

KAZAKHSTAN STOCK EXCHANGE JSC

Approved

by a decision of the Board of Directors
of Kazakhstan Stock Exchange JSC

(meeting minutes
No. 26 dated September 7, 2018)

Effective

as of September 17, 2018, for the stock
market;

as of October 1, 2018, for the foreign
exchange and derivatives market

CLEARING RULES

for transactions with financial instruments

LIST OF AMENDMENTS

1. Amendments and changes No. 1:

- approved by the decision of the Board of Directors of the Kazakhstan Stock Exchange JSC (meeting minutes No. 37 dated December 12, 2018);
- effective as of December 3, 2018.

2. Amendments and changes No. 2:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 5 dated January 29, 2019);
- effective as of February 18, 2019.

3. Amendments and changes No. 3:

- approved by the decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 23 dated April 26, 2019);
- effective as of May 1, 2019.

4. Amendments and changes No. 4:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 26 dated May 28, 2019);
- effective as of May 29, 2019.

5. Amendments and changes No. 5:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 45 dated September 24, 2019);
- effective as of December 3, 2019.

6. Changes and additions No. 6:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 24 dated June 29, 2020);
- effective as of August 3, 2020.

7. Change No. 7:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 37 of the meeting dated September 30, 2020);
- effective from October 1, 2020.

8. Changes and additions No. 8:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (meeting minutes No. 39 of the meeting on November 11, 2020);
- effective from November 30, 2020.

9. Changes and additions No. 9:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No. 41 dated June 08, 2021);
- effective from June 14, 2021.

10. Changes and additions No. 10:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No. 42 dated June 23, 2021);
- Effective from July 1, 2021.

11. Changes and additions No. 11:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No. 42 dated June 23, 2021);
- Effective from 7 July 2021.

12. Changes and additions No. 12:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No. 67 dated November 29, 2021);
- Effective from December 20, 2021.

13. Changes No. 13:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No. 1 dated January 18, 2022);
- Effective from January 19, 2022.

14. Changes and additions No. 14:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.10 dated March 28, 2022);
- Effective from March 29, 2022.

15. Changes and additions No. 15:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.21 dated July 01, 2022);
- Effective from July 04, 2022.

16. Changes and additions No. 16:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.23 dated July 27, 2022);
- Effective from August 22, 2022.

17. Changes and additions No. 17:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.18 dated July 26, 2023);
- Effective from July 27, 2023.

18. Changes and additions No. 18:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.30 dated October 27, 2023);
- Effective from October 30, 2023.

19. Changes and additions No. 19:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes of the meeting No.12 dated April 30, 2024);
- Effective from May 02, 2024.

These Rules have been drawn up pursuant to the Law of the Republic of Kazakhstan "On the Securities Market", Clearing Rules for Transactions with Financial Instruments approved by the Resolution No. 254 of the Management Board of the National Bank of the Republic of Kazakhstan dated October 29, 2018, the Requirements to the Risk Management System of a Clearing Organization, to the Terms and the Procedure for Monitoring, Control and Management of Risks in a Clearing Organization as approved by the Resolution No. 59 of the Management Board of the National Bank of the Republic of Kazakhstan dated February 24, 2012, the Requirements to the Risk Management System of a Central Counterparty, to the Terms and the Procedure for Monitoring, Control and Management of Risk in a Central Counterparty, as approved by the Resolution No. 11 of the Management Board of the National Bank of the Republic of Kazakhstan dated January 28, 2016 and internal documents of the Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) and determine the terms and procedure for clearing transactions with financial instruments by the Exchange (as these activities are determined in the Law of the Republic of Kazakhstan "On the Securities Market") and also set the rules for administration and operation of the risk management system of the Exchange as a clearing organization and the rules for performing functions of a central counterparty by the Exchange.

(This preamble was changed by a decision of the Exchange's Board of Directors of January 29, 2019)

Chapter 1. CLEARING ACTIVITIES OF THE EXCHANGE

Article 1. Main definitions

1. These Rules use concepts and terms defined by the legislation of the Republic of Kazakhstan, the Exchange's internal document "Rules of execution of exchange activities" and other internal documents of the Exchange *(this item was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022)*.
2. Other definitions used in these Rules mean the following:
 - 1) **margin-call**—the Exchange's requirement for a clearing participant with partial collateral:
 - on bringing the negative value of the single limit on the trading and clearing account used for transactions with the CCP in the stock and / or foreign exchange market to a non-negative value in the manner prescribed by the specifics of the stock market or foreign exchange market of these Rules.
 - on the repayment of debt under the settlement code in accordance with the procedure established by the specifics of the derivatives market of these Rules;

(This sub-item was supplemented by a decision of the Exchange's Board of Directors dated November 11, 2020 and changed by a decision of the Exchange's Board of Directors dated June 23, 2021);

- 2) **Bank-provider** is a bank—clearing member of the foreign exchange market determined by the Exchange Board as a party to transactions on the rollover or liquidation of positions for settling default;
- 3) **exchange market** is a stock market, a foreign exchange market and the derivatives market that corresponds to the concepts set in this item;
- 4) CP with an account in the NPC – a clearing participant who has a correspondent account in tenge opened with the National Bank of the Republic of Kazakhstan, settlements for which are carried out by National Payment Corporation of the National Bank of the Republic of Kazakhstan JSC (hereinafter – the NPC) *(this sub-item was changed by decisions of the Exchange's Board of Directors dated June 29, 2020 and October 27, 2023)*;
- 5) **foreign exchange market** is an organized foreign exchange market of the Exchange, the transactions on which are cleared by the Exchange in accordance with the Rules of Exchange Activities;

- 6) **settlement day** is the day on which the Exchange settles obligations arising from certain financial instrument;
- 7) **default** is a failure by a clearing member to perform its obligations (untimely or improper performance of obligations);
- 8) **voluntary provider** – a clearing participant in the stock market that has submitted an application for assignment of the voluntary provider status in relation to a client's trading and clearing account on the stock market in the form in accordance with Appendix 4 to these Rules, confirming its consent to act as a party in the conclusion by the Exchange on its behalf of transactions with the Central Counterparty using the client's trading and clearing account specified in the application, as part of the implementation of the procedure for transferring positions in the manner determined by these Rules, in the event that there are the necessary securities recorded in such trading and clearing account.

The voluntary provider shall independently ensure that the relevant consent of its client is obtained for the use of financial instruments held in the client's trading and clearing account;

(this sub-item was changed by decisions of the Exchange's Board of Directors dated June 29, 2020 and dated April 30, 2024)

- 9) **single limit** – a value, expressed in tenge, which measures the sufficiency of collateral on the trading and clearing account (own or client's) of a clearing participant in the foreign exchange and / or stock market, required to submit orders and conclude transactions "with partial collateral;" *(this sub-item was changed by the Exchange Board of Directors decision of June 23, 2021);*
- 10) **custodian** is a legal entity defined by the Rules of Exchange Activities that has the status of a clearing member;
- 11) **clearing (clearing of transactions with financial instruments)** is the process of identifying, verifying and transmitting information about net and/or gross claims and/or liabilities of clearing members on transactions with financial instruments;
- 12) **clearing on a gross basis** is the process of determining the requirements and obligations to be fulfilled for each concluded transaction, as well as the preparation and transfer of documents (information) that are the basis for their execution *(this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020);*
- 13) **clearing on a net basis** is the process of determining claims and/or obligations of clearing members to be performed arising from the netting of their transactions, as well as the preparation and transfer of documents (information) that are grounds for termination of claims and/or obligations on the concluded transactions, and the occurrence of claims and/or obligations on the results of netting of these transactions;
- 14) **clearing session** is a part of the Exchange's operating day, during which the Exchange clears on a net basis based on the results of transactions concluded at the exchange-based trades, forms clearing reports, as well as documents that are the basis for making settlements in accordance with the internal document of the Exchange ""Regulations ""Regulations for conducting clearing sessions on deals with the central counterparty"(hereinafter – the Regulations)" *(this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020);*
- 15) **clearing system** is a software and hardware complex of the Exchange, which is used for performing clearing activities and for performing functions of the central counterparty on transactions with financial instruments and is

- designed to automate actions to be performed by the Exchange as part of this activity;
- 16) **clearing unit** is a structural unit of the Exchange, the main function of which is to exercise actions necessary for the Exchange to clear transactions with financial instruments;
 - 17) **clearing day** is the day on which the Exchange clears transactions with any financial instrument;
 - 18) **clearing report** - a document provided by the Exchange to a clearing participant and containing information about the obligations and requirements of the clearing participant arising from clearing, information about the margin-call (if any) and other information defined by these Rules; *(This subparagraph was changed by a decision of the Exchange's Board of Directors dated June 23, 2021);*
 - 19) **clearing account** - an account in the clearing system of the Exchange assigned to a clearing participant (own), or its client (client), intended for recording information on collateral, claims and liabilities on financial instruments settled on a net basis, on deals, orders, transfers for settlements, collateral transfers and other operations on setting of collateral limits *(this sub-item was changed by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
 - 20) **clearing member** is a legal entity that has concluded a clearing service agreement with the Exchange;
 - 21) **clearing member without collateral** is a clearing member in the category "without collateral", who participates in trading without depositing collateral;
 - 22) **clearing member with full coverage** is a clearing member in the category "with full coverage", who participates in the trading provided that it the obligations of the transactions concluded in the amount required for their performance in respect of those financial instruments, where these obligations fully arise until they are executed;
 - 23) **clearing member with partial collateral** is a clearing member in the category "partial collateral", who participates in the trading provided that the control over adequate collateral formed in accordance with the procedure established by these Rules;
 - 24) **KASE correspondent account in the Central Depository** is a correspondent account of the Exchange in the Central Depository intended exclusively for depositing cash collateral and for making cash settlements and transactions with the central counterparty on the stock market in accordance with the internal document of the Exchange "The Rules for Making Monetary Settlements on Stock Market Transactions with the Central Counterparty" (hereinafter referred to as the Securities Settlement Rules);
 - 25) **collateral** is a value expressed in tenge that measures the sufficiency of collateral on each segregated trading and clearing account / aggregated trading and clearing account / settlement code of a clearing participant in the derivatives market required for submitting orders and concluding trades, as well as for fulfilling obligations; *(this subparagraph was changed by the decisions of the Exchange's Board of Directors dated November 11, 2020 and June 23, 2021);*
 - 26) *(this subparagraph was amended by a decision of the Exchange's Board of Directors dated November 11, 2020 and deleted by a decision of the Exchange's Board of Directors dated June 23, 2021);*
 - 28) **netting** means full or partial termination of claims and liabilities that are recorded at a particular clearing account arising from transactions with financial instruments by way of netting;

- 29) **net liability** means a liability as the result of netting;
- 30) **net position** means net claim and/or net liability;
- 31) **net claim** means claim as the result of netting;
- 32) **collateral** is money and/or securities in a settlement organization recorded as collateral for transactions concluded by a clearing member and as the performance of its net liabilities;
- 33) **restrictive limit** is the restriction that the Exchange imposes on a single limit of a trading and clearing account, which does not allow making transactions that will result in its value being less than the restrictive limit;
- 34) **Information Technology Unit** refers to the unit of the Exchange that develops, maintains and improves quality of operation of the Exchange's information system;
- 35) **Risk Management Unit** is a division of the Exchange that conducts risk identification and assessment, as well as risk control and monitoring of the effectiveness of risk management methods;
- 36) **position** is an obligation or claim arising from a transaction with a financial instrument, which is taken into account on a particular clearing account;
- 37) **full coverage** is a condition for the conclusion of transactions with the CCP, under which the check is carried out as of the availability of full collateral for net obligations in those financial instruments in which they arise from concluded deals and submitted orders, the execution of which leads to the maximum value of net obligations on each settlement date, taking into account net claims and/or net liabilities on previous settlement dates (*this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020*);
- 38) **a user of the Control and Security System** is a clearing member of the stock market, which is a custodian granted access to the **Control and Security System** in accordance with the Rules of Exchange Activities;
- 39) **attribute "short selling ban"** is a restriction on a certain security/trading and clearing account/clearing member that does not allow posting orders on the stock market into the ASTS+ trading and clearing system that result in the lack of full collateral for obligations on the securities arising from the conclusion of deals;
- 40) **attribute "ban on unsecured purchases"** is a restriction that does not allow posting orders for concluding transactions in the stock market into the ASTS+ trading and clearing system that result in the lack of full collateral for money obligations in respect of particular currency/trading and clearing account/clearing member;
- 41) **KASE section** – a section of a sub-account with the sign "sub-account of a trading participant" of a personal account opened in the accounting system opened with the Central Securities Depository in accordance with the Code of Rules of the Central Securities Depository in order to account for the deposited collateral in securities and fulfill net obligations and net claims in securities under transactions with the CCP following the results of clearing on a net basis and fulfillment of obligations and claims in securities under transactions without the CCP following the results of clearing on a gross basis (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
- 41-1) **Repo section** – a section of a sub-account with the sign "sub-account of a trading participant" of a personal account opened with the Central Securities Depository in accordance with the Code of Rules of the Central Securities Depository in order to block securities when executing an opening transaction related to a repo transaction without the CCP with the

- purchase-sale direction (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
- 41-2) **GC Global section** – a section of a sub-account with the sign "sub-account of a trading participant" of a personal account opened with the Central Securities Depository in accordance with the Code of Rules of the Central Securities Depository for the purpose of accounting for securities deposited by the clearing participant in the collateral pool (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
- 42) **settlement unit** is a division of the Exchange, whose main function is to conduct settlements of transactions with financial instruments in the foreign exchange market and derivatives market, as well as cash settlements on the stock market;
- 43) **modes "Transfers to settlements"** are the modes in the ASTS+ trading and clearing system established by the internal regulatory document "The lists of modes and transactions of the ASTS+ trading and clearing system" and used by the users of the Control and Security System for performing the functions of monitoring the purposeful placement of assets and transferring the performance of claims and obligations on the transactions concluded in the trading modes with CCP in the interests of the client of the user of Control and Security System;
- 44) **modes "Transfers of collateral"** are the modes in the ASTS+ trading and clearing system established by the Exchange's internal document "The lists of modes and transactions of the ASTS+ trading and clearing system" and used for the purpose of transferring collateral in money or securities or setting collateral limits on money or securities on trading and clearing accounts (segregation/aggregation of financial instruments);
- 45) **modes with CCP** – as such regimes are defined by the internal regulatory document "The lists of modes and transactions of the ASTS+ trading and clearing system" using which the transactions are concluded, where the Exchange acts as a central counterparty;
- 46) **derivatives market** is an organized market of derivative financial instruments of the Exchange, the transactions on which are cleared by the Exchange in accordance with the Rules of Exchange Activities;
- 47) **transactions without CCP** are transactions defined by the Rules of Exchange Activities, in respect of which the Exchange does not act as a central counterparty;
- 48) **transactions with CCP** are the transactions defined by the Rules of Exchange Activities, in respect of which the Exchange acts as a central counterparty;
- 49) **Accounts of guarantee contributions** are the accounts/sub-accounts for recording guarantee contributions in the internal accounting system of the Exchange that are opened to a clearing member in accordance with the internal document "The Rules of Internal Accounting of Money and in Settlement Paperwork during Exchange-based Trading" and are intended for recording the money transferred by a clearing member to pay guarantee contributions to the guarantee funds of the exchange markets in accordance with these Rules;
- 50) **collateral accounts** - accounts / sub-accounts of a clearing participant in the Exchange's internal accounting system in tenge or foreign currency, opened in accordance with the internal document "Rules for internal accounting of money and paperwork for settlements on exchange trading" and intended for accounting for money transferred in order to record collateral and the fulfillment of net obligations and net claims on the derivatives market, foreign exchange and stock markets for transactions with the CCP; (*this subparagraph was changed by the decisions of the*

Exchange's Board of Directors dated June 29, 2020, November 11, 2020 and June 23, 2021);

- 51) **trading unit** refers to the unit of Exchange, which organizes and conducts trades;
- 52) **Trading and Clearing Account Level 1 (hereinafter - Trading and Clearing Account)** - an account in the trading and clearing system of the Exchange assigned to the Clearing Member - participant of the trading, which is a set of the Trading Account Level 1 and the clearing account coinciding with it by code *(this sub-item was changed by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-1) **торговый счет 1-го уровня (далее – торговый счет)**– an account in the trading system of the Exchange opened for the Trading Participant being a clearing participant (own) or its client (client's), intended for accounting of information on trades, orders, transfers for settlement, collateral transfers and other operations on setting of collateral limits in the trading system concluded by the Trading Participant *(this sub-item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-2) **authorized body** is a state body of the Republic of Kazakhstan, exercising state regulation, control and surveillance of the financial market and financial organizations *((this sub-item was included by a decision of the Exchange's Board of Directors dated June 29, 2020);*
- 52-3) **2nd level trading and clearing account** - an account in the trading and clearing system of the Exchange, which is a set of the 2nd level trading account of the Authorized Trading Participant and the 1st level trading and clearing account of the user of the control and confirmation system *(this sub-item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-4) **2nd level trading account** - an account in the trading system of the Exchange opened for the Authorized Trading Participant intended for accounting of information on the trades concluded by the Authorized Trading Participant, orders, transfers for settlements and other operations related to control of the set collateral limits on the 1st level trading and clearing account *(this sub-item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-5) **authorized trader** - a trader authorized by the user of the Control and Support System to conclude transactions on behalf of his client in accordance with the Exchange Rules *(this sub-item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-6) **Trading Member** - an Exchange member entitled to conclude transactions in the trading and clearing system of the Exchange in accordance with the Rules of Exchange Activities *(this sub-item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022);*
- 52-7) **trading and clearing account of the collateral pool (hereinafter – CP account)** – a set of registration records and other designations in the trading and clearing system of the Exchange, opened by the Exchange in accordance with the internal document of the Exchange regulating the opening, maintenance and closing of trading and clearing accounts, and designed to record information on financial instruments contributed by a pool participant to the collateral pool, as well as on transactions, orders and other operations with these financial instruments *(this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022);*

- 53) **financial instrument** means money (tenge, foreign currency), securities, including derivative securities, as well as other financial instruments, the transactions with which are cleared by the Exchange;
- 53-1) **financial instruments included in a collateral pool** – financial instruments that the Exchange defines as allowed for inclusion in a certain collateral pool (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
- 53-2) **financial instruments contributed to a collateral pool** – financial instruments that a clearing participant who has entered into the Collateral Pool Agreement contributes in a certain amount to the CP account for the purpose of issuing general collateral certificates (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
- 54) **stock market** is an organized securities market of the Exchange, the transactions on which are cleared by the Exchange in accordance with the Rules of Exchange Activities;
- 55) **Central Depository** is the Central Securities Depository, which carries out transactions related to the performance of obligations on the transfer of securities following clearing;
- 56) **central counterparty** is a legal entity that is a party to transactions with financial instruments concluded by clearing members or their authorized trading participants in the Exchange's trading system;
- 57) **partial collateral** is a condition for making deals with CCP, which monitors the adequacy of collateral until fulfilment of their obligations in accordance with these Rules; (*this subparagraph was amended by the decision of the Exchange's Board of Directors dated June 23, 2021*);
- 58) **trading limit** - an amount of money determined in accordance with the specifics of the derivatives market of these Rules, within which a clearing participant in the derivatives market is entitled to conclude transactions (*this sub-item was included by the decision of the Exchange's Board of Directors dated June 23, 2021*);
- 59) **Settlement code** - an account in the trading / trading and clearing system of the derivatives market, designed to record information on the collateral for submitted orders and concluded transactions, as well as for the fulfillment of obligations under such transactions. (*this sub-item was included by the decision of the Exchange's Board of Directors dated June 23, 2021*).
- 60) **pool participant** – a clearing participant that joined the Collateral Pool Agreement and contributed property to the Exchange's collateral pool for the purpose of issuing general collateral certificates (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*).

(This item was changed by the decision of the Exchange's Board of Directors of September 24, 2019).

3. The terms defined in these Rules can also be used in other internal documents of the Exchange, in the official documentation and correspondence of the Exchange and market data in respect of the transactions cleared by the Exchange. Unless the context of these Rules otherwise requires, the words in the singular include the plural and vice versa, and the reference to a word of some gender includes a reference to words pertaining to all other genders.

Article 2. General Provisions on Clearing Activities

1. The Exchange conducts clearing activities acting as a central counterparty and not acting as a central counterparty in relation to those transactions defined by the Rules of Exchange Activities.
2. Clearing on a net basis is done on transactions with CCP, clearing on a gross basis is done on transactions without CCP taking into account the specifics established for certain exchange markets by these Rules.
3. The procedure for assigning, withdrawal and restoration of the status of a clearing member, the procedure for establishing a category for a clearing member, the requirements for organizations applying for the status of a clearing member, requirements for establishing the category of a clearing member, the rights and responsibilities of a clearing member, the liabilities of clearing members and the Exchange were determined by the internal document of the Exchange "Regulations on Clearing Members" (hereinafter referred to as the Regulations).
4. The method of securing the performance of obligations arising from transactions with CCP is determined based on the type of category assigned to a clearing member of a particular exchange market by the Exchange's Management Board in accordance with the Regulation, as well as the specifics established for a certain financial instrument in accordance with item 7 of this article.

The method of securing the performance of obligations arising from the transactions without CCP is determined in accordance with the specifics of a certain exchange market.

5. The category "without collateral" on all exchange markets is assigned to the National Bank, which is the central bank of the Republic of Kazakhstan and represents the upper (first) tier of the banking system.
6. The exchange of electronic documents between clearing members and the Exchange is carried out through the eTransfer.kz electronic document exchange system.
7. The Exchange carries out trading and clearing on deals with the CCP with partial collateral for clearing members taking into account the following specifics:

- 1) admission of a financial instrument to conclusion of deals on the foreign exchange and stock markets on the conditions of partial collateral is set for financial instruments included in the List T+ of the respective exchange market.

Financial instruments accepted as collateral for transactions carried out on the basis of partial collateral are financial instruments included in the Collateral List T+ of the respective exchange market.

The procedure for including/excluding financial instruments from the List T+ and the Collateral List T+ is conducted based on the decision of the Exchange's Management Board in accordance with the internal document of the Exchange "The procedure for including financial instruments in the List T+ and the Collateral List T+" (further referred to as the Procedure for Including FI).

The attribute "short selling ban" may be established for any financial instrument on the List T+ based on the Committee's decision.

The above lists are reviewed on a regular basis and published on the Exchange's website (WWW.KASE.KZ);

(this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

- 2) in the stock market, the method of securing the fulfillment of obligations on deals with the CCP is defined by the settlement code set for a certain trading

mode, in which securities are traded, depending on whether or not certain securities are included in the List T+.

For securities not included in the List T+, the settlement code for the modes in which they are traded, corresponds to the condition of the full coverage of liabilities (the settlement code "T").

For securities included in the List T+, the settlement code for the modes in which they are traded corresponds to the condition of partial coverage of liabilities (the settlement code "Y"). With regard to securing liabilities for securities traded in the mode with the settlement code "Y", the attribute "short selling ban" may be established.

For a security included in the List T+, the settlement code "T" may be set for certain modes, providing for full coverage of obligations on transactions.

The trading modes with CCP, in which the transaction with certain securities with indication of the method of securing the performance of obligations are made (settlement codes) applied to such a mode, are defined by the internal regulatory document "The lists of trading modes and transactions of trading and clearing system ASTS+ ".

On the stock market, for transactions without the CCP, the method of ensuring the fulfillment of obligations is determined by the Exchange's internal document "Procedure for concluding transactions in securities without performing the functions of the central counterparty and making settlements on them (gross settlements)" *(this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.

In the foreign exchange market, the method of securing the performance of obligations on all foreign currency transactions in the List T+ is carried out on the conditions of partial collateral.

8. Clearing on a net basis is done automatically using clearing system during the clearing session, and clearing based on a gross basis is done automatically using clearing system based on each transaction concluded during trading.
9. The procedure for conducting clearing sessions is determined by the Regulations *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.
10. The procedure for clearing on a gross basis is determined by the Exchange's internal document "Procedure for concluding deals in securities without performing the functions of the central counterparty and making settlements thereon (gross settlements)" *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.
- 10-1. The Exchange, as a clearing organization performing the functions of the central counterparty, issues general collateral certificates in accordance with the Exchange's internal document "Instructions for the issue, placement, circulation and redemption of general collateral certificates" (hereinafter – the GCC Instruction) *(this item was included by a decision of the Exchange's Board of Directors dated July 27, 2022)*.
11. The procedure for the formation and use of the collateral of clearing participants, as well as the procedure for the formation, use and recovery of clearing funds (guarantee, reserve funds and collateral pools) are established by Chapters 2 and 3 of these Rules *(this item was changed by a decision of the Exchange's Board of Directors dated July 27, 2022)*.
12. The Exchange has the right to invest the money that make up the collateral of clearing members and clearing funds (guarantee and reserve funds) in accordance with appendices 2, 3 and 4 to the internal document of the Exchange "Asset Investment Policy" published on the Exchange's website (www.kase.kz).

13. The proceeds from the investment of money that make up the collateral of clearing members and clearing guarantee funds are not accrued and are not paid to clearing members.
14. The Exchange performs functions of a central counterparty in respect of all transactions with financial instruments traded at the derivatives market and foreign exchange market. In respect of stock market transactions, the Exchange acts as a central counterparty for transactions made in the trading modes with CCP and does not act as a central counterparty for transactions without CCP defined in accordance with the Rules of Exchange Activities.
15. Special aspects of clearing activities of the Exchange on particular exchange markets are described in Chapter 4, 5, 6 of these Rules.
16. These Rules are published on the Exchange's website (www.kase.kz) and are available to all clients of the Exchange and other stakeholders.
17. The Exchange has the right to request from the Central Securities Depository any information, including confidential information, if such is required for the Exchange to perform the functions of a clearing organization and/or the central counterparty. The Central Securities Depository has the right to provide the information requested by the Exchange, if this does not directly contradict the internal procedures of the Central Securities Depository (*this item is included by a decision of the Board of Directors of the Exchange of November 11, 2020*).
18. The Exchange may carry out clearing activities and perform the functions of the central counterparty either independently or transfer this functionality to a clearing organization that performs the functions of the central counterparty, both for one and for all exchange markets, in accordance with the procedure governed by the internal documents of the Exchange.

In the event of the transfer of the functionality for the implementation of clearing activities to a clearing organization, the Exchange enters into an agreement with the clearing organization, which must contain the following basic conditions:

- 1) types of financial instruments and transactions with them for which the clearing organization carries out clearing and CCP functions;
- 2) the procedure for interaction between the clearing organization and the Exchange, including the exchange of information;
- 3) other provisions by agreement of the parties.

(This item is included by a decision of the Board of Directors of the Exchange of July 26, 2023 and was changed by a decision of the Exchange's Board of Directors of April 30, 2024)

(This article changed by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 2-1. The procedure for the formation and termination of the collateral pool

1. The decision on the conditions for the formation of a collateral pool is made by the Exchange's Management Board and contains the following information:
 - 1) the name of the collateral pool;
 - 2) code (individual designation) of the clearing participation certificate;
 - 3) the date of commencement of formation of the collateral pool and the start date of circulation of general collateral certificates;
 - 4) a list of financial instruments included in the collateral pool.
2. Centralized maintenance of the register of holders of general collateral certificates shall be carried out by the Central Securities Depository.
3. The Exchange's decision to form a collateral pool is brought to the attention of

trading participants/clearing participants by posting it on the Exchange's website (www.kase.kz).

4. The Exchange may form several collateral pools.
5. The Management Board approves the list of financial instruments included in a specific collateral pool from among the financial instruments that meet the criteria for inclusion in the T+ collateral list (*this item was changed by a decision of the Exchange's Board of Directors of April 30, 2024*).
6. The exclusion of a security from collateral pools is carried out in the manner determined by the GCC Instruction.
7. The collateral pool may be terminated by a decision of the Exchange's Management Board only after the Exchange redeems all general collateral certificates in accordance with the procedure established by the GCC Instruction.

(This article included by a decision of the Exchange's Board of Directors of July 27, 2022).

Article 2-2. Rights of a pool participant

1. The pool participant may demand from the Exchange the redemption of all or part of the general collateral certificates issued to him, provided that he owns the general collateral certificates to be redeemed and the pool participant does not have property obligations under these general collateral certificates, as well as other property obligations under the Collateral Pool Agreement.

The demand for redemption of general collateral certificates is considered to have been presented by the Pool member to the Exchange when the pool member submits a money/securities transfer order in order to issue property from the collateral pool in accordance with the rules stipulated by the GCC Instruction.

Upon redemption of general collateral certificates, the Exchange releases property to the pool participant in the manner and subject to the conditions established by the provisions of the GCC Instruction.

2. If a clearing participant is recognized as insolvent in accordance with Article 20 of these Rules, the termination of obligations under the Collateral Pool Agreement shall be carried out in accordance with Article 21 of these Rules.

(This article included by a decision of the Exchange's Board of Directors of July 27, 2022).

Article 2-3. Conditions and procedure for concluding/terminating a Collateral Pool Agreement

1. The conclusion of a Collateral Pool Agreement between the Exchange and a clearing participant is carried out by joining the clearing participant to the Collateral Pool Agreement, which is an appendix to the GCC Instruction.
2. The Collateral Pool Agreement is considered concluded from the date of execution by the Exchange of the application for opening a CP account.
3. The procedure for submitting and executing the said application is established by the Exchange's internal document regulating the opening, maintenance and closing of trading and clearing accounts and by these Rules.
4. Accession of a clearing participant to the Collateral Pool Agreement entitles this clearing participant to conclude repo trades with general collateral certificates.
5. A pool participant may cancel the Collateral Pool Agreement only if all the general collateral certificates issued to him are redeemed in accordance with the procedure established by the GCC Instruction.

(This article included by a decision of the Exchange's Board of Directors of July 27, 2022).

Article 3. Execution of functions of the central counterparty by the Exchange

1. The Exchange is guided by the following principles when performing the functions of a central counterparty:
 - 1) use of reliable risk management system;
 - 2) improving market efficiency, including:
 - reducing expenses of clearing members, including the use of netting mechanism;
 - guaranteed performance of obligations on the transactions with CCP concluded by clearing members, taking into account the limitation of the Exchange's liability established by these Rules;
 - transparency of actions based on which each clearing member can independently assess the risks of transactions with the Exchange as a central counterparty.

(This item was changed by the decision of the Exchange's Board of Directors of September 24, 2019).

2. An open offer mechanism, which is a way of fulfilling contractual obligations on concluded transactions by automatically incorporating a central counterparty into the transaction, is applied to the transactions with CCP. Thus, after the conclusion of the transaction, the Exchange performing the functions of the central counterparty, automatically *(this item was changed by a decision of the Exchange's Board of Directors of September 24, 2019)*:
 - 1) becomes a counterparty in this transaction being a seller for each buyer and a buyer for each seller;
 - 2) acquires a special right by its actions to create responsibilities for clearing members, including the acceptance and execution by a clearing member of obligations arising from all transactions (including liabilities arising from novation) concluded on its behalf by the Exchange as part of default settlement procedures in accordance with the requirements of these Rules and other internal documents of the Exchange.
3. The open offer is considered to be accepted by a clearing member from the date when the decision to assign the status of a clearing member of a certain exchange market comes into effect in accordance with the requirements of the internal documents of the Exchange *(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018)*.
4. The Exchange uses a risk management system, the conditions and procedures of which are set by Chapters 2 and 3 of these Rules as part of its functions as the central counterparty *(this item is included by a decision of the Exchange's Board of Directors of September 24, 2019)*.

Article 4. Clearing accounts

1. The Exchange opens clearing accounts for a clearing participant on the basis of an application for granting him the status of a clearing participant in accordance with the Exchange's internal document regulating the opening, maintenance and closing of trading and clearing accounts" *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020 and July 27, 2022)*.
2. The Exchange performs clearing, keeps record of collateral, transactions, positions and net positions of clearing members in the clearing system in terms of own and client clearing accounts.

3. In the FX Market, based on the decision of the Exchange Management Board on assignment of the status of a clearing participant of the FX Market, the clearing participant shall open one own clearing account and one or more aggregated client clearing accounts coinciding in number with the trading accounts opened for him.

Closure of clearing accounts of a clearing participant of the foreign exchange market is carried out on the basis of the decision of the Exchange's Management Board on deprivation of the status of a clearing participant of the foreign exchange market.

(This paragraph was amended by the decisions of the Exchange's Board of Directors dated June 29, 2020, November 11, 2020, June 23, 2021 and July 01, 2022).

- 3-1. In the derivatives market, the clearing participant opens and closes its own and client clearing and trading-clearing accounts in accordance with the established features of the derivatives market. *(this item was included by a decision of the Exchange's Board of Directors dated June 23, 2021).*
4. At the stock market, clearing and trading and clearing accounts are opened and closed in accordance with the established specifics of the stock market.
5. *(This item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020 and deleted by a decision of the Exchange's Board of Directors dated June 23, 2021).*

(This article was changed by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 4-1. Procedure for opening collateral pool accounts

1. In the trading and clearing system ASTS+, a clearing participant / authorized trading participant who has joined the Collateral Pool Agreement shall have CP accounts opened in the manner prescribed by the Exchange's internal document regulating the opening, maintenance and closing of trading and clearing accounts.
2. Opening a CP account for an authorized trading participant is possible provided that the authorized trading participant has concluded a Collateral Pool Agreement in order to conclude transactions with general collateral certificates on his own behalf and in his own interests.
3. Opening/closing of CP accounts is carried out on the basis of an application of a trading participant for opening/closing of a CP account in the form provided by the Exchange's internal document regulating the procedure for opening, maintaining, closing trading and clearing accounts.

(This article included by a decision of the Exchange's Board of Directors of July 27, 2022).

Article 5. Determining net positions of clearing members

1. The clearing system implements netting and determines net positions on clearing accounts (own and client) of clearing members on the result of each clearing session conducted in accordance with the Regulations *(this item has been amended by a decision of the Exchange's Board of Directors of September 24, 2019).*
2. To determine net positions on the clearing account (own or client) of the clearing participant, the clearing system executes netting of claims and liabilities on transactions with financial instruments recorded in this clearing account.
3. The claims and liabilities on the transactions specified in item 2 of this article must meet the following conditions for the purpose of netting:
 - 1) they must be expressed in the financial instruments of one and the same name or in one;

- 2) they must have the same date of execution.
4. When determining net position of a clearing account (own and client) of a clearing member, the Exchange has the right to increase/decrease net position of the current settlement date by the amount of outstanding liabilities/claims in this account, the execution term of which has come before this settlement date
5. When determining net claims or net liabilities on a clearing account (own and client) of a clearing member, the Exchange has the right to increase/decrease these net positions by way of netting conducted with relevant financial instruments available on the collateral accounts of relevant clearing account, as well as on the accounts of guarantee contributions of a clearing member, to whom this clearing account belongs to, according to the procedure established in these Rules.
6. When determining net claims or net liabilities on the clearing account (own and client's) of a clearing participant, the Exchange may increase/decrease these net positions in connection with the issue/redemption of general collateral certificates to settle margin requirements in accordance with Article 31- 4 of these Rules (*this item included by a decision of the Exchange's Board of Directors of July 27, 2022*).

Article 6. *(This article was changed by a decision of the Exchange's Board of Directors of September 24, 2019 and removed by a decision of the Exchange's Board of Directors dated June 29, 2020).*

Article 7. Settlements

1. The settlement organizations are:
 - the Central Depository – on the stock market in terms of fulfilling requirements and obligations on securities for all transactions and in terms of fulfilling requirements and obligations on money for transactions without the Central Counterparty;
 - the Exchange – on the currency market and the derivatives market, as well as on the stock market in terms of fulfilling requirements and obligations for money in transactions with the Central Counterparty;
 - the clearing organization – in the currency market and the derivatives market, as well as in the stock market in terms of fulfilling claims and obligations for money in transactions with the Central Counterparty in the event of the transfer of clearing activity functionality to the clearing organization.

In the event of the transfer of the functionality for execution of clearing activities to the clearing organization, the Exchange enters into an agreement with the clearing organization, which must contain the following basic conditions:

- 1) the procedure for the provision by the Central Depository of services for the registration of net transactions, deals and operations concluded by depositors in the Exchange's trading system, and execution of settlements for such transactions, for the acceptance of participation certificates for depository services and the registration of transactions concluded with general collateral certificates;
- 2) the procedure for exchanging messages when the Central Depository carries out settlements;
- 3) other provisions by agreement of the parties.

(This item was changed by a decision of the Exchange's Board of Directors dated April 30, 2024).

2. Settlements on the stock market on transactions with CCP are carried out in accordance with these Rules, Rules for Settlements on Securities, a set of rules of the Central Depository, in the mode of "delivery vs. payment", providing for a

certain settlement and clearing session on a certain clearing account (own or client's) the fulfillment of claims on money and (or) securities, subject to the complete fulfillment of counter obligations on money and (or) securities, as well as subject to the fulfillment of the requirements for securing unfulfilled obligations *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.

3. Settlements on the stock market on deals without the CCP are made in the "delivery vs. payment" mode, which provides for execution of a clearing participant's claims on each transaction without the CCP, subject to the execution of the counter-obligation on this transaction.

The "delivery versus payment" mode in the stock market on transactions without the CCP is provided by the Central Securities Depository in accordance with the Exchange's internal document "Procedure for Concluding Transactions in Securities Without Performing the Functions of the Central Counterparty and Making Settlements Thereon (Gross Settlements)" and the set of rules of the Central Securities Depository.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020).

4. In the foreign exchange market, the settlements are made in the mode "payment vs. payment", which means that the Exchange's execution of the clearing member's net claim is possible only after full performance of the clearing member's obligations to the Exchange with current settlement date.
5. A clearing member of the foreign exchange market credits the money to fulfil net obligations and collateral obligations pursuant to the procedure and within the timeframe established by internal document of the Exchange "Settlement Rules for Foreign Exchange Trading Results" (hereinafter referred to as the Currency Settlement Rules), to the correspondent accounts of the Exchange published on the website of the Exchange (www.kase.kz).
6. A clearing member of the derivatives market carries out settlements with the Exchange in accordance with the internal document of the Exchange "Settlement Rules for Trades in the Derivatives Market" taking into account the features of the derivatives market established by these Rules.
7. A clearing participant of the stock market credits financial instruments for fulfillment of net obligations and collateral obligations to the following accounts and sections of accounts:
 - on transactions with the CCP, securities for the KASE section, money to KASE's correspondent account in the Central Depository;
 - for issuing general collateral certificates: **securities for the** GCGlobal section, money to the Exchange's correspondent account opened with the Central Depository;
 - for transactions without the CCP, securities to the KASE section, tenges to a bank account with the Central Depository (for a clearing participant that is not a clearing participant with an account in the NPC) or a correspondent account with the National Bank of the Republic of Kazakhstan (for a clearing participant that is a clearing participant with an account in the NPC) *(this paragraph was changed by a decision of the Exchange's Board of Directors of October 27, 2023)*.

(This item was changed by a decision of the Exchange's Board of Directors of June 29, 2020, November 11, 2020 and July 27, 2022)

8. The Exchange records the money credited by clearing members as collateral and fulfillment of obligations on clearing members' transactions in all exchange markets on collateral accounts, the money credited by clearing members as guarantee contributions of a clearing member in all exchange markets on the accounts of guarantee contributions opened by a clearing member in the internal accounting

system of the Exchange broken down by exchange markets, own or client accounts of a clearing member, currencies, type of collateral in accordance with the internal document of the Exchange "The Rules of Internal Accounting of Money and in Settlement Paperwork during Exchange-based Trading".

9. The features of exchange markets defined by chapters 4, 5 and 6 of these Rules may provide for:
 - 1) refusal to fulfill net obligations and net claims on deals without the CCP and other obligations, in accordance with the procedure defined by the Exchange's internal document "Rules for execution of Repo Transactions in the Trading and Clearing System ASTS+";
 - 2) early termination of the net obligations and net claims of a clearing participant, in the manner determined by the Exchange's internal documents "Rules for execution of repo transactions in the trading and clearing system ASTS+", "Procedure for concluding transactions in securities with the performance of functions of the central counterparty" and "GCC Instruction" *(this sub-item was changed by a decision of the Board of Directors of the Exchange of July 27, 2022)*.

(This item was changed by a decision of the Board of Directors of the Exchange of June 29, 2020)

(This article is changed by a decision of the Board of Directors of the Exchange of September 24, 2019).

Chapter 2. RISK MANAGEMENT SYSTEM

Article 8. General provisions on risk management system

1. This chapter establishes general terms and procedures for the operation of the risk management system of the Exchange exclusively as a clearing organization that performs CCP functions on the transactions with CCP. The terms and procedure for the operation of the risk management system of the Exchange as a legal entity, trades organizer, an organization carrying out certain types of banking transactions are specified in other internal documents of the Exchange *(this item was changed by a decision of the Exchange's Board of Directors of September 24, 2019)*.
2. The Exchange's risk management system includes the following elements:
 - 1) requirements for the financial condition of clearing participants;
 - 2) a system for determining the risk parameters of financial instruments;
 - 3) limits for opening positions of clearing participants in certain exchange markets;
 - 4) control over the adequacy of collateral / collateral for clearing participants with partial collateral;
 - 5) control over the full coverage of arising obligations for clearing participants with full coverage;
 - 6) revaluation of the value of collateral / collateral and net positions of the clearing participant with partial collateral;
 - 7) requirements for a financial instrument for admission to transactions with partial collateral;
 - 8) clearing reserve funds;
 - 9) clearing guarantee funds;
 - 9-1) collateral pools *(this sub-item was included by a decision of the Board of Directors of the Exchange of July 27, 2022)*;

- 10) control of the adequacy of the guarantee contributions of clearing participants;
- 11) limitation of the Exchange's liability in case of non-fulfillment of net obligations on trades with which clearing is carried out. ";

(This item was changed by decisions of the Exchange Board of Directors of September 24, 2019 and June 23, 2021).

3. The availability and principles of the risk management system in any exchange market are determined taking into account features of this market established by these Rules.
4. The purpose of the collateral charged by the Exchange for securing obligations of clearing members arising from the transactions with CCP is to cover credit and market risks *(this item was changed by a decision of the Exchange's Board of Directors on December 12, 2018 and September 24, 2019).*
5. Credit risk assessment is carried out by monitoring the financial condition of a clearing member in order to determine compliance with the requirements set by the Regulation in order to assign a clearing member a category that determines the method of securing performance of obligations on transactions on a particular exchange market (trading modes of the exchange market) *(this item has been changed by a decision of the Exchange's Board of Directors of December 12, 2018 and September 24, 2019).*
6. The list of categories of clearing members for each stock market is defined by the Regulation.
7. Elements of risk management listed in sub-items 2)–7) of item 2 of this Article are intended for coverage of market risks in normal market conditions.

Normal market conditions mean conditions under which a two-day change in prices of financial instruments is an amount not exceeding the rate of initial margin on these financial instruments established by the Exchange in accordance with Article 12 of these Rules.

8. Elements of risk management listed in sub-items 8)-11) of item 2 of this Article are intended for coverage of market risks, liquidity risks as well as inherent risks in the conditions of higher volatility of prices of financial instruments.

Conditions of higher volatility of prices of financial instruments mean conditions under which a two-day change in prices of financial instruments makes up values exceeding the rates of initial margin on these financial instruments.

9. As a security for the fulfillment of obligations by a clearing participant with partial collateral on deals concluded on the terms of partial collateral, the Exchange establishes:
 - requirements for partial collateral of net obligations on deals recorded on clearing accounts and submitted orders of such clearing participants and calculated taking into account the specifics established for certain exchange markets by these Rules;
 - requirements for making a guarantee deposit on the relevant exchange market.

As a security for the fulfillment of obligations by a clearing participant with partial collateral on deals concluded on full coverage terms, the Exchange sets requirements for full coverage of net obligations in those financial instruments in which they arise in case of conclusion of such deals.

(This item was changed by the decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).

10. As a guarantee of performance of clearing participants' obligations with full coverage, the Exchange sets requirements for full coverage of net obligations on

all clearing accounts of such clearing participant *(this item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020)*.

11. To cover market risks, a clearing member with partial collateral must:
 - 1) comply with the requirements to partial collateral in accordance with the specifics of the exchange markets established by these Rules;
 - 2) ensure that guarantee contributions to the guarantee funds of relevant exchange market are available in the amount set by the Regulation.

(This item was changed by the decision of the Exchange's Board of Directors of December 12, 2018 and September 24, 2019)

12. In order to cover credit risk, a clearing participant with full coverage is obliged to fulfill the requirements for collateral on terms of full coverage *(this item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020)*.
13. A clearing member without collateral does not provide collateral and does not pay guarantee contributions.
14. The Exchange in the stock and currency market has the right to establish the "prohibition of short sales" sign in relation to any financial instrument and (or) the "prohibition of unsecured purchases" sign with respect to any currency for deals concluded from all trading and clearing accounts of clearing participants at any time in accordance with the decision of the Committee, taking into account the specifics of the stock market established by these Rules *(this item is included by a decision of the Exchange's Board of Directors of September 24, 2019 and changed by a decision of the Exchange's Board of Directors of November 11, 2020)*.
15. The Exchange in the stock and foreign exchange markets has the right to set a limit on the minimum allowable value of a single limit, the value of net positions on any financial instrument on a trading and clearing account for deals with partial collateral, taking into account the specifics of the stock and foreign exchange markets established by these Rules.
16. The exchange on the derivatives market has the right to change / set the trading limit on the clearing and trading-clearing accounts of clearing participants.

(this item was included by the decision of the Exchange's Board of Directors dated June 23, 2021).

Article 9. Partial collateral

1. A clearing member with partial collateral must form collateral for concluded but unsettled transactions with CCP, as well as on submitted orders for making transactions with CCP on the terms of partial collateral:
 - 1) on the stock market in the amount in which the value of a single limit calculated in accordance with the features of the stock market set by Chapter 4 of these Rules is not negative, in respect of the trading and clearing account from where the transactions with partial collateral are made;
 - 2) in the foreign exchange market in the amount at which the value of the single limit calculated in accordance with the specifics of the currency market established by Chapter 5 of these Rules for the trading and clearing account from which trades with partial collateral are concluded was not negative *(this item is changed by a decision of the Exchange's Board of Directors of November 11, 2020)*;
 - 3) in the derivatives market in the amount of the guarantee security calculated in accordance with the peculiarities of the derivatives market established by

Chapter 6 of these Rules. *(this subparagraph was changed by a decision of the Exchange's Board of Directors dated June 23, 2021).*

2. The list of financial instruments accepted as collateral on deals with partial collateral in a particular exchange market is determined by the Collateral List T+, established in accordance with the Procedure for Including FI *(this item is changed by a decision of the Exchange's Board of Directors of June 29, 2020).*
3. The revaluation of the financial instruments that make up the collateral of a clearing member on the transactions with partial collateral is conducted at least every day of settlement.
4. *(This item is removed by a decision of the Exchange's Board of Directors of November 11, 2020).*
5. The procedure for calculating the guarantee security to cover changes in the value of the net obligations of a clearing participant in the derivatives market for concluded transactions, as well as for applications submitted to the trading and clearing system, is determined taking into account the peculiarities of the derivatives market established by these Rules. *(this item was changed by a decision of the Exchange Board of Directors dated June 23, 2021).*
6. The procedure for calculation of the single limit, which is used for controlling the sufficiency of collateral for deals with partial collateral on the stock market and currency market is determined taking into account features of the stock market and currency market *(this item is changed by a decision of the Exchange's Board of Directors of November 11, 2020).*

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 10. The settlement price of a financial instrument

(This heading was changed by a decision of the Exchange's Board of Directors of December 12, 2018)

1. The settlement price of a financial instrument is a risk-parameter and is calculated in order to determine the value of a financial instrument admitted to circulation in the stock exchange trading system, as well as to determine, verify and transfer information on claims and/or liabilities of participants of a transaction in financial instruments, including calculation of margin requirements and calculation of sufficiency of collateral for transactions with partial collateral *(this item was changed by a decision of the Exchange's Board of Directors of September 24, 2019 and July 01, 2022).*
2. The estimated prices of financial instruments are determined by:
 - 1) for the stock market on a daily basis or otherwise in accordance with the internal documents of the Exchange "Methodology for evaluating securities" and "Methodology for determining the risk parameters of financial instruments"(hereinafter-the Methodology);
 - 2) for the foreign exchange market and the derivatives market on a daily basis in accordance with the Methodology.

(This paragraph was changed by the decisions of the Exchange's Board of Directors dated November 11, 2020 and June 23, 2021).

Article 11. The Rate of the Price Change Limit for a Financial Instrument

1. The rate of the price change limit for a financial instrument is a risk parameter and is designed for managing market risks emerging due to the fluctuation of prices of financial instruments of the derivatives market *(this item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).*

2. The rate of the price change limit for a financial instrument means the maximum permissible deviation of the price of the financial instrument indicated in the order from the settlement price of that financial instrument fixed at the end of the previous clearing day.
3. The rates of the price change limit for financial instruments are calculated on a periodical basis, according to the Methodology, and approved by a decision of the Market Risk Committee (hereinafter – the Committee) and published on the Exchange's website (WWW.KASE.KZ) (*this item was changed by a decision of the Exchange's Board of Directors of and June 29, 2020*).

The rates indicated in the first paragraph of this item are calculated based on data on fluctuations of historical prices of the financial instrument in accordance with the Methodology.
4. The procedure for setting/changing price limits of financial instruments of a certain exchange market is determined by the features of the relevant exchange market of these Rules.

Article 12. Initial Margin Rate of a Financial Instrument

(This heading was changed by the decision of the Exchange's Board of Directors of December 12, 2018)

1. The initial margin rate of a financial instrument is a risk parameter and is designed to estimate the size of the market risk of a change in the price of the financial instrument, the transactions with partial collateral with which are cleared (*this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018*).
2. The initial margin rate of a financial instrument is expressed in percentage and is used in calculating the adequacy of collateral and in calculating a single limit on a particular exchange market (*this item was changed by a decision of the Exchange's Board of Directors of September 24, 2019*).
3. The initial margin rates of financial instruments are calculated periodically, according to the Methodology, approved by the Committee's decision and published on the Exchange's website (www.kase.kz) (*this item was changed by decisions of the Exchange's Board of Directors of December 12, 2018 and June 29, 2020*).
4. The calculation of the initial margin rates of financial instruments of exchange markets is carried out in accordance with the Methodology.

Article 13. Concentration Limit on a Financial Instrument

1. The concentration limit on a financial instrument is designed to assess the maximum position of a clearing member in a certain financial instrument, which can be eliminated during an established period of time without significant impact on the price of the financial instrument.
2. The concentration limit is a value determined in the number of financial instruments.
3. The concentration limits on financial instruments are calculated periodically, according to the Methodology, approved by the Committee's decision, and published on the Exchange's website (www.kase.kz) (*this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020*).
4. Concentration limits are calculated in accordance with the Methodology.

Article 14. Concentration Rate of a Financial Instrument

1. The concentration rate of a financial instrument is a risk parameter and is designed to assess the market risk of a change in the price of a financial instrument when liquidating its open position in the amount greater than the concentration limit set for this financial instrument *(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018)*.
2. Concentration rate of a financial instrument is expressed in percentage and is used in the calculation of the adequacy of collateral and in the calculation of a single limit *(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018 and September 24, 2019)*.
3. Concentration rates of financial instruments are calculated periodically, according to the Methodology, approved by the Committee's decision and published on the Exchange's website (www.kase.kz) *(this item was changed by decisions of the Exchange's Board of Directors of December 12, 2018 and June 29, 2020)*.
4. Concentration rates are calculated in accordance with the Methodology *(this item has been amended by a decision of the Exchange's Board of Directors of December 12, 2018)*.

Article 15. The rate of interest rate risk of a financial instrument

1. The rate of the interest rate of a financial instrument is a risk parameter and is designed to assess the market risk of a change in the difference in interest rates of the underlying financial instrument and estimated financial instrument for various periods.

The rates of interest rate risk of the financial instrument determined in accordance with the Methodology are set by the Committee for key periods.

The rates of interest risk rates for each settlement date are calculated in accordance with the Methodology *(this item was changed by a decision of the Exchange's Board of Directors of January 29, 2019)*.
2. The rates of interest rate of the financial instrument are expressed in percentage and are used in the calculation of the adequacy of collateral for transactions with partial collateral on the foreign exchange and stock markets *(this item was changed by a decision of the Exchange's Board of Directors of January 29, 2019 and September 24, 2019)*.
3. To assess the interest rate risk of an open net position in the amount greater than the concentration limit set for this financial instrument, interest risk rates at concentration are applied *(this item has been amended by the decisions of the Board of Directors of the Exchange of December 12, 2018 and January 29, 2019)*.
4. Interest risk rates and interest risk rates for concentration on certain financial instruments for established key terms are calculated on a periodic basis in the manner determined by the Methodology, approved by the Committee's decision and published on the Exchange's website *(this item was changed by the decisions of the Board of Directors of the Exchange of December 12, 2018, January 29, 2019 and June 29, 2020)*.
5. The calculation of interest risk rates and interest risk rates at concentration of financial instruments is carried out in accordance with the Methodology.

Article 16. Open position limits of clearing members

1. Open position limits of clearing members are designed for restricting the maximum volume of net positions of clearing members for the purposes of minimizing the risk of failure of clearing members to fulfill net obligations.

2. Open position limits of clearing members are determined in money terms in accordance with the features of exchange markets specified in these Rules

Article 17. Clearing Funds

1. Clearing fund in a certain exchange market consists of the following types of funds:
 - 1) clearing guarantee fund (hereinafter referred to as the guarantee fund);
 - 2) clearing reserve fund (hereinafter referred to as the reserve fund);
 - 3) collateral pool (*this sub-item was included by a decision of the Board of Directors of the Exchange of July 27, 2022*).

2. The Guarantee Fund is formed at the expense of guarantee fees credited by clearing participants to the correspondent account of the Exchange.

The reserve fund is formed at the expense of the Exchange's own funds in the national currency in the manner specified by these Rules.

The collateral pool is formed at the expense of securities contributed by the pool participants to the "GCCGlobal" section of the pool participant in the Central Depository and/or money, including in foreign currency, credited by the clearing participants to the Exchange's correspondent account in the Central Depository in the manner prescribed by the GCC Instruction.

(This item was changed by a decision of the Exchange's Board of Directors dated July 27, 2022)

3. In a certain exchange market, separate guarantee funds may be created to cover outstanding obligations for financial instruments concluded in certain trading modes (*this item was changed by the decision of the Exchange's Board of Directors of December 12, 2018 and September 24, 2019*).
4. The total amount of the guarantee and reserve funds of a certain exchange market is calculated in such a way as to cover possible losses from changes in the settlement prices of financial instruments of this exchange market, which may arise in the event of non-fulfillment of net obligations by two clearing participants with the largest volume of such obligations (*this item was changed by a decision of the Exchange's Board of Directors dated July 01 of 2022 and July 27 of 2022*).
5. The methodology for calculating the size of guarantee and reserve funds and guarantee contributions to clearing guarantee funds is established by the Exchange's internal document "Methodology for determining the amounts of clearing funds" (*this item was changed by a decision of the Exchange's Board of Directors dated July 27 of 2022*).
6. The adequacy of clearing funds is assessed at least once a year as well as when clearing funds are used to settle a default.
7. The decision to change the size of reserve funds and the amount of guarantee contributions to guarantee funds is made by the Board of Directors of the Exchange based on the assessment of the adequacy of clearing funds in accordance with the internal document of the Exchange "Methodology for Determining the Size of Clearing Funds".
8. Information about the size of formed clearing funds for each exchange market is published on the Exchange's website (www.kase.kz) (*this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018*).
9. Reserve funds are used exclusively to cover outstanding obligations on transactions with financial instruments of a certain exchange market for which this reserve fund was formed (*this item was changed by the decisions of the Board of Directors of the Exchange of December 12, 2018, from May 28, 2019 and September 24, 2019*).

10. Guarantee funds may not be used as collateral for the performance of any other obligations of the Exchange and/or its clearing members in addition to the obligations on transactions concluded on the exchange market as part of the settlement of default (this item was changed by the decisions of the Board of Directors of the Exchange of December 12, 2018 and May 28, 2019).
11. The procedure for using clearing funds was established in Article 27 of these Rules.

Article 18. The Procedure for Depositing and Returning Guarantee Contributions to Clearing Guarantee Funds

1. Guarantee contributions to clearing guarantee funds are made by clearing members with partial collateral.
 - 1-1. Financial instruments shall be contributed to the collateral pool by clearing participants in case of accession of a clearing participant to the Collateral Pool Agreement (*this item was included by a decision of the Exchange's Board of Directors dated July 27 of 2022*).
2. The amount of guarantee contributions and the currency, in which the guarantee contribution is made to a certain guarantee fund, are set by Appendix 3 of the Regulations.
 - 2-1. Financial instruments contributed to the collateral pool, and their quantity, are determined by the clearing participant independently in accordance with the GCC Instruction (*this item was included by a decision of the Exchange's Board of Directors dated July 27 of 2022*).
3. Information on the amount of the guarantee contribution required to be paid to a certain guarantee fund and/or required for its recovery is indicated in the clearing member's report and sent to it upon completion of the clearing session.
4. (*This item was excluded by the decision of the Exchange's Board of Directors of December 12, 2018*);
5. A clearing member with partial collateral must make a guarantee contribution to the guarantee fund of the exchange market, where such a clearing member intends to make transaction with partial security, at least by the beginning of trading day (*this item was changed by a decision of the Exchange's Board of Directors on December 12, 2018 and September 24, 2019*).
6. A clearing member with partial collateral must make a guarantee contribution in order to restore it to any clearing guarantee fund if the resources of this fund were used to settle the default within the timeframe set by Article 28 of these Rules.

The amount of the guarantee contribution to be made in order to restore the clearing guarantee fund in accordance with the first paragraph of this item is indicated in a clearing report of a clearing member.
7. Guarantee contributions are credited by a clearing member to the correspondent accounts of the Exchange at the National Bank. The list of correspondent accounts of the Exchange is published on the Exchange's website (www.kase.kz).
8. For the purposes of separate internal accounting of money coming into the Exchange's correspondent account from clearing members as guarantee contributions, clearing members must specify special codes in payment documents that indicate the type of payment and identify particular exchange market on which a guarantee fund is formed. The list of such codes is published on the Exchange's website (www.kase.kz) (*this item was changed by a decision of the Exchange Board of Directors of December 12, 2018 and September 24, 2019*).

9. The Exchange returns guarantee contribution to a clearing member on the basis of an application made according to Appendix 3 to these Rules in the following cases (subject to the conditions set by item 10 of this article):
 - 1) when a category of a clearing member "with partial collateral" changes to the category "with full coverage";
 - 2) when a clearing member is deprived of its status in a certain exchange market;
 - 3) when a clearing member voluntarily renounces its status.
- 9-1. The Exchange returns to the clearing participant the financial instruments contributed to the collateral pool in accordance with the GCC Instruction (*this item was included by a decision of the Exchange's Board of Directors dated July 27 of 2022*).
10. The Exchange shall return to a clearing member its guarantee contribution to the guarantee fund if the clearing member does not have any outstanding obligations on transactions concluded on the exchange market (*this item was changed by the decisions of the Board of Directors of the Exchange of December 12, 2018 and May 28, 2019*):
 - 1) transactions with financial instruments with an undue settlement date;
 - 2) outstanding obligations on transactions with financial instruments with due settlement date.
11. Suspension of membership of a clearing member, suspension of its admittance to trading in financial instruments, suspension of clearing services shall not be the grounds for returning guarantee contributions to a clearing member.

Chapter 3. DEFAULT SETTLEMENT PROCEDURE

(This heading was changed by the decision of the Exchange's Board of Directors of September 24, 2019)

Article 19. Recognition of a Clearing Member as Unscrupulous

1. The Exchange shall recognize a clearing member of a particular exchange market as unscrupulous without making any decisions by the Exchange authorities in the event of any of the following cases:
 - 1) there is no required number of financial instruments in the accounts of a clearing member in the settlement organization for fulfilling its net obligations on the transactions with CCP by the day of settlements established in accordance with the features of a certain exchange market of these Rules and/or if net obligations cannot be performed for other reasons in accordance with the specifics of a certain exchange market of these Rules (further referred to as the default on net obligations);
 - 2) (*this sub-item was deleted by a decision of the Exchange's Board of Directors dated June 23, 2021*);
 - 3) the Exchange's requirement to provide additional clearing guarantee contributions by the deadline set in accordance with features of a certain exchange market of these Rules (further referred to as default on a guarantee contribution) was not fulfilled;
 - 4) the Management Board of the Exchange made decision to suspend clearing service for a clearing member in the relevant exchange market in the event of non-payment, late or incomplete payment of clearing fees, membership fees, fines/failures and other applicable sums in accordance with these Rules, internal document of the Exchange "Regulations on membership fees,

exchange and clearing fees, on collateral accounting fee" and other internal documents of the Exchange *(this sub-item was changed by a decision of the Board of Directors of the Exchange of October 27, 2023)*.

- 5) there is no necessary number of financial instruments in the accounts of a clearing member in the settlement organization to perform its obligations on transactions without CCP at the time of settlement (hereinafter referred to as the default on transactions without CCP).

(This item was changed by a decision of the Exchange's Board of Directors as of June 29, 2020, November 11, 2020 and June 08, 2021)

2. Recognition of a clearing participant as unscrupulous is carried out subject to the following conditions:
 - 1) the Exchange does not have information that is the basis for declaring a clearing participant insolvent in accordance with sub-items 2)-7) of item 1 of Article 20 of these Rules *(this sub-item was changed by a decision of the Board of Directors of the Exchange of September 30, 2020)*;
 - 2) in the event of a default of net obligations, the number of days during which a default of net obligations for money occurs on a certain clearing account for a clearing participant does not exceed two days of settlements in a row, for securities, including for a clearing participation certificate, does not exceed 4 days in a row (including the default of the current day) *(this sub-item was changed by a decision of the Board of Directors of the Exchange of June 29, 2020 and July 27, 2022)*;
 - 3) other conditions in accordance with features of a certain exchange market determined by these Rules.
3. The Management Board of the Exchange has the right to make decision to increase the number of settlement days during which a clearing member may default on net obligations on a particular clearing account in accordance with sub-item 2 of item 2 of this article based on the information indicating the possibility of performing unfulfilled net obligations by an unscrupulous clearing member in the nearest time in the short term in the case of default on net obligations.
- 3-1. The Management Board of the Exchange, upon the occurrence of the event specified in sub-item 1) of item 1 of this article, has the right to make a decision on recognizing a clearing participant of a certain exchange market as bona fide if there is documentary evidence that the clearing participant did not properly fulfill its obligations in connection with:
 - 1) a technical failure that occurred in the operation of any information system of the Exchange or its separate component;
 - 2) improper performance by the Exchange of its functions provided for by the internal documents of the Exchange and/or the clearing service agreement;
 - 3) a technical failure that occurred in the operation of any information system of a critical Exchange supplier or its separate component;
 - 4) the occurrence of force majeure circumstances (situations of force majeure, i.e. natural disasters, natural disasters, wars, military actions, terrorist acts, popular unrest, changes in legislation, actions and decisions of (authorized) regulatory bodies, decisions of local executive bodies, state bodies and officials, including quarantine announcements, and other similar circumstances that the clearing participant could not have foreseen and which directly affected the proper performance of the clearing participant's duties) or other events related to the suspension of the activities of financial market organizations, including in connection with the introduction of a state of emergency or the occurrence of an emergency in the settlements in which the Exchange and/or clearing participant are stationed;

- 5) incorrectly set parameters of any financial instrument that is the subject of a transaction or swap/repo operation;
- 6) other cases and/or events beyond the reasonable control of the clearing participant.

(This item was included by the decision of the Exchange's Board of Directors dated June 8, 2021 and amended by the decision of the Exchange's Board of Directors dated March 28, 2022)

4. If the clearing participant is recognized as unscrupulous in connection with the default on the guarantee fee on any exchange market in accordance with subparagraph 3) 1 of this article and/or in connection with a default on transactions without a Central Committee on the stock market in accordance with subparagraph 5) of paragraph 1 of this article, the clearing unit notifies the members of the Exchange's Management Board and the risk management unit of the event of a default of a clearing participant by sending a corresponding message to their corporate email addresses" *(this item was changed by decisions of the Exchange's Board of Directors of June 29, 2020 and November 11, 2020)*.
5. In case of recognition of a clearing participant as unfair in accordance with item 4 of this article, the Exchange Management Board has the right *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020 and July 01, 2022)*:
 - 1) to suspend a clearing member, which is a trading participant, or to suspend its Authorized Trading Participant from trading in all or certain financial instruments in accordance with the internal document of the Exchange "Regulations on Membership", or to withdraw and to suspend the filing of orders for a separate trading and clearing account in accordance with the specifics of a certain exchange market of these Rules;
 - 2) to suspend clearing services;
 - 3) to change a category of a clearing member by category "with partial collateral" to the category "with full coverage";
 - 4) to establish an attribute "short selling ban" and/or an attribute "ban on unsecured purchases" on certain or all trading and clearing accounts of a clearing member of the stock market in accordance with the features of a certain exchange market of these Rules;
 - 5) to set a limit on the minimum permissible positive value of a single limit, on the positive value of net positions for any financial instrument on certain trading and clearing accounts of a clearing member of the stock market in accordance with the features of a certain exchange market of these Rules;
 - 6) to recognize a clearing member as insolvent;
 - 7) to take no actions against a clearing member.
6. If a clearing participant is recognized as unscrupulous due to the default of net obligations on any exchange market in accordance with sub-item 1) of item 1 of this article, the Exchange shall settle the default of net obligations of the unscrupulous clearing participant through the procedure for transferring positions in accordance with the specifics of a certain exchange market of these Rules *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)*.
7. If a clearing participant of a particular exchange market is recognized as unscrupulous in accordance with sub-item 4) of item 1 of this article, the Exchange has the right to write off money from the collateral accounts and/or from the accounts of guarantee contributions of the clearing participant, as well as sell any financial instrument included in the collateral or guarantee contributions of an unscrupulous clearing participant on his behalf in the amount necessary to repay his unfulfilled obligations, provided that there is no negative value of the single

limit after such write-off/sale *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020 and of June 08, 2021)*.

8. An unscrupulous clearing member pays fines/penalties for failure or late performance of net obligations on the transactions with CCP or for non-compliance with obligations on the transactions without CCP under Article 29 of these Rules.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 20. Recognition of a Clearing Member Insolvent

1. The Management Board of the Exchange has the right to declare a clearing participant insolvent at onset of any of the following cases *(this article is included by a decision of the Exchange's Board of Directors of June 29, 2020)*:
 - 1) on the basis of submission by the clearing division of the issue of recognition of the Clearing Member / Defaulting Clearing Member insolvent in a particular exchange market in connection with the net obligation default and/or margin default and/or guarantee fee default in that exchange market in the manner prescribed by the peculiarities of that exchange market of these Rules. In this case *(this paragraph was changed by a decision of the Exchange's Board of Directors dated July 01 of 2022)*:
 - in case of default of net obligations, the net obligations of the insolvent clearing participant are considered unfulfilled in the amount of their non-fulfillment as of the current settlement date, as well as other net obligations determined by the decision of the Exchange's Management Board;;
 - in the event of a default on the margin, any net obligations at the Exchange's choice in such an amount, the forced closing of which leads to a non-negative value of the single limit/repayment of the debt on the TCA+/CP account/settlement code of the insolvent clearing participant, are recognized as unfulfilled *(this paragraph was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022)*;
 - in case of default on the guarantee fee, any net obligations at the Exchange's choice in such an amount are considered unfulfilled, the forced closure of which leads to a positive value of the single limit / repayment of debts under the settlement code of the insolvent clearing participant in an amount exceeding the unfulfilled net obligations under the guarantee fee for their further repayment at the expense of money accounted for in the collateral accounts;
 - 2) *(this subparagraph was changed by a decision of the Exchange's Board of Directors dated June 23, 2021)*
in the event that a resident clearing participant is stripped of the license to carry out the main type of activity by the authorized body exercising state regulation, control and surveillance of the financial market and financial organizations, such clearing participant shall be deemed insolvent in all exchange markets no later than the business day following the date of revoking of such license. All net obligations on all clearing accounts of a clearing participant with all settlement dates on all exchange markets are recognized as unfulfilled *(this sub-item was changed by a decision of the Exchange's Board of Directors of November 11, 2020)*;
 - 3) if a resident clearing participant is stripped of the license/right to carry out a certain type of operations or activity by the authorized body exercising state regulation, control and surveillance of the financial market and financial organizations, the resident clearing participant shall be deemed insolvent on the exchange market on which the financial instruments are traded, the license to carry out deals with which was revoked no later than the working

day following the date of revocation of such license/such right. The net obligations of a clearing participant for all clearing accounts with all settlement dates on this exchange market are recognized as unfulfilled (*this sub-item was changed by a decision of the Exchange Board of Directors of November 11, 2020*);

- 4) in the event of the appointment of an interim administration, at the beginning of one of the bankruptcy proceedings, i.e. the withdrawal (suspension) of the license for the main activity or the conduct of operations in any of the financial markets by the authorized body of non-resident clearing member, this clearing member is declared insolvent no later than the working day following the date on which the Exchange learned about it. The decision of the Management Board of the Exchange defines the types of exchange markets in which a non-resident clearing member is declared insolvent, as well as the terms and procedures for declaring its net obligations outstanding;
- 5) in the case of repeated violation of settlement terms during a calendar month in a certain exchange market, a clearing member is recognized as insolvent in such exchange market. The terms and the procedure for recognizing its net obligations as outstanding are determined by the decision of the Management Board of the Exchange;
- 6) if a clearing member is declared insolvent in any exchange market. The terms and the procedure for recognizing its net obligations as outstanding are determined by the decision of the Management Board of the Exchange;
- 7) in case of inclusion of the Clearing Member in the list of persons involved in to the list of organizations and persons connected with financing of terrorism and extremism, and/or in the list of organizations and persons connected with financing of proliferation of weapons of mass destruction, within twenty-four hours from the moment of placement of this information on the official website of the authorized body. All trades of such clearing participant with all settlement dates on all clearing accounts (own and client accounts) shall be deemed invalid (*this sub-item was supplemented by a decision of the Exchange Board of Directors dated November 11, 2020 and amended by a decision of the Exchange Board of Directors dated January 18, 2022*);
- 8) in the event of inclusion of a client of a clearing participant in the list of persons involved in terrorist activities, and/or in the list of organizations and persons associated with the financing of terrorism and extremism, and/or in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, in accordance with information received from a clearing participant indicating the client's clearing account, and/or received from the Central Depository indicating the sub-account of the client of the depositor of the Central Depository, within twenty-four hours from the moment of receipt of such information. All transactions with all settlement dates concluded from any trading and clearing accounts, settlements on which are carried out using the specified clearing account and/or sub-account of the client of the depositor of the Central Depository, shall be recognized as invalid (*this sub-item was supplemented by a decision of the Exchange Board of Directors dated November 11, 2020 and amended by decisions of the Exchange Board of Directors dated January 18, 2022 and dated April 30, 2024*).

If there are no net obligations and net claims against such a clearing participant on the client's clearing account of a clearing participant, the Exchange's Management Board does not consider the issue of declaring the clearing participant insolvent (*this paragraph was included by a decision of the Exchange's Board of Directors dated 27 October of 2023*).

2. Confirmation of the fact of revocation of the license/right of a resident clearing participant is a written notification of the authorized body exercising state regulation, control and surveillance of the financial market and financial

organizations, provided by the clearing participant, and (or) information posted on the official Internet resource of the authorized body. A clearing participant is recognized insolvent from the date and time specified in the Exchange's Management Board decision *(this item was changed by a decision of the Exchange's Board of Directors of November 11, 2020)*.

3. When the Management Board declares a clearing member insolvent, the Management Board of the Exchange decides to suspend insolvent clearing member from trading by all or particular financial instruments in accordance with the internal document of the Exchange "Regulations on Membership" or removes the insolvent clearing member from trading on one or more trading and clearing accounts or blocks submission of orders for one or more trading and clearing accounts in the trading/clearing system, transactions that are carried out using clearing accounts of an insolvent clearing member, in accordance with the features of a certain exchange market of these Rules.
4. Recognition of a clearing participant as insolvent is the basis for the immediate implementation of the procedure for settling a default on transactions with the CCP of the insolvent clearing participant in accordance with Article 21 of these Rules *(this item was supplemented by a decision of the Exchange's Board of Directors of June 29, 2020)*.
5. Insolvent clearing member shall pay fine/penalties for failure or late performance of net obligations in compliance with Article 29 of these Regulations;
6. The Exchange Management Board, upon occurrence of a margin default specified in paragraph three of sub-item 1) of item 1 of this Article, shall have the right to make a decision on non-recognition of the clearing participant of a certain exchange market as insolvent if there is confirmation that the improper performance by the clearing participant of its obligations has occurred in connection with
 - 1) a technical failure in the operation of any information system of the Exchange or its separate component;
 - 2) improper performance by the Exchange of its functions stipulated by the internal documents of the Exchange and/or the clearing agreement;
 - 3) a technical failure in the operation of any information system of a critical supplier of the Exchange or its separate component;
 - 4) occurrence of force majeure circumstances (force majeure situations, i.e. natural disasters, natural calamities, wars, acts of war, terrorist acts, popular unrest, changes in legislation, actions and decisions of (authorized) regulatory bodies, decisions of local executive bodies, state bodies and officials, including quarantine announcements, and other similar circumstances that the clearing participant could not foresee and which directly affected the proper performance of the clearing participant
 - 5) Incorrectly set parameters of a financial instrument, which is the subject of a swap/repo transaction;
 - 6) other cases and/or events beyond the reasonable control of the Clearing Member.

(This item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022)

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 21. Settlement of Default of Insolvent Clearing Member

1. Each net obligation on transactions with CCP recognized as outstanding as well as all transactions declared null and void on the basis of the decision of the

Management Board of the Exchange in accordance with Article 20 of these Rules are subject to settlement.

2. When carrying out procedures for settling a default on a client/client custodian clearing account of an insolvent clearing participant, the Exchange has the right to use collateral on his own clearing account, as well as his guarantee fees, only after full use of the collateral on the client/client custodian clearing account, on which the default was committed.

Default settlement procedures and other actions performed by the Exchange within the framework of default settlement are carried out on each exchange market separately taking into account the peculiarities of exchange markets and do not affect other exchange markets, with the following exception (*This paragraph was changed by a decision of the Exchange's Board of Directors as of June 08, 2021*):

The Exchange has the right to use collateral on the own clearing account of the insolvent clearing participant in an amount exceeding the Exchange's net claims with the current settlement date and requirements for collateral on own clearing account, as well as his guarantee fees on other exchange markets, if he has no net obligations with any settlement dates on this exchange market.

(This item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)

3. The Exchange implements the following procedures as part of the default settlement:

- 1) suspends the right of an insolvent clearing member to withdraw its guarantee contributions and own collateral in all exchange markets, as well as the collateral on the client/client clearing account if this account was defaulted;
 - 2) suspends the possibility of filing orders into the trading systems of the relevant exchange market with indication of all trading and clearing accounts, which include collateral recorded in the clearing account, which was defaulted;
 - 3) in the event of a default on the margin on the TCA+ account/settlement code, concludes deals on behalf of the insolvent clearing participant/his Authorized trading participant for sale of any collateral recorded on the clearing account on which the margin default occurred, and/or performs forced liquidation of any of its unfulfilled net obligations in the amount that eliminates the negative value of the single limit/debt under the settlement code in accordance with Article 23 of these Rules (*this subparagraph was changed by a decision of the Exchange's Board of Directors dated June 23, 2021 and July 27, 2022*);
- 3-1) in case of default on the margin on a CP account, issues general collateral certificates at the expense of:

- conclusion of deals on behalf of the insolvent clearing participant/his Authorized trading participant for sale of any collateral recorded on the CP account on which a defaulted on margin occurred, in an amount that eliminates the negative value of the single limit on the CP account, while choosing the property with which these deals are concluded is carried out by the Exchange independently;
- formation in the trading and clearing system of an order to transfer money in tenge from TCA+, corresponding to the specified CP account, to this CP account in the amount necessary to fulfill the balance of the Margin requirement for the pool, in case of non-fulfillment of margin requirements for the collateral pool in full based on results of the sale of all assets being in the collateral pool on the CP account, on which margin default occurred.

If the money accounted at TCA+ is insufficient to execute the specified transfer, the missing amount of money is accounted as a net obligation of the

clearing participant to the Exchange under such TCA+. The specified obligation of the clearing participant is included in the nearest clearing pool;

(This subparagraph was included by a decision of the Exchange's Board of Directors dated July 27, 2022)

- 4) in case of default on the guarantee fee, enters into transactions on behalf of the insolvent clearing participant / its Authorized Trading Participant for the sale of any collateral recorded in its own clearing account, and/or performs the compulsory liquidation of its any outstanding net obligations on its own clearing account in the amount of, which leads to the sufficiency of the amount of the guarantee fee of the insolvent clearing participant in the amount of the outstanding net obligations under the guarantee fee in accordance with Article 23 of these Rules and/or in the case of insufficient collateral recorded on its own clearing account. *(this subparagraph was changed by the decisions of the Exchange's Board of Directors dated June 29, 2020 and June 23, 2021)*
- 5) in the event of a default on net obligations and/or in cases defined by sub-items 2)-6) of item 1 of Article 20, the Exchange conducts forced liquidation of outstanding net obligation of insolvent clearing member by concluding counter-balancing transaction on its behalf/on behalf of its Authorized Trading Participant in order to minimize final net obligation and to conclude transactions to cover final net obligation (if any) using collateral of the insolvent clearing member in the sequence defined by item 1 according to the procedure determined by Article 23 of these Rules.

The Exchange conducts separation procedure and settlements under Article 22 of these Rules, in the event that the final net obligation of the insolvent clearing member has not been repaid as a result of the actions specified in the first paragraph of this subparagraph.

Liquidates outstanding claims of bona fide clearing member at the expense of clearing funds under Article 24 of these Rules.

Accrues penalties on outstanding net obligations of the insolvent clearing member.

Provides clearing reports on the results of the liquidation to insolvent and bona fide clearing members in accordance with these Rules.

- 6) carries out the liquidation of deals of the insolvent clearing participant recognized as invalid in accordance with sub-items 7), 8) of item 1 of Article 20 in accordance with the procedure established by Article 25 of these Rules *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)*.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 22. Separation Procedure

1. The separation procedure is carried out in order to partially fulfill the requirements of conscientious clearing participants.
2. When conducting the separation procedure in order to partially fulfill the requirements of conscientious clearing participants, the amount of the net claim for each clearing account of the conscientious clearing participant is determined by the formula:

$$EX_p = Q_p \cdot (\sum Q_p - EX_{nku}) / \sum Q_p$$

- Exp – the amount of the net claim on the p-th clearing account of the conscientious clearing participant for partial execution at the expense of the funds to be split;

- p – clearing account of a conscientious clearing participant, for which net claims have not been met $p = 1, 2, \dots, X$;
- Q_p – the amount of the net claim for the p -th clearing account of a conscientious clearing participant;
- Ex_n – the amount of funds to be split.
3. The amount of the unfulfilled net claim on each p -th clearing account of a conscientious clearing participant after their partial fulfillment is calculated using the following formula:
- $$D_p = Q_p - EX_p, \text{ where}$$
- D_p – the amount of outstanding net claim of a conscientious clearing participant.

(This article is changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).

Article 23. Forced Liquidation of Outstanding Obligations of an Insolvent Clearing Member on Transactions, where the Exchange acts as a Central Counterparty

(This heading was changed by the decision of the Exchange's Board of Directors of September 24, 2019)

1. Compulsory liquidation of an unfulfilled net obligation of an insolvent clearing participant with a certain settlement date (hereinafter referred to as compulsory liquidation) is carried out by concluding the following transactions, taking into account the peculiarities of exchange markets:
 - 1) balancing transactions for the purchase of a financial instrument in which an unfulfilled net obligation is formed due to unfulfilled net claims in order to minimize net positions with a certain settlement date.
 - 2) coverage transactions for the sale of financial instruments in which collateral and/or guarantee contributions of an insolvent clearing participant are formed, and the purchase of a financial instrument in which its unfulfilled final obligation is expressed.
 - 3) in the derivatives market-closing transactions that are the reverse of transactions of an insolvent clearing participant that have formed an unfulfilled net obligation.

(This paragraph was changed by the decisions of the Exchange's Board of Directors dated January 29, 2019, September 24, 2019, June 29, 2020 and June 23, 2021).

2. Forced liquidation is carried out according to the procedure as follows:
 - 1) the Exchange concludes balancing deals of the purchase of the financial instrument, in which the unfulfilled net obligation of the Exchange to conscientious participants was formed, in one of the ways specified in item 3 of this article.

If it is not possible to purchase a financial instrument in which an unfulfilled net obligation of the Exchange is formed with the settlement date of this obligation, the necessary amount of the financial instrument is purchased with the settlement date as close as possible to the settlement date of the unfulfilled net obligation and the repo operation with the settlement date of the concluded purchase transaction and the settlement date of the unfulfilled net obligation, which through netting allow to minimize the size of net positions with the required settlement date;

(this sub-item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)

- 2) conclusion by the Exchange of balancing transactions on behalf of an insolvent clearing participant with itself on the same terms on which the balancing transactions were concluded, in accordance with subparagraph 1) this point of the reverse direction..

In case of the conclusion of balancing transactions in accordance with the second paragraph of subparagraph 1) of this paragraph, the date of calculation balancing transactions concluded by the Exchange on behalf of the insolvent clearing participant corresponds to the date of settlement of outstanding net obligations and the transaction price is adjusted for the amount, considering price and the prisoner of repo operations / operations with foreign currency (conventionally called "short-term currency swap") and determined in accordance with the Rules of exchange activity (hereinafter – foreign currency); *(this paragraph was changed by a decision of the Exchange's Board of Directors of November 11, 2020);*

(this sub-item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)

- 3) in the derivatives market – the conclusion of closing transactions by the Exchange on behalf of an insolvent clearing participant and bona fide clearing participants with themselves.
- 4) the market difference between the prices of balancing transactions / closing transactions concluded by the Exchange and clearing participants, in accordance with sub-paragraphs 1)-3) of this paragraph, and the prices of transactions that formed unfulfilled net positions, form either a net claim of an insolvent clearing participant to the Exchange or a net obligation of an insolvent clearing participant to the Exchange during the netting of these transactions. At the same time, the formed net obligation of an insolvent clearing participant with a future settlement date is subject to execution on the day of its formation and is recognized as terminated;
- 5) the net claim of an insolvent clearing participant to the Exchange, specified in subparagraph 4) of this paragraph, is used by the Exchange to eliminate the negative value of the single limit / repay the debt under the settlement code and/or fulfill the requirements for the guarantee fee.

At the same time, if this claim was formed not in tenge, the Exchange enters into a transaction for the sale of a financial instrument forming a net claim of an insolvent clearing participant for tenge using one of the methods specified in paragraph 3 of this article;

(this sub-item was changed by a decision of the Exchange's Board of Directors of April 30, 2024)

- 6) the net obligation of the insolvent clearing participant to the Exchange, specified in subparagraph 4) of this paragraph, is covered by the collateral and guarantee contributions of the insolvent clearing participant included in the "collateral pool to cover the default", in the sequence defined by subparagraphs 1)-5) of paragraph 1 of Article 26 of these Rules, by offsetting.

If this net obligation was not formed in a financial instrument in which the collateral and/or guarantee contributions of an insolvent clearing participant were formed, the Exchange:

enters into coverage transactions on its own behalf by one of the methods specified in paragraph 3 of this article;

enters into coverage transactions on behalf of an insolvent clearing participant in respect of itself in the amount and on the same terms as the transactions concluded in accordance with the previous paragraph were concluded.

At the same time, if a certain type of collateral pool for covering a default consists of various financial instruments, financial instruments are used to

conclude coverage transactions in the sequence defined by paragraph 4 of Article 26 of these Rules.

(This paragraph was changed by the decisions of the Exchange's Board of Directors dated September 24, 2019, June 29, 2020, November 11, 2020, and June 23, 2021).

3. Transactions in default settlement procedures are made using the following ways in accordance with the following sequence:

- 1) during exchange-based trading, the Exchange files orders for concluding transactions at prices valid in the trading system of the Exchange at the time of filing. The Exchange independently determines order submission time and volume of submitted orders;
- 2) if the conclusion of deals specified in sub-item 1) of this item becomes impossible in full or in part during the main trading sessions on the exchange market, the Exchange has the right to conclude deals with the National Bank or with the Provider Bank or with another clearing participant in the required volume on additional trading sessions and (or) in extended trading modes and (or) on the over-the-counter market at a price set in accordance with an agreement with the National Bank and (or) the Provider Bank and (or) any clearing participant. At the same time, the price of deals on buying-selling of a financial instrument must be in the range (+margin rate) – (-margin rate) from the estimated price of such a financial instrument, if the volume of the deal being concluded does not exceed the concentration limit value set for this financial instrument and in the range (+concentration rate) – (-concentration rate) of the estimated price of such a financial instrument, if the volume of the concluded deal exceeds the concentration limit. In the stock and foreign exchange markets, if during the exchange trading, the boundaries of the price corridors were shifted, then the magnitude of the shifts changes the estimated price by the corresponding magnitude of the shift *(this item was changed by decisions of the Exchange's Board of Directors of June 29, 2020 and November 11, 2020)*;
- 3) if the conclusion of deals is impossible in accordance with the previous sub-items of this item, the Exchange concludes deals on its own behalf with conscientious clearing participants who have claims on the financial instrument in respect of which there was a default, acting on their behalf, at the estimated prices of the financial instrument with the corresponding settlement date in effect at the time of closing this trading session *(this paragraph was changed a by decision of the Exchange's Board of Directors dated November 11, 2020)*.

If there are several conscientious participants with net claims on the financial instrument on which the default occurred, the deal volume for each clearing account of the conscientious clearing participant is determined by the following formula:

$$V_p = Q_p * (U_{nku} / \sum Q_p)$$

- V_p – the amount of the net claim of the p-th clearing account of the conscientious clearing participant in respect of which the deal will be executed;
- P – the clearing account of a conscientious clearing participant that has a net claim in the financial instrument for which the default occurred $p = 1, 2, \dots, X$;
- Q_p – the amount of the net claim for the p-th clearing account of the conscientious clearing participant on the financial instrument for which the default occurred;
- U_{nku} – the amount of the unfulfilled net obligation on the financial instrument for which the default occurred;

(This sub-item was changed by a decision of the Exchange's Board of Directors of June 29, 2020).

(This item was changed by a decision of the Exchange's Board of Directors of September 24, 2019).

4. The Exchange has the right to carry out compulsory liquidation within three trading days, starting from the day following the day of recognition of the clearing participant as insolvent, taking into account the specifics established by the second paragraph of this item.

In the event of a default on the margin in the currency or stock market, the Exchange is entitled to carry out compulsory liquidation on the day the clearing participant is declared insolvent.

At the same time, the Exchange carries out the procedure for transferring positions in relation to unfulfilled net obligations, for which forced liquidation was not carried out based on results of closing of each trading day in accordance with the specifics of a certain exchange market of these Rules.

(This item was changed by decisions of the Exchange's Board of Directors dated January 29, 2019 and November 11, 2020)

5. The Exchange notifies the insolvent clearing member of taking actions on forced liquidation no later than on the working day when it was made and sends a clearing report and/or other written notices with information on the following *(this item was changed by a decision of the Exchange's Board of Directors of January 29, 2019 and a decision of the Exchange's Board of Directors of 24 September 2019)*:
 - 1) termination of outstanding net claims and net obligations of an insolvent clearing member;
 - 2) balancing transactions and covering transactions concluded by the Exchange on behalf of the insolvent clearing member;
 - 3) net obligations and/or net claims of an insolvent clearing member that emerged as a result of forced liquidation;
 - 4) balances on collateral accounts (in the case when the Exchange acts as the settlement organization) and on the accounts of guarantee contributions of the insolvent clearing member;
 - 5) other information in accordance with the conditions and the procedures of default settlement established by these Rules.
6. If the Exchange concludes transactions on behalf of bona fide clearing participants under sub-item 3) of item 3 of this article, the Exchange shall send clearing report and/or other written notices to bona fide clearing members with information about:
 - 1) the fact of default;
 - 2) balancing transactions and/or covering transactions concluded by the Exchange on behalf of the bona fide clearing member;
 - 3) termination of outstanding net positions of a bona fide clearing member as a result of the above-mentioned transactions concluded by the Exchange and the emergence of net obligations and/or net claims on the results of these transactions (if any);
 - 4) *(this sub-item is excluded by the decision of the Exchange's Board of Directors of September 24, 2019)*;
7. Insolvent clearing member and bona fide clearing members are required to fulfill obligations under all transactions concluded on their behalf by the Exchange as part of the forced liquidation in accordance with this article and clearing reports sent to them by the Exchange *(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018)*.
8. The Exchange, acting on behalf of an insolvent clearing member, and acting on behalf of bona fide clearing members in relation to the transaction with itself, carries out all legal and actual actions necessary to conclude transactions in

accordance with these Rules without special authority (power of attorney), as well as without the consent of an unscrupulous clearing member and bona fide clearing members.

9. In the event that an insolvent clearing participant fails to fulfill net obligations based on results of forced liquidation, information about which was provided in the clearing report in accordance with item 5 of this article, the cut-off time specified in the specifics of the exchange markets, on the day when the forced liquidation was carried out, the Exchange liquidates unfulfilled claims of conscientious participants in accordance with Article 24 and charges the insolvent clearing participant a forfeit in accordance with sub-item 2) of item 5 of Article 29 of these Rules (*this item was changed by decisions of the Exchange's Board of Directors of December 12, 2018, September 24, 2019 and November 11, 2020*).
10. (*This item was changed by the decisions of the Exchange's Board of Directors of December 12, 2018, July 27, 2022 and October 27, 2023 and was excluded by a decision of the Exchange's Board of Directors dated April 30, 2024*).
11. The Exchange has the right to claim compensation for outstanding net obligations from the insolvent clearing member upon results of forced liquidation, as well as for other debts to the Exchange, by judicial procedure.
12. An insolvent clearing participant has the right to return its collateral and/or guarantee contribution remaining after the completion of the forced liquidation in the manner established by these Rules, after fulfilling all of its obligations (*this item was changed by the decisions of the Exchange's Board of Directors of December 12, 2018 and dated April 30, 2024*).

Article 24. Liquidation of outstanding claims of bona fide clearing members in the performance of the functions of the Central Counterparty. Limitation of the scope of the Exchange's liability

1. The Exchange, assuming the functions of a central counterparty, guarantees the fulfilment of net obligations to each bona fide clearing member, taking into account the limitation of its liability in the amount of clearing funds of the exchange market on which a default occurred, which are part of the collateral pool to cover default, in accordance with sub-item 6) and 7) of item 1 of Article 26 of these Rules (*this item was changed by a decision of the Exchange's Board of Directors dated September 24, 2019*).
2. If, following the results of the forced liquidation carried out in accordance with item 9 of Article 23, the obligations of the insolvent clearing participant to the Exchange were not fulfilled in full or in the event of the presence of unfulfilled obligations of the insolvent clearing participant based on the results of the liquidation netting carried out in accordance with item 4 of article 25 of these Rules, the Exchange carries out the procedure for their separation in order to determine the amount of obligations performed by the Exchange to each conscientious participant in accordance with article 22 of these Rules and carries out the procedure for liquidating the remaining unfulfilled claims of each conscientious clearing participant to the Exchange (hereinafter – liquidation of claims) at the expense of proceeds of clearing funds in accordance with item 1 of this article in the specified sequence and within the same timeframes established for the implementation of forced liquidation or liquidation netting (*this item was changed by decisions of the Exchange's Board of Directors dated September 24, 2019 and June 29, 2020*).
3. If the outstanding requirements of bona fide clearing members to the Exchange are formed in the financial instrument in which clearing funds are formed, the Exchange in order to fulfill its obligations on these claims concludes transactions for the sale of a financial instrument that forms clearing funds and for the purchase of financial instruments in which outstanding claims of bona fide clearing members to the Exchange are formed by one of the ways defined by item 3 of Article 23

(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018).

4. The size and procedure for using clearing funds to liquidate the claims of bona fide members at the expense of reserve funds and guarantee contributions of bona fide clearing members, as well as the calculation of the amount of the guarantee contribution used by each bona fide clearing member calculated as the Sk value are established by Article 27 of these Rules (this item was amended by a decision of the Exchange's Board of Directors of September 24, 2019).
5. The amount of claims covered to each conscientious clearing participant through the use of clearing funds of any exchange market is calculated as the value F_p in accordance with item 2 of Article 27 of these Rules, if the guarantee fund is sufficient to cover the unfulfilled claims of conscientious clearing participants and insufficient resources of the reserve fund and as the value of L_p , in accordance with item 3 of Article 27 of these Rules, in the event that proceeds and the reserve and guarantee clearing funds are insufficient (*this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018 and supplemented by a decision of the Exchange's Board of Directors of June 29, 2020*).
6. The Exchange's net obligations to bona fide clearing members are reduced by the corresponding amount of fulfilled claims to bona fide clearing members calculated in accordance with item 5 of this article (this item was amended by a decision of the Exchange's Board of Directors of September 24, 2019).
7. The remaining outstanding obligations of the Exchange to bona fide clearing members after the use of clearing funds are recognized as deferred obligations and corresponding outstanding claims of bona fide clearing members are recognized as deferred claims (this item was amended by a decision of the Exchange's Board of Directors of December 12, 2018).
8. The Exchange sends a clearing report and/or other written notifications to bona fide clearing members with information about the following not later than the working day following the day in which the liquidation of the requirements was completed and the resources of clearing funds were used:
 - 1) the fact of default and the size of reserve fund used for settling the default;
 - 2) the amount of the guarantee contribution of a clearing member used for liquidation of claims;
 - 3) the amount required for a clearing member to restore the guarantee contribution to the guarantee fund;
 - 4) the amount of deferred claims (if any);
 - 5) sales transactions concluded by the Exchange on behalf of a bona fide clearing member as part of the liquidation of claims;
 - 6) other information in accordance with the conditions and the procedures of default settlement established by these Rules.
9. The procedure for the recovery of clearing funds, the rights and obligations of clearing members in respect of guarantee contributions are determined by Article 28 of these Rules.
10. A bona fide clearing member whose net claims were not fully fulfilled as a result of the liquidation of claims shall not be entitled to demand their fulfilment with the exception of cases specified in item 11 of this article.
11. The amount of deferred obligations of the Exchange to bona fide clearing members may decrease in the following cases:
 - 1) when an insolvent clearing member's debt to the Exchange is repaid by the insolvent clearing member itself or by other persons;

- 2) upon collection of debts on outstanding obligations of the insolvent clearing member to the Exchange by judicial procedure;
- 3) as a result of the removal of the clearing member from the list of organizations and individuals associated with the financing of terrorism and extremism.

(This item was changed by the decision of the Exchange's Board of Directors of September 24, 2019)

12. Financial instruments received to repay the debt of an insolvent clearing participant on his unfulfilled obligations or recorded in his posting accounts and made available as a result of excluding the clearing participant from the list of organizations and persons related to the financing of terrorism and extremism, and/or from the list of persons involved in terrorist activities, and the list of organizations and persons related to the financing of the proliferation of weapons of mass destruction are used by the Exchange within two working days following the day of their receipt/occurrence of the corresponding event, in the following order *(this item was changed by a decision of the Exchange Board of Directors dated September 24 October 2019 and supplemented by a decision of the Exchange Board of Directors dated November 11, 2020)*:
 - 1) repayment of deferred obligations of the Exchange to bona fide clearing members;
 - 2) return of used guarantee contributions of clearing members;
 - 3) restoration of the clearing reserve fund, the resources of which were used (this sub-item was changed by a decision of the Exchange's Board of Directors dated December 12, 2018).
13. In the event of repayment of the debt of an insolvent clearing member to the Exchange by any of the ways listed in item 12 of this article, the Exchange distributes the received financial instruments to repay deferred obligations to bona fide clearing members in the same proportions that were used to fulfill net claims to each bona fide clearing member through the use of clearing funds in accordance with items 2 or 3 of Article 27 of these Rules (this item was amended by a decision of the Exchange's Board of Directors of September 24, 2019).
14. Deferred obligations of the Exchange to bona fide clearing members are deemed settled on the next working day after the Exchange distributes financial instruments in accordance with item 12 of this article received as a result of the execution of a decision of the executive judicial authority on collection of debts of the insolvent clearing member to the Exchange, or after writing off this debt from the Exchange balance sheet within the timeframe and in the manner provided for accounting for overdue debt in the Exchange's internal document "Accounting Policy". The Exchange sends notifications to bona fide clearing members of the termination of their claims for the Exchange's deferred obligations on the day of their termination.
15. If the debts written off are repaid by the debtor after they are written off from the balance sheet of the Exchange and termination of deferred obligations to bona fide members, the amount received is distributed between bona fide clearing members in the manner specified in item 12 of this article, in the proportions determined by item 13 of this article.

Article 25. Close-out Netting of Insolvent Clearing Member

1. The liquidation netting procedure on all deals with the CCP recognized as invalid based on a decision of the Management Board in accordance with sub-items 7) and 8) of item 1 of Article 20 of these Rules is carried out in order to determine the final net claim/net obligation on all clearing accounts of the insolvent clearing participant *(this item was supplemented by a decision of the Exchange's Board of Directors dated June 29, 2020)*.

2. All deals recognized as invalid are subject to termination in full upon the emergence of a net claim/net obligation on each clearing account of an insolvent clearing participant based on the results of liquidation netting, calculated in tenge as the sum of the following values (liabilities are recorded with a "minus" sign, claims – with a "plus" sign) *(this paragraph was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*:
 - 1) liabilities in financial instruments for all settlement dates recalculated at the respective settlement prices set at the end of the day of the close-out netting;
 - 2) Liabilities for exchange fees, trading and clearing fees;
 - 3) obligation to transfer the coupon yield on repo transactions;
 - 4) claims in financial instruments for all settlement dates recalculated at settlement prices set at the end of the day of the close-out netting;
3. Net claim/net obligation based on the results of liquidation netting on the client clearing account of an insolvent clearing participant recognized as such on the basis of a decision of the Management Board in accordance with sub-item 8) of item 1 of Article 20 of these Rules are accounted for with the current settlement date on the own clearing account of the insolvent clearing participant, the deals on the clearing accounts of which are recognized as invalid.

If there is a final net obligation on the own clearing account of an insolvent clearing participant based on the results of accounting for a net claim/net obligation based on the results of liquidation netting on his client clearing account, the insolvent clearing participant is obliged to fulfill such final net obligation no later than the beginning of the next clearing session in accordance with the current Regulations.

In case of non-fulfillment of the final net obligation on the own clearing account of the insolvent clearing participant, the Exchange's clearing division submits to the Management Board the issue of recognizing the net obligation as unfulfilled in connection with the default of net obligations and carries out the procedures provided for in Article 20 of these Rules.

If there is a final net claim on the own clearing account of an insolvent clearing participant based on the results of accounting for a net claim/net obligation based on the results of liquidation netting or if the insolvent clearing participant fulfills his obligations no later than the beginning of the next clearing session in accordance with the current Regulations, the clearing division shall submit to the Management Board the issue of cancellation of the recognition of a clearing participant as insolvent due to the completion of the liquidation netting procedure in relation to his client clearing account, the deals on which were recognized as invalid, since such clearing participant has no outstanding obligations.

If the Management Board decides to cancel the recognition of the clearing participant as insolvent, the Exchange may cancel other decisions made in connection with this recognition.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

4. If an insolvent clearing participant recognized as such in accordance with sub-item 7) of item 1 of Article 20 of these Rules has a net claim/net obligation based on the results of the liquidation netting, the Exchange shall record such net claim/net obligation on separate posting accounts in the internal accounting system of the Exchange.

If the insolvent clearing participant has a net claim based on the results of the liquidation netting, the Exchange shall carry out freezing procedures with regard to such claim in accordance with the Currency Settlement Rules and/or the Securities Settlement Rules and/ or the Rules for Settlement of Derivatives.

If an insolvent clearing member has an unfulfilled net obligation to the Exchange based on the results of the liquidation netting in order to fulfil his counter

obligations to conscientious clearing participants, the Exchange liquidates outstanding claims to conscientious clearing participants in the amount of the net obligation formed based on the results of the liquidation netting at the expense of clearing funds in accordance with Article 24 of these Rules.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

5. The Exchange has the right to put forward a claim to an insolvent clearing member to recover net obligation of the insolvent clearing member calculated in accordance with item 2 of this article and to demand its performance by judicial procedure.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 26. Collateral Pool for Settlement of Default

1. In order to cover the unfulfilled net obligations of an insolvent clearing participant formed as a result of the conclusion of balancing deals in the course of a forced liquidation, as well as the fulfillment of the Exchange's net obligations under deals with the CCP to conscientious clearing participants in a certain exchange market, financial instruments of the following types of collateral are used (hereinafter – the collateral pool to cover the default) in the following sequence:

- 1) financial instruments in the settlement organization that constitute collateral for obligations under the client/client custodial clearing account/client CP account associated with the specified clearing account of the insolvent clearing participant, if the default occurred on the obligations under this client account. At the same time, financial instruments that constitute collateral for obligations on other client/client custodial clearing accounts/client CP accounts of this insolvent clearing participant, on which no default has been committed, cannot be used;
- 2) collateral on the own clearing account of the insolvent clearing participant of the exchange market in which the clearing participant defaulted and was declared insolvent if the default occurred on the own clearing account/own CP account.

In the event that a default has occurred on a client / client custodial clearing account, the Exchange has the right to use the collateral on its own clearing account and/or the collateral on its own CP account of the insolvent clearing participant in an amount exceeding the net obligations on such a clearing account with the current settlement date and exceeding the Exchange's requirements for collateral on such clearing account;

- 3) the guarantee contribution of an insolvent clearing participant to the clearing guarantee fund of that exchange market where py defaulted and was declared insolvent;
- 4) collateral of the insolvent clearing participant on his own collateral accounts of any exchange market where the clearing participant has not committed default in an amount exceeding the net obligations of the insolvent clearing participant with the current settlement date and the collateral requirement on his own clearing account;
- 5) the guarantee contribution of an insolvent clearing participant to the clearing guarantee fund of any exchange market, if he has no outstanding obligations in this market;
- 6) the clearing reserve fund of the exchange market where the default was committed;

- 7) guarantee contributions of conscientious clearing participants to the relevant clearing guarantee fund in the amount calculated in accordance with item 1 of Article 27 of these Rules

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020 and July 27, 2022);

- 1-1. The money and financial instruments of a clearing participant, if he is included in the list of organizations and persons associated with the financing of terrorism and extremism, the list of persons involved in terrorist activities, in the list of organizations and persons, related to financing the proliferation of weapons of mass destruction, shall not be used to settle a default on any exchange market. *(this sub-item was included by a decision of the Exchange's Board of Directors dated November 11, 2020).*
2. The maximum share of the clearing reserve fund that can be used to settle defaults on any exchange market for one clearing day is not more than 25%.
3. In the event that a certain type of collateral pool to cover default consists of various financial instruments, the following sequence is applied to use them when concluding transactions in order to cover outstanding obligations:
 - 1) settlement currency of outstanding obligations;
 - 2) other currency in the following sequence: KZT, USD, EUR, RUB;
 - 3) any securities held on the KASE section of the personal account at the Central Securities Depository as selected by the Exchange.
4. The use and recovery of clearing funds is carried out in accordance with Articles 27 and 28 of these Regulations.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 27. The Procedure for Using Clearing Funds

1. The following formula is used to calculate the amount of money used from the guarantee contributions of conscientious clearing participants to the clearing guarantee fund of a particular exchange market:

$$S_k = \min\left(\frac{D - R}{N}; G_k\right), \text{ where:}$$

- S_k – The amount of money used from the guarantee contribution of the k-th conscientious clearing participant;
- k – conscientious clearing participant, k=1, 2,..., N;
- min – mathematical function that determines the smallest of the values indicated in parentheses;
- D – the total amount of unfulfilled net claims of conscientious clearing participants, calculated as $\sum_p D_p$, where D_p is determined in accordance with item 3 of Article 22 of these Rules
- G_k – minimum required guarantee contribution amount of the k-th conscientious clearing participant;
- R – the amount of money of the reserve fund of the exchange market on which a default occurred, available to cover outstanding net claims of conscientious clearing participants, taking into account the limitation of item 2 of Article 26 of these Rules;
- N – the number of conscientious clearing participants.

(This item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).

2. When using proceeds of the clearing reserve fund of a particular exchange market to cover unfulfilled net claims of conscientious clearing participants, the following formula is applied to calculate the amount of the net claim of each conscientious clearing participant covered on account of proceeds of such reserve fund:

$$F_p = \min \left(\left(R * \frac{D_p}{D} \right); D_p \right), \text{ where}$$

- F_p – the size of the net claim of the p-th conscientious clearing participant covered on account of proceeds of the reserve fund;
- p – a conscientious clearing participant whose net claims have not been satisfied $p = 1, 2, \dots, X$;
- D_p – the amount of outstanding net claims of the p-th conscientious clearing participant calculated in accordance with item 3 of Article 22 of these Rules;
- D – designation set by item 1 of this article.
- R – designation set by item 1 of this article.

(This item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).

3. When using the money of the clearing guarantee fund of a particular exchange market to cover the outstanding net claims of conscientious clearing participants, the following formula is applied to calculate the amount of the net claim of each conscientious clearing participant to be covered by proceeds of the clearing guarantee fund.:

$$L_p = \min \left(\left(G * \frac{D_p}{D} \right); (D - R) * \frac{D_p}{D} \right), \text{ where}$$

- G – the size of the guarantee fund of the exchange market in which the default occurred, excluding the guarantee contribution of the insolvent clearing participant, in respect of which the forced liquidation or liquidation netting procedure was carried out;
- L_p – the amount of the net claim of the p-th conscientious clearing participant covered by proceeds of the clearing guarantee fund.

(This item was changed by decisions of the Exchange's Board of Directors of September 24, 2019 and June 29, 2020).

4. The use of clearing funds is carried out within the framework of the procedure for liquidating unfulfilled net claims of conscientious clearing participants on deals with the CCP in the manner specified by article 24 of these Rules *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020).*

Article 28. The Procedure for Restoration of Clearing Funds

1. An insolvent clearing member, for the fulfilment of obligations of which the funds of clearing funds were used, must reimburse them in full on the conditions and in the manner established by these Rules.
2. An insolvent clearing member shall be obliged to fulfill the obligation to restore (reimburse) the funds of clearing funds in full within the next working day after receiving the clearing report on the results of the clearing session, where this obligation has been fixed.
3. A bona fide clearing member is required to make a guarantee contribution within five business days from the day following the day of receiving the clearing report with the requirement to restore the guarantee contribution to the guarantee fund in the manner specified in Article 18 of these Rules.

The specified obligation to replenish the contribution to the guarantee fund of the relevant exchange market may not arise for a bona fide clearing member more

than once at the day of settlements and more than 6 (six) times per calendar year *(this item was changed by a decision of the Exchange Board of Directors dated December 12, 2018 and April 26, 2019).*

4. In case of non-fulfilment by the clearing member of the obligation specified in item 2 or 3 of this article, the measures provided for by these Rules and Regulations shall be taken.
5. In the event that the insolvent clearing member fulfills the obligation specified in item 2 of this article, the Exchange shall notify bona fide clearing members:
 - 1) on the fulfilment by the insolvent clearing member of the obligation to restore (reimburse) the resources of clearing funds;
 - 2) on the right of bona fide clearing members who have already complied with the requirements to replenish their guarantee deposit to submit to the Exchange an application for the return of the indicated amount through the electronic document exchange system eTransfer.
6. In case of using funds from guarantee contributions of bona fide clearing members as part of default settlement procedures in accordance with these Rules, a bona fide clearing member shall not have the right to demand restoration (reimbursement) of these funds from the Exchange, except as otherwise provided by these Rules.

Article 29. Forfeit

1. Penalties / fines shall be accrued to a mala fide or insolvent clearing member for failure to perform or improper performance by a mala fide or insolvent clearing member of its obligations in accordance with these Rules.
2. *(This item was removed by a decision of the Exchange's Board of Directors dated June 29, 2020).*
3. An unscrupulous clearing participant that defaulted on transactions without the CCP pays a penalty in accordance with the Exchange's internal regulatory documents "The procedure for concluding deal in securities without performing the functions of the central counterparty and making settlements on them (gross settlements)" and "Rules for performing repo transactions in the trading and clearing system ASTS+" *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020).*
4. An unscrupulous or insolvent clearing participant on deals with the CCP, concluded on the stock and currency markets, shall pay to the Exchange for the applying by the Exchange of the position transfer procedure and (or) the applying of the forced liquidation procedure and (or) for the applying of the liquidation netting procedure, the penalty in the amount of a15-fold monthly calculation index effective on the date of such applying.

If, within one clearing day, the Exchange applied the procedures, specified in paragraph one of this item, on several trading clearing accounts of a unscrupulous or insolvent clearing participant, then such participant is obliged to pay to the Exchange a penalty for the Exchange's application of settlement procedures for each trading clearing account.

If, during the clearing day, the Exchange applied the procedures, specified in paragraph one of this item, several times to one trading clearing account of a unscrupulous or insolvent clearing participant, then such participant is obliged to pay to the Exchange a penalty for the Exchange's use of settlement procedures.

(this item was supplemented by a decision of the Exchange's Board of Directors dated June 29, 2020, June 08, 2021).

5. The insolvent clearing participant, the settlement of positions of which on any exchange market on trades with the Central Counterparty was conducted through

the procedure of forced liquidation and (or) application of the liquidation netting procedure for more than one clearing day, must pay to the Exchange in respect of the non-performed net obligation at the end of the clearing day a forfeit in the following amount *(this paragraph was changed by a decision of the Exchange's Board of Directors dated June 29, 2020, June 08, 2021 and July 01, 2022)*:

$$PLikv = \min(R \times 0,05\% \times D; R \times 1\%) , \text{ where:}$$

- PLikv – amount of forfeit in tenge;
- min – a mathematical function that determines the smallest of the values indicated in parentheses;
- R – the value of the outstanding net obligation in tenge calculated at the settlement price of the financial instrument in which this net obligation is expressed at the close of the last trading session on this financial instrument on the day it occurs;
- D – the number of calendar days during which the outstanding net obligation remained outstanding.

6. The penalty specified in item 4 of this article and the forfeit specified in item 5 of this article shall be paid by a clearing member within five business days from the date the Exchange presents the corresponding invoice. *(This paragraph was changed by a decision of the Exchange's Board of Directors as of June 08, 2021)*

The day of payment of the forfeit specified in the first paragraph of this item is the day when the amount of forfeit is credited to the Exchange's correspondent account.

7. The accrual of fines and penalties to clearing participants may be canceled by the decision of the Exchange's Management Board, in situations where non-fulfillment or improper fulfillment by a clearing participant of its obligations was caused by:
- 1) a technical failure that occurred in the operation of any information system of the Exchange or its separate component;
 - 2) improper performance by the Exchange of its functions provided for by the internal documents of the Exchange and/or the clearing service agreement;
 - 3) a technical failure that occurred in the operation of any information system of a critical Exchange supplier or its separate component;
 - 4) the occurrence of force majeure circumstances (situations of force majeure, i.e. natural disasters, natural disasters, wars, military actions, terrorist acts, popular unrest, changes in legislation, actions and decisions of (authorized) regulatory bodies, decisions of local executive bodies, state bodies and officials, including quarantine announcements, and other similar circumstances that the clearing participant could not have foreseen and which directly affected the proper performance of the clearing participant's duties) or other events related to the suspension of the activities of financial market organizations, including in connection with the introduction of a state of emergency or the occurrence of an emergency in the settlements where the Exchange and/or clearing participant are stationed;
 - 5) incorrectly set parameters of any financial instrument that is the subject of a transaction or swap/repo operation;
 - 6) other cases and/or events beyond the reasonable control of the clearing participant.

(This item was included by the decision of the Exchange's Board of Directors dated June 8, 2021 and amended by the decision of the Exchange's Board of Directors dated March 28, 2022)

(This article was amended by the decision of the Exchange's Board of Directors dated September 24, 2019).

Article 30. Collection of unfulfilled obligations of a clearing participant

(This heading was changed by a decision of the Exchange's Board of Directors dated 27 October of 2023)

1. The Exchange has the right to turn to judicial and other authorities in order to recover from the clearing participant any outstanding obligations, including *(this paragraph was changed by a decision of the Exchange's Board of Directors dated 27 October of 2023)*:
 - 1) outstanding obligations of the insolvent clearing member on transactions, where the Exchange acts as the Central Counterparty;
 - 2) obligations to pay exchange and clearing fees, penalties / fines and other debts of the insolvent clearing member.
2. Financial instruments received by the Exchange as a result of measures to collect debts from an insolvent clearing member for the obligations specified in sub-item 1) of item 1 of this article are distributed in accordance with item 12 of Article 24 of these Rules among bona fide clearing members in repayment of deferred obligations of the Exchange to them that emerged as a result of default on obligations for which this recovered payment was received.
3. Bona fide clearing members shall have the right to submit a claim for compensation for losses related to non-execution or cancellation of transactions without CCP to the clearing member on the transactions according the general procedure provided for by the legislation of the Republic of Kazakhstan.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Chapter 4. FEATURES OF THE STOCK MARKET

Article 31. Features of Clearing in the Stock Market

1. The Exchange provides integrated clearing on a net basis for transactions with securities traded in the modes with CCP with settlements in tenge and US dollars.
2. The Exchange carries out clearing on a gross basis for transactions with securities traded in the modes without CCP with settlements in tenge.
3. The Exchange clears transactions with CCP without collateral, with partial collateral and with full coverage depending on the category assigned to clearing member of the stock market as well as taking into account the features established by item 7 of Article 2 of this Rules for transactions concluded by clearing members with partial collateral.
4. The method of collateral, as well as the responsibility for non-fulfillment of obligations by clearing participants on deals without the CCP are established by the Exchange's internal documents "Procedure for concluding deals in securities without performance of functions of the central counterparty and making settlements on them (gross settlements)" and "Rules for carrying out repo transactions in the trading and clearing system ASTS+" *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.
5. The Exchange determines net claims and net obligations on a set of deals with the CCP, settlements for which are carried out in a particular settlement and clearing session in accordance with the procedure established in accordance with the Regulations (hereinafter – the clearing pool) and determines claims and obligations on deals without the CCP in the course of trading on each concluded deal without the CCP *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.

6. *(This item was removed by a decision of the Exchange's Board of Directors dated June 29, 2020).*
7. The Exchange charges a forfeit to unscrupulous/insolvent clearing member of the stock market payable in accordance with Article 29 of these Rules.
8. *(This item was changed by a decision of the Exchange's Board of Directors of October 27, 2023 and was excluded by a decision of the Exchange's Board of Directors dated April 30, 2024).*

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 31-1. Particulars of Clearing and Trading and Clearing Accounts in the Stock Market

1. Trading/clearing/trading and clearing/CP accounts of the 1st level.
Authorized participants of stock market trading open trading/trading and clearing accounts of the 2nd level.
Trading participants' accounts are coded in accordance with the Exchange's internal document "Instruction on the procedure for assigning codes to members of Kazakhstan Stock Exchange JSC and their accounts, users of trading systems, issuers of securities and financial instruments.

(This item was changed by a decision of the Exchange's Board of Directors dated June 23, 2021, July 01, 2022 and July 27, 2022).

- 1-1 Opening/maintenance/closing of trading/clearing/trading and clearing/CP accounts is carried out in the manner determined by the internal document regulating the opening, maintenance and closing of trading and clearing accounts *(this item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022 and was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022).*
2. *(This item was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022).*
3. *(This item was changed by a decision of the Exchange's Board of Directors dated June 23, 2021 and was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022).*
4. *(This item was changed by a decision of the Exchange's Board of Directors dated June 23, 2021 and was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022);*
5. *(This item was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022);*
6. *(This item was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022).*
7. *(This item was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022).*
8. *(This item was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022).*

(This article was included by a decision of the Exchange's Board of Directors dated September 24, 2019 and changed by a decision of the Exchange's Board of Directors dated June 29, 2020).

Article 31-2. Depositing Collateral

1. In order to fulfill the requirements for collateral and fulfillment of obligations and requirements for transactions with the CCP, clearing participants use the following accounts (sections of accounts) opened with the Central Securities Depository:

- for money – correspondent account of KASE in the Central Depository;
- for securities – KASE section;
- for securities contributed to the collateral pool – GCGlobal section.

(This item was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022)

2. The Exchange, being a settlement organization for transactions with the CCP on the stock market (in terms of cash settlements), opens its own, aggregated client and aggregated client custodial collateral accounts for the clearing participant of the stock market in the internal accounting system of the Exchange in order to account for the deposited collateral and execute net liabilities and net claims in money on the specified accounts based on net clearing results.

The Central Depository, being a settlement organization for transactions with the CCP and transactions without the CCP on the stock market (in terms of settlements on securities), opens in the accounting system of the Central Securities Depository on each sub-account (client and own) of the personal account of each depositor-clearing participant of the stock market:

- KASE section for the purpose of accounting for the deposited collateral in securities and settlement of net obligations and net claims in securities under deals with the CCP based on the results of clearing on a net basis and settlement of obligations and claims in securities under deals without the CCP following the results of clearing on the gross basis;
- Repo section for the purpose of blocking securities when executing an opening transaction related to a repo transaction without the CCP with the "buy-sell" direction;
- section GCGlobal for the purpose of accounting for securities contributed by the clearing participant to the collateral pool.

The Central Depository, being a settlement organization for transactions without the CCP on the stock market (in terms of cash settlements), in order to fulfill obligations and claims in money for each concluded deal without the CCP on a gross basis:

- opens its own and client (aggregated) bank accounts in the accounting system of the Central Depository for each depositor – a clearing participant of the stock market that is not a clearing participant with an account in the NPC and ensures the execution of settlements on them *(this paragraph was changed by a decision of the Exchange's Board of Directors dated October 27, 2023)*;
- ensures the sending of documents for settlements on correspondent accounts opened with the National Bank of the Republic of Kazakhstan for each depositor – a clearing participant in the stock market, which is a clearing participant with an account in the NPC *(this paragraph was changed by a decision of the Exchange's Board of Directors dated October 27, 2023)*.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020 and 27 July of 2022).

3. A clearing participant of the stock market for deals with the CCP is obliged to ensure that financial instruments are credited to the KASE's correspondent account with the Central Depository and (or) to KASE sections to fulfill the requirements for the sufficiency of collateral in accordance with the conditions established for the category assigned to it and taking into account the specifics established by item 7 of Article 2 of these Rules *(this item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.
4. Clearing members of the stock market on the transactions with CCP transfer money in relevant currency to the correspondent account of KASE in the Central

Depository by the bank details published on the Exchange's website (www.kase.kz) in accordance with the Securities Settlement Rules.

5. The procedure for depositing and refunding cash collateral recorded on the collateral accounts in the internal accounting system of the Exchange for the transactions with CCP is established by the Securities Settlement Rules.
6. The return of securities from the KASE sections to the main section is done on the basis of the refund application submitted by a clearing participant to the Central Depository, in accordance with the set of Rules of the Central Depository.

The return is executed by the Central Depository only if the following positive checks are carried out in the trading and clearing system ASTS+:

- 1) the size of the beginning and planned positions in securities on the KASE section used for settlements on TCA "+" and TCA "0", for which the request was received, calculated without taking into account the securities being returned, will not become negative;
- 2) the single limit on TCA "+", according to which a request for a refund was received, calculated without taking into account the returned securities recorded on the KASE section, will not become negative in relation to the clearing account, on which the check is carried out on terms of partial collateral or the size of planned positions in securities accounted for on the KASE section, for each settlement date, T+ will not become negative in relation to the clearing account for which the check is carried out on full coverage terms.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

- 6-1. Return of securities from the GCGlobal section to the KASE section is carried out on the basis of the relevant request of the clearing participant for transfer, submitted to the Exchange using the trading and clearing system in accordance with the Exchange's internal document "GCC Instruction" *(this item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022)*.

7. The return of money from KASE's correspondent account in the Central Depository, accounted for on collateral accounts in the Exchange's internal accounting system, is carried out only if the following positive checks are carried out in the trading and clearing system ASTS+:
 - 1) the size of the plan position in terms of money on the collateral account for TCA "+", for which a request for refund was received, calculated without taking into account the money being returned, will not become negative.
 - 2) the single limit for TCA "+", according to which a request for refund was received, calculated without taking into account the money being returned accounted for in the collateral account, will not become negative in relation to the clearing account for which the check is carried out on terms of partial collateral or money accounted for in the collateral account, for each settlement date T+, will not become negative in relation to the clearing account for which full coverage is checked.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

- 7-1. In case on the TCA "+", on which the check on partial collateral conditions is carried out, the Exchange set a restriction on the minimum permissible value of the single limit, which is a negative value, the checks specified in sub-item 2) of item 6 and sub-item 2) of item 7 of this article are performed taking into account the minimum permissible value of the single limit set by the Exchange *(this item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022)*.

8. A clearing participant of the stock market on deals without the CCP is obliged, prior to the moment of submitting an order to the trading system, to ensure that financial instruments on the deal are credited on the following conditions:
- on money – to a correspondent account with the National Bank of the Republic of Kazakhstan (for clearing participants that are CPs with an account in the NPC) or to a bank account (own or client's) in the Central Depository (for clearing participants that are not CPs with an account in the NPC) in the full amount of liabilities arising in the settlement currency (*this paragraph was changed by a decision of the Exchange's Board of Directors dated October 27, 2023*);
 - on securities – to the KASE section of the subaccount (client's or own) of the personal account in the Central Depository in the amount, at which the beginning and plan position in securities on the KASE section, calculated taking into account the arising obligations on securities, will not become negative.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

(This article was included by a decision of the Exchange's Board of Directors dated September 24, 2019).

Article 31-3. Settlements in the Stock Market. fulfilment of Obligations on Concluded Transactions

1. In order to carry out settlements on trades with the CCP, the Exchange each clearing day in accordance with the Regulations determines the net requirements and / or net obligations for each financial instrument for each clearing account "S + " / "I + " / "O + " / "C + " / "P +", guided by the following information recorded on the clearing account:"; (*this paragraph was changed by a decision of the Exchange Board of Directors dated June 23, 2021*):

on obligations and claims accounted for on the clearing account with the current settlement date on the clearing pool deals in each settlement and clearing session;

on obligations and claims on the transfer of income on repo and (or) on the transfer of a coupon on purchase and sale deals accounted for on the clearing account in the manner prescribed by items 1-1 and 1-2 of this article during the first settlement and clearing session.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

- 1-1. The Exchange transfers income on coupons and (or) dividend payments on securities accounted for in the KASE section, which are the subject of repo transactions concluded in the modes with the CCP (hereinafter – the transfer of income on repo) from the repo buyer to the repo seller, if the record date falls within the period (*this paragraph was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022*):

- from the settlement date of the repo opening deal, not including this date, until the settlement date of the repo closing deal, including this date, if the register is compiled as at the beginning of the day;
- from the settlement date of the repo opening deal, including this date, until the settlement date of the repo closing deal, excluding this date, if the register is compiled as at the end of the day.

"Obligations and requirements for the transfer of income in the amount of the payment made are set by the Exchange on TCS" S + "/" I + "/" O + "/" C + "/" P + "during the mark-to-market session on the settlement date following the day receiving a notification from the paying agent about the payments made, are

included in the calculation of the net positions of the clearing pool in the first settlement and clearing session and are subject to execution in the manner prescribed by the Regulations. *(this paragraph was changed by decisions of the Exchange Board of Directors dated November 11, 2020 and June 23, 2021).*

In order to ensure the fulfillment of obligations on the transfer of income by the repo buyer from the moment of the conclusion of the repo transaction, which provides for the transfer of income, until the fulfillment of such obligations by the repo buyer, a single limit on the corresponding TCS S + "/" I + "/" O + "/" C + "/" P + "reduced by the amount of the expected payment of income."; *(this paragraph was changed by decisions of the Exchange Board of Directors dated November 11, 2020 and June 23, 2021).*

If there is no notification from the payment agent about the effected payments of coupon interest and (or) dividend payments on securities, which are the subject of a repo transaction, for which the transfer of income is provided, due to the default on such payments by the issuer within 1 month from the last date, on which the issuer had to fulfill the obligations on such payment, the Exchange takes the following actions:

- 1) transfers to the repo seller the right of claim on return by the repo buyer of the coupon interest on bonds or dividends on equity securities with disclosure to the repo buyer of the repo seller's name and disclosure to the repo seller of the name of the repo buyer, in case interest or dividends are paid by the issuer to the repo buyer.

In this case, the similar right of claim of the repo seller to the Exchange on the return by the Exchange to the repo seller of the coupon interest on bonds or dividends on equity securities shall become invalid.

- 2) notifies the repo buyer of the cancellation of the Exchange's right of claim against the repo buyer for the return of coupon interest on bonds or dividends on equity securities and the emergence of this claim right on the part of the repo buyer disclosing the name of the repo seller to the repo buyer;
- 3) increases the single limit on TCA "+" of the repo buyer by the amount of the previously blocked collateral for the transfer of income payment";

(This item was included by a decision of the Exchange's Board of Directors dated June 29, 2020)

- 1-2. The Exchange shall transfer the coupon on the trades of purchase and sale of bonds, concluded in the regimes with the Central Counterparty with future settlement dates (T+) from the seller to the buyer (hereinafter - the coupon transfer on the trade of purchase and sale), if the date of settlement on the trade of purchase and sale falls on the period:

- from the date of fixing, including that date, to the date of coupon payment, not including that date, if the register is prepared as of the beginning of the day;
- from the date of fixing, not including that date, to the date of coupon payment, including that date, if the register is prepared as of the end of the day.

Obligations and claims for transfer of the coupon under the trade of purchase and sale in the amount of payment made shall be exhibited by the Exchange on the TCA "+" during the mark-to-market session on the Settlement Date following the day of receipt of the notification from the paying agent on the payments made, shall be included in calculation of the net positions of the clearing pool at the first clearing session and shall be fulfilled in the manner prescribed by the Regulations.

In order to ensure the fulfillment of obligations on coupon transfer under the sale-purchase transaction from the date of conclusion of the sale-purchase transaction, under which the coupon transfer is provided for, until the fulfillment of such obligations, the single limit on the relevant TCA "+" of the seller shall be reduced by the amount of the expected coupon payment.

In the absence of notification from the paying agent on the payment of the coupon interest on the bonds, which are the subject of the sale-purchase transaction, which provides for the transfer of the coupon, due to the issuer's failure to fulfill obligations on such payment within 1 month from the last date on which the issuer should have fulfilled obligations on such payment, the Exchange shall take the following actions:

- 1) transfers to the purchaser of the bond purchase and sale transaction the right to demand the return of the coupon interest by the seller of the bond purchase and sale transaction with disclosure to the purchaser of the bond purchase and sale transaction of the name of the seller of the purchase and sale transaction and disclosure to the seller of the purchase and sale transaction of the name of the buyer of the sale transaction, if the interest is paid by the issuer to the seller of the purchase and sale transaction;

In this case, a similar right of claim of the buyer of the bonds sale-purchase transaction to the Exchange for the return of the coupon interest on the bonds by the Exchange to the buyer of the bonds sale-purchase transaction shall become void.

- 2) notify the seller of the bond purchase-sale transaction on the cancellation of the Exchange's right of claim against the seller of the bond purchase-sale transaction for the return of the coupon interest on the bonds and the emergence of this right of claim from the buyer of the bond purchase-sale transaction, disclosing the name of the seller of the bond purchase-sale transaction to the buyer of the bond purchase-sale transaction;
- 3) increases the single limit on the TCA "+" of the seller of the bond purchase and sale transaction by the amount of the previously blocked collateral for the transfer of the coupon payment.

(This item was included by a decision of the Exchange's Board of Directors dated June 29, 2020 and changed by a decision of the Exchange Board of Directors dated July 01, 2022)

- 1-3. The procedures for transfer of income referred to in Items 1-1 and 1-2 of this Article shall not be performed, if the issuer of securities, which are the subject of a repo transaction or the subject of a trade of purchase and sale, is the seller of the repo transaction and / or the buyer of the trade of purchase and sale *(this item was included by a decision of the Exchange's Board of Directors dated July 01, 2022)*.
2. Net claims and net obligations for clearing accounts "S +" / "I +" / "O +" / "C +" / "P +" determined in accordance with clause 1 of this article shall be executed in the manner specified by the Regulations.; *(this item was supplemented by a decision of the Exchange Board of Directors dated November 11, 2020 and changed by a decision of the Exchange Board of Directors dated June 23, 2021)*.
3. In order to fulfill his net obligations under deals with the CCP, the clearing participant of the stock market is obliged until the final time of delivery of the financial instruments by the clearing participants specified in the Regulations (hereinafter – cut-off time) of each settlement and clearing session of the settlement day, ensure the availability of financial instruments on any TCA+ (own, client, client custodial), ensuring the execution of net positions calculated in accordance with paragraph 1 of this article, by transferring money to KASE's correspondent account in the Central Depository and securities to the KASE/GCGlobal section in the amount at which the settlement positions on money and securities displayed in the trading and clearing system ASTS+ at the beginning of the corresponding settlement and clearing session are not negative.

Information on net obligations under deals with partial collateral to be settled by clearing participants by the cut-off time in each settlement and clearing session is fixed at the beginning of the session and provided to clearing participants by sending a clearing report in accordance with the Exchange's internal document "Formats of clearing reports on the stock market".

Fulfillment by the Exchange of final net claims / net obligations on any TCA+ following the results of each settlement and clearing session, taking into account claims / obligations on deals concluded during such session in order to settle the unfulfilled obligations of the clearing participant by the cut-off time, as well as claims / obligations under deals with full coverage, are carried out only if all final net obligations on this account are completely fulfilled.

The Exchange fulfills the final net claims / net obligations on money on collateral accounts (own, aggregated client, aggregated custodial), opened in the internal accounting system of the Exchange for clearing participants, on securities in KASE / GCGlobal sections, no later than the end of the settlement clearing session established by the Regulations.

(This item was changed by decisions of the Exchange Board of Directors dated November 11, 2020, June 29, 2020, June 23, 2021 and July 27, 2022).

4. In order to perform clearing and settlements for any settlement and clearing session by the deadlines established by the Regulations, the Exchange shall perform the following actions:
 - 1) checks the availability of financial instruments necessary for the fulfillment of net obligations;
 - 2) sends an order to the Central Securities Depository to carry out operations related to the fulfillment of obligations to transfer securities;
 - 3) calculates net claims and net liabilities for money on the collateral accounts of the clearing participant;
 - 4) terminates the final net obligations / final net claims on financial instruments for each TCA+ in the trading and clearing house;
 - 5) in case of insufficiency of financial instruments on any TCA+ of clearing participants for settlements by the cut-off time, carries out the procedures for settling the default of the net obligations of the unconscientious clearing participant by carrying out the position rollover procedure in accordance with Article 34-1 of these Rules.

(This item was changed by decisions of the Exchange Board of Directors dated June 29, 2020, June 23, 2021 and July 27, 2022).

5. If, in respect of the transactions with CCP, some corporate events on financial instruments, such as the restructuring of an issuer of securities, conversion of securities carried out without any restructuring of the issuer of securities or any other actions affecting the performance of obligations that lead to the change of the subject of transaction with CCP take place between the date of conclusion and the date of execution, the Exchange has the right to take one of the following decisions in respect of such transactions:
 - 1) to change unilaterally the subject (object) of the transactions "with partial security", the obligations on which have not been fulfilled and/or the order of performance of obligations taking into account the conditions of restructuring of the issuer of securities or other conditions set by the issuer of securities ;
 - 2) that the date of performance of obligations on the transactions shall be deemed to have occurred on the settlement date specified by the decision of the Exchange's Management Board.
6. In order to carry out settlements on deals without the CCP, the Exchange determines the claims and obligations on the concluded deal at the time of its conclusion or confirmation by the CCS User in the manner determined by the Exchange's internal document "Procedure for concluding deals in securities without performing the functions of the CCP and making settlements on them (gross-settlements)" and sends a settlement order to the Central Depository.

The Central Securities Depository, based on the received order, carries out settlements in the following order:

- checks the sufficiency of securities on the KASE section of the subaccount (own or client's) of the personal account in the Central Depository;
- in case of sufficiency of securities, sends an order for cash settlements on correspondent accounts in the National Bank of the Republic of Kazakhstan (on claims and obligations of clearing participants who are CPs with an account in the NPC) or carries out settlements on a bank (own or client's) account in the Central Depository (for clearing participants that are not CPs with an account in the NPC) *(this paragraph was changed by a decision of the Exchange's Board of Directors dated October 27, 2023)*.

In case of insufficiency of securities on the KASE section at the Central Depository and (or) the NPC's refusal to carry out settlement due to insufficient funds in the correspondent account in the National Bank of the Republic of Kazakhstan and (or) insufficiency of funds in the bank account in the Central Depository, the Central Depository sends a refusal to execute settlements on the deal. In case of receiving a refusal from the Central Depository to execute settlements on the deal, the Exchange shall act in the manner prescribed by the Exchange's internal documents "Procedure for concluding deals in securities without performing the CCP functions and making settlements on them (gross-settlements)" and in the trading and clearing system ASTS+ *(this paragraph was changed by a decision of the Exchange's Board of Directors dated October 27, 2023)*.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

7. The penalty for untimely / non- fulfilment of obligations payable by a clearing member is determined by Article 29 of these Rules.
8. The Exchange shall not transfer between clearing participants commissions and other expenses for depository and other services arising from securities transactions, as a result of the ownership, use and disposal of such securities by said clearing participants *(this item is included by a decision of the Exchange Board of Directors dated November 29, 2021)*.

(This article was included by a decision of the Exchange Board of Directors dated September 24, 2019).

Article 31-4. The Procedure for Conducting Mark-to-market Clearing Sessions

1. Within the period prescribed by the Regulations, the Exchange conducts mark-to-market clearing session in the stock market in order to reevaluate net positions and collateral in accordance with the new values of risk parameters established each morning of the trading day in accordance with the Regulations, and announces a margin-call performing the following procedure:
 - 1) sets a new values of risk parameters in the order defined in the Regulations and in accordance with the Methodology;
 - 2) for each TCS S+ / "I+" / "O+" / "C+" / "P+" calculates new values of the single limit in order to control the sufficiency of collateral for transactions with the CCP"; *(this sub-item was changed by a decision of the Exchange Board of Directors dated June 23, 2021)*;
 - 3) for each TCS, S+ / "I+" / "O+" / "C+" / "P+" determines the size of the margin-call (if any); *(this sub-item was changed by a decision of the Exchange Board of Directors dated June 23, 2021)*;
- 3-1) issues / redeems general collateral certificates in connection with changes in settlement prices of financial instruments included in the collateral pool of

general collateral certificates *(this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022)*;

- 4) for each TCS S+ / "I+" / "O+" / "C+" / "P+" sets obligations and (or) requirements for the transfer of income on repo and (or) the transfer of a coupon on purchase and sale transactions in case the payment agent makes the corresponding payment; *(this sub-item was changed by a decision of the Exchange Board of Directors dated June 23, 2021)*;
- 5) generates and sends to clearing participants who have a margin-call and (or) claims and (or) obligations were set to transfer repo income and (or) transfer a coupon on purchase and sale deals, the clearing reports containing information on their amount.

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

2. The margin-call arising with a clearing member upon results of mark-to-market clearing session must be eliminated by the clearing member by 14:00 ALT of the current clearing day by way of:
 - 1) depositing financial instruments included in the T+ Collateral List to the KASE section and/or the KASE correspondent account in the Central Securities Depository, accounted for on the corresponding S+ / "I+" / "O+" / "C+" / "P+" TCS.; *(this sub-item was changed by decisions of the Exchange Board of Directors dated June 29, 2020 and June 23, 2021)*;
 - 2) concluding transactions that eliminate insufficiency of collateral;
 - 3) depositing financial instruments, included in the collateral pool, to KASE's correspondent account in the Central Depository and/or GCGlobal section, if it is impossible to automatically eliminate the margin-call in accordance with sub-item 3-1) of item 1 of this article *(this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022)*.
3. Margin call arises with the clearing member, the single limit of the clearing account of which on the transactions with CCP based on the mark-to-market clearing session results, became negative. The amount of margin call is equal to the absolute value of the specified single limit.
4. Margin-call that has arisen for a clearing participant for any TCA is considered terminated at the time when the single limit on such an account becomes non-negative *(this item was changed by decisions of the Exchange Board of Directors dated June 29, 2020, June 23, 2021 and July 27, 2022)*.
5. If the clearing participant fails to execute the margin call within the period of time established in item 2 of this article, such clearing participant shall be recognized insolvent in accordance with sub-item 2) of item 1 of Article 35 of these Rules *(this sub-item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)*.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 32. Risk management system of the stock market

1. The risk management system for transactions with CCP in the stock market consists of the following element:
 - 1) Risk parameters of financial instruments of the stock market determined in accordance with the Methodology;
 - 2) collateral of clearing members on the KASE correspondent account with the Central Depository and on "KASE sections" of clearing members in the Central Depository;

- 2-1) collateral on "GCGlobal sections" of clearing participants in the Central Securities Depository (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
 - 3) revaluation of net positions and collateral, assessment of market and interest rate risks;
 - 4) control of the adequacy of collateral for transactions with partial collateral by calculating a single limit;
 - 5) the restrictions set by the Exchange to change the single limit that do not allow the single limit to fall below the level determined by the Exchange;
 - 6) attributes "short selling ban" and "ban on unsecured purchases" set on the trading and clearing accounts of the clearing member and/or on financial instruments;
 - 7) preliminary control of the full collateral of a clearing member of the stock market with full coverage or of a financial instrument with the attribute "short selling ban" / "ban on unsecured purchases";
 - 8) clearing reserve fund of the stock market;
 - 9) clearing reserve fund of the stock market;
 - 9-1) collateral pool (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
 - 10) control of the adequacy of guarantee contributions of a clearing member to the clearing guarantee fund;
 - 11) default settlement procedures;
 - 12) limitation of the Exchange's liability as the Central Counterparty for the fulfilment of net obligations on deals with the Central Counterparty to conscientious clearing participants in accordance with these Rules (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 13) monitoring of the financial condition of a clearing participant in the stock market on a periodic basis in order to determine the compliance of the clearing participant with the requirements established for such a clearing participant in the category that determines the method of ensuring the fulfillment of obligations on deals (*this sub-item was included by a decision of the Exchange's Board of Directors dated November 11, 2020*).
2. The procedure for establishing/changing the price ranges of financial instruments is carried out in a manner defined by the Methodology.
 3. In order to conclude transactions under partial collateral in the ASTS + trading and clearing system for each financial instrument, risk parameters are established that are used to calculate a single limit on trading and clearing accounts, on the basis of which the adequacy of collateral for obligations under submitted orders and transactions is controlled, settlement date for which has not yet arrived.

For the purpose of concluding transactions under full coverage conditions, the ASTS + trading and clearing system sets the attribute "short selling ban" to control full coverage of securities obligations and / or the attribute "ban on unsecured purchases" to control full coverage of money obligations for submitted orders and transactions, the settlement date for which has not yet arrived:

- 1) by the trading code of a clearing member - in this case, all trading and clearing accounts (own and client) of this clearing member will be checked for compliance with the conditions established by this attribute;
- 2) on a specific trading and clearing account of a clearing member – in this case only the specified trading and clearing account (own or client) will be checked for compliance with the conditions established by this attribute;

- 3) for securities - the attribute "short selling ban", for money - the attribute "ban on unsecured purchases" - in this case, the applications and transactions made on all trading and clearing accounts of all clearing members for a financial instrument with respect to which the attribute is established, will be checked for compliance with the conditions established by this attribute, regardless of the trading mode in which this financial instrument is traded.
4. The financial instruments accepted as collateral for the execution of transactions with partial collateral are the financial instruments included in the Collateral List T+.

The financial instruments mentioned in the first paragraph of this item are involved in the calculation of a single limit as collateral.
5. Financial instruments not included in the Collateral List T+ and the financial instruments issued by this clearing member and included in its section on KASE are not taken into account when calculating single limit as collateral.
6. If, according to the results of the settlements of the last clearing session, the requirement for the size of the guarantee contribution is not met, the clearing report shall indicate relevant requirements on the need to replenish the guarantee contribution (if insufficient).

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 33. A single limit on the stock market

1. The single limit on the trading and clearing account of the TCS S+ / I+ / O+ / C+ / P+ / I+Brca / A+nBrCu / S+2 / B+2 / I+1 / A+1 is used for the following purposes *(this paragraph was changed by a decision of the Exchange Board of Directors dated June 23, 2021)*:
 - preliminary control of the adequacy of collateral for net obligations on the transactions with partial collateral when submitting orders for transactions with TCA;
 - maintaining the required level of sufficiency of collateral for transactions with partial collateral concluded using TCA, until their execution.
- 1-1. A single limit on the CP account is used to control the adequacy of the collateral for the issued amount of GCC *(this item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022)*.
2. The single limit on any TCA is calculated if any of the following cases occur:
 - 1) when orders for concluding transactions with TCA are submitted;
 - 2) when transactions with TCA are made;
 - 3) upon fulfilment / termination of obligations and claims under the TCA;
 - 4) when collateral is placed to / returned from TCA;
 - 5) when risk parameters of financial instruments change.
3. A single limit for any TCA is calculated taking into account *(this paragraph was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022)*:
 - 1) collateral recorded on the TCA in money and securities;
 - 2) net claims and net obligations for money on deals with partial collateral with all settlement dates;
 - 3) net claims and net obligations in money on deals with securities, for which the attribute "short selling" has been established *(this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020)*;

- 4) obligations on transfer / claims for obtaining income from coupon payments/dividends on repo transactions;
- 5) other requirements and obligations in accordance with the Rules.
4. The single limit calculated based on the results of the mark-to-market clearing session determines the margin call size, a negative value of which means the need to replenish collateral or to conclude transactions that reduce the amount of outstanding net obligations of a clearing member.
5. The single limit is calculated in tenge.
6. The procedure for calculating the Single Limit is the same for all TCS S+ / I+ / O+ / C+ / P+ / I+Brca / A+nbrca / S+2 / B+2 / I+1 / A+1. (*this item was changed by a decision of the Exchange Board of Directors dated June 23, 2021*).
7. The single limit on TCA is calculated taking into account:
 - fair value measurement of net obligations and net claims with all settlement dates and collateral recorded as a claim with settlement date T0 for each financial instrument (hereinafter referred to as the Portfolio);
 - market risk of Portfolios for each financial instrument;
 - interest risk of Portfolios for each financial instrument;
8. Structure of the Single Limit:
 - 1) portfolio value in tenge;
 - 2) the sum of the value of the portfolios for each security and portfolios for each foreign currency, taking into account market risk;
 - 3) the amount of interest rate risk of portfolios for each security and portfolios for each foreign currency.

$$EL = \text{Portfolio}_c + \sum_{f=1 \dots N} \text{Portfolio}_f - \sum_{f=1 \dots N} \text{IRRisk}_f, \text{ где:}$$

f – securities or foreign currency.

9. The value of the Portfolio in tenge is calculated as the sum of net obligations and net claims with all settlement dates T_i and the amount of collateral in tenge:

$$\text{Portfolio}_c = \sum_{T_i=T_0}^{T_n} Q_{cT_i} + \text{Collateral}, \text{ где}$$

T_i – date of calculation of the net position;

T_0 – date of current trading day;

T_n – the last settlement date at which any net position exists;

Q_{cT_i} – net position on tenge with settlement date T_i (with a plus sign for net claim, with a minus sign for net obligation);

Collateral – amount of collateral in tenge.

10. The value of the Portfolio of a particular security or a portfolio of foreign currency taking into account market risk allows to evaluate its current market value taking into account the risk of deviation of current settlement prices of a security or settlement prices of a foreign currency.

The value of possible deviation of estimated prices is characterized by a margin rate or concentration rate applicable depending on the size of a securities portfolio or a foreign currency portfolio.

The value of a security or foreign currency portfolio is calculated as follows:

$$\text{Portfolio}_f = \sum_{T_i=T_0}^{T_n} F_{fT_i} + \begin{cases} \sum_{T_i=T_0}^{T_n} Q_{fT_i} \times X, & \text{если } \left| \sum_{T_i=T_0}^{T_n} Q_{fT_i} \right| \leq L_{\text{conc}} \\ \text{sign}(L_{\text{conc}} \times X + \left(\left| \sum_{T_i=T_0}^{T_n} Q_{fT_i} \right| - L_{\text{conc}} \right) \times Y), & \text{если } \left| \sum_{T_i=T_0}^{T_n} Q_{fT_i} \right| > L_{\text{conc}} \end{cases}$$

$$X = \begin{cases} \text{PH}_{1f}, & \sum_{T_i=T_0}^{T_n} Q_{fT_i} \leq 0 \\ \text{PL}_{1f}, & \sum_{T_i=T_0}^{T_n} Q_{fT_i} > 0 \end{cases}$$

$$Y = \begin{cases} \text{PH}_{2f}, & \sum_{T_i=T_0}^{T_n} Q_{fT_i} \leq 0 \\ \text{PL}_{2f}, & \sum_{T_i=T_0}^{T_n} Q_{fT_i} > 0 \end{cases}$$

Q_{fT_i} – net position in a security or foreign currency f with settlement date T_i (net claim with a plus sign or net liability with a minus sign).

Collateral in a security or a foreign currency f is taken into account as a claim with settlement date T_0 when calculating net position with settlement date T_0 ;

F_{fT_i} – the forward value of the net position in a security or foreign currency f with the settlement date T_i ;

L_{conc} – concentration limit for a security or foreign currency f , approved by the Committee and determined in accordance with the Methodology;

$\text{PH}_{1f}, \text{PL}_{1f}$ – upper and lower limits of the market risk assessment range for a security or foreign currency f , determined from the margin rate and calculated in accordance with the Methodology;

$\text{PH}_{2f}, \text{PL}_{2f}$ – upper or lower limits of the range of the second level market risk assessment for a security or foreign currency f , determined from the concentration rate and calculated in accordance with the Methodology (*this paragraph was supplemented by a decision of the Exchange's Board of Directors dated November 11, 2020*);

sign – $\text{sign} \sum_{T_i=T_0}^{T_n} Q_{fT_i}$, if $\sum_{T_i=T_0}^{T_n} Q_{fT_i} > 0$, then sign "+", otherwise sign "-".

11. The forward value of the net position with the settlement date T_i for a security or a foreign currency f is calculated as follows:

$$F_{fT_i} = Q_{fT_i} \times \frac{\text{REPORate}_{T_i}}{\text{SwapCurr}_{T_i}}, \text{ where}$$

RepoR_{fT_i} – settlement repo rate with the settlement date T_i , determined in accordance with the Methodology;

SwapCurr_{fT_i} – estimated price of the transaction in a foreign currency swap transaction with the settlement date T_i , determined in accordance with the Methodology (*this paragraph was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*).

12. The interest rate risk of the Portfolio on a particular security or the Portfolio on a particular foreign currency assesses the risk associated with the volatility of estimated repo rates and estimated prices of foreign currency transactions (*this paragraph was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*).

The amount of possible changes in interest rates is characterized by the interest rate risk or interest rate risk at a concentration applicable depending on the size of the net position with a certain settlement date for a particular security or a certain foreign currency.

The interest rate risk of the Portfolio on a particular security or a foreign currency is the sum of the sizes of the interest rate risk of all net positions on each settlement date and is calculated by the formula:

$$IRRisk_f = \sum_{Ti=T0}^{Tn} IRRisk_{fTi}$$

The interest risk of the net position for a certain settlement date T_i for a particular security or foreign currency f is calculated as follows:

$$IRRisk_{fTi} = \begin{cases} Q_{fTi} \times (RRH_{fTi} - RepoR_{fTi} / SwapCurr_{fTi}), & \text{if } |Q_{fTi}| \leq L_{conc} \text{ and } Q_{fTi} < 0; \\ Q_{fTi} \times (RepoR_{fTi} / SwapCurr_{fTi} - RRL_{fTi}), & \text{if } |Q_{fTi}| \leq L_{conc} \text{ and } Q_{fTi} > 0; \end{cases}$$

(This paragraph was changed by a decision of the Exchange's Board of Directors dated November 11, 2020)

$RepoR_{fTi}$ – settlement repo rate with the settlement date T_i , determined in accordance with the Methodology;

RRH_{fTi} , RRL_{fTi} – upper and lower limits of the range of interest rate risk assessment for a security or foreign currency f , determined from the interest rate risk rate and calculated in accordance with the Methodology (*this paragraph was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);

RRH_{2fTi} , RRL_{2fTi} – upper and lower limits of the range of interest rate risk assessment for a security or foreign currency f , determined from the interest rate risk and calculated in accordance with the Methodology.

(This article was changed by a decision of the Exchange's Board of Directors dated September 24, 2019).

Article 34. Recognition of a clearing member unscrupulous in the stock market

1. A clearing participant is recognized as an unscrupulous clearing participant of the stock market without making any decisions by the Exchange authorities in the event of any of the following cases (*this paragraph was changed by a decision of the Exchange's Board of Directors dated June 8, 2021*):
 - 1) there is no sufficient number of financial instruments recorded on the clearing account of a clearing participant for the fulfilment of his total net obligations on deals with the CCP as of the cut-time specified in the Regulations and/or the fulfilment of net obligations cannot be carried out due to the refusal of settlements by the Central Depository (default of net obligations);
 - 2) (*this sub-item was removed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 3) failure of a clearing participant of the stock market with partial collateral to fulfil the requirement to replenish the guarantee contribution within the timeframe set by item 3 of Article 28 of these Rules (default on the guarantee contribution);

- 4) there is an insufficient number of financial instruments recorded on the clearing account of a clearing participant to fulfill his obligations on a deal without the CCP or the User of the control and collateral system refused to confirm it within the timeframes established in accordance with the Exchange's internal documents "Procedure for concluding deals in securities without performing the CCP functions and settlements on them (gross-settlements)" and "Rules for execution of repo transactions in the trading and clearing system ASTS+." "The procedure for concluding deals without the CCP in the stock market and settlements on them (gross settlements)" and "repo transactions in the trading and clearing system ASTS +" and "Rules T0 (default on deals without the CCP).

(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020)

2. Recognition of a clearing member of the stock market as unscrupulous shall be subject to items 2 and 3 of Article 19 of these Rules.
3. When a clearing member of the stock market is recognized as unscrupulous, the Exchange carries out general actions under Article 19 of these Rules.
4. When a clearing member of the stock market is recognized as unscrupulous, in the event of default on net obligations in accordance with sub-item 1) of item 1 of this article, the Exchange shall perform the rollover of the position in accordance with Article 34-1 of these Rules.
5. *(This item was removed by a decision of the Exchange's Board of Directors dated June 29, 2020).*
6. If the clearing member of the stock market is recognized unscrupulous, in the event of a default on guarantee contribution in accordance with sub-item 3) of item 1 of this article, the Exchange shall perform the following actions:
 - 1) withdraws and suspends submission of orders for all trading and clearing accounts of an unscrupulous clearing member;
 - 2) sets a restriction on the minimum allowable positive value of net positions for any financial instrument recorded in own trading and clearing account of an unscrupulous clearing member in the amount of the claim to replenish the guarantee contribution;
 - 3) submits to the Management Board the issue of declaring an unscrupulous clearing member insolvent in the stock market due to a default on the guarantee contribution and the issue of changing the category of a clearing member from category "with partial collateral" to the "full coverage" category.
7. In the cases specified in sub-item 4) of item 1 of this article, the Exchange shall act in accordance with the internal documents of the Exchange "The procedure for concluding deals in securities without performing the CCP functions and making settlements on them (gross-settlements)" and "Rules for execution of repo transactions in the trading and clearing system ASTS+" *(this item was removed by a decision of the Exchange's Board of Directors dated June 29, 2020).*

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Article 34-1. The procedure for rollover of a position in the stock market

1. A clearing participant, in the absence of the required number of financial instruments recorded on a particular clearing account as of the beginning of a particular settlement and clearing session, has the right in the "Autorepo Self-Regulation" trading modes until the cut-off time, to carry out a position transfer by concluding repo transactions leading to the sufficiency of financial instruments on the clearing account of the clearing participant.

Repo transactions concluded in the "Autorepo Self-Settlement" trading modes are included in the clearing pool of the settlement and clearing session during which such repo transactions were concluded.

If by the cut-off time the clearing participant has outstanding net obligations on the clearing pool of the current settlement and clearing session, the Exchange recognizes such clearing participant as unscrupulous in accordance with sub-item 1 of item 1 of Article 34 of these Rules and carries out procedures to settle the default of net obligations in accordance with item 3 of this article.

(This item was changed by a decision of the Exchange's Board of Directors of June 29, 2020).

2. If, prior to the submission of orders by the Exchange on behalf of an unscrupulous clearing member in order to rollover its outstanding net obligation, this unscrupulous clearing member has credited the missing amount of financial instruments to the KASE correspondent account with the Central Depository and (or) to the KASE section, the Exchange discontinues rollover procedures provided for in this article.
3. Postponement of the fulfillment of the net obligations of an unconscientious clearing participant is carried out by the Exchange by way of concluding repo transactions and (or) transactions with foreign currency between the Exchange and the unconscientious clearing participant, acting on his behalf, on the terms specified in item 6, and taking into account the specifics, referred to in item 3-1 of this article.

- in case of default of a net obligation in securities, except for a clearing participation certificate:

in the trading and clearing system, an instruction is generated to transfer securities from the CP account corresponding to TCS+, on which a default of net obligations in these securities occurred, to the TCS+ account, provided that after the specified transfer the number of general collateral certificates does not become negative, or

a repo transaction is concluded in the direction "purchase / sale of securities" in the amount of the outstanding net obligation for tenge, and in case of insufficiency of tenge, additional repo transactions and (or) operations with foreign currency are concluded in the direction "sale / purchase of securities" and (or) foreign currency, if the unconscientious clearing participant does not have enough tenge to execute the indicated repo transaction.

- in case of default of net liabilities in money, a transaction with foreign currency and (or) repo for tenge is concluded in the direction sale / purchase of foreign currency and (or) securities available on the clearing account on which the net liabilities defaulted and included in Collateral list T+, or for which there is a net claim with the current settlement date.

The choice of a financial instrument that is the subject of the sale of a repo transaction opening transaction and (or) a foreign currency transaction concluded by the Exchange on behalf of an unconscientious clearing participant as part of the position rollover procedure is carried out by the Exchange at its sole discretion.

(This item was changed by a decision of the Exchange's Board of Directors of November 11, 2020, June 29, 2020, June 8, 2021 and July 27, 2022).

- 3-1. The Exchange shall execute the forced liquidation procedure instead of the position roll-over procedure without taking any decisions by the Exchange bodies in cases specified by this item in order to terminate net claims / net obligations of clearing participants which cannot be executed due to termination of existence of those securities as deals object or due to refusal of the Central Securities Depository to execute those net claims / net obligations. Termination of such Net

Claims/Net Obligations is performed by conclusion of trades, reverse trades of the Clearing Members, which formed such Net Claims/Net Obligations.

The reverse trades are the trades of purchase and sale concluded by the Central Counterparty on behalf of the clearing participants on the same terms and conditions as the initial trades concluded by the clearing participants independently and forming the net claims / net obligations, which cannot be executed, but in the opposite direction, in case if:

- 1) the date of fixation of the register of securities for their redemption shall be on the date of:
 - earlier than 2 (two) clearing days following the date of default on the net obligations, if the register is recorded at the beginning of the day;
 - earlier than on the 1st (one) clearing day following the date of default on the Net Obligations, if the register is recorded at the end of the day;
- 2) if the Central Securities Depository refuses to write off/credit the securities as a result of impossibility to settle the trades with the Central Counterparty.

If the Central Securities Depository refuses to settle in respect of securities not included in the T+ List, the trade of purchase/sale shall be executed without checking the collateral.

In case the Central Securities Depository refuses to settle the securities included in the T+ List, the trade of purchase/sale shall be executed with checking the sufficiency of collateral.

In case of insufficiency of financial instruments on the trading and clearing account of the Defaulting Clearing Member to fulfill the net obligations formed upon the results of the forced liquidation, the Clearing Member is obliged to fulfill the outstanding obligations not later than the time of the beginning of the nearest settlement and clearing session.

If the clearing participant fails to fulfill the outstanding obligations on the client trading and clearing account not later than the time of start of the nearest clearing session, the Exchange in order to eliminate the client trading and clearing account debt of the clearing participant has the right to independently transfer money from own account of the clearing participant in the currency and amount of outstanding obligations to the client trading and clearing account/

(This item was included by a decision of the Exchange's Board of Directors of June 29, 2020 and June 8, 2021 and was changed by a decision of the Exchange's Board of Directors dated 01 July of 2022).

- 3-2. In case of default of net obligations on general collateral certificates, the Exchange forms in the trading and clearing system an instruction to transfer funds in tenge from TCA+, corresponding to the CP account, on which the net obligations defaulted, to the CP account in the amount required to fulfill net obligations on the collateral pool.

If the money accounted for on the specified TCA+ is not enough to execute the specified transfer, the missing amount of money is accounted as a net obligation of the clearing participant for such TCA+.

The specified net obligation of the clearing participant is included in the current clearing pool and regulated in accordance with the procedure established by item 3 of this article.

(This item was included by a decision of the Exchange's Board of Directors of July 27, 2022).

4. In order to fulfill the Exchange's net obligations to conscientious clearing participants, the Exchange shall settle net obligations arising from conclusion of deals on transfer of the fulfilment of net obligations of an unscrupulous clearing

participant on the terms specified in item 6 of this article, by any method listed below in the indicated sequence in accordance with the Regulations:

- 1) on account of own funds, in cases and in the manner provided for by the Exchange's internal documents;
- 2) concludes repo / foreign currency transactions on its own behalf by filing orders in trading modes "Settlement" with the Central Counterparty opened in accordance with the Regulations with any clearing participant that satisfied the submitted order. If the conclusion of transactions with foreign currency specified in the first paragraph of this item becomes impossible in full or in part on the stock market, the Exchange has the right to conclude transactions with foreign currency in the "Settlement" mode with any clearing participant that satisfied the submitted application on the foreign exchange market, and / or in the over-the-counter market (*this sub-item was changed by a decision of the Exchange's Board of Directors of June 08, 2021*);
- 3) concludes repo / foreign currency transactions on its own behalf with any clearing participant which has the required financial instrument recorded in its own trading clearing account or with a voluntary provider who has the required financial instrument recorded in the client's trading and clearing accounts in respect of which it acts as a voluntary provider, acting on its behalf by concluding repo transactions / foreign exchange transactions using the method of direct deals in technological modes (*this sub-item was changed by a decision of the Exchange's Board of Directors of June 29, 2020*);
- 4) (*this sub-item was removed by a decision of the Exchange's Board of Directors of June 29, 2020*);
- 5) concludes repo deals / foreign currency transactions in his own name with any clearing participant that has counterclaims with the current settlement date for the required financial instrument accounted for on its trading and clearing account (own or client's), acting on his behalf by concluding repo transactions/foreign currency transactions carried out by the method of nego deals in technological trading modes.

(This item was changed by a decision of the Exchange's Board of Directors of November 11, 2020).

5. In case of carrying out transactions on the transfer of positions in accordance with sub-items 3) and 5) of item 4 of this article and the availability of several trading and clearing accounts, the choice of a trading and clearing account for carrying out a position transfer deal is carried out in accordance with an algorithm that takes into account the date of the last use of this or another trading and clearing account used for the transfer procedure, the sufficiency of the number of financial instruments accounted for in such a trading and clearing account there is a default of net obligations with a voluntary provider (*this item was changed by decisions of the Exchange's Board of Directors of June 29, 2020 and November 11, 2020*).
6. Repo / swap transactions in order to rollover positions with unscrupulous and bona fide clearing member are concluded by the Exchange on the following conditions:
 - 1) The date of execution of the repo/swap transaction with an earlier settlement date is the day when the rollover transaction is concluded;
 - 2) repo / swap transaction term - one settlement day;
 - 3) The date of execution of the repo/swap transaction with a later settlement date is the settlement date following the date of the repo opening transaction;
 - 4) The opening price of the repo transaction is set in accordance with the Exchange's internal document "The Rules for Executing Repo in the Trading and Clearing System ASTS+" (*this paragraph was changed by a decision of the Exchange's Board of Directors of June 29, 2020*);

The swap opening transaction rate is set equal to the settlement price of SwapCurrT1 swap transactions calculated in accordance with the Methodology;

- 5) The repo / foreign currency transaction price is equal to the default settlement rate established in accordance with the Methodology for the financial instrument that is the subject of the settlement.

The information about the current values of the default settlement rates set for financial instruments is available for viewing in the trading and clearing system ASTS+ and is published on the Exchange's website (WWW.KASE.KZ).

(this sub-item was changed by decisions of the Exchange's Board of Directors of June 29, 2020 and November 11, 2020)

7. *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020 and removed by a decision of the Exchange's Board of Directors of June 08, 2021).*

- 7-1. If the clearing participant, who allowed the default of the net obligation in money, credited the necessary amount of money to fulfill the obligations after the cut-off time of the first clearing session not later than 30 minutes from the cut-off time, the Exchange shall conclude repo transactions / foreign currency transactions with such defaulted participant before the end of the first clearing session of the current clearing day, with a direction opposite to the settlement trades.

The reverse repo/foreign currency transactions shall be concluded on the same terms as the settlement transactions, but in the opposite direction at a price equal to the default settlement rate, established in accordance with the Methodology for the financial instrument, which is the subject of settlement, minus 1% per annum/

(This item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022)

8. The Exchange, acting on behalf of an unscrupulous, as well as on behalf of bona fide clearing members in relation to itself, carries out all legal and actual actions necessary to conclude transactions in accordance with these Rules without special authority (power of attorney), as well as without the consent of an unscrupulous clearing member and bona fide clearing members.
9. An unscrupulous clearing member, as well as bona fide clearing members whose trading and clearing accounts were used to carry out transactions within the framework of the settlement, must fulfill obligations on all transactions concluded on their behalf by the Exchange carried out in accordance with this article.
10. The Exchange charges a penalty to an unscrupulous clearing member in the stock market, which is mandatory for payment in accordance with Article 29 of these Rules for applying rollover procedures and (or) for applying forced liquidation procedures, as well as for outstanding net obligations arising from these procedures

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019)

Article 35. Recognition of a Clearing Member Insolvent in the Stock Market

1. Clearing Division submits for consideration of the Exchange Management Board the issue of recognition of the clearing participant / insolvent clearing participant of the stock market on the basis of sub-item 1) of item 1 of Article 20 in the following cases:
 - 1) in case of default on the net obligations before 10.30 a.m. ALT of the clearing day:
 - if the procedures for transfer of the outstanding net obligations under the certain clearing account for money have been performed on the previous 2 consecutive clearing days;
 - if the procedures for transfer of the outstanding net obligations under the certain clearing securities account have been carried out for 4 consecutive preceding clearing days;
 - if the Clearing Member has any outstanding obligations at the end of the previous clearing day;
 - 2) if the margin call has not been eliminated within the term specified in item 2 of Article 31-4 hereof (Margin Call Default), not later than 15.00 ALT of the current clearing day;
 - 3) in case of default on the security deposit until 10.30 ALT of the clearing day following the day being the deadline for fulfillment of the Exchange's request for replenishment of the security deposit, according to item 3 of Article 28 of these Rules/

(This item was changed by a decision of the Exchange's Board of Directors of June 29, 2020, supplemented by a decision of the Exchange's Board of Directors of November 11, 2020 and was changed by a decision of the Exchange's Board of Directors of July 01, 2022):

2. If the Exchange's Management Board decides to recognize a clearing participant insolvent in accordance with item 1 of this article, the Exchange shall carry out procedures to settle the default of the insolvent clearing participant in accordance with article 21 of these Rules *(this item was changed by a decision of the Exchange's Board of Directors of June 29, 2020)*.

(This article is included by a decision of the Exchange's Board of Directors of September 24, 2019).

Chapter 5. FEATURES OF THE FOREIGN EXCHANGE MARKET

Article 36. Features of Executing Clearing on the Foreign Exchange Market *(this heading was changed by a decision of the Exchange's Board of Directors of November 11, 2020)*

1. The Exchange acts as the Central Counterparty for transactions of clearing members with all foreign currencies in the foreign exchange market.
2. The Exchange carries out clearing on a net basis for deals with financial instruments of the "spot" and "swap" sections *(this item was changed by decisions of the Exchange's Board of Directors of December 12, 2018 and June 29, 2020)*.
3. The Exchange performs clearing activities for clearing members without collateral, with partial collateral and with full coverage in the foreign exchange market.
- 3-1. On currency swap transactions and deliverable futures, which are derivative financial instruments of the foreign exchange market determined by the Rules of Exchange Activity, concluded by clearing participants, the Exchange determines for each clearing participant the obligations to pay / claims to receive the variation margin.

The parties to currency swap transactions / deliverable futures are obliged to periodically pay each other an amount of cash in tenge, a variation margin, the amount of which depends on the change in the price of the underlying asset. The variation margin is calculated on the day of the deal conclusion and is paid in the period from the settlement day following the date of the currency swap transaction/deliverable futures to the date of fulfillment of obligations on the closing deal of the currency swap transaction / deliverable futures, inclusive. The procedure for calculating and paying the variation margin is determined by article 39-1 of these Rules.

(This item was included by a decision of the Exchange's Board of Directors of November 11, 2020)

4. For execution of trades in the trading and clearing system of the FX market ASTS+, clearing participants of the FX market shall open their own "S+" and one aggregated or several aggregated client clearing accounts "L+", coinciding with the corresponding trading accounts opened for the clearing participant as a trading participant for trades with the Central Counterparty, of the clearing participant with due consideration of the exception established by clause 5 of this article *(this paragraph was changed by a decision of the Exchange's Board of Directors dated 01 July of 2022)*.

A trading account and a clearing account corresponding to it by number, which provides execution and settlements on deals / transactions carried out from such a trading account, together constitute a trading and clearing account (hereinafter – TCA) "S+" / TCA "L+".

Opening/closing of TCA "S+" / TCS "L+" is carried out on the basis of the decision of the Management Board of the Exchange on the assignment/withdrawal of the status of a clearing participant in the foreign exchange market. In this case, the closure of accounts is carried out provided that there are no unfulfilled obligations for the corresponding closed accounts.

(This item was amended by decisions of the Exchange's Board of Directors of December 12, 2018 and November 11, 2020).

5. Separate client clearing accounts are opened for the National Bank for the purpose of segregated accounting of the assets held by National Bank in trust, as well as separate cash accounts and sub-accounts in the internal accounting system of the Exchange if the National Bank has identified separate correspondent accounts for the settlement of transactions made using such assets.
6. *(This item was amended by a decision of the Exchange's Board of Directors of May 28, 2019 and excluded by a decision of the Exchange's Board of Directors of June 29, 2020)*.
7. TCS "S+" / TCS "L+" contains the following information:
 - 1) on deals, orders, and other operations carried out using TCA "S+" / TCA "L+";
 - 2) on claims and obligations on money calculated on a net basis for the transactions specified in sub-item 1) of this item, as well as obligations to pay / claims to receive the variation margin on currency swap transactions / deliverable futures;
 - 3) on positions in money in terms of currencies on accounts intended for the fulfillment of net claims and net obligations specified in sub-item 2) of this item, as well as intended for accounting of money as security;
 - 4) on the size of the single limit, on the size of the margin-call taken into account on TCA "S+" / TCA "L+";
 - 5) on accounts with settlement organizations, which account for the money positions specified in sub-item 2) of this item.

(This item was included by a decision of the Exchange's Board of Directors of November 11, 2020).

8. The Exchange determines net claims and net obligations on a pool of deals, settlements for which are carried out in a particular settlement and clearing session in the manner established in accordance with the Regulations (hereinafter – the clearing pool) *(this item was included by a decision of the Exchange's Board of Directors of November 11, 2020)*

Article 37. Settlements in the Foreign Exchange Market. Depositing Collateral

1. The Exchange, as a settlement organization for transactions in the foreign exchange market, opens own and (if required) client aggregated collateral accounts to a clearing member of the foreign exchange market in order to ensure the accounting of collateral deposited and performance of its net obligations based on the clearing results.
2. Settlements for deals in the foreign exchange market are carried out in accordance with the Currency Settlement Rules.
3. In order to carry out settlements in the foreign exchange market, the Exchange on each clearing day defines net claims / net obligations for each currency for each TCA "S+" / TCS "L+" in accordance with the Regulations, guided by the following information recorded on the clearing account:
 - on the obligations and claims recorded on the clearing account with the current settlement date for the clearing pool deals in each settlement and clearing session;
 - on obligations to transfer and claims to receive the variation margin, accounted for on the clearing account in the manner prescribed by Article 39-1 of these Rules in the main settlement and clearing session for settlements T0 and are subject to execution in the manner specified by the Regulations.
4. Obligations and claims for transferring the variation margin are displayed by the Exchange on TCA "S+" / TCS "L+" during the mark-to-market clearing session on each settlement date following the date of conclusion of the currency swap transaction/deliverable futures, the obligations under which were not terminated.
5. In order to fulfill his net obligations, a clearing participant in the foreign exchange market is obliged until the final time of delivery by clearing participants of financial instruments established by the Regulations (hereinafter – the cut-off time) of each settlement and clearing session on the settlement day, to ensure the availability of financial instruments on TCA "S+" / TCA "L+" (own, client's aggregated), ensuring the execution of net positions calculated in accordance with item 1 of this article, by transferring money to the correspondent accounts of the Exchange, during which the settlement positions in money displayed in the trading and clearing system ASTS+ by the cut-off time for the respective currency are not negative.

Information on net obligations to be fulfilled by clearing participants by the cut-off time in each settlement and clearing session is recorded at the start of the settlement and clearing session and is provided to clearing participants by sending a clearing report in accordance with the Exchange's internal document "Formats of clearing reports on the foreign exchange market".

The Exchange fulfills the final net claims / net obligations on money in collateral accounts (own, aggregated client accounts) opened in the Exchange's internal accounting system for clearing participants no later than the end of the settlement and clearing session established by the Regulations.

6. The depositing of money by clearing participants of the foreign exchange market in order to ensure the fulfillment of their net obligations on concluded deals, as well as the submission of orders and the conclusion of deals, is carried out to the

correspondent accounts of the Exchange within the terms and conditions established by the Rules for Settlement in Currencies.

7. Transfer of money in the respective currency for the purposes specified in item 5 of this article is carried out with the indication in the payment documents of special codes indicating the purpose of the payment. The list of such codes is published on the Exchange's website (www.kase.kz).
8. The penalty for violation of payment discipline by a clearing participant in the foreign exchange market is determined by the Rules for Settlements in Currencies.
9. The penalty for non-fulfillment / untimely fulfillment of obligations payable by a clearing participant is determined by article 29 of these Rules.
10. The procedure and conditions for the return of money to clearing participants in the foreign exchange market recorded on their collateral accounts are determined by the Rules for Settlement in Currencies.
11. Return of money from KASE's correspondent accounts recorded on collateral accounts in the Exchange's internal accounting system are performed only if the following positive checks are carried out in the trading and clearing system ASTS+:
 - 1) the size of the plan position on money on the collateral account for TCA "S+" / TCS "L+", "+", for which a request for return was received, calculated without taking into account the money returned, will not become negative;
 - 2) the single limit for TCA "S+" / TCA "L+", according to which a request for return of money was received, calculated without taking into account the money being returned accounted for in the collateral account, will not become negative in relation to the clearing account, which is checked on the basis of partial collateral or the size of the plan position on money recorded in the collateral account for each settlement date T+ will not become negative in relation to the clearing account, which is checked on full coverage terms.
12. In case on the TCA "S+" / TCS "L+", on which the check on partial collateral conditions is carried out, the Exchange set a restriction on the minimum permissible value of the single limit, which is a negative value, then the checks specified in sub-item 2) of item 11 of this article are performed taking into account the minimum permissible value of the single limit set by the Exchange (*this item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022*).

(This article was changed by decisions of the Exchange's Board of Directors of December 12, 2018, May 28, 2019 and November 11, 2020).

Article 37-1. Procedure for conducting mark-to-market clearing sessions

1. Within the period established by the Regulations, the Exchange conducts a mark-to-market clearing session on the foreign exchange market for the following purposes:
 - 1) determines new values of risk parameters in accordance with the Methodology;
 - 2) for each TCA "S+" / TCA "L+" calculates new values of the single limit in order to control the sufficiency of the collateral;
 - 3) for each TCA "S+" / TCA "L+" determines the size of the margin-call (if any);
 - 4) for each TCA "S+" / TCA "L+" sets transfer obligations / requirements for receiving the variation margin;
 - 5) takes into account the termination of counter homogenous liabilities on currency swap transactions / deliverable futures;

- 6) generates deals on the variation margin;
 - 7) generates and sends reports to clearing participants who have a margin-call and (or) have set requirements and (or) obligations to transfer and (or) requirements to receive the variation margin.
2. The margin-call arising on the part of a clearing participant following the mark-to-market clearing session must be eliminated by the clearing participant before 14:00 ALT on the current clearing day, by:
 - 1) depositing financial instruments (currency accepted as collateral), to KASE correspondent accounts recorded on the corresponding TCA "S+" / TCA "L+", to correspondent accounts of KASE;
 - 2) conclusion of deals eliminating the insufficiency of collateral.
 3. Margin-call arises on the part of a clearing participant, the single limit on the clearing account of which for trades with the CCP, following the mark-to-market clearing session, became negative. The amount of margin-call is equal to the absolute value of the specified single limit.
 4. Margin-call arising on the part of a clearing participant on TCA "S+" / TCS "L+" is considered terminated at the moment when the single limit for such account becomes non-negative.
 5. If a clearing participant fails to fulfill the margin-call within the time period established by item 2 of this article, such clearing participant shall be deemed insolvent in accordance with sub-item 2) of item 1 of article 42 of these Rules.
 6. During the mark-to-market clearing session, after defining obligations to pay the variation margin and performing other actions provided for in item 1 of this article, the Exchange determines obligations that are reciprocal and homogeneous in accordance with sub-item 5) of item 1 of this article of the Rules and takes into account the termination of counter and homogeneous liabilities on currency swap transactions / deliverable futures, whereby at first obligations on deals of currency swap transactions / deliverable futures with an earlier date and time of conclusion termination are terminated in the first place.
 7. Homogeneous counter liabilities on currency swap transactions / deliverable futures, subject to termination during the settlement and clearing session, shall mean obligations on closing deals of currency swap transactions / deliverable futures that meet all of the following requirements:
 - are obligations on derivative financial instruments of the same type (deliverable or settlement);
 - are obligations of the opposite direction;
 - have the same lot currency and settlement currency;
 - are obligations with one execution date;
 - are obligations with the same lots;
 - are obligations on swap deals concluded on the basis of orders in which the same code of the clearing participant is indicated.
 8. The Exchange recalculates net obligations / net claims in tenge with the corresponding settlement date, taking into account the change in the amount of liabilities on closing deals of currency swap transactions / deliverable futures, calculated as the product of the settlement price determined on the current settlement day by the number of concluded foreign exchange swap transactions / deliverable futures, obligations on which have not been terminated

(This item was included by a decision of the Exchange's Board of Directors of November 11, 2020).

Article 38. Risk Management System in the Foreign Exchange Market

1. The risk management system in the foreign exchange market consists of the following elements:
 - 1) monitoring the financial condition of a clearing participant in the foreign exchange market on a periodic basis in order to determine whether the clearing participant meets the requirements of the category assigned to such clearing participant that determines the way to ensure the fulfilment of obligations on deals;
 - 2) risk parameters of financial instruments of the foreign exchange market, determined in accordance with the Methodology;
 - 3) individual margin rates set by the Exchange's Management Board for certain clearing participants with partial collateral in accordance with the Regulations (hereinafter – Individual margin rates);
 - 4) collateral of clearing participants on KASE's correspondent accounts;
 - 5) revaluation of net positions and collateral, assessment of market and interest rate risks;
 - 6) control of the adequacy of collateral on deals with partial collateral by calculating the single limit;
 - 7) variation margin;
 - 8) restrictions set by the Exchange for changing the single limit, which do not allow the single limit to decrease below the level determined by the Exchange;
 - 9) signs "prohibition of short sales" and "prohibition of unsecured purchases" established for the trading and clearing accounts of a clearing participant and / or for financial instruments;
 - 10) preliminary control of collateral in full volume of a clearing participant of the foreign exchange market with full coverage or a financial instrument with the " prohibition of short sales " / "unsecured purchases" sign;
 - 11) limits for opening net positions of a clearing participant with partial collateral, established by the Exchange's Management Board;
 - 12) clearing reserve fund of the foreign exchange market;
 - 13) clearing guarantee fund of the foreign exchange market;
 - 14) control of the adequacy of the guarantee contributions of the clearing participants of the foreign exchange market with partial collateral to the clearing guarantee fund of the foreign exchange market on a daily basis;
 - 15) procedures for settlement of defaults;
 - 16) limitation of the Exchange's liability when performing the functions of the central counterparty for the fulfillment of net obligations on deals to clearing participants in the foreign exchange market in accordance with these Rules.
2. The procedure for establishing / changing the price boundaries of financial instruments is carried out in the manner determined by the Methodology.
3. In order to conclude deals with partial collateral in the trading and clearing system ASTS+, risk parameters are set for each financial instrument, which are used to calculate the single limit for trading and clearing accounts, on the basis of which the sufficiency of collateral for the submitted orders and deals is monitored, settlement date for which has not yet arrived.

In order to conclude deals with full coverage in the trading and clearing system ASTS+, the sign "prohibition of short sales" and / or "prohibition of unsecured

purchases" is set to control the full coverage of liabilities on money on submitted orders and deals, the settlement date for which has not yet arrived:

- 1) by the trading code of the clearing participant – in this case, all trading and clearing accounts (own and client's) of this clearing participant will be checked for compliance with the conditions established by this sign;
 - 2) on a particular trading and clearing account of a clearing participant – in this case, only the specified trading and clearing account (own or client's) will be checked for compliance with the conditions established by this sign;
 - 3) on financial instruments – in this case, the submitted orders and deals being concluded on all trading and clearing accounts of all clearing participants on the financial instrument, in relation to which the sign is set, will be checked for compliance with the conditions set by this sign.
4. Financial instruments accepted as collateral for the execution of deals with partial collateral are financial instruments included in the Collateral List T+.
 5. A clearing participant of the foreign exchange market with partial collateral is obliged to ensure that financial instruments are credited to KASE's correspondent accounts in order to fulfill the requirements for the sufficiency of collateral in accordance with the conditions established for the category assigned to it and taking into account the specifics established by item 7 of Article 2 of these Rules.
 6. A clearing participant of the foreign exchange market with partial collateral may not demand the return of financial instruments stored on its collateral accounts on the Exchange, if such use would lead to a negative value of its single limit on the foreign exchange market.
 7. If, according to the results of calculations of the last settlement and clearing session, the requirement for the amount of guarantee contribution is not met, the clearing report shall indicate the corresponding requirements for the need to replenish the guarantee contribution (in case of its insufficiency).
 8. The amount of guarantee contributions to clearing guarantee funds, as well as the procedure for their payment and return, is established by Article 18 of these Rules.

(This article was changed by decisions of the Exchange's Board of Directors of December 12, 2018, January 29, 2019, April 26, 2019, May 28, 2019, June 29, 2020 and November 11, 2020).

Article 39. Single Limit on the Foreign Exchange Market

1. The purpose of applying a single limit on the foreign exchange market is to measure and maintain sufficient level of collateral required for submission of orders and for concluding deals in the clearing account of a clearing participant of the foreign exchange market with partial collateral.
2. The single limit on the foreign exchange market is calculated separately for the own account of the clearing participant of the currency market TCA "S+" and separately on the client account of the clearing participant TCA "L+" (if available).
3. The single limit on the trading and clearing account TCA "S+" / TCA "L+" is used for the following purposes:
 - preliminary control of the sufficiency of collateral for net obligations on deals with partial collateral when submitting orders to conclude deals with TCA;
 - maintaining the required level of sufficiency of collateral on deals with partial collateral, concluded with the use of TCA, until their execution.
4. The single limit for a particular TCA is calculated if any of the following cases occurs:
 - 1) when submitting orders to conclude deals with the TCA;

- 2) when concluding a deal on the TCA;
 - 3) upon execution / termination of obligations and claims on the TCA;
 - 4) when depositing / returning collateral to / from the TCA;
 - 5) when the risk parameters of financial instruments change.
5. The single limit on the TCA is calculated taking into account:
 - 1) collateral accounted for on the TCA in money;
 - 2) net claims and net obligations on money on deals with partial collateral with all settlement dates;
 - 3) net claims and net liabilities in money on deals with foreign currencies, for which the sign of "prohibition of short sales" is established;
 - 4) obligations to transfer / claims to receive the variation margin;
 - 5) other requirements and obligations in accordance with these Rules.
 6. The single limit calculated based on the results of the mark-to-market clearing session determines the size of the margin-call, a negative value of which means the need to replenish the collateral or conclude deals that reduce the amount of the clearing participant's unexecuted net obligations.
 7. The single limit is calculated in tenge.
 8. The procedure for calculating the Single Limit is the same for all TKS "S +" / TKS "L +".
 9. The single limit for TCA is calculated taking into account:
 - estimates of the fair value of net obligations, net claims with all settlement dates, collateral accounted for as a claim with settlement date T0 for each financial instrument (hereinafter – the Portfolio);
 - market risk of the Portfolios for each financial instrument;
 - the interest rate risk of the Portfolios for each financial instrument.
 10. The structure of the Single limit:
 - 1) portfolio value in tenge;
 - 2) the sum of the portfolios' values for each foreign currency, taking into account the market risk;
 - 3) the sum of the interest rate risk of portfolios for each foreign currency.

$$EL = \text{Portfolio}_{KZT} + \sum_{\text{Curr}=1\dots N} \text{Portfolio}_{\text{Curr}} - \sum_{f=1\dots N} \text{IRRisk}_f, \text{ where:}$$

Curr – foreign currency.

11. The Portfolio value in tenge is calculated as the sum of net obligations and net claims with all settlement dates T_i and the amount of collateral in tenge:

$$\text{Portfolio}_{KZT} = \sum_{T_i=T_0}^{T_n} Q_{KZTT_i} + \text{Collateral}, \text{ where}$$

T_i – date of net position settlement;

T_0 – date of the current trading day;

T_n – the last settlement date on which a net position exists;

Q_{KZTT_i} – net position in tenge with the settlement date T_i (with a "+" sign for a net demand, with a "-" sign for a net obligation);

Collateral – the amount of collateral in tenge.

12. The value of the Foreign Currency Portfolio, taking into account the market risk, allows one to assess its current market value, taking into account the risk of deviation of the current settlement prices of foreign currency.

The amount of possible deviation in the settlement prices is characterized by the margin rate or concentration rate applicable depending on the size of the foreign currency portfolio.

The value of the Foreign Currency Portfolio is calculated as follows:

$$\text{Portfolio}_{\text{Curr}} = \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{F}_{\text{CurrTi}} + \begin{cases} \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \times \text{X}, & \text{if } \left| \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \right| \leq \text{L}_{\text{conc}} \\ \text{sign}(\text{L}_{\text{conc}} \times \text{X} + \left(\left| \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \right| - \text{L}_{\text{conc}} \right) \times \text{Y}), & \text{if } \left| \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \right| > \text{L}_{\text{conc}} \end{cases}$$

$$\text{X} = \begin{cases} \text{PH}_{-1_{\text{Curr}}}, & \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \leq 0 \\ \text{PL}_{-1_{\text{Curr}}}, & \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} > 0 \end{cases}$$

$$\text{Y} = \begin{cases} \text{PH}_{-2_{\text{Curr}}}, & \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} \leq 0 \\ \text{PL}_{-2_{\text{Curr}}}, & \sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} > 0 \end{cases}$$

Q_{CurrTi} – net position in foreign currency Curr with settlement date Ti (net claim with "+" sign or net obligation with "-" sign).

Collateral in foreign currency Curr is accounted for as a claim with settlement date T0 when calculating a net position with settlement date T0;

F_{CurrTi} – the forward value of the net position in foreign currency Curr with the settlement date Ti;

L_{conc} – concentration limit for foreign currency Curr, approved by the Committee and determined in accordance with the Methodology;

$\text{PH}_{-1_{\text{Curr}}}$, $\text{PL}_{-1_{\text{Curr}}}$ – upper and lower limits of the market risk assessment range for foreign currency Curr, determined from the margin rate and calculated in accordance with the Methodology;

$\text{PH}_{-2_{\text{Curr}}}$, $\text{PL}_{-2_{\text{Curr}}}$ – the upper or lower limits of the range for assessing the second level market risk in foreign currency Curr, determined from the concentration rate and calculated in accordance with the Methodology;

Sign – sign $\sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}}$; if $\sum_{\text{Ti}=\text{T0}}^{\text{Tn}} \text{Q}_{\text{CurrTi}} > 0$, then sign "+", otherwise sign "-".

13. The forward value of a net position with settlement date Ti in a security or foreign currency f is calculated as follows:

$$\text{F}_{\text{CurrTi}} = \text{Q}_{\text{Ti}} \times \text{Rate}_{\text{CurrTi}}, \text{ where}$$

$$\text{F}_{\text{CurrTi}} = \text{Q}_{\text{Ti}} \times \text{Rate}_{\text{CurrTi}}, \text{ где}$$

$\text{Rate}_{\text{CurrTi}}$ – settlement rate of foreign currency Curr for the settlement date Ti;

14. The interest rate risk of the Portfolio on a particular foreign currency assesses the risk associated with the volatility of settlement prices of foreign exchange transactions and / or currency swap transactions and / or deliverable futures.

The magnitude of a possible change in interest rates is characterized by the rate of interest risk or the rate of interest risk at concentration, which is applicable depending on the size of the net position with a certain settlement date on a particular foreign currency.

Interest rate risk of the Portfolio on a foreign currency is the sum of the amounts of interest rate risk of all net positions on each settlement date and is calculated using the following formula:

$$IRRisk_{currTi} = \begin{cases} Q_{CurrTi} \times (RRH_1_{currTi} - Rate_CurrTi), & \text{if } |Q_{CurrTi}| \leq L_{conc} \text{ and } Q_{CurrTi} < 0; \\ Q_{CurrTi} \times (Rate_CurrTi - RRL_1_{Ti}), & \text{if } |Q_{CurrTi}| \leq L_{conc} \text{ and } Q_{CurrTi} > 0; \\ Q_{CurrTi} \times (RRH_2_{currTi} - Rate_CurrTi), & \text{if } |Q_{CurrTi}| > L_{conc} \text{ and } Q_{CurrTi} < 0; \\ Q_{CurrTi} \times Rate_CurrTi - RRL_2_{Ti}), & \text{if } |Q_{CurrTi}| > L_{conc} \text{ and } Q_{CurrTi} > 0; \end{cases}$$

$Rate_CurrTi$ – settlement rate of foreign currency Curr for the settlement date Ti;

RRH_1_{CurrTi} , RRL_1_{CurrTi} – upper and lower limits of the range of assessing interest risks in foreign currency Curr, determined from the interest risk and calculated in accordance with the Methodology;

RRH_2_{CurrTi} , RRL_2_{Ti} – upper and lower limits of the range for assessing the second level interest risks in foreign currency Curr, determined from the interest rate risk and calculated in accordance with the Methodology.

(This article was changed by decisions of the Exchange's Board of Directors of December 12, 2018, January 29, 2019, May 28, 2019 and November 11, 2020).

Article 39-1. Variation margin

1. On the day the currency swap transaction is concluded, the variation margin for the currency swap transaction is calculated using the formula as follows:

$VM_SwapT = ("Rate_Cur" "r" "Ti" (T) - (SwapBaseCurr + PriceSwap)) \times L$, where

VM_SwapT – variation margin on the currency swap transaction on the day of the currency swap transaction;

$Rate_CurrTi(T)$ – settlement rate of the foreign currency Curr for the settlement date Ti, determined on the current trading day (T) in accordance with the SwapBaseCurr Methodology – the base rate of the currency swap transaction, determined in accordance with the Exchange's internal document "Specification of currency swap transactions and foreign currency transactions";

PriceSwap – the price at which the currency swap transaction was concluded;

L – lot of the currency swap transaction.

2. Starting from the day following the date of conclusion of the currency swap transaction and until the date of fulfillment of obligations on the closing deal of the currency swap transaction inclusively, the variation margin on the currency swap transaction for which obligations have not been terminated, is calculated by the formula:

$VM_SwapTn = (Rate_Curr_{Ti}(Tn) - (Rate_Curr(Tn-1))) \times L$, where

VM_SwapTi – the variation margin on deals of a currency swap transactions on a trading day, starting from the day following the date of conclusion of the currency swap transaction and until the date of fulfillment of obligations on the closing deal of the currency swap transaction, inclusive;

$Rate_Curr_{Ti}(Tn)$ – settlement rate of foreign currency Curr for the settlement date Ti, determined on the trading day (Tn) in accordance with the Methodology;

$Rate_Curr_{Ti}(Tn-1)$ – settlement rate of foreign currency Curr for the settlement date Ti, determined on the trading day (Tn-1) in accordance with the Methodology;

L – lot of the currency swap transaction.

3. On the day of conclusion of a deal with a deliverable futures, the variation margin for the deliverable futures is calculated using the formula:

$$VM_FWD(T) = (Rate_Curr_{T_i}(T) - PriceFWD) \times L, \text{ where}$$

VM_FWD (T) – variation margin for a deal with a deliverable futures on the day of the deal conclusion;

Rate_Curr_{T_i}(T) – settlement rate of foreign currency Curr for the settlement date T_i, determined on the trading day (T) in accordance with the Methodology;

PriceFWD – price on a deal with deliverable futures;

L – lot on a deal with deliverable futures.

4. Starting from the day following the date of conclusion of a deal with deliverable futures and until the date of fulfillment of obligations on the deal with deliverable futures, the variation margin on the deal with deliverable futures is calculated using the formula:

$$VM_FWD(T_n) = (Rate_Curr_{T_i}(T_n) - (Rate_Curr(T_n-1))) \times L, \text{ where}$$

VM_FWD (T_n) – variation margin on the deal with deliverable futures on a trading day, starting from the day following the date of conclusion of a deliverable futures until the date of fulfillment of obligations on the deal with deliverable futures;

Rate_Curr_{T_i}(T_n) – settlement rate of foreign currency Curr for the settlement date T_i, determined on the trading day (T_n) in accordance with the Methodology;

Rate_Curr_{T_i}(T_{n-1}) – settlement rate of foreign currency Curr for the settlement date T_i, determined on the trading day (T_{n-1}) in accordance with the Methodology;

L – lot on the deal with deliverable futures.

5. For a clearing participant who is a seller in currency swap transactions / deliverable futures, the Exchange calculates the variation margin using the formula:

$$VM_{sell} = (- N_i) \times VM, \text{ where}$$

N_i – the number of currency swap transactions / deliverable futures concluded with the i-th underlying asset, the obligations on which have not been terminated and on which the clearing participant is the seller;

VM – the variation margin on currency swap transactions / deliverable futures, calculated in accordance with items 1-4 of this article.

6. For a clearing participant – a buyer on deals of currency swap transactions / deliverable futures, the Exchange calculates the value of VM_{buy} using the formula as follows:

$$VM_{buy} = N \times VM, \text{ where}$$

N_i – the number of foreign currency swap transactions / deliverable futures concluded with the i-th underlying asset, the obligations on which have not been terminated and for which the clearing participant is the buyer;

VM – the variation margin for currency swap transactions / deliverable futures, calculated in accordance with items 1-4 of this article.

7. If the value calculated in accordance with item 4 or 5 of this article is negative, this means that the clearing participant has an obligation to pay the variation margin in the amount equal to the absolute value of VMsell or VMbuy, if positive, the requirement of the clearing participant to receive the variation margin in the amount of equal to VMsell or VMbuy.
8. Obligations to pay / claims to receive the variation margin are accounted for on the TCA "S+" / TCA "L+" of the clearing participant.
9. After determining the obligations to pay / claims to receive the variation margin in accordance with this article and before accounting for the termination of obligations on currency swap transactions / deliverable futures in accordance with item 6 of article 37-1 of these Rules, the Exchange:
 - 1) for each currency swap transaction with a certain underlying asset and the date of fulfillment of obligations on a closing deal of the currency swap transaction, calculates the amount in tenge that the buyer under the currency swap transaction must pay to the seller on the closing deal of the currency swap transaction as the product of the settlement price determined on the current settlement day, by the number of concluded currency swap transactions, obligations on which have not been terminated;
 - 2) for each deliverable futures with a certain underlying asset and settlement date, calculates the amount in tenge that the buyer on a deliverable futures must pay to the seller on a deliverable futures as the product of the settlement price determined on the current settlement day by the number of concluded deals in deliverable futures, obligations on which have not been terminated;
 - 3) recalculates the values of net obligations / net claims in tenge with the corresponding settlement date, taking into account the change in the amount of obligations on the closing deal of a currency swap transaction / deliverable futures, calculated in accordance with items 5 and 6 of this article;
 - 4) obligations to pay / claims to receive the variation margin are set by the Exchange on TCA "S +" / TCA "L +" of the clearing participant during the mark-to-market session and are included in the main settlement and clearing session for T0 settlements and are subject to execution in the order determined by the Regulation.
10. Interest on the amount of variation margin paid and/or received is not accrued nor paid by the Exchange

(This article was included by a decision of the Exchange's Board of Directors of November 11, 2020).

Article 40. Recognition of a Clearing Member Unscrupulous in the Foreign Exchange Market

1. A clearing participant is recognized as an unscrupulous clearing participant in the foreign exchange market without making any decisions by the Exchange authorities when the following cases occur *(this item was changed by the Exchange Board of Directors decision of December 12, 2018 and June 08, 2021)*:
 - 1) there is no required amount of money on the collateral accounts of this clearing participant to fulfill net obligations at the time (hereinafter – cut-off time), before which the national or foreign currency must be credited by the clearing participant to the correspondent accounts of the Exchange in accordance with the Rules for Settlement in Currencies (default of net obligations) *(this sub-item was changed by the decisions of the Exchange's Board of Directors of January 29, 2019, May 28, 2019 and June 29, 2020)*;
 - 2) *(this sub-item was changed by a decision of the Exchange's Board of Directors of May 28, 2019 and removed by a decision of the Exchange's Board of Directors of November 11, 2020)*;

- 3) the requirement to restore the guarantee contribution within the period established by item 3 of Article 28 (default on guarantee contribution) has not been fulfilled by a clearing member of the foreign exchange market with partial collateral.
2. A clearing participant in the foreign exchange market is recognized as unscrupulous if the conditions of item 2 of article 19 of these Rules are met (*this item was changed by decisions of the Exchange's Board of Directors of January 29, 2019 and June 29, 2020*);
3. When a clearing member of the foreign exchange market is declared as unscrupulous, the Exchange carries out general actions under Article 19 of these Rules.
4. If a clearing participant in the foreign exchange market is recognized as unscrupulous in the event of a default of net obligations, the Exchange shall carry out the position transfer procedure in accordance with Article 41 of these Rules (*this item was changed by a decision of the Exchange's Board of Directors of November 11, 2020*).
5. (*This item was removed by the decision of the Exchange's Board of Directors dated January 29, 2019*);
6. In case of occurrence of a default in the case specified in subitem 3) of item 1 of this article, the Exchange's clearing division until 10. 00 ALT of the clearing day following the day of default, submits for consideration of the Exchange Management Board the issue of non-application or application of any measures in relation to the dishonest clearing participant, including disqualification of the dishonest clearing participant - an Exchange member from participation in trading in all or separate financial instruments in accordance with the Exchange internal document "Regulations on Membership" and/or change of the clearing participant category "with partial collateral" to "with full coverage" and/or suspension of clearing services and/or recognition of the dishonest clearing participant as insolvent (*this item was changed by decisions of the Exchange's Board of Directors of December 12, 2018, May 28, 2019, June 29, 2020 and 01, 2022*).

Article 41. The Procedure for Position Transfer in the Foreign Exchange Market

1. If a clearing participant in the foreign exchange market is recognized as unscrupulous in case of default of net obligations, the Exchange shall take the following actions specified in item 2 of this article to settle the unfulfilled net obligations of the unscrupulous clearing participant (*this item was changed by decisions of the Exchange's Board of Directors of May 28, 2019 and November 11, 2020*).
2. In order to fulfill the Exchange's net obligations to conscientious clearing member, the Exchange shall settle by any of the methods listed below (*this item was changed by a decision of the Exchange Board of Directors dated May 28, 2019*):
 - 1) concludes a foreign currency transaction with the Provider Bank on the terms specified in item 4 of this article (*this sub-item was changed by a decision of the Exchange Board of Directors dated November 11, 2020*);
 - 2) concludes a foreign currency transaction with the National Bank on the conditions specified in item 4 of this article (*this sub-item was changed by a decision of the Exchange Board of Directors dated November 11, 2020*);
 - 3) the National Bank shall provide an overdraft loan to the Exchange as a central counterparty on the Exchange's correspondent account with the National Bank;
 - 4) using own funds;

- 5) if it is impossible to settle the unfulfilled net obligation of the Exchange by all of the above methods, the Exchange carries out the separation procedure in accordance with item 22 of these Rules and concludes a foreign exchange transaction with each conscientious clearing participant, acting on their behalf, with itself for the amount of unfulfilled net claims determined by the results of the separation procedure, on the conditions specified in item 4 of this article (*this sub-item was changed by a decision of the Exchange Board of Directors dated November 11, 2020*).
3. The transfer of the fulfillment of the net obligations of an unscrupulous clearing participant to the Exchange by concluding a foreign currency transaction is carried out between the Exchange and the unscrupulous clearing participant, acting on his behalf, on the conditions specified in item 4 of this article, with the exception of sub-item 5) of item 4 of this article.

The choice of the financial instrument that is the subject of the sale of the opening deal of a foreign currency transaction concluded by the Exchange on behalf of the unscrupulous clearing participant as part of the position transfer procedure is carried out by the Exchange at its sole discretion.

The Exchange has the right to cancel the execution of the actions described in the first paragraph of this item in case of receipt of money in payment of net obligations before the settlement of the unfulfilled net obligations of the unscrupulous clearing participant to the Exchange

(This item was changed by decisions of the Exchange's Board of Directors dated May 28, 2019 and November 11, 2020)

4. A foreign currency transaction for the purpose of transferring unfulfilled obligations by the Exchange to conscientious clearing participants is concluded by the Exchange on the following conditions (*this paragraph was changed by a decision of the Exchange Board of Directors dated November 11, 2020*):
 - 1) the date of fulfillment of obligations on a foreign currency transaction with an earlier settlement date is the day of non-fulfillment of the offset net obligations of the unscrupulous clearing participant to the Exchange (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 2) the duration of the foreign currency transaction is one day (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 3) the date of fulfillment of obligations on a foreign currency transaction with a later settlement date is the settlement date following the date of the swap opening transaction (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 4) the volume of an opening deal in foreign currency is equal to the amount of the unfulfilled net obligation of the unscrupulous clearing participant to the Exchange. In this case, the rounding arising from the multiplicity of lots is carried out upward (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 5) a foreign currency transaction is carried out in the direction of the purchase of a financial instrument in which the unfulfilled net obligation of the unscrupulous clearing participant is expressed (*this sub-item was changed by a decision of the Exchange's Board of Directors dated November 11, 2020*);
 - 6) the exchange rate of the opening deal with foreign currency is set equal to the price of the opening deal of the swap transaction `PriceOPEN`, calculated in accordance with the Exchange's internal document "Specification of currency swap transactions and foreign currency transactions" (*this sub-item was*

changed by a decision of the Exchange's Board of Directors dated November 11, 2020);

- 7) the price of the swap transaction is equal to the default rate of settlement of SD, established in accordance with the Methodology for the currency in which the net obligation is formed, which is the object of the position rollover.
5. The Exchange, acting on behalf of an unscrupulous, as well as on behalf of bona fide clearing members in relation to itself, carries out all legal and actual actions necessary to conclude transactions in accordance with these Rules without special authority (power of attorney), as well as without the consent of an unscrupulous clearing member and bona fide clearing members *(this item was changed by a decision of the Exchange Board of Directors dated December 12, 2018).*
6. An unscrupulous clearing participant, as well as bona fide clearing participants, must fulfill obligations on all transactions concluded by the Exchange on their behalf in order to rollover the position in accordance with this article *(this item was changed by a decision of the Exchange Board of Directors dated December 12, 2018).*
7. *(This item was changed by a decision of the Exchange's Board of Directors dated June 29, 2020 and removed by a decision of the Exchange's Board of Directors dated November 11, 2020).*
8. *(This item was changed by a decision of the Exchange's Board of Directors of October 27, 2023 and was excluded by a decision of the Exchange's Board of Directors dated April 30, 2024).*

Article 42. Recognition of a Clearing Member Insolvent in the Foreign Exchange Market

1. Clearing Unit shall submit for consideration of the Exchange Management Board the issue of recognition of the clearing participant / insolvent clearing participant of the foreign exchange market on the basis of sub-item 1) of item 1 of Article 20 in the following cases:
 - 1) in case of default on the net obligation of the Defaulting Clearing Member within two consecutive preceding clearing days before 10.00 ALT of the current clearing day;
 - 2) if the margin call has not been eliminated within the term specified in clause 2 of Article 37-1 hereof (Margin Call Default), not later than 15.00 ALT of the current clearing day;
 - 3) in case of non-fulfillment/incomplete fulfillment of the obligation on payment of the guarantee contribution in accordance with item 3 of Article 28 hereof by 9.30 ALT of the clearing day following the day on which they are to be fulfilled.

(This item was changed by the decisions of the Exchange's Board of Directors of December 12, 2018, January 29, 2019, November 11, 2020 and July 01, 2022)
2. If the Management Board of the Exchange decides to declare the clearing member insolvent, the Exchange shall carry out default settlement procedures in accordance with Article 21 of these Rules.

Chapter 6. FEATURES OF DERIVATIVES MARKET

Article 43. Features of Derivatives Market

1. The exchange in the derivatives market performs the functions of a Central counterparty with derivative financial instruments of the futures section.

2. The Exchange performs clearing on a net basis with currency and stock derivative financial instruments
3. The exchange on the derivatives market carries out clearing activities for clearing participants without collateral and with partial collateral
4. Clearing participants of the derivatives market for concluding transactions and accounting of positions in the trading and clearing system of the SPECTRA derivatives market in accordance with the internal document of the Exchange "Instructions on the procedure for assigning codes to members of Kazakhstan Stock Exchange JSC and their accounts, users of trading systems, issuers of securities and financial instruments" are opened:
 - settlement codes (SC) – own and aggregated client codes intended for accounting of information on the provision of submitted applications and concluded transactions, as well as for the fulfillment of obligations under such transactions;
 - aggregated trading and clearing accounts (CF) – own and client accounts designed to record information about the security of submitted applications and concluded transactions, as well as open positions on a group of segregated trading and clearing accounts;
 - segregated trading and clearing accounts (TCA) – own and client accounts intended for submitting applications and concluding transactions;
 - liquidation trading and clearing accounts (SPECBF) – own and client accounts designed to account for positions on balancing transactions concluded without submitting applications between the Exchange and in accordance with the bona fide clearing participants.
5. The opening/closing of own and client settlement codes and aggregated trading and clearing accounts, as well as the liquidation trading and clearing account, occurs automatically in the event of assignment/withdrawal of the status of a clearing participant.
 - The opening/closing of additional settlement codes, aggregated trading and clearing accounts, as well as segregated trading and clearing accounts is carried out on the basis of an application submitted by a clearing participant in accordance with the Rules of Exchange Activity.
 - The accounts specified in paragraphs one and two of this paragraph are closed if there are no open positions on derivative financial instruments, unfulfilled obligations under concluded transactions, as well as no money accounted for on such accounts.
6. Trading limit:
 - 1) according to the settlement code of its own and/or client, it is calculated as the amount of money accounted for on all aggregated trading and clearing accounts associated with such a settlement code;
 - 2) for an aggregated trading and clearing account, it is calculated as the amount of money accounted for on all segregated trading and clearing accounts corresponding to such an aggregated trading and clearing account;
 - 3) for a segregated trading and clearing account, it is calculated as the amount of money accounted for on such a trading and clearing account;
7. If a trading limit is set for an aggregated trading and clearing account, the Exchange:
 - changes the value of the trading limit on the aggregated trading and clearing account when fulfilling (terminating) obligations to pay variation margin, commission and clearing fees by the amount of these obligations;
 - does not change the value of the trading limit on the aggregated trading and clearing account when depositing and returning collateral.

8. The Exchange determines net requirements and net obligations for a set of transactions, settlements on which are carried out in any settlement and clearing session in accordance with the procedure established by the Regulations.
9. To determine the net requirements/net obligations on the trading and clearing account of a clearing participant in the derivatives market, the Exchange uses a variation margin, which is calculated in the order determined by the specification of the corresponding derivative financial instrument during the final clearing session of the Exchange, and consists of the amounts of the variation margin for each transaction concluded by the clearing participant.
10. *(This item was changed by a decision of the Exchange's Board of Directors of October 27, 2023 and was excluded by a decision of the Exchange's Board of Directors dated April 30, 2024).*

(This article was changed by the decisions of the Exchange's Board of Directors dated June 29, 2020 and June 23, 2021)

Article 44. Risk Management System of the Derivatives Market

1. The risk management system in the derivatives market consists of the following elements:
 - 1) risk-the parameters of the derivatives market, determined in accordance with the Methodology:
 - settlement prices of derivative financial instruments;
 - initial margin rates of derivative financial instruments;
 - limits on the concentration of derivative financial instruments
 - concentration rates of derivative financial instruments;
 - interest rate risk rates of derivative financial instruments
 - restrictive rates of market and interest rate risks of derivative financial instruments
 - upper and lower limits of the spread value for derivative financial instruments included in the spread
 - upper and lower limits of the range of assessment of market risks of derivative financial instruments
 - upper and lower limits of the range of interest rate risk assessment of derivative financial instruments;
 - the upper and lower boundaries of the price corridor of derivative financial instruments;
 - 2) guarantee provision of clearing participants of the derivatives market;
 - 3) control of the adequacy of the guarantee security on the own / client settlement codes of the clearing participant of the derivatives market with partial collateral;
 - 4) variation margin;
 - 5) trading limit;
 - 6) derivatives market clearing guarantee fund;
 - 7) monitoring the adequacy of guarantee contributions of clearing participants of the derivatives market to the clearing guarantee fund of the derivatives market on a daily basis;
 - 8) derivatives market clearing reserve fund;
 - 9) default settlement procedures;

- 10) limitation of the Exchange's liability as a Central Counterparty for the fulfillment of net obligations under transactions to clearing participants of the derivatives market with partial collateral in accordance with Article 24 of these Rules.

(This item was changed by decisions of the Exchange Board of Directors of December 12, 2018 and June 23, 2021)

2. The procedure for establishing/changing the boundaries of the price corridor of derivative financial instruments is carried out in accordance with the Methodology. *(this item was changed by a decision of the Exchange Board of Directors dated June 23, 2021).*
3. Open position limit is calculated by the clearing unit for each clearing member in the derivatives market, depending on the current financial position of the member and approved by the Committee *(this item was changed by a decision of the Exchange's Board of Directors of December 12, 2018).*
4. *(This item was changed by decisions of the Exchange's Board of Directors of December 12, 2018 and January 29, 2019, and removed by a decision of the Exchange's Board of Directors of June 29, 2020).*

Article 45. Settlements in the Derivatives Market

1. The Exchange is a settlement organization for transactions on the derivatives market.
2. Settlements on transactions on the derivatives market are carried out in accordance with the internal document of the Exchange "Rules for making settlements on trades on the derivatives market".
3. The deposit of money by clearing participants of the derivatives market in order to ensure the fulfillment of their net obligations under the concluded transactions, as well as the submission of applications and the conclusion of transactions, is carried out to the correspondent accounts of the Exchange within the terms and conditions established by the Currency Settlement Rules.
4. The transfer of money in the appropriate currency for the purposes specified in paragraph 5 of this article is carried out with the indication in the payment documents of special codes indicating the purpose of the payment. A list of such codes is published on the Exchange's website (www.kase.kz).
5. A financial instrument accepted as collateral of a clearing participant of the derivatives market is a tenge and a foreign currency included in the List of Financial Instruments accounted as collateral for as collateral for obligations under Partially Collateralised Trades in accordance with the Procedure for Including Financial Instruments in the T+ List and the Collateral List T+ *(this item is amended by a decision of the Exchange Board of Directors dated November 29, 2021).*
6. The procedure and conditions for the return of money to clearing participants of the foreign exchange market, taken into account in its collateral accounts, are determined by the Rules for Settlements in currencies.
7. The money taken into account in the calculation of the guarantee security of the clearing participant of the derivatives market is debited by the Exchange in accordance with the internal document of the Exchange "Rules for making settlements on trading in the derivatives market" on the basis of the order of the clearing participant if the following conditions are met:
 - as a result of such a refund, the amount of free money calculated on the aggregated trading and clearing account, within which the trading and clearing account specified in the request for the return of collateral is opened, will not become negative;

- as a result of such a refund, the amount of free money calculated using the settlement code associated with the aggregated trading and clearing account, within which the trading and clearing account specified in the request for the return of collateral is opened, will not become negative;
- there is no margin-call calculated using the settlement code associated with this aggregated trading and clearing account, within which the trading and clearing account specified in the request for the return of collateral is opened;
- the refund amount does not exceed the amount of money that is collateral and is accounted for on all trading and clearing accounts associated with a certain aggregated trading and clearing account;
- the refund amount does not exceed the amount of money that is collateral and is accounted for by the settlement code associated with the aggregated trading and clearing account, within which the trading and clearing account specified in the request for the return of collateral is opened, reduced by the amount of deferred performance obligations determined in accordance with paragraph 7 of Article 24 of the Clearing Rules.

(This article was changed by decisions of the Exchange Board of Directors of December 12, 2018, June 29, 2020 and June 23, 2021).

Article 45-1. Procedure for conducting clearing sessions

1. Within the time period established by the Regulations, the Exchange conducts intermediate and final clearing sessions on the derivatives market. For each clearing session, a clearing pool is formed, which includes obligations that are subject to execution (termination) during such a clearing session. The obligations included in the clearing pool of each clearing session are terminated in the clearing pool of this clearing session.
2. As part of the interim clearing session, the Exchange:
 - 1) defines the net requirements/net obligations of the clearing participant for concluded transactions for each settlement code / aggregated trading and clearing account / segregated trading and clearing account;
 - 2) calculates the warranty support;
 - 3) calculates the trading limit
3. As part of the final clearing session, the Exchange:
 - 1) determines new values of risk parameters in accordance with the Methodology;
 - 2) performs execution of derivative financial instruments with the current execution date in accordance with the specifications of such financial instruments;
 - 3) defines the net requirements/net obligations of the clearing participant for concluded transactions for each settlement code / aggregated trading and clearing account / segregated trading and clearing account;
 - 4) performs the execution of the final net obligations / total net requirements for money according to the settlement codes of clearing participants;
 - 5) performs the fulfillment of the obligations of clearing participants to pay commissions and clearing fees;
 - 6) calculates the warranty support;
 - 7) calculates the Trading Limit;
 - 8) fixes the margin-call;

- 9) generates and sends reports to clearing participants according to the internal document of the Exchange "Formats of clearing reports on the derivatives market";
 - 10) performs the opening and closing of trading and clearing accounts for clearing participants.
4. In order to reflect net obligations and net requirements in the accounting system on the derivatives market, the Exchange determines net requirements / net obligations for a set of transactions for each trading and clearing account / aggregated trading and clearing account / settlement code on a daily basis in accordance with the Regulations, in accordance with the following information taken into account on these accounts:
 - about the transfer obligations and requirements for obtaining a variation margin taken into account on the trading and clearing account / aggregated trading and clearing account / settlement code in each settlement and clearing session;
 - about the obligations to pay commissions and clearing fees determined in accordance with the internal document of the Exchange "Regulations on membership fees, exchange and clearing fees, on collateral accounting fee" *(this paragraph was changed by a decision of the Exchange's Board of Directors dated 27 October of 2023)*.
 5. The variation margin is determined for each transaction with a derivative financial instrument in the order determined by the specification of such a financial instrument.
 6. If there is no data necessary for determining the variation margin established by the Specifications and Methodology, by the time of the start of the final clearing session, the Exchange's Management Board has the right to decide not to determine and execute the variation margin on derivative financial instruments.
 7. The margin-call that occurred at the clearing participant following the results of the final mark-to-market clearing session must be eliminated by the clearing participant before 13.00 ALT of the next clearing day by:
 - 1) depositing money to the corresponding settlement code;
 - 2) conclusion of transactions that eliminate the lack of collateral
 8. Margin-call occurs for a clearing participant who has a debt on the settlement code that has developed following the results of the final clearing session. The margin-call amount is equal to the absolute value of the specified debt.
 9. A margin call that has arisen for a clearing participant using the settlement code following the results of the final clearing session is considered terminated at the time when the balance on such an account becomes non-negative.
 10. If a clearing participant fails to fulfill a margin-call within the period established by paragraph 2 of this article, such a clearing participant is declared insolvent in accordance with subparagraph 1) paragraph 1 of Article 52 of these Rules.

(This article was included by a decision of the Exchange Board of Directors dated June 23, 2021)

Article 45-2. Guarantee provision in the derivatives market. Principles of calculating the guarantee security

1. The guarantee security of a clearing participant in the derivatives market is used for the following purposes:

preliminary control of the sufficiency of securing net liabilities for transactions with derivative financial instruments when submitting applications for the conclusion of such transactions;

maintaining the necessary level of sufficiency of collateral for concluded transactions with derivative financial instruments until the moment of their execution.

2. When calculating the guarantee security, the Exchange uses the following rules for aggregating accounts:
 - 1) when applying the "Net" account aggregation rule, the position for each instrument is calculated by adding the volumes of positions taken into account on the trading and clearing account;
 - 2) when applying the "Semi – net" account aggregation rule, the risks of positions taken into account on trading and clearing accounts are calculated and a large position is determined modulo two amounts of buy and sell positions for all final trading and clearing accounts
3. The Exchange calculates the guarantee security for trading and clearing accounts in accordance with the following rules for aggregating accounts:
 - 1) for segregated trading and clearing accounts - "seminetto";
 - 2) for aggregated trading and clearing accounts – "net" or "semi-net", depending on the account aggregation rule chosen by the clearing participant according to the application for determining the parameters of the aggregated trading and clearing account established by Appendix 5 to these Clearing Rules.

If the clearing participant fails to submit an application for determining the parameters of an aggregated trading and clearing account, the guarantee security is calculated in accordance with the following rules: the rule for aggregating accounts is "semi – net".

The change of the account aggregation rule used in the calculation of the guarantee security is carried out in the next clearing session after receiving a statement on the choice of parameters from the clearing participant;

- 3) according to the settlement codes – "net".
4. The basis of the algorithm for calculating the guarantee security is a scenario approach.

Within the framework of the scenario approach, a set of scenarios for changing the parameters that determine the prices of derivative financial instruments included in the group is considered for each group of derivative financial instruments:

- the price of the futures contract;
- interest rate curve;
- implied volatility of a futures contract

Each scenario represents a specific set of changes to the above parameters

5. For each scenario, the financial result of closing all positions on derivative financial instruments that make up the group is calculated at prices determined based on this scenario.
6. The amount of the guarantee security calculated for one derivative financial instrument is called the basic size of the guarantee security.
7. The basic amounts of the guarantee are calculated for one purchased and one sold derivative financial instrument.
8. Scenarios for changing the price of a derivative financial instrument are determined by the risk parameters of financial instruments of the derivatives market, determined according to the Methodology, and are a set of equidistant points (scenarios), each of which represents the price of a derivative financial instrument.

9. Foreign currency accepted as collateral shall be converted at the central rate determined in accordance with the Methodology for Determining Risk Parameters, taking into account the limiting factor determining the proportion of foreign currency to be taken into account in the collateral set by the Committee *(this item is amended by a decision of the Exchange Board of Directors dated November 29, 2021)*.

(This article has been incorporated by a decision of the Exchange Board of Directors on June 23, 2021).

Article 46. *(This article was excluded by a decision of the Exchange's Board of Directors dated June 23, 2021)*

Article 47. *(This article was excluded by a decision of the Exchange's Board of Directors dated June 23, 2021)*

Article 48. *(This article was excluded by a decision of the Exchange's Board of Directors dated June 23, 2021)*

Article 49. *(This article was excluded by a decision of the Exchange's Board of Directors dated June 23, 2021)*

Article 50. Recognition of a Clearing Member Unscrupulous in the Derivatives Market

1. The Exchange recognizes a clearing participant of the derivatives market as unfair if such a clearing participant of the derivatives market with partial collateral has not fulfilled the requirement to restore the guarantee fee within the period established by paragraph 3 of Article 28 of these Rules (default on the guarantee fee).
2. When a clearing participant of the derivatives market is recognized as unscrupulous, the Exchange performs the general actions defined by Article 19 of these Rules, as well as the actions established by this article.
3. If an unscrupulous clearing participant has not fulfilled the obligation to replenish the guarantee fee in accordance with paragraph 3 of Article 28 of these Rules, the clearing division shall, before 10.00 ALT of the day following the day of default on the guarantee fee, submit for consideration by the Exchange's Management Board the issue of removing the clearing participant – a member of the Exchange from participating in trading in all or individual financial instruments in accordance with the internal document of the Exchange "Regulations on Membership" and/or the issue of suspending clearing services and/or the issue of declaring an unscrupulous clearing participant insolvent.

(This article was changed by the decisions of the Exchange's Board of Directors dated December 12, 2018, June 29, 2020, November 11, 2020, and June 23, 2021)

Article 51. *(This article was changed by the decisions of the Exchange's Board of Directors dated December 12, 2018 and June 29, 2020 and deleted by a decision of the Exchange's Board of Directors dated June 23, 2021).*

Article 52. Recognition of a Clearing Member Insolvent in the Derivatives Market

1. The Clearing Division shall submit for consideration of the Management Board of the Exchange the issue of recognition of the clearing participant / insolvent clearing participant of the derivatives market on the basis of sub-item 1) of item 1 of Article 20 of these Rules in the following cases:
 - 1) if the margin call has not been eliminated within the term specified in clause 7 of Article 45-1 hereof (Margin Call Default), not later than 14.00 ALT of the current clearing day;

- 2) in case of non-fulfillment / incomplete fulfillment of the Margin Call by 9.30 of the clearing day following the day on which they are to be fulfilled.

(This item was changed by a decision of the Exchange's Board of Directors dated 01 July of 2022)

2. In the event of a decision of the Exchange's Management Board to declare a clearing participant insolvent, the Exchange shall carry out procedures to resolve the default in accordance with Article 21 of these Rules.

(This article was amended by the decisions of the Exchange's Board of Directors dated June 29, 2020 and June 23, 2021)

Chapter 7. FINAL PROVISIONS

Article 53. Liability of the Exchange

1. The Exchange, assuming the functions of a central counterparty, guarantees the fulfilment of obligations on concluded transactions to each bona fide clearing member regardless of the fulfilment by other clearing members of their obligations to the Exchange taking into account the restrictions established by Article 24 of these Rules and items 2-5 of this article.
 - 1-1. *(this item was included by a decision of the Exchange's Board of Directors dated September 24, 2019 and changed by a decision of the Exchange's Board of Directors of November 11, 2020).*
2. The Exchange, as a clearing organization that does not perform the functions of a central counterparty, shall not be liable for non-execution of transactions without CCP, as well as for damages or losses incurred as a result of the default on transactions without CCP of any clearing member *(this item was changed by the decision of the Exchange's Board of Directors dated September 24, 2019).*
3. *(This item was excluded by the decision of the Exchange's Board of Directors of September 24, 2019).*
4. The Exchange shall not be liable for any damages or losses that have occurred outside its accepted control framework, as well as the result of the following cases or events:
 - 1) a failure occurs due to force majeure circumstances (force majeure situations) or other events that are outside the Exchange's responsibility area;
 - 2) unfair performance by the clearing member of its obligations in accordance with the clearing service agreement and these Rules;
 - 3) technical problems, partial or complete operational instability of software and hardware complexes, errors of input-output procedures during the implementation of trading, clearing and settlement procedures, errors of disposal, management of the collateral provided for transactions with financial instruments.

The norms specified in the first paragraph of this sub-item shall not apply if the resulting damages or losses are the result of intentional actions or unacceptable indiscretions of the Exchange or if they are a direct violation of the provisions of the Exchange's internal documents;

- 4) exercise by the Exchange on behalf of a clearing member of the position rollover procedures and default settlement procedures, including procedures for compulsory liquidation, in accordance with these Rules *(this sub-item was changed by the decision of the Exchange's Board of Directors dated June 08, 2021);*

- 5) the implementation by the Exchange of recognition of transactions as null and void in accordance with Article 20 of these Rules.

(This item was changed by the decision of the Exchange's Board of Directors of September 24, 2019)

5. Claims from clearing members, including insolvent clearing members, regarding damages or losses specified in item 4 of this article are not accepted by the Exchange.
6. In case of force majeure circumstances (situations of force majeure, i.e. natural disasters, natural disasters, wars, military actions, terrorist acts, popular unrest, changes in legislation, actions and decisions of (authorized) regulatory bodies, decisions of local executive bodies, state bodies and officials, including quarantine announcements, and other similar circumstances that the clearing participant could not have foreseen and which directly affected the proper performance by the clearing participant of their duties) or other events related to the suspension of the activities of financial market organizations, including in connection with the introduction of a state of emergency or the occurrence of an emergency in the localities where the Exchange and/or clearing participant are stationed, the Management Board of the Exchange has the right to make a decision on postponing the execution of transactions concluded before the occurrence of such events in the modes with a Central Counterparty and without a Central Counterparty, in proportion to the time during which circumstances of force majeure *(this item was included by a decision of the Exchange's Board of Directors dated 01 July of 2022)*.

Article 54. Procedure for reporting to clearing members and the National Bank

1. Based on the results of the clearing sessions, the Exchange sends clearing reports to clearing members through the electronic document exchange system eTransfer.kz.
2. Clearing reports provided to clearing participants may contain the following information:
 - 1) on net claims and net obligations on each clearing (trading and clearing) account;
 - 2) on deals included in clearing on a net basis;
 - 3) on the sufficiency of the guarantee contribution;
 - 4) other information provided in accordance with the peculiarities of the exchange markets defined by these Rules and/or the internal document "Formats of clearing reports in the stock market" and/or the internal document "Formats of clearing reports in the foreign exchange market".

(This item was changed by decisions of the Exchange's Board of Directors of December 12, 2018, September 24, 2019 and November 11, 2020).

3. *(This item was changed by decisions of the Exchange's Board of Directors of December 12, 2018 and September 24, 2019 and removed by a decision of the Exchange's Board of Directors of November 11, 2020).*
- 3-1. Upon receipt of clearing reports based on the results of the clearing session, clearing participants independently verify the information specified in reports, and if there are any comments on the said information, send such comments to the Exchange *(this item was included by the decision of the Exchange Board of Directors of June 29, 2020)*.
- 3-2. If the Exchange agrees with the remarks of the clearing participants, the Exchange accordingly eliminates the identified inconsistencies in the clearing reports based

on the results of the clearing session and sends the adjusted clearing reports to the clearing participants.

In this case, the correct report is a clearing report based on the results of a clearing session, which has a later report generating date time.

(This item was included by a decision of the Exchange's Board of Directors dated June 29, 2020).

4. The Exchange provides the following to the National Bank:
 - 1) on a daily basis – a summary report on net claims and net obligations of clearing members;
 - 2) on a monthly basis:
 - report on clearing members of the Exchange;
 - report on financial instruments accepted by the Exchange for clearing services;
 - report on clearing participants who unfairly fulfill their obligations on transactions.
5. The conditions and procedure for the submission, as well as the forms of reports referred to in items 1–4 of this article are determined by these Rules and other internal documents of the Exchange, as well as regulatory legal acts of the Republic of Kazakhstan *(this item was changed by the decision of the Exchange's Board of Directors dated June 29, 2020).*

Article 55. The Procedure for Collection, Processing and Storage of Information

1. Every day the clearing system receives information from the trading system on deals concluded with financial instruments *(this item was changed by the decision of the Exchange's Board of Directors dated June 29, 2020).*
2. All information on concluded transactions received from the trading system is subject to storage in the clearing system and daily backup.

Backup copies of the information specified in the first paragraph of this item are protected against unauthorized access and are stored in the reserve technical center of the Exchange until they are replaced with updated backup copies.

Article 56. The Procedure for Administering Information Received during Clearing Activities

1. The information received during clearing activities by the Exchange on transactions with financial instruments is considered as insider information.
2. The procedure for monitoring the use of insider information is determined by the internal document of the Exchange "Rules for controlling the use of insider information *(this item was changed by the decision of the Exchange's Board of Directors dated October 27, 2023).*

Article 57. Clearing fees

1. The Exchange charges clearing fee for clearing transactions with financial instruments.
2. The rates of clearing fees, as well as the procedure and terms for their payment by clearing members are established by the Exchange's internal document "Regulation on Membership Fees, Exchange Fees and Clearing Fees".
3. Clearing fees for transactions concluded by the Exchange in order to settle unfulfilled or improperly fulfilled obligations in the cases specified in item 3-1 of

Article 19 of these Rules may be canceled by the decision of the Board of the Exchange *(this item was included by the decision of the Exchange's Board of Directors dated March 28, 2022)*.

Article 58. Final Provisions

1. The clearing unit shall be responsible for the timely introduction of amendments and changes to these Rules -
2. These Rules should be updated as required but at least once every three years.

Chairperson of the Management Board

Alina Aldambergen

Appendix 1

to the Clearing Rules for
Transactions with Financial
Instruments

(This appendix was changed by the decision of the Exchange's Board of Directors dated June 29, 2020)

Appendix 2

to the Clearing Rules for
Transactions with Financial
Instruments

*(This appendix was changed by decisions of the Exchange's Board of Directors
of September 24, 2019, June 29, 2020 and July 01, 2022)*

[on the letterhead, indicating the outgoing number and date of the application]

Kazakhstan Stock Exchange JSC

APPLICATION

**for the appointment of an authorized bidder in relation to the clearing account of the
clearing participant**

Hereby **[full name of the clearing participant]** (hereinafter referred to as the clearing participant) requests JSC "Kazakhstan Stock Exchange" to appoint in accordance with the following list

Authorized Trading participants in relation to clearing client custodial accounts of the clearing participant (hereinafter referred to as clearing accounts) and link them to the trading and clearing accounts of the 2nd level of the Authorized Bidder (hereinafter referred to as the 2nd Level TCA), open for transactions in the interests of clients of the clearing participant, using the appropriate clearing accounts to ensure and fulfillment of requirements and obligations under transactions concluded with the TCA of the 2nd level.

Clearing Participant

(full name of the organization)

In addition to the previously submitted

Instead of the previously submitted

Authorized Trading participant	Number of the clearing account of the clearing participant

[Position of the first head]

[signature]

[Surname, initials]

Appendix 3

to the Clearing Rules for Transactions with Financial Instruments

(This appendix was changed by a decision of the Exchange's Board of Directors of December 12, 2018)

APPLICATION

on the return of the guarantee contribution

Kazakhstan Stock Exchange JSC

(name of a clearing member)	Application date
	Application submission time

The aforementioned clearing member hereby requests the Exchange to refund the guarantee contribution previously credited to the clearing guarantee fund for the following details:

Guarantee contribution to the clearing guarantee fund <small>(Mark necessary option with sign)</small>	Amount of returned currency <small>(in numbers and words)</small>	Bank details
<input type="checkbox"/> derivatives market		
<input type="checkbox"/> stock market		
<input type="checkbox"/> foreign exchange market		

[Position of the CEO]

[signature]

[surname, initials]

[Position of the Chief Accountant]

[signature]

[surname, initials]

Appendix 4

to the Clearing Rules for
Transactions with Financial
Instruments

*(This appendix is included by a decision of the Exchange's Board of Directors
of September 24, 2019 and changed by a decision of the Exchange's Board of Directors
of June 29, 2020)*

APPLICATION

**for assignment of the voluntary provider status in relation to the client's trading and
clearing account on the stock market**

*(This heading was changed by a decision of the Exchange's Board of Directors dated 30 April of
2024)*

We hereby request Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) to assign to the clearing participant **[full name of the clearing participant in accordance with the certificate (other document) of its state registration (last state re-registration)]** (hereinafter – the Clearing participant) the attribute of a voluntary provider in relation to trading and clearing accounts from the list below for concluding position transfer deals in accordance with the Exchange's internal document "Clearing Rules for Transactions with Financial instruments" when the Exchange performs the functions of the central counterparty in the stock market – one-day repo transactions with the direction Sell / Buy at the rate of default settlement SD set in accordance with the Exchange's internal documents "Methodology for Determining Risk Parameters of Financial Instruments" .

We hereby state:

- that we have read and understood the terms and conditions of conclusion of transfer deals for settling defaults of the unscrupulous clearing members of the stock market conducted by the Exchange in accordance with the Exchange's internal documents "Clearing Rules for Transactions with Financial Instruments", "Methodology for Determining Risk Parameters of Financial Instruments" and other internal Exchange documents related to its clearing activities and the performance of the functions of the central counterparty;
- that we unconditionally agree with all conditions and requirements established by the above and other internal documents of the Exchange relating to clearing activities and the performance of the functions of the central counterparty;
- the availability of documented instructions from clients received in relation to the following client trading and clearing accounts

List of trading and clearing accounts for using them to conclude position transfer deals [fill in the table]

No.	Number of the trading and clearing account of the clearing member
1.	
2.	
3.	
...	

[Position of the CEO]

[signature]

[surname, initials]

Appendix 5

to the Clearing Rules for
Transactions with Financial
Instruments

(This appendix was included by a decision of the Exchange's Board of Directors dated June 23, 2021)

APPLICATION
for determining the parameters of an aggregated trading and clearing account

Hereby [full name of the clearing participant] (hereinafter referred to as the clearing participant) requests Kazakhstan Stock Exchange JSC to set the following parameters for the following aggregated trading and clearing accounts:

Code of the aggregated trading and clearing account	The type of the rule for aggregating invoices when calculating the Guarantee security ¹
XXYY000	

¹ The rule is set: 1 – semi-netting, 2 - Netting.