGANISATION, SETTLEMENT DEPOSITARY, TRADING PLATFORM. CC REPORTS

Article 32. Procedures for interaction of the CC with the Settlement Organisation, Settlement Depositary

32.1. For the purpose of providing clearing services, including for the purposes of opening and closing Trading Custody Accounts, making operations in securities registered in Trading Custody Accounts, receiving information on the movement of securities on these accounts, CC should interact with the Settlement Depositary on the basis of the concluded agreement, internal regulations of the Settlement Depositary and/or the Regulations of Interaction.

32.2. For the purpose of rendering clearing services, including opening and closing of the Clearing Account and settlement of operations on it, receipt of information on cash flow on the said account, the CC should interact with the Settlement Organisation in accordance with the concluded agreements, interaction regulations and internal documents of the Settlement Organisation.

32.3. The procedure for dealing with the Settlement Depositary when opening Trading Custody Accounts is set out in Article 7 of these Rules.

Following the opening of each Trading Custody Account, the Settlement Depositary should submit to the CC a notification of the opening of the relevant Trading Custody Account.

32.4. Trading Custody Account in Settlement Depositary is closed based on an application of the person, for whom the said Trading Custody Account was opened. If Clearing Member sends their application for Trading Custody Account closing to CC, CC transfers it to the Settlement Depositary.

32.5. Upon the fact of operations, as well as within the time limits established by the Clearing Regulations, the Settlement Depositary forms and transmits to the CC an extract on the status of the Trading Custody Accounts accounting, containing information on securities accounted for on the Trading Custody Accounts. On the basis of the statements received from the Settlement Depositary on the status of the Trading Section of the Trading Custody Accounts, the CC should change the values of the depositary registers.

32.6. In order to settle the securities based on the clearing results, the CC should send a consolidated custody order to the Settlement Depositary within the time frame set forth in the Clearing Regulations.

32.7. The Settlement Depositary should execute the Consolidated Custody Order on the Trading Section of the Trading Custody Account in correspondence with the Trading Custody Account of the CC opened within the Settlement Depositary.

32.8. The Settlement Depositary submits to the CC a report (act, or other document specified in the agreement with the Settlement Depositary) confirming the settlement of the clearing results within the term set forth in the agreement with the Settlement Depositary.

32.9. The order of the CC and other documents referred to in this Article of the Rules should be provided electronically in the form of Electronic Document signed with a Digital Signature.

Article 33. Procedure for the Interaction of the CC with the Trading Platform

33.1. The CC notifies the Trading Platform about the Clearing Members registered.

33.2. The Trading Platform informs the CC of the inclusion/ exclusion of a security in/ from the List of Securities/ List of Securities, the suspension, resumption and termination of the Trading of a security, as well as the establishment and/or change of the parameters of the security.

The Trading Platform shall inform the CC of the inclusion / exclusion of a Derivative Contract in / from the Derivatives List, and of the suspension, resumption and termination of Trading in Derivative Contracts.

The Trading Platform shall inform the CC of the assignment to a Trading Member of category A (as such category is defined by the Membership Rules). The Trading Platform shall also notify the CC of the list of securities / Derivative Contracts in respect of which the Clearing Member performs the functions of a Market Maker.

33.3. When establishing the date for the admission of securities / a Derivative Contract to Trading, from which it is possible to conclude Agreements, the CC should set the risk parameters for these securities./ Derivative Contract.

The CC is entitled to change the risk parameters according to the procedure set out in the Methodology for Establishing and Modifying Risk Parameters.

Article 34. Methods of receipt and transmission of documents when the CC interacts with the Clearing Members, the Settlement Depositary and the Settlement Organisation

34.1. Orders, notifications and other documents from the Clearing Members and submission of reports, notifications and other documents to the Clearing Members may be in physical media or in the form of Electronic Document signed with a Digital Signature.

34.2. The document exchange between the CC, the Clearing Members, the Settlement Organisation and the Settlement Depositary (the "Electronic Document Exchange Members") is performed electronically by sending of Electronic Document signed with a Digital Signature, unless other methods of message exchange are set forth of these Rules. However, individual documents may be transmitted in physical medium.

34.3. The sending of Electronic Document signed with a Digital Signature should be carried out on condition that the Members of the Electronic Document Management System obtain access to the Electronic Document Management System based on the agreement (contract) concluded with the Technical Centre determined by the CC and information about which is disclosed on the CC Website. The procedure for the formation and transmission of Electronic Documents by means of the Electronic Document Management System should be established by the said agreement (contract).

34.4. The WSE should be used when submitting to the Clearing System the electronic messages stipulated in these Rules in the following manner:

- An electronic message signed by the WSE should be deemed to be an Electronic Document equivalent to a physical medium document signed by the Clearing Member/CC.
- An electronic message should be deemed signed by the WSE from the moment the Clearing Member/ CC sends such message to the System, provided that the Clearing Member/ CC has successfully passed the authentication procedure as provided by this article of the Rules.
- Name and Password should be assigned to the Clearing Member/ CC by the Technical Centre determined by the CC and disclosed on the CC Website under the agreement (contract) concluded between the Clearing Member/ CC and the Technical Centre by entering the said Name and Password into the System database.
- Authentication procedure is performed by the Technical Centre using the System when the Clearing Member/ CC performs Technical access to the System by comparing the entered Name and Password with the corresponding Name and Password of the Clearing Member/ CC, information on which is contained in the Clearing System database. In case of successful authentication, the Clearing Member/ CC is able to carry out operations in the System. Authentication of the Clearing Member/ CC is performed automatically each time the Clearing Member/ CC logs in to the System.
- The Clearing Member agrees that the CC may make (print out) hard copies of the electronic messages signed with the WSE, which shall be certified by the signature of an authorized person of the CC and shall serve as proof of sending the electronic message using the System, as well as confirm that the electronic message corresponds to the content of the copy of the electronic message made (printed out) in physical medium.

34.5. The members of the electronic document management system agree that they will endeavour to resolve any conflicts arising in connection with the use of the Electronic Signature and/or WSE in a pre-trial procedure.

34.6. The CC will not accept incoming paper documents in the following cases:

- the document has been signed by a person who is not authorised to do so;
- when there is reasonable doubt as to the authenticity of the signature or seal on a document;
- if the document has not been drawn up in accordance with the requirements of these Rules, in case of ambiguity, vagueness and repetition;
- if the document has been written with blots or corrections.

34.7. The documents received on physical medium are entered into the System by the employees of the CC. Further processing of documents is carried out in the System automatically.

Article 35. The CC reports and other information provided to Clearing Members

35.1. In the course of clearing, the CC generates and submits reports in the form stipulated in the Clearing Regulations to the Clearing Member, containing information:

- on the obligations admitted to clearing;
- on the obligations determined as a result of clearing;
- on the use of Collateral Assets, including its use for the settlement of obligations admitted to clearing and/or obligations determined at the end of clearing;
- on changes in the amount of cash and/or amount of other property recorded in the registers (register sections) of internal accounting of the CC, where the amount of cash (amount of other property) is recorded, the right to dispose of which is granted to the CC and which are intended to perform the obligations of the Clearing Member admitted to clearing, and/or are the subject of collateral for such obligations.

35.2. The reports specified in clause 35.1 of these Rules are submitted to the Clearing Member in the form of Electronic Document signed with a Digital Signature within the time limits stipulated in the Clearing Regulations.

35.3. The CC is entitled to provide the Clearing Member with additional information in the form of notifications in the form of Electronic Documents signed with a Digital Signature and stipulated in the Clearing Regulations. Additional information in the form of notifications is submitted to the Clearing Members within the time limits stipulated in the Clearing Regulations.

SECTION VIII. MISCELLANEOUS

Article 36. Procedures for CCs in securities operations as a consequence of corporate events

36.1. In case of a merger of additional issues of equity securities, the Settlement Depositary should receive from the Settlement Depositary a notice on a merger of additional issues of securities no later than the date of receipt by the Settlement Depositary of the notice from the Registrar on the performed merger of additional issues of securities, which should contain a notice on the merger of additional issues of securities:

- full name of the issuer whose issues have been merged;
- individual numbers (codes) of the merged issues of securities and individual number (code) of the merged issue;
- the date of the operation of the merger of the issuer's securities.

36.2. In case of an operation of cancellation of the code of additional issue of equity securities, the CC should receive from the Settlement Depositary a notification of an operation of cancellation of the code of additional issue no later than the date of the operation of cancellation of the code of additional issue, which should contain:

- full name of the issuer;
- the individual number (code) of the additional issue of securities and the individual number (code) of the issue in relation to which the issue is additional;
- the date of the code cancellation operation.

36.3. The Clearing System ensures that information on securities records and operations is preserved on the clearing registers until the combination of the issues and until the additional issue code is cancelled.

36.4. After the merger of issues/ cancellation of the additional issue code and the assignment of a new number to the merged issues, the orders of the Clearing Members containing the old issue number will not be accepted.

36.5. Operations on consolidation of issues of equity securities and/or cancellation of individual numbers (codes) of additional issues of equity securities are performed in the Clearing System on the next Settlement Day after receipt of the relevant notification from the Settlement Depositary and upon termination of settlements under the Contracts at the end of clearing of that Settlement Day. Operations on consolidation of issues of equity securities and/or cancellation of individual numbers (codes) of additional issues of equity securities in the Clearing System should be accompanied by correction of information under Contracts , the Settlement Date of which has not yet fallen due. The codes of the securities issues to be merged are replaced in the details of the said Contracts by the code of the merged issue and the code of the additional issue of securities to be cancelled by the code of the issue in relation to which the issue is additional.

36.6. Unless otherwise stipulated by these Rules, information on Contracts/ Internal OTC Contracts, the subject of which are securities in respect of which the split and/or consolidation procedure has been carried out, may be adjusted to reflect the conducted procedure, during the Trading Day following the day of the split and/or consolidation procedure respectively, based on information received from the issuer of the securities/ issuer of the securities.

36.7. If corporate events occur between the date of execution of the Contracts / Internal OTC Contract and the Settlement Date of the Contracts/ Settlement Date of the Principal Obligation under the Derivative Contract/ Internal OTC Contract in respect of securities that are the subject of the Sale and Purchase Agreement/ Repurchase Agreement/ Internal OTC Sale and Purchase Agreement/ OTC Repurchase Agreement or the Underlying Asset of the Derivative Contract, including reorganisation of the issuer of securities/ the person who issued securities, conversion and/or splitting of securities, carried out without reorganisation of the issuer of securities/ the person who issued securities, or other actions affecting the fulfilment of obligations under the Sale and Purchase Agreement/ Derivative Contract/ Repurchase Agreement/ Internal OTC Sale and Purchase Agreement/ OTC Repurchase Agreement, those that lead to a change in the subject of the Sale and Purchase Agreement/ Derivative Contract/ Repurchase Agreement/ Internal OTC Sale and Purchase Agreement/ OTC Repurchase Agreement or the Underlying Asset of the Derivative Contract, the CC has the right to accept one of the following decisions in relation to the specified Contract/ Internal OTC Contract:

36.7.1. to unilaterally change the terms of the Contracts/ Internal OTC Contracts by the CC, the obligations under which have not been fulfilled, and/or the procedure for settlement of the obligations under the Contracts/ Internal OTC Contracts, taking into account the conditions of reorganisation of the securities issuer/ issuer of securities or conditions of other actions (events) taking place with the issuer/ issuer of securities and/or the securities of the securities issuer;

36.7.2. to recognize the Settlement Date of the Contract/ / Internal OTC Contract / Settlement Date of the Principal Obligation under the Derivative Contract to have occurred on the Settlement Day preceding the day of suspension of securities operations in Custody Accounts conducted in connection with corporate actions, if information on such suspension is received by the CC from the Settlement Depositary and/or from other available sources of information.

36.8. The CC, when carrying out the action referred to in Clause 36.7.2 of these Rules, carries out actions aimed at determining the obligations to be fulfilled in accordance with these Rules.

36.9. Where the Trading Platform takes decisions to amend the terms of Derivative Contracts, as provided for in accordance with the Specification of the relevant Derivative Contracts, and/or to make amendments to the Specifications of Derivative Contracts, the CC shall be entitled to decide to unilaterally amend the terms of Derivative Contracts under which obligations have not been performed, and/or the procedure for the performance of obligations under Derivative Contracts.

36.10. Information on the decision taken by the CC in accordance with clause 36.7 of these Rules is disclosed on the CC Website and is also sent to the Clearing Members in the form of an Electronic Document signed with a Digital Signature.

Article 37. Interaction of the CC and the Clearing Members when the CC performs the functions of the Tax Agent, settling tax obligations on Income received in respect of US issuers' Securities and obligations to pay Transaction Tax

37.1. In order to comply with the requirements of the US Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard and other legislative acts in the field of taxation of Income in the form of dividends on US issuers' Securities (further, for the purposes of this article, information related to this article given in other articles of these Rules and other documents adopted in accordance with this Article – Securities of foreign issuers), as well as ensuring the possibility of Clearing Members, Clients of tax benefits in respect of Income in the form of dividends on Securities of foreign issuers, Clearing Members are required to send to the CC documents and information defined by the QI/QDD Provision and Regulations on Information Exchange under the procedure defined in the said internal documents of CC.

37.2. CC ensures that Clearing Members, Clients can receive tax benefits on Dividend Equivalents, including those received under Derivative Contracts, the value of which depends on the Income on US issuers' Securities. To enable tax benefits on Income in form of Dividend Equivalents under Foreign Issuer Securities, Clearing Members must provide CC with documents and information defined in QI/QDD Provision and Regulations on Information Exchange under the procedure defined in the said internal documents of CC.

37.3. The rights, obligations and responsibilities of the Clearing Members when interacting with the CC when fulfilling tax obligations on Income received in respect of Securities of foreign issuers and Derivative Contracts are determined by the QI/QDD Provision.

37.4. In the cases specified in the Regulation on Transaction Taxes, when entering into Agreements, Internal OTC Contracts or other means of transferring and exercising rights in securities, the Clearing Members have an obligation to pay the Transaction Tax.

If the Clearing Member concludes the Agreement, Internal OTC Contract, resulting in the Clearing Member's obligation to pay the Transaction Tax, the following obligations arise for the CC and the Clearing Member:

- the CC acting on behalf of the Clearing Member or on behalf of the CC, but for the benefit of the Clearing Member, has the obligation to perform the actual and legal actions for payment of the Transaction Tax (hereinafter referred to as Transaction Tax services). The specific list of actions to be taken by the CC is set out in the Regulation on Transaction Taxes;
- the Clearing Member has an obligation to pay to the CC an amount equivalent to the amount of the Transaction Tax;
- the Clearing Member is obliged to pay to the CC the Transaction Tax, in the amount, manner and terms set by the Tariffs of the CC.

The obligation of the Clearing Member to pay the amount equivalent to the amount of the Transaction Tax to the CC is admitted to clearing from the moment of its occurrence and is subject to inclusion in the clearing pool formed according to the procedure specified in article 28 of these Rules. The procedure for determining the amount equivalent to the amount of Transaction Tax and the time and procedure for fulfilling the obligation to pay it are laid down in the Regulation on Transaction Taxes.

The payment of the Transaction Tax by the CC is subject to the procedure and deadlines set out in the Regulation on Transaction Taxes, taking into account the requirements of the tax legislation of the country in which the Transaction Tax is payable.

The Clearing Member undertakes to submit to the CC all documents and information necessary for the proper settlement by the CC of its obligations to pay the Transaction Tax. The execution by the Clearing Member of an Agreement/ Internal OTC Contract or with other methods of transferring and exercising rights to securities directly specified in the Regulation on Transaction Taxes, as a result of which the Clearing Member has an obligation to pay Transaction Tax, is considered an assurance by the Clearing Member that the Clearing Member authorises the CC to pay Transaction Tax and submits to the CC for storage documents confirming the calculation and payment of such tax, as well as that the Clearing Member has all the necessary permissions from Clients(including consent to the processing and transfer of personal data of individual Clients), which may be required by the CC to perform its duties as an authorised agent for the payment of Transaction Tax, including if it is necessary to provide answers and comments to requests from tax or other authorised bodies, provide documents and information to tax or other authorised bodies, conduct inspections by tax or other authorised bodies, in other cases related to the payment of Transaction tax.

The said representations are considered to be representations about circumstances within the meaning of Article 4 of the AIFC REGULATIONS ON OBLIGATIONS.

The documents confirming the payment of Transaction Tax by the Clearing Member are provided by the Clearing Member's CC upon his request in accordance with the procedure and terms established by the Regulation on Transaction Taxes.

In the cases stipulated in the Regulation on Transaction Taxes, the terms of these Regulations regarding the payment of Transaction Tax by the CC do not apply.

Article 38. Retention and recording of internal accounting regulations and information

38.1. The CC should store and maintain documents related to clearing activities and internal accounting information related to the implementation of internal accounting, including:

- documents received from the Clearing Members and other persons (Agreements, orders, other documents);
- documents received from the Settlement Entity and the Settlement Depositary;
- copies of the instructions to the Settlement Institution and the Settlement Depositary;

- documents and/or information on cash and securities that are intended to settle obligations admitted to clearing;

- documents and/or information on cash and securities that are the subject of collateral for obligations admitted to clearing;

- other documents and information at the discretion of the CC.

38.2. The CC maintains the following logs and registers:

- document logs for registering documents received by the CC and sent to the CC and related to clearing activities (the logs may be maintained for different types of clearing, types of documents, groups of types of documents and/or document sending);

- the register of the Clearing Members and Clients in accordance with Membership Rules;

- other registers and journals, the maintenance of which makes it possible to group documents and internal accounting information.

38.3. The CC keeps the documents related to its clearing activities for 10 years. In doing so, such period in respect of documents related to clearing obligations should be calculated from the date of termination and/or settlement of that obligation at the end of the clearing session.

38.4. The registers and logs are maintained electronically and allow for the production of lists and extracts for any calendar day and for any period, within the period for which the information is kept. The CC performs daily backup of the information contained in the registers and registries.

Article 39. Procedure for Settlement of Outstanding Obligations in the Event of Termination of Clearing Services of the Clearing Member

39.1. When the CC makes a decision to terminate admission to clearing services of the Clearing Member (hereinafter in this article - the Terminated Member) and the Terminated Member has outstanding obligations as of the date of the said decision, on the date of the said decision (hereinafter - the Date of the decision to terminate the clearing services), the Settlement Dates of the Contracts, the Settlement Dates of the Principal Obligations under the Derivative Contracts, the Payment Dates under the Derivative Contracts, the dates for fulfilment of the obligation to pay the Variation Margin under the Derivative Contracts, the dates for fulfilment of the Other Obligation under the Derivative Contracts, Settlement Dates of obligations under the Internal OTC Contracts should be considered due and obligations and claims arising from these Contracts cease on the date the said obligations are included in the clearing pool formed in accordance with this Article. This will terminate all obligations of the Terminated Member admitted to clearing.

The obligations of the Terminated Member admitted to clearing arising from the Internal OTC Contracts and the Contracts are included in the liquidation clearing pool and subject to termination in such pool formed in accordance with clause 39.2 of these Rules. In this case the obligations of the Terminated Member arising from the Contracts are terminated by arising of the net obligation of the Terminated Member in respect of CC calculated in accordance with clause 39.2 of these Rules. However, these clearing pools do not include obligations to compensate for losses in the form of lost profits and forfeits (fines, penalties).

In cases provided in this clause the Contracts concluded by the Terminated Member on or after the date of the decision to terminate clearing services may be considered invalid in cases provided for by the AIFC legislation and may be subject to invalidity consequences according to the AIFC legislation. The CC is entitled to claim for damages related to invalidity of the Contracts as well as for forfeits (fines, penalties) in general order provided for by the AIFC legislation.

The CC sends to the Terminated Member a notification of termination of obligations under the Contracts in the form of an Electronic Document signed with a Digital Signature within two (2) Settlement Days following the date of the decision to terminate clearing services. Such notification contains information on the net obligations of the Terminated Member in accordance with clause 39.2 of these Rules to the CC. Simultaneously with such notification the CC should also send to the Terminated Member in the form of an Electronic Document signed with a Digital Signature a notification of termination of the clearing service agreement concluded with it in accordance with clause 2.3. of these Rules.

Cash / securities of the Terminated Member remaining after settlement of its net obligations as stipulated in clause 39.2 of these Rules are returned by CC to the Terminated Member in the amount / quantity remaining after the fulfilment of the corresponding net obligation.

39.2. For the purpose of determining the net obligation of the Terminated Member, the CC should carry out the following actions.

39.2.1. No later than the end of the business day following the Date of the decision to terminate clearing services, for all the Agreements entered into by the Terminated Member:

1) The CC should include in the liquidation clearing pool:

- obligations and claims for cash and securities under the Sale and Purchase Agreements/Repurchase Agreements outstanding as of the Date of the decision to terminate clearing services;

- obligations and claims for cash and securities under the OTC Currency Purchase and Sale Agreement/ OTC Currency Swap, outstanding as at the Date of the decision to terminate clearing services:

- obligations and claims for cash and securities under Internal OTC Contracts/ OTC Repurchase Agreements outstanding as of the Date of the decision to terminate clearing services;

- obligations to pay the Debt or debt defined in accordance with Article 29 of these Rules outstanding as of the Date of the decision to terminate clearing services;

- Terminated Member's obligations to transfer Income to CC outstanding as of the Date of the decision to terminate clearing services;

- the Terminated Member's obligations / claims to pay the Premium, to pay the Variation Margin, the Principal Obligations / claims, the Other Obligations / claims under Derivative Contracts, outstanding as of the Date of the decision to terminate clearing services.

2) obligations to transfer securities, including obligations to transfer the Income in the form of securities, outstanding as at the date of formation of the liquidation clearing pool should be offset with counter homogeneous claims to receive securities and, to the extent that the obligations have not been terminated by set-off, the CC should determine the total securities obligations (claims) of the Terminated Member;

3) the Terminated Member's Total Securities Obligations (Claims) determined in accordance with sub-clause 2 of these Rules should be converted into settlement currency by multiplying the number of securities constituting the said Total Obligation (Claim) by the Upper (Lower) Forced Closure Price determined within the last Clearing Session in accordance with the Methodology for Establishing and Modifying Risk Parameters. The Upper Forced Closure Price should be used for the purpose of conversion into the settlement currency of the Liquidated Obligation and the Lower Forced Closing Price should be used for the purpose of conversion into the settlement currency of the Liquidated Claim;

4) for the purpose of determining the net obligation of the Terminated Member, the amount of the obligation to deliver the Income in the form of cash should be determined in accordance with Article 30 of these Rules;

5) the obligations in respect of the cash determined in accordance with sub-clauses 1 to 4 of this Clause should be set off with the counter homogeneous cash claims determined in accordance with sub-clauses 1 to 4 of this Clause, and to the extent that the said obligations have not been terminated by set-off, the CC should determine the total liabilities (claims) of the Terminated Member in respect of the cash;

6) the Terminated Member's total liabilities (claims) in cash determined in accordance with sub-clause 5 of this clause, expressed in different currencies are converted into one currency at the CC's choice at the rate from the source indicated on the CC Website, established as of the date of formation in accordance with this clause of the liquidation clearing pool.

39.2.2. The net obligation of the Terminated Member in cash should be discharged within a period not exceeding two (2) business days from the date of determination of such net obligation, in the following order:

1) the Net Obligation in cash is satisfied by reducing the amount of the Collateral Assets in the currency of a specified net obligation by the amount of this net obligation;

2) the use of the Terminated Member's contribution to the Default Fund in the currency of a specified net obligation should be made by transferring the funds constituting the Terminated Member's contribution to the Default Fund against the settlement of its net obligation;

3) replacement of the Terminated Member's Collateral Assets in a currency other than the currency of a specified net obligation with the currency of such a net obligation at the exchange rate established at the time of the operation;

4) the replacement of the currency constituting the Terminated Member's contribution to the Default Fund with the currency of a specified net obligation at the exchange rate established at the time of the operation;

5) taking actions aimed at selling the securities constituting the Terminated Member's Collateral Assets. In the event that the CC receives cash denominated in a currency other than the currency of a specified net obligation as a result of the above sale, the CC exchanges such currency into currency of a certain net obligation at an exchange rate established at the time of the operation. The amount of cash received as a result of the above actions should be used by the CC to terminate the net obligation of the Terminated Member in cash;

6) use of the CC's Allocated Capital;

7) use of the contributions of other Clearing Members to the Default Fund in proportion to the amount of such contributions;

8) use of the Collateral Assets of other Clearing Members in proportion to the value of the Collateral Assets of each such Clearing Member.

The assets of each subsequent priority may be used to perform a net obligation only where the assets of the preceding priorities are insufficient.

The amount of the Terminated Member's Collateral Assets in cash, the amount of its Collateral Assets in securities and his contribution to the Default Fund should be reduced by the amount of the used cash/securities from the said Collateral Assets/ Default Fund from the Terminated Member's Contribution Amount.

The amount of the CC's Allocated Capital, the amount of the Collateral Assets of other Clearing Members, and the contribution of other Clearing Members to the Default Fund shall be reduced by the amount of the cash/securities used.Where the CC's Allocated Capital is used to perform its net obligations, the Terminated Member shall be obliged to reimburse the CC for the funds used.

Where the contributions of other Clearing Members to the Default Fund and Collateral Assets of other Clearing Members are used to perform its net obligations, the Terminated Member shall be obliged to reimburse such Clearing Members for the funds used.

Cash settlements should be deemed to have been completed from the moment they are recorded on the clearing registers of the Terminated Member.

When acting pursuant to this Article of the Rules, the CC, in order to minimise the risks of the central counterparty, is entitled to conclude Agreements/ Internal OTC Contracts with Clearing Members in the Trading and/or OTC trading. In case of impossibility to conclude Contracts/ Internal OTC Contracts at the Trading and/or OTC trading, the CC is entitled to conclude Contracts/ Internal OTC Contracts with Clearing Members without submission of Orders, without sending OTC Offers and OTC Acceptances in accordance with Article 17 of these Rules.

Article 40. Significant Events

40.1. Significant Event means the following event, occurrence of which will create obstacles in clearing services of the Clearing Member/ Clearing Members and/or will prevent the CC from settlement of its obligations to the Clearing Member/ Clearing Members:

- decisions and actions of public authorities, the AIFC, other bodies, institutions and organisations of the Republic of Kazakhstan (including amendments to the legislation), as well as public authorities, financial market regulators, institutions and/or organisations of foreign countries;

- termination/ suspension of rendering of services by third parties necessary for clearing services of the Clearing Member/ Clearing Members, including termination/ suspension of servicing of the Trading Custody Accounts by the Settlement Depositary and/or Clearing Account by the Settlement Organisation;

- actions/omissions of banks (including legal entities that are non-residents who, on the basis of a special permit (licence or other basis) of the authorised body of the state of the institution, have the right to carry out banking operations provided for by the personal law of such a person) or non-bank credit Organisations (including legal entities that are non-residents who, on the basis of a special permit (licence or other basis), have the right to carry out banking operations provided for by the personal law of such a person) or non-bank credit Organisations (including legal entities that are non-residents who, on the basis of a special permit (licence or other grounds) of the authorised body of the state institutions have the right to carry out banking operations determined by such a permit, provided for by the personal law of this person), including in which Settlement Organisations have opened money accounts that have caused the inability of the CC to fulfil obligations to the Clearing Member/ Clearing Members determined by the results of clearing, as well as the return of funds to Clearing Member/ Clearing Members for reasons beyond the control of the CC, Settlement Organisation and/or Clearing Member/ Clearing Members, including cases of introduction by the above Organisations of special modes of money transfers and/or restrictions on operations with cash;

- acts/ omissions of the depositaries and/or foreign clearing and custodial institutions which record and transfer rights to securities registered in the Trading Custody Account with the Settlement Depositary, which have caused the inability of the CC to fulfil the obligations to the Clearing Member/ Clearing Members determined at the end of clearing, as well as the obligations on return of the securities, the Clearing Member/ Clearing Members for the reasons beyond control of the CC, the Settlement Depositary and/or the Clearing Member/ Clearing Members, including the cases of introduction by the aforementioned entities of special securities transfer regimes and/or restrictions on securities operations;

- actions of banks (including legal entities that are non-residents who, on the basis of a special permit (licence or other basis) of the authorised body of the state of the institution, have the right to carry out banking operations provided for by the personal law of such a person) or non-bank credit Organisations (including legal entities that are non-residents who, on the basis of a special permit (licence or other basis) of the authorised body of the state institutions have the right to carry out banking operations defined by such a permit, provided for by the personal law of this person), including in which cash accounts have been opened to Settlement Organisations that have resulted in the write-off of funds from CC Clearing Accounts in the Settlement Organisation;

- actions of depositories and/or foreign accounting institutions which record and transfer rights to securities recorded on the Trading Custody Account in the Settlement Depositary, resulting in debit of securities from the Trading Custody Account in the Settlement Depositary;

- other circumstances preventing the Clearing Member/ Clearing Members from providing clearing services that are beyond the control of the CC.

40.2. The recognition of an event as significant is subject to the decision of the CC. An event may be deemed significant with respect to one or more of the Clearing Members.

40.3. If the occurrence of a significant event is recognised by the CC, the CC should take the following actions:

- notify the Clearing Member/ Clearing Members in respect of which the event is recognised significant, the Settlement Organisation/ the Settlement Depositary (if necessary) by the means of communication available to it in this situation on occurrence of the significant event and the actions taken in relation thereto.

40.4 The following decisions may be taken by the CC as measures to resolve a significant event:

40.4.1. on change of the procedure and terms of document flow in the process of interaction of the CC with the Clearing Members, the Settlement Organisation, the Settlement Depositary;

40.4.2. on cessation of accounting (in full or in part) of securities/ currency, determined by resolution of the CC, as the Collateral Assets of the Clearing Member/ Clearing Members, in respect of which the event is recognised significant (hereinafter - Blocking of the Collateral of the Clearing Member/ Clearing Members);

40.4.3. on termination of accounting (in full or in part) as the Collateral Assets with simultaneous decrease of the obligations of the CC on refund of securities/ currency, determined by such decision, to the Clearing Member/ Clearing Members, in respect of which/ which the event is recognised significant (the "Write-off of Collateral of the Clearing Member/ Clearing Members");

40.4.4. on change in the method, procedure for settlement and/or Settlement Date of the Contract/ Settlement Date of the Principal Obligation under the Derivative Contract/ Settlement Date of the Internal OTC Contract/ Payment Date under the Derivative Contract on the obligations of the Clearing Member/ Clearing Members and/or CC;

40.4.5. on change of the method, procedure and/or term of fulfilment by the CC of the obligation to refund the cash to the Clearing Members, establishment of restrictions on cash operations, including those in respect of which the Collateral of the Clearing Members is blocked;

40.4.6. on change of the method, procedure and/or term for execution by the CC of the orders of the Clearing Members, imposition of restrictions on execution of operations with securities recorded on the Trading Custody Accounts, including those in respect of which the Collateral of the Clearing Members is blocked;

40.4.7. on suspension/ termination of clearing services to the Clearing Member/ Clearing Members;

40.4.8. on taking other actions aimed at the resolution of a significant event.

The decisions taken by the CC are communicated to the Clearing Members by the means of communication available to it in each particular situation.

Once the CC has taken the relevant decisions to settle a significant event in the Clearing System, the relevant clearing registers should be adjusted.

40.5. The decision of the CC made in accordance with clause 40.4.2 of these Rules on Blocking of the Collateral in respect of the Clearing Members should specify the amount of currency/ number of securities that ceases to be recorded as the Collateral Assets of each of the Clearing Members in respect of which the event is recognised significant. The CC should also be entitled to take other decisions necessary to ensure implementation of the decision to cease recording currency/securities as the Collateral Assets of the Clearing Members.

40.5.1. The amount of the currency, accounting of which as the Collateral Assets of the Clearing Members is terminated by resolution of the CC adopted according to clause 40.4.2 of these Rules, should be allocated and accounted by the CC on the Blocking registers opened by the CC within the same TCA where the currency was accounted as the Collateral Assets at the moment of start of the Collateral Blocking of the Clearing Members. Simultaneously with the commencement of the recording of the currency on the TCA Lock Register, the amount of cash in that currency recorded on the cash register of the same TCA should be reduced by the corresponding amount.

40.5.2. The number of securities accounted as the Collateral Assets of the Clearing Members is terminated by the resolution of the CC adopted in accordance with clause 40.4.2 of these Rules should be allocated and transferred by the Settlement Depositary on the instructions of the CC from the Trading Section to the Non-Trading Section of the Trading Custody Accounts where the securities are accounted as the Collateral Assets on the start of Blocking of Collateral of the Clearing Members. Simultaneously with the transfer of securities to the Non-Trading Section of the Trading Custody Account, the number of securities accounted on the depositary register of the TCA registered with the indication of such Trading Custody Account shall be reduced by the corresponding number.

40.6. The decision of the CC made in accordance with clause 40.4.3 of these Rules on Writing-off of the Collateral of the Clearing Members should specify the amount of currency/ number of securities that ceases to be recorded as the Collateral Assets with simultaneous decrease of the obligation of the CC on refund to each of the Clearing Members in whose respect the event is deemed significant.

40.6.1. The amount of currency indicated in the resolution of the CC adopted in accordance with clause 40.4.3 of these Rules should be distributed by the CC and should decrease the values of cash and/or Block Register of the TCA where currency is recorded at the moment of start of writing-off of the Collateral of the Clearing Members, with simultaneous decrease by the respective value of the obligation of the CC on refund of currency to the Clearing Members.

40.6.2. The number of securities specified in the resolution of the CC adopted in accordance with clause 40.4.3 of these Rules should be allocated by the CC and debited by the Settlement Depositary on the instructions of the CC from the Trading and/or Non-Trading Custody Accounts, with simultaneous reduction by the corresponding value of the obligation of the CC to return securities to the Clearing Members.

40.7. Upon termination of the circumstances that are the basis for recognising an event as significant, the CC shall make a decision on full or partial termination of the recognition of the event as significant and on full or partial termination of measures to resolve this significant event. The CC also has the right to decide to change the measures for the resolution of this significant event.

The CC notifies the Clearing Members in respect of whom the decision on cessation of recognition of the event as significant, as well as the Settlement Organisation/ Settlement Depositary (if necessary) of the decision taken by the CC.

40.7.1. After termination of the circumstances that are the grounds for recognition of the event as significant and the Blocking of the Collateral in accordance with clause 40.4.2 of these Rules, the CC takes the decision on resumption of accounting (in full or in part) as the Collateral Assets of the currency/ securities, the accounting of which(s) as the Collateral Assets of the Clearing Members was earlier terminated by the decision of the CC on the Blocking of the Collateral accepted (the "Removal of Collateral Blocking of the Clearing Members").

40.7.2. Withdrawal of the Collateral of the Clearing Member in currency in the amount determined by the decision of the CC on Withdrawal of the Collateral Lock of the Clearing Members should be performed by stopping accounting of the said amount on the TCA Lock Register with simultaneous increase in the value of the cash register on the same TCA by the said amount.

40.7.3. Withdrawal of the Collateral of the Clearing Member in securities in the amount determined by the resolution of the CC on Withdrawal of the Collateral of the Clearing Members should be performed by transfer of the said number of securities by the Settlement Depositary on the instructions of the CC from the Non-Trading Section to the Trading Section of the Trading Custody Account, with simultaneous increase by the said number of securities of the depositary register value of the TCA registered with indication of such Trading Custody Account.

40.8. The Margin Call and/or Debt of the Clearing Member in respect of which the event is recognised significant, including those arising as a result of acknowledgment of the event significant in respect of such Clearing Member and/or settlement of measures for settlement of the significant event taken by the CC, should be settled by the Clearing Member within the procedure and terms set forth in these Rules.

40.9. In case of non-fulfilment by the Clearing Member, in respect of which the event is recognised as significant, of the obligations provided for by these Rules, including those arising as a result of the recognition of the event as significant in respect of such Clearing Member and/or the settlement of measures to resolve the significant event taken by the CC, the CC will settle these unfulfilled obligations in accordance with the procedure provided for by these Rules, in particular, it uses the levels of protection of the central counterparty provided for by these Rules on

limiting the amount of liability of the CC, as well as reducing the amount of the obligation to return Collateral Assets to Bona Fide Clearing Members by an amount equal to the remaining outstanding Debt of the Debtor provided for by these Rules.

40.10. When making decisions on the settlement of significant events, the CC is entitled to:

- set the terms and procedure for the Clearing Member/ Clearing Members to execute their decisions;
- condition the entry into force of their decisions on certain circumstances.

40.11. The Clearing Member/ Clearing Members in respect of which the event is deemed significant, should be notified of the measures taken by decision of the CC to settle the significant event by available communication means not later than on the day of taking such measures.

40.12. The CC should be released and should not be liable for any losses that may arise due to non-settlement of clearing services to the Clearing Member/ Clearing Members in accordance with these Rules/ non-settlement of its obligations to the Clearing Member/ Clearing Members in accordance with these Rules/ application of measures to settle a significant event in case of recognition of the event as significant due to the circumstances provided for in clause 40.1 of these Rules.

Article 41. Portability of Positions and Related Collateral

41.1. The CC shall be entitled to transfer the debt / assign the claims of a Clearing Member in respect of obligations admitted to clearing that have arisen as a result of the conclusion of Contracts / Internal OTC Contracts for the account of the Clearing Member's client for whom a Segregated TCA is registered, and to transfer the assets constituting the subject matter of the collateral securing the performance of obligations and recorded under the said TCA, to another Clearing Member, upon the termination of the clearing services of the Clearing Member for whose client the Segregated TCA is registered, by reason of the default or insolvency of the said Clearing Member.

The CC shall carry out the transfer of debt, the assignment of claims and the transfer of assets within the time limits established by these Rules and the Clearing Regulations.

41.2. The CC shall carry out the transfer of debt, the assignment of claims and the transfer of assets only where the following conditions are met:

- the Clearing Member's client for whose account the obligations are performed and/or the performance of obligations is secured has sent to the CC a notice in paper form or as a scanned copy from the email address specified by the Clearing Member upon the registration of such client, of the need to carry out the actions of transfer of debt, assignment of claims and transfer of assets, specifying the TCA registered for that client and specifying the TCA registered by another Clearing Member for the said client, in the form and within the time limits established by the Clearing Regulations;
- the Clearing Member to whom the debt is transferred, the claims are assigned and the assets are transferred has sent to the CC a notice in paper form, or in the form of an Electronic Document signed with an Electronic Signature, containing consent to the carrying out of the said actions, in the form and within the time limits established by the Clearing Regulations. That notice shall specify the TCA opened by that Clearing Member to which the transfer of debt, assignment of claims and transfer of assets are to be carried out;
- the Clearing Member to whom the debt is transferred, the claims are assigned and the assets are transferred has registered its client for whose account the obligations, in respect of which the debt is transferred, the claims are assigned and the assets are transferred, are performed and/or the performance of such obligations is secured, and has registered a TCA for that client;
- the transfer of debt, assignment of claims and transfer of assets will not result in a breach by the CC of the requirements of these Rules and/or the regulatory documents and rules of the AIFC.

41.3. The CC shall, for the purpose of the transfer of debt, assignment of claims and transfer of assets, within the time limits established by the Clearing Regulations:

- cease to record the obligations and claims in respect of cash and securities on the cash register / depositary register relating to the TCA specified in the notice for the transfer of debt and assignment of claims, in respect of each Contract / Internal OTC Contract concluded with the specification of that TCA, and shall begin to record them on the cash register / depositary register relating to the TCA of the Clearing Member to whom the debt is transferred, the claims are assigned and the assets are transferred;
- cease to record the Collateral Assets in the currency on the cash register relating to the TCA specified in the notice of the transfer of debt, assignment of claims and transfer of assets, and shall begin to record them on the cash register relating to the TCA of the Clearing Member to whom the debt is transferred, the claims are assigned and the assets are transferred;
- submit to the Settlement Depositary instructions for the debiting of securities constituting Collateral Assets of the Trading Custody Account relating to the TCA specified in the notice of the transfer of debt, assignment of claims and transfer of assets, and for the crediting of the said securities to the Trading Custody Account relating to the TCA of the Clearing Member to whom the debt is transferred, the claims are assigned and the assets are transferred. On the basis of a report of the Settlement Depositary confirming the performance of the submitted instruction, the CC shall reduce the Collateral Assets recorded on the clearing registers corresponding to the Trading Custody Account from which the securities were debited, by the number of securities debited, and shall increase the Collateral Assets recorded on the clearing registers corresponding to the Trading Custody Account to which the securities were credited, by the number of securities credited;

41.4. The transfer of debt, assignment of claims and transfer of assets from one Clearing Member to another Clearing Member shall be deemed completed from the moment the said operations are reflected on the clearing registers of those Clearing Members.

41.5. Prior to the commencement of the procedure for the transfer of debt, assignment of claims and transfer of assets, the CC shall notify the Trading Platform of the impossibility of registering an Order and of the need to delete registered Orders submitted with the specification of the TCA from which the transfer of debt, assignment of claims and transfer of assets is being carried out, in the register of Orders, and shall notify the Clearing Member of the impossibility of accepting an OTC Offer submitted with the specification of the TCA from which the transfer of debt, assignment of claims and transfer of assets is being carried out.

41.6. Upon completion of the transfer of debt, assignment of claims and transfer of assets, the CC shall cancel the TCA on which the obligations in respect of which the transfer of debt and assignment of claims was carried out, and the transferred assets, were recorded.