

KAZAKHSTAN STOCK EXCHANGE JSC

Approved

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

(minutes No. 97 of the meeting
dated August 11, 2022)

Effective

from August 22, 2022

NOTICE

The Instruction has been translated into English by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the original version of the Instruction in Russian, the Russian version shall always prevail.

INSTRUCTION

on the issue, placement, circulation
and redemption of general collateral
certificates

city of Almaty

2022

This Instruction has been developed in accordance with the Act of the Republic of Kazakhstan "On the Securities Market", internal documents of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) "Rules for execution of clearing activities on transactions with financial instruments" (hereinafter – the Clearing Rules), "Regulations on execution of exchange activities" (hereinafter – the Regulations on Exchange Activities) and other internal documents of the Exchange and determines the conditions and procedure issue, placement, circulation and redemption of general collateral certificates.

Chapter 1. GENERAL PROVISIONS

Article 1. Main definitions and designations

1. This Instruction uses definitions and designations defined by the legislation of the Republic of Kazakhstan, the Regulations on Exchange Activities, the Clearing Rules and other internal documents of the Exchange.
2. The terms defined by this Instruction may also be used in other internal documents of the Exchange, in official documentation and correspondence of the Exchange, and in exchange data in relation to transactions on which the Exchange carries out clearing activities. Unless otherwise follows from the context of this Instruction, words in the singular include the plural and vice versa, and a reference to a word of any gender includes a reference to words of all other genders.
3. For the purposes of this Instruction, the following concepts are used:
 - 1) **assets of the collateral pool** – financial instruments on accounts of the Collateral Pool (CP);
 - 2) **list of GCC issue assets** – a list of financial instruments permitted to be used as contributions to the collateral pool to ensure the issue of general collateral certificates;
 - 3) **clearing pool** – a set of net obligations/net claims of clearing participants arising as a result of clearing on a net basis, subject to execution on the date of formation of the clearing pool;
 - 4) **GCC issue** – a set of general collateral certificates united under one ISIN.

Article 2. General provisions

1. A general collateral certificate (GCC) is a non-documentary non-issue bearer perpetual security secured by the assets of the guarantee fund of the collateral pool formed by the Exchange in accordance with the procedure and on the terms specified by the Clearing Rules and this Instruction (hereinafter – the collateral pool).
2. The issuer of general collateral certificates is the Exchange as a clearing organization performing the functions of the central counterparty.
3. Issue, offering and circulation of general collateral certificates of various titles (GCC issues) is allowed.
4. The basis for issuing general collateral certificates of a certain name is the decision of the Exchange's Management Board on the conditions of such issue and conditions of the formation of the respective collateral pool, made in accordance with the Clearing Rules.
5. The issue currency of general collateral certificates is the Kazakh tenge. The face value of one general collateral certificate of any issue is 1 (one) Kazakh tenge.
6. No interest is accrued or paid on general collateral certificates.

7. The volume of a GCC issuance is a variable, depends on the total value of the assets of the collateral pool at each moment of time.
8. The number of general collateral certificates of a certain GCC issue is a variable value and corresponds to the volume (total face value) of the GCC issue divide.
9. Custody servicing of general collateral certificates is carried out by the Central Depository.
10. The basis for acceptance by the Central Depository of a general collateral certificate for depositary services is the application for assignment of ISIN, CFI and FISN codes received from the Exchange.
11. For each individual GCC issue, the Central Depository assigns a unique ISIN code in accordance with the Central Depository's rules.
12. The procedures for the issuance, placement and redemption of general collateral certificates are identical for each GCC issue.

Article 3. Procedure for determining the volume of a GCC issue

1. The volume of a GCC issue is determined by the Exchange on a daily basis following the results of the clearing day as the total nominal value of general collateral certificates (hereinafter – GCC value) in the following order:
 - 1) for each CP account opened in the trading and clearing system for the respective GCC issue, the GCC value is calculated as of the end of the clearing day, which is equal to the sum of the GCC value as of the morning of the clearing day and the value of the GCC registered on that day, reduced by the value of the GCC withdrawn from circulation on the same day;
 - 2) the GCC values, determined for each CP account in accordance with sub-item 1 above, are added up. The resulting amount is the volume of the GCC issue based on the results of the clearing day.
2. The GCC value as of the morning of any clearing day for a certain CP account is determined as equal to the GCC value as of the end of the clearing day for the specified CP account, determined based on the results of the previous clearing day.
3. The value of registered GCC on a specific CP account is determined as equal to the value of issued GCC on the specified CP account, specified in the order for registration of net transactions, transferred for execution by the Exchange to the Central Depository and duly executed by the Central Depository.
4. The value of GCC withdrawn from circulation on a particular CP account is determined as equal to the value of GCC being redeemed on the specified CP account, sent by the Exchange for settlements to the Central Depository in accordance with orders for registration of net transactions and calculated by the Central Depository in accordance with reports on the execution of the order for registration of net transactions.
5. The value of assets of a collateral pool for each individual CP account is determined as equal to the value of the single limit on the CP account.
6. The single limit on a CP account is used to control the adequacy of the assets of the collateral pool to ensure the fulfillment of a clearing participant's obligations under the Collateral Pool Agreement and is calculated by the Exchange at:
 - 1) crediting assets to the CP account;
 - 2) write-off of assets from the CP account;
 - 3) submission of applications for the conclusion of transactions indicating the CP account;

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

- 4) concluding transactions with an indication of the CP account, or fulfillment / termination of obligations under these transactions;
 - 5) change of risk parameters for financial instruments in the collateral pool in accordance with the Exchange's internal document "Methodology for determining the risk parameters of financial instruments" (hereinafter – the "Methodology").
7. The single limit on a CP account is calculated in accordance with the procedure determined in the Clearing Rules, taking into account:
- 1) assets contributed to the collateral pool and accounted for on the CP account;
 - 2) net obligations and net claims of the clearing participant in tenge and foreign currencies, calculated on purchase and sale transactions recorded on the CP account, for all settlement dates;
 - 3) net obligations and net claims of the clearing participant in securities calculated on purchase and sale transactions accounted for on the CP account, for all settlement dates;
 - 4) obligations and claims that may arise in case of conclusion of transactions on the basis of orders registered in the trading and clearing system, submitted with indication of individual entrepreneur accounts;
 - 5) the current value of the GCC issued on the CP account (shown in the trading and clearing system with a plus sign, subtracted from the calculated value when calculating the Single Limit on the collateral pool);
8. The current value of the GCC issued on the CP account corresponds to the positive integer value of the single limit on the CP account (excluding tiyn).
9. When the value of assets of the collateral pool on the CP account increases, the Exchange issues additional general collateral certificates.
- After the issue of additional general collateral certificates, the current value of the GCC issued on the CP account is increased by the value of the additionally issued general collateral certificates.
10. The cost of GCC to be redeemed on a certain CP account is determined equal to the amount of the decrease in the value of the single limit on the CP account that occurs when:
- 1) writing off the assets of the collateral pool from the CP account;
 - 2) changing the risk parameters of the assets of the collateral pool in accordance with the Methodology.
11. If the single limit on a CP account calculated in accordance with this article and the Clearing Rules is negative, the Exchange, subject to the conditions and in the manner specified in article 9 of this Instruction, shall redeem the issued general collateral certificates, otherwise take the actions provided for article 11 of this Instruction.
12. After the redemption of the issued general collateral certificates, the current value of the issued GCC on the CP account is reduced by the value of the redeemed general collateral certificates.
13. Information on the volume of a GCC issue determined based on the results of the clearing day is subject to publication on the Exchange's website no later than the business day following the clearing day on which the settlement is made.

Chapter 2. PROCEDURE FOR ISSUANCE OF GENERAL COLLATERAL CERTIFICATES

Article 4. Formation of a collateral pool

1. Formation of a collateral pool is carried out in the manner determined in the Clearing Rules and this Instruction on the basis of the decision of the Exchange's Management Board on the conditions for forming a collateral pool.
2. The decision of the Exchange's Management Board on the conditions for the formation of the collateral pool includes:
 - 1) a list of assets of the GCC issue;
 - 2) the date of commencement of the collateral pool formation;
 - 3) the maximum volume of the collateral pool (optional/if available);
 - 4) the maximum share or maximum volume of any financial instrument (group of financial instruments) in the collateral pool (optional/if available);
 - 5) other parameters and information necessary for the formation of a collateral pool and GCC issue.
3. A collateral pool is formed of respective contributions of the clearing participants. Only those clearing participants who have acceded to the relevant Collateral Pool Agreement are entitled to make such contributions. Contributions from other clearing participants are not assets of the collateral pool and must be returned to these clearing participants.

The Exchange does not make contributions to the collateral pool.
4. Cash contributions in tenge and foreign currencies to the collateral pool are made by transferring them to the Exchange's correspondent account in the Central Depository.

Contributions of securities to the collateral pool are made by transferring to the GCGlobal section a sub-account with the sign "sub-account of a trading participant" of a personal account opened in the accounting system of the Central Depository (hereinafter – the GCGlobal section).
5. Ownership of the assets of the collateral pool:
 - 1) ownership of the money in the collateral pool is transferred to the Exchange, while the Exchange has an obligation to the clearing participant to return money from the collateral pool to the clearing participant, taking into account the specifics mentioned in article 10 of this Instruction. The Exchange's right to dispose of these funds is limited by this Instruction and the Clearing Rules;
 - 2) ownership of the securities in the collateral pool is retained by the clearing participant whose GCGlobal section contains these securities. At the same time, the right to dispose of these securities is limited by this Instruction and the Clearing Rules.
6. The list of assets of a GCC issue can be changed by including in this list or excluding from it any names of financial instruments.
7. Exclusion of a financial instrument from the list of assets of a GCC issue without a decision by the Exchange's Management Board is carried out in the following cases:
 - 1) exclusion of a financial instrument from the Collateral List T+;
 - 2) exclusion of a financial instrument from the number of those admitted for circulation on the Exchange;
 - 3) suspension of trading in a financial instrument in the Exchange's trading system for a period of more than 90 days.

8. Inclusion of financial instruments in the list of assets of a GCC issue and exclusion from it for other reasons, in addition to those specified in item 7 of this article, is carried out by decision of the Management Board.
9. The Exchange carries out separate accounting of collateral pools that provide various GCC issues.
10. Based on results of clearing sessions, the Exchange sends clearing reports on the composition of the collateral pool to clearing participants through the electronic document exchange system eTransfer.kz.

Article 5. The procedure for adding assets to the collateral pool and reflecting these operations in the trading and clearing system

1. Contribution of cash to a collateral pool is possible in the following ways:
 - 1) by executing a money crediting order submitted by the clearing participant using the trading and clearing system;
 - 2) the clearing participant transfers money to the respective correspondent account of the Exchange with the obligatory indication of the purpose of the payment and the CP account number.
2. Securities can be added to the collateral pool by executing an instruction to transfer securities from the list of assets of a GCC issue submitted by the clearing participant using the trading and clearing system;
3. An order to transfer securities / foreign currency not included in the list of assets of a GCC issue to the collateral pool is not executed by the Exchange.
4. The Exchange, in accordance with the Clearing Rules and the internal document "Procedure for opening, maintaining and closing trading and clearing accounts" (hereinafter – the TCA Procedure), carries out accounting in the trading and clearing system of money and securities contributed to the collateral pool.
5. Operations on contributing money to the collateral pool specified in sub-item 1) of item 1 of this article are reflected in the "Transfers" window as separate entries on debiting money from the cash TCA+ of the clearing participant to which the CP account is linked, and on crediting money to the cash account CP of the clearing participant, while in the "Cash positions" window on the CP account, the current, planned and settlement positions in the corresponding currency are increased by the amount of the transfer.
6. Operations on contributing money to the collateral pool specified in sub-item 2) of item 1 of this article are reflected in the trading and clearing system in the "Transfers" window as separate entries on crediting money to the cash account of the CP of the clearing participant and on debiting money from the cash TCA of the central counterparty, while in the "Money positions" window on the CP account, the current, planned and settlement positions in the corresponding currency are increased by the transfer amount.
7. Operations on contributing securities to the collateral pool specified in item 2 of this article are reflected in the "Transfers" window as separate entries on crediting money to the "Property Pool" section of the CP account of the clearing participant, and on debiting securities from the "For Trades" section of the TCA+ of the clearing participant to which the CP account is linked, while in the "Positions on Instruments on Depo Accounts" window on the CP account increase the current, planned and settlement positions for the corresponding security.
8. Information on the number of securities / the amount of money contributed by the clearing participant to the collateral pool in terms of CP accounts is provided to the clearing participant as part of the Report on assets contributed to collateral pools.

9. Depositing money and securities to the CP account leads to an immediate increase in the current, planned and settlement positions of the single limit on the CP account in the "Cash positions" window, used to control the sufficiency of assets of the collateral pool to ensure the fulfillment of the obligations of the clearing participant under the Collateral Pool Agreement.
10. Calculation of the single limit on the CP account is carried out in accordance with the procedure determined by the Clearing Rules, taking into account the specifics mentioned in Article 3 of this Instruction.

Article 6. The procedure for issuing general collateral certificates and recording the specified operations in the trading and clearing system

1. After the money is credited to the CP account in the trading and clearing system in the manner provided for in Article 5 of this Instruction, the value of the single limit on the CP account immediately increases by the value of the credited amount of money, taking into account the peculiarities of calculating a single limit on the CP account, determined in article 3 of this Instruction.
2. After a certain number of securities are credited in the trading and clearing system to the GC Global section of the depo account, the value of the single limit on the CP account is immediately increases by the amount of the total value of the credited number of securities, taking into account the specifics of calculating a single limit on the CP account, determined in Article 3 of this Instruction.
3. Immediately after the increase in the value of the single limit on the CP account in the trading and clearing system, which occurred in accordance with items 1 and 2 of this article, the Exchange shall:
 - 1) increase the value of GCC issued on the CP account by the value of issued general collateral certificates, determined in accordance with item 4 of this article;
 - 2) carry out the placement of general collateral certificates by increasing the planned value of the position on the security called general collateral certificate accounted for under TCA+, which corresponds to the CP account, by the number of general collateral certificates being issued, determined in accordance with item 5 of this article, and takes into account the specified general collateral certificates as collateral of the clearing participant under TCA+;
 - 3) take into account the new value of the single limit on the CP account;
 - 4) admit to the clearing procedures the obligations under general collateral certificates accounted for under TCA+.
4. The value of general collateral certificates being issued is equal to the integer value of the amount (excluding tiyn) by which the single limit on the CP account has increased when depositing money or securities to the CP account in accordance with items 1 and 2 of this article.
5. The number of general collateral certificates being issued is equal to the quotient of the value of general collateral certificates being issued divided by the face value of one general collateral certificate.
6. The instruction to issue general collateral certificates is reflected in the "Transfers" table as separate entries on debiting general collateral certificates from the TCA depo of the central counterparty and on crediting general collateral certificates to the TCA+ of the clearing participant, while in the "Positions for Instruments on Depo Accounts" window for the TCA+ of the clearing participant, the current, planned and settlement positions on general collateral certificates are increased.

7. An instruction for issuing general collateral certificates is included in the order for registering net transactions and sent for settlement to the Central Depository during the next settlement and clearing session.
8. An order for registration of net transactions contains total instructions for the issuance of general collateral certificates under the "For trading" section of the TCA+, which are executed by the Central Depository in the first place, only in case of successful execution of this part of the net statement, the other operations specified in the order are executed.
9. After the execution by the Central Depository of the Exchange's instruction to issue general collateral certificates, the general collateral certificates credited to the "For trading" section of TCA+ are considered registered in the accounting system of the Central Securities Depository and become collateral, in accordance with the Procedure for including financial instruments in the List T+ and the Collateral List T+.

Chapter 3. PECULIARITIES OF CIRCULATION AND SETTLEMENT OF TRANSACTIONS WITH GENERAL COLLATERAL CERTIFICATES

Article 7. Peculiarities of circulation of general collateral certificates

1. Circulation of general collateral certificates of a particular name is allowed only among clearing participants who have acceded to the collateral pool agreement corresponding to the GCC issue, in accordance with Appendix 1 to this Instruction in the manner prescribed by the Clearing Rules.
2. Circulation of general collateral certificates is carried out by conclusion of repo transactions secured by general collateral certificates in the modes with the participation of the central counterparty in accordance with the Rules on Exchange Activities and the internal document of the Exchange "Rules for execution of repo transactions in the trading and clearing system ASTS+".
3. In the process of circulation, general collateral certificates are accounted for by the Exchange as collateral for transactions concluded on the terms of partial collateral, and may be the subject of "short sale", in connection with which the sign "prohibition of short sales" is not set for them.
4. Clearing participants who have acceded to the Collateral Pool Agreement corresponding to the specified GCC issue are allowed to conclude transactions with general collateral certificates of a certain GCC issue in accordance with Appendix 1 to this Instruction in the manner prescribed by the Clearing Rules.
5. In the process of circulation of general collateral certificates, the assets of the collateral pool are used in the following order:
 - 1) ensuring the fulfillment of obligations under the collateral pool agreement;
 - 2) ensuring the fulfillment of obligations under repo transactions with general collateral certificates during the liquidation netting in respect of a clearing participant;
 - 3) ensuring the fulfillment of obligations of the clearing participant under deals, including repo deals with general collateral certificates;
 - 4) ensuring the fulfillment of obligations under purchase/sale transactions concluded with the indication of a CP account;
 - 5) securing fulfillment of obligations under transactions concluded with the indication of a TCA+ corresponding to the CP account, and other obligations accounted for under such TCA+.

Article 8. Features of the mark-to-market clearing session and the procedure for issuing and repaying margin requirements on the CP account

1. In order to manage the risks associated with the issue, placement (issuance) and circulation of general collateral certificates, the Exchange:
 - 1) on a daily basis performs a revaluation of the value of the assets of the collateral pool in terms of CP accounts, as well as control over the adequacy of the deposited assets of the collateral pool to ensure the fulfillment of the obligations of the clearing participant under the Collateral pool Agreement, in case of insufficiency on any account of the CP – issues a margin-call to the clearing participant on this CP account;
 - 2) upon return of the contributed assets of the collateral pool from the CP account to the clearing participant, controls the sufficiency of the assets of the collateral pool remaining on the CP account to ensure the fulfillment of the obligations of the clearing participant under the Collateral pool Agreement.
2. The procedure for calculating the face value of assets of the collateral pool and controlling their sufficiency to ensure the fulfillment of the clearing participant's obligations under the Collateral pool Agreement is determined by Article 3 of this Instruction.
3. Within the period established by the Clearing Rules, the Exchange conducts a mark-to-market clearing session on the stock market in accordance with the procedure specified by the Clearing Rules for the purposes of:
 - calculation of the value of a single limit for each CP account for each pool participant in accordance with Article 3 of this Instruction;
 - issuance/redemption of general collateral certificates to/from TCA+ in connection with a change in the value of assets of the collateral pool on the associated CP account caused by a change in risk parameters;
 - determining the Pool participants who have margin-call on CP accounts.
4. In case of exclusion of a security from the list of GCC issue assets, starting from the mark-to-market session held on the clearing day, starting from which the specified security is excluded from the specified list, when calculating a single limit for all CP accounts, such security is accounted for with the lower limit of the market risk assessment range equal to zero.
5. The issuance of the assets specified in item 4 of this article from the collateral pool to a pool participant is carried out in the manner prescribed by article 10 of this Instruction.
6. If the value of the single limit on the CP account calculated during the mark-to-market clearing session is positive, the Exchange issues general collateral certificates to the pool participant in the manner specified in Article 5 of this Instruction.
7. If the value of the single limit on the CP account, calculated during the mark-to-market clearing session, is negative, the Exchange, in accordance with the procedure established by Article 11 of this Instruction, redeems general collateral certificates.
8. If the redemption of general collateral certificates is impossible or has not led to the situation when the value of the single limit on the CP account has become non-negative, the Exchange presents to the pool participant the margin-call for the collateral pool accounted for the CP account (hereinafter – margin-call on the pool).
9. The amount of a margin-call on the pool is equal to the absolute value of the negative single limit on the CP account, determined following the results of the

mark-to-market clearing session and after the redemption of general collateral certificates in accordance with item 8 of this article.

10. Information about the margin-call on the collateral pool is sent to the pool participant as part of the Report on margin-call.
11. Margin-call on the collateral pool must be eliminated by the Pool participant no later than the time set by the Clearing Rules.
12. Margin-call on the collateral pool can be eliminated by the pool participant by contributing money or securities from the list of assets of the GCC issue to the collateral pool in the manner prescribed by Article 4 of this Instruction.
13. Margin-call on the collateral pool can also be terminated in whole or in part by way of:
 - 1) conclusion by the pool participant of transactions indicating TCA+, corresponding to the CP account, on which the Margin-call on the pool is accounted, leading to the receipt of general collateral certificates, which are subject to redemption by the Exchange subject to the condition established by item 4 of article 11 of this Instruction;
 - 2) conclusion by the pool participant of sales transactions indicating the CP account, aimed at the sale of securities included in the assets of the collateral pool.
14. Margin-call on the collateral pool, accounted for on the CP account, is considered terminated at the moment when the single limit on such CP account becomes non-negative.
15. In case of non-execution by the Pool participant of the margin-call on the collateral pool by the deadline established in the Clearing Rules, the Exchange recognizes such a participant as insolvent and conducts margin default settlement procedures in the manner specified in the Clearing Rules.
16. In the event of a change in risk parameters during trading, the Exchange calculates new values of a single limit for each CP account in accordance with article 3 of this Instruction and redeems general collateral certificates in connection with changes in the value of assets of the collateral pool, in the manner similar to the procedure specified in item 7 of this article.
17. No Margin-call on the collateral pool is issued during trading.

Article 9. The Settlement procedure for repo deals with general collateral certificates

1. Obligations under completed repo deals with general collateral certificates are included in the clearing pool and settled in the manner specified in the Clearing Rules.
2. In order to carry out settlements of deals with the CCP, the Exchange determines net claims and/or net liabilities for each financial instrument for each clearing account on each clearing day in accordance with the Clearing Regulations, guided by the procedure established by the Clearing Rules.
3. In order to fulfill its net obligations under repo deals with general collateral certificates with the CCP, the clearing participant of the securities market is obliged until the final time of delivery of financial instruments by the clearing participants, established by the Clearing Regulations (hereinafter – cut-off time) of each settlement and clearing session on the day of settlements, ensure the availability of financial instruments on each TCA+ (own, client, client custodial), ensuring the execution of net positions calculated in accordance with item 2 of this article, by transferring money to the correspondent account of the Exchange in the Central Depository, and securities to the "For Trading" section of the TCA+, as well as to the "Collateral Pool" section of the CP account in the amount at which

the settlement positions for money and securities displayed in the trading and clearing system at the beginning of the corresponding settlement and clearing session are not negative.

4. In case of insufficiency of financial instruments on a particular TCA+ of the clearing participant for settlements by the cut-off time, the Exchange performs the procedures for settling the default of the net obligations of an unconscientious clearing participant by carrying out the position rollover procedure in accordance with the Clearing Rules.
5. Cash settlements following the results of a clearing session are carried out by the Exchange, as a settlement organization, in the manner prescribed by the Exchange's internal document "Rules for execution of cash settlements on transactions with the central counterparty in the securities market".
6. Settlement of securities following the results of a clearing session is carried out by the Central Depository on the basis of an order received from the Exchange for registration of net transactions on sections of sub-accounts with the sign "sub-account of a trading participant" of a personal account opened with the Central Depository in accordance with the Set of Rules of the Central Depository (hereinafter – the depo sub-accounts), containing information on debiting/crediting securities on sections of sub-accounts of personal accounts.
7. Order for registration of net transactions executed in the following order:
 - 1) first of all, total instructions for issuing general collateral certificates in the KASE section of the depo sub-account are executed in the amount corresponding to the value of the general collateral certificates being issued, accounted in the CP account. In case of successful execution of this part of the statement, the following type of operation is performed;
 - 2) secondly, instructions are executed to fulfill net obligations/net claims of clearing participants and the Exchange in securities, including general collateral certificates, under clearing pool deals, including crediting and debiting securities to/from collateral pools in TCA+ and CP accounts;
 - 3) lastly, the total instructions for redemption of general collateral certificates on the KASE section of the depo sub-account are executed in the amount corresponding to the value of the general collateral certificates being cleared on the CP account. This Instruction is executed by the Central Securities Depository, in case of a positive response to the previous types of transactions.
8. After execution of the order for registration of net transactions to conduct transactions on sub-account sections of personal accounts received from the Exchange, the Central Securities Depository sends to the Exchange a report on the execution of the order for registration of net transactions.

Chapter 4. THE PROCEDURE FOR REDEEMING GENERAL COLLATERAL CERTIFICATES

Article 10. The procedure for release of assets from the collateral pool and reflection of these operations in the trading and clearing system

1. The release of money/securities from the collateral pool is carried out on the basis of an order to transfer money/securities to the CP account, submitted by a pool participant using the trading and clearing system.
2. An order to transfer money/securities submitted by a pool participant using the trading and clearing system for the purpose of releasing assets of the collateral pool must contain an indication of the CP account on which the reduction of money/securities is carried out.

3. Operations to write off money from the collateral pool specified in item 1 of this article are reflected in the "Transfers" window as separate entries on writing off money from the cash account of the CP of the clearing participant and on crediting money to the cash account TCA+, to which the account of the CP of the clearing participant is linked; while in the "Money positions" window for the CP account, the current, planned and settlement positions for the corresponding currency are reduced by the amount of the transfer.
4. Operations to write off securities from the collateral pool, specified in item 2 of this article, are reflected in the "Transfers" window as separate entries on the write-off of securities from the "Collateral pool" section of the account of the CP of the clearing participant and on the crediting of money to the "For Trades" section of the TCA+ of the clearing participant to which the CP account is linked, while in the window "Positions for Instruments on Depo Accounts", the current, planned and settlement positions for the corresponding security are reduced on the CP account.
5. Calculation of the single limit on the CP account is carried out in accordance with the procedure determined by the Clearing Rules, taking into account the specifics outlined in Article 12 of this Instruction.

Article 11. The procedure for redemption of general collateral certificates and reflection of the said transactions in the trading and clearing system

1. The redemption of general collateral certificates is carried out upon the issuance of assets of the collateral pool at the initiative of the pool participant, subject to the conditions established by this article of the Instruction.
2. In the event that securities/money are written off from the CP account, the number of general collateral certificates from TCA+ associated with the CP account, on which the order to transfer money/securities is executed, is redeemed.
3. The redemption of general collateral certificates during the release of assets of the collateral pool is subject to the following conditions:
 - 1) the number of securities in the general collateral certificate accounted for on the TCA+ corresponding to the CP account does not become negative after redemption of the general collateral certificates;
 - 2) the positive single limit on the TCA+ corresponding to the CP account does not become negative after the redemption of general collateral certificates;
 - 3) the negative single limit on the TCA+ corresponding to the CP account does not decrease after the redemption of the general collateral certificates;
 - 4) when releasing money from the collateral pool, the amount to be returned does not exceed:
 - the amount of money in the corresponding currency accounted for on the CP account, or
 - the amount of money in the corresponding currency accounted for on the CP account, and net liabilities/net claims for money in the corresponding currency with the current settlement date, for purchase/sale transactions accounted for on the CP account.
4. The redemption of general collateral certificates, carried out with a negative value of the single limit on the collateral pool on the CP account, is carried out provided that the number of securities of the general collateral certificate accounted for by the TCA+ associated with the CP account does not become negative after the redemption of the general collateral certificates.
5. Subject to the terms of redemption of general collateral certificates specified in item 3 and 4 of this article, the Exchange shall immediately:

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

- 1) reduce the value of GCC issued on the CP account by the value of redeemable general collateral certificates in accordance with item 6 of this article;
 - 2) reduce the number of securities of the general collateral certificate accounted for on the TCA+ associated with the CP account by the number of redeemable general collateral certificates in accordance with item 7 of this article;
 - 3) take into account the new value of the single limit on the CP account.
6. The value of redeemable general collateral certificates is equal to the integer value of the amount by which the single limit on the CP account decreased when the assets of the collateral pool are released at the initiative of the pool participant from the CP account in accordance with items 2-4 of this article.
 7. The number of redeemable general collateral certificates is equal to the quotient of dividing the value of the redeemable general collateral certificates by the nominal value of one general collateral certificate.
 8. The instruction to issue general collateral certificates is reflected in the "Transfers" table as separate entries on writing off general collateral certificates from the TCA+ of the clearing participant and on crediting general collateral certificates to the central counterparty's TCA depo, while in the "Positions for instruments on depo accounts" window for the TCA+ of the clearing participant, the current, planned and settlement positions on general collateral certificates are reduced.
 9. An instruction to redeem general collateral certificates is included in the order to register net transactions and is sent to the Central Securities Depository for execution during the next settlement and clearing session.
 10. The settlement order contains aggregate instructions for the redemption of general collateral certificates under the "For trading" section of the TCA+ depo, which are executed by the Central Depository only in case of successful execution of the previous parts of the statement.

Article 12. The procedure for replacing assets in the collateral pool

1. If it is impossible to release assets of a collateral pool from the CP account due to non-compliance with the conditions for the redemption of general collateral certificates provided for in item 3 of Article 10 of this Instruction, the pool participant has the right to replace the assets of the collateral pool previously deposited to the CP account with other assets from the list of GCC issue assets.
2. In order to make such a replacement, the pool participant is obliged to deposit other assets of the collateral pool to the CP account in the manner prescribed by Article 4 of this Instruction, while the value of other contributed assets of the collateral pool must correspond to the value of the contributed assets of the collateral pool to be replaced.
3. After depositing other assets of the collateral pool to the CP account, the pool participant has the right to apply to the Exchange for release of the relevant assets of the collateral pool in the manner prescribed by Article 9 of this Instruction.
4. A clearing participant has the right to use the assets of the collateral pool on the CP account to fulfill obligations under transactions in the manner specified in Article 8 of this Instruction.

Chapter 5. FINAL PROVISIONS

Article 13. Final provisions

1. This Instruction and all changes and/or additions to it are brought to the attention of trading participants/clearing participants by posting on the Exchange's website (www.kase.kz).
2. This Instruction is subject to updating as necessary, but at least once every three years.
3. Responsibility for the timely introduction of changes and additions to this Instruction rests with the clearing division.

Acting Chairperson of the Management Board

N. Khoroshevskaya

Appendix 1

to the Instruction on the issue,
placement, circulation and
redemption of general
collateral certificates

COLLATERAL POOL AGREEMENT

(hereinafter – the Agreement)

	<p>The Agreement is an accession agreement, and defines the standard conditions for the provision of services by Kazakhstan Stock Exchange JSC to the Pool Participants for the issue, servicing and redemption of general collateral certificates.</p>
	<p>1. Terms and definitions The Exchange – Kazakhstan Stock Exchange JSC;</p> <p>Application for opening/closing of a trading and clearing account of the collateral pool – a written application of the Pool participant according to the form of the Exchange to join the Agreement and open a trading and clearing account of the collateral pool, filled in by the Pool participant;</p> <p>Collateral pool – a separate set of securities and money, including those in foreign currency, formed by the Exchange in accordance with the Clearing Rules, contributed by clearing participants to ensure the issuance of general collateral certificates;</p> <p>Pool participant – a Clearing participant that has acceded to the Agreement on the basis of the Application for accession to the Agreement submitted and accepted by the Exchange in the manner prescribed by the Clearing Rules;</p> <p>Clearing Rules – an internal document of the Exchange "Rules for execution of Clearing Activities on Transactions with Financial Instruments";</p> <p>GCC Instruction is an internal document of the Exchange "Instruction on the issue, placement, circulation and redemption of general collateral certificates";</p> <p>Application for accession to the Agreement – Application for opening a trading and clearing account of a collateral pool;</p> <p>Parties – the Exchange and the Pool participant who joined the Agreement.</p> <p>The concepts and terms contained in the Agreement are used in the meanings established by the legislation of the Republic of Kazakhstan,</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>the Exchange's internal documents: the Clearing Rules, the Regulations on Clearing Members, the GCC Instruction posted on the Exchange's website www.kase.kz.</p>
	<p>2. General provisions</p> <p>2.1. The Agreement is an accession agreement concluded by the Parties in accordance with the provisions of Article 389 of the Civil Code of the Republic of Kazakhstan, the terms of which can be accepted by the Pool participant only by joining the Agreement as a whole.</p> <p>2.2. Accession of the Pool participant to the Agreement does not release him from the performance of obligations under the Clearing Services Agreement.</p> <p>2.3. The Agreement is published on the Exchange's website www.kase.kz.</p> <p>2.4. In accordance with the Agreement, the Pool participant instructs, and the Exchange undertakes to issue general collateral certificates, clearing services in respect of repo trades with general collateral certificates, concluded by the Pool participant and (or) the Trading Participant authorized by him, in the Exchange trading system, in the manner and on the terms, established by the legislation of the Republic of Kazakhstan, the Clearing Rules, the GCC Instruction and other internal documents of the Exchange related to the clearing activities of the Exchange.</p> <p>2.5. The terms of conclusion/termination of the Agreement are determined by the Clearing Rules, the GCC Instruction and other internal documents of the Exchange related to the Exchange's clearing activities.</p> <p>2.6. A deal with a person associated with the Exchange by special relations can be made only by decision of the Exchange's Board of Directors, except for cases when the standard terms of such deals are approved by the Exchange's Board of Directors.</p>
	<p>3. Terms of accession to the Agreement</p> <p>3.1. The clearing participant joins the Agreement by signing the Application for opening a trading and clearing account of the collateral pool which is accepted by the Exchange.</p> <p>3.2. By signing the Application for Accession to the Agreement, the Pool participant confirms and agrees that he:</p> <ul style="list-style-type: none"> - received, read, understood and agreed with the provisions of the standard terms of the Agreement in full, without any comments or objections, and undertakes to comply with all provisions of the Agreement in a timely manner and in full; - assumes all possible adverse consequences of non-performance and/or improper performance of the provisions of the Agreement;

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<ul style="list-style-type: none"> - The Pool participant agrees with all the terms and procedure for the Exchange to provide the services provided for by the Agreement; - all provisions of the Agreement fully comply with the interests and will of the Pool participant; - The Pool participant is not entitled to refer to the absence of his signature in the Agreement as evidence that the Agreement was not read/understood/accepted by him, if the Exchange has a copy of the Application for Accession to the Agreement.
	<p>4. Rights and obligations of the Parties</p>
	<p>4.1. The Exchange undertakes to:</p> <ol style="list-style-type: none"> 1) provide the Pool participant that has acceded to the Agreement with clearing and other services related to clearing in accordance with the Clearing Services Agreement, the GCC Instruction and the Clearing Rules. The composition of the services, the conditions and procedure for their provision, the amount and procedure for payment, as well as other rights and obligations of the parties related to the clearing service of the general collateral certificate instrument, are established by the Clearing Service Agreement, the Clearing Rules and the GCC Instruction. 2) to form a collateral pool and issue general collateral certificates for the purpose of concluding repo trades with general collateral certificates concluded by the Pool participant on the terms and in the manner established by the Clearing Rules, the GCC Instruction, other internal documents of the Exchange and the requirements of the legislation of the Republic of Kazakhstan; 2) to publish the decision on the formation of a collateral pool on the Exchange's website www.kase.kz according to the schedule stipulated by the Clearing Rules; 3) to fulfill other obligations stipulated by the legislation of the Republic of Kazakhstan and internal documents of the Exchange. <p>4.2. The Pool participant undertakes to:</p> <ol style="list-style-type: none"> 1) contribute assets to the collateral pool; 2) in case of a decrease in the value of the assets contributed to the pool, at the request of the Exchange, to add additional assets to the pool; 3) to fulfill properly all obligations arising as a result of the formation of the collateral pool and the conclusion by the Pool participant of repo deals with general collateral certificates, stipulated by the Clearing Rules, the GCC Instruction and other internal documents of the Exchange; 4) to comply with the requirements of the Clearing Rules, the Regulations on Clearing Members, the GCC Instruction and other internal documents of the Exchange related to the Exchange's clearing activities.

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>4.3. The Exchange has the right to:</p> <ol style="list-style-type: none"> 1) unilaterally make changes and/or additions to the GCC Instruction, the Agreement (including by approving them in a new version) and other documents of the Exchange on clearing activities (with or without the Exchange performing the function of the central counterparty), including using general collateral certificates; 2) determine the obligations of the Pool participant, including the contribution of additional assets to the collateral pool; 3) redeem GCC without presenting a claim to the Pool participant, if the nominal value of the general collateral certificates issued to the Pool participant exceeds the value of the assets contributed to the pool; 4) require the Pool participant to properly fulfill the terms of the Agreement; 5) refuse to execute the Agreement unilaterally if the Pool participant fails to fulfill the obligations stipulated by the Clearing Rules, the GCC Instruction and the legislation of the Republic of Kazakhstan in the manner prescribed by the Clearing Rules and the GCC Instruction; 6) interact with other organizations and institutions in order to properly fulfill their obligations under the Agreement; 7) exercise other rights stipulated by the Agreement, the Clearing Rules, the Regulations on Clearing Members, the GCC Instruction and the legislation of the Republic of Kazakhstan. <p>4.4. The Pool participant has the right to:</p> <ol style="list-style-type: none"> 1) contribute any assets specified by the Clearing Rules, GCC Instruction as assets that can be contributed to the collateral pool; 2) withdraw the contributed assets from the pool when replacing it with another asset of equal value in the manner and on the terms stipulated by the Clearing Rules, the GCC Instruction; 3) refuse to execute this Agreement unilaterally, provided that there are no unfulfilled obligations under this Agreement and deals concluded on the Exchange and compliance with the requirements stipulated by the Clearing Rules; 4) exercise other rights provided for by this Agreement, the Clearing Rules, the GCC Instruction and the legislation of the Republic of Kazakhstan.
	<p>5. Relationships of the Pool participant with the Pool participant's clients</p> <p>5.1. The Agreement, the Clearing Rules, the GCC Instruction do not create and, as a result, do not govern the relationship between the Exchange and the Pool participant's clients.</p> <p>The relations of the Pool participant with its client (clients), arising, in particular, in connection with the execution of transactions in the interests of</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>such a client (such clients), the performance and (or) termination of obligations from them, including as a result of clearing, are regulated primarily by the legislation of the Republic of Kazakhstan and agreements concluded between the Pool participant and its client (clients). Regardless of possible references in the agreement concluded by the Pool participant with its client (clients) to the Clearing Rules, the GCC Instruction, such documents shall not, under any circumstances, replace such an agreement.</p> <p>None of the provisions of the Clearing Rules and/or the GCC Instruction may be interpreted as terms of an agreement between the Exchange and the client(s) of the Pool participant.</p>
	<p>6. Responsibility of the Parties</p> <p>6.1. For non-fulfillment and (or) improper fulfillment of obligations under this Agreement, the Pool participant shall be liable in accordance with the legislation of the Republic of Kazakhstan, the Clearing Rules, the GCC Instruction and other internal documents of the Exchange related to the clearing activities of the Exchange.</p> <p>6.2. The Exchange is liable only for those REPO transactions with GCC concluded by the Pool participant, for which it acts as the central counterparty. At the same time, the Exchange's liability is limited in accordance with the Clearing Rules, the GCC Instruction.</p> <p>6.3. The Exchange shall not be liable for any damages or losses that occur outside of its control limits.</p> <p>6.4. The Parties are released from liability for partial or complete failure to fulfill obligations under this Agreement, which was the result of the occurrence of force majeure circumstances, for the duration of such circumstances. If the duration of the force majeure circumstances is more than 30 calendar days, the Parties have the right to terminate this Agreement by notifying the other Party at least 10 calendar days before the planned date of termination of the Agreement.</p>
	<p>7. Force majeure circumstances</p> <p>7.1. Force majeure means:</p> <p>1) natural disasters, earthquakes, floods, mudflows, fires and other natural disasters that made it impossible to fulfill or prevent the Party from fulfilling its obligations and occurring at the location of the head office of the Party referring to these natural disasters;</p> <p>2) war, hostilities of any nature, blockade, acts of terrorism, revolutions, civil unrest, strikes, lockouts, resulting in the impossibility of fulfilling or preventing the Party from fulfilling its obligations and taking place at the location of the head office (main bank, headquarters, etc.) the Party referring to the events specified in this paragraph;</p> <p>3) embargoes established by state bodies,</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>prohibitions and restrictions established by regulatory legal acts of the Republic of Kazakhstan, including the introduction of a state of emergency on the territory of the Republic of Kazakhstan or its particular parts, acts of authorized state bodies and local executive bodies, including quarantine announcements, lawful blocking or changing the legislation of the Republic of Kazakhstan, including other, besides the Republic of Kazakhstan, countries, resulting in the impossibility of fulfilling or preventing the Party from fulfilling its obligations under the Agreement and occurring at the location of the head office of the Party referring to the events specified in this paragraph;</p> <p>4) malfunction of the software and hardware of the Exchange or other infrastructure entities of the regulated securities market, currency market, derivatives market and other sections of exchange markets, whose activities may significantly affect the performance by the Exchange of its obligations under the Agreement;</p> <p>5) temporary suspension or complete cessation of the operation of servicing banks, as well as other circumstances, the occurrence of which makes it impossible to fulfill or prevents the fulfillment of obligations by the Party under the Agreement and occurring at the location of the head office of the Party referring to the events specified in this clause.</p> <p>7.2. A document confirming the occurrence of a force majeure event from those specified in sub-items 1)-3) of item 7.1. of the Agreement, and the duration of their validity, is a certificate of the Chamber of Commerce and Industry of the Republic of Kazakhstan or other competent authority (organization) of the relevant state, with the exception of circumstances widely covered in the media, or arising from regulatory legal acts of the Republic of Kazakhstan, acts of authorized bodies and local executive bodies.</p> <p>7.3. A document confirming the occurrence of a force majeure event, which is specified in sub-item 4) of item 7.1. of the Agreement, and the duration of its validity, is a certificate signed by the first head of the Exchange, or a corresponding conclusion of the Exchange.</p> <p>The certificate must be submitted by the Exchange within 7 working days from the moment of occurrence of the circumstance specified in sub-item 4) of item 7.1. Agreement.</p> <p>7.4. The pool participant is obliged to immediately notify the Exchange about the occurrence of a force majeure event, its expected duration and its termination.</p> <p>7.5. The Party shall not be liable for non-fulfillment or improper fulfillment of its obligations under the Agreement, if this was caused by the failure of the other Party to fulfill its obligations</p>
--	---

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>under the Agreement or provided for by the legislation of the Republic of Kazakhstan governing relations between the Parties under the Agreement.</p> <p>7.6. Payment by the Party of the forfeit (fine) stipulated by the Clearing Rules and the Regulations on Clearing Members, by the GCC Instruction does not release this Party from the fulfillment of its obligations under the Agreement.</p>
	<p>8. Confidential Information</p> <p>8.1. By submitting to the Exchange an Application for accession to the Agreement, the Pool participant thereby gives it its irrevocable and unconditional consent to the disclosure by the Exchange in accordance with the requirements of the legislation of the Republic of Kazakhstan and its internal documents of information provided by the Pool participant, which may constitute a commercial secret and other protected information of the Pool participant (hereinafter – Confidential Information).</p> <p>8.2. The Pool participant represents and warrants that:</p> <p>1) in connection with the specified consent, he does not have and will not have any claims against the Exchange, including violation of intellectual property rights, as well as property claims, both at the time of joining the Agreement and in the future, and also agrees that the Exchange is not liable to him for the disclosure of Confidential Information in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Exchange;</p> <p>2) The Confidential Information of the Pool participant does not in any way infringe and/or infringe on the intellectual property rights of third parties, including the employees of the Pool participant.</p>
	<p>9. Notifications</p> <p>9.1. All notifications and other messages provided for by the Agreement must be made in writing and delivered to the address of the location of the other Party or to the Exchange's e-mail address clearing@kase.kz and to the e-mail address of the Pool participant, whose address is specified in the Application for Accession to the Agreement, with the subsequent delivery of the original of this notice or message to the address of the location of the other Party within three business days from the date of its sending by e-mail.</p> <p>9.2. Any notice or other communication delivered in writing to the address of the location of the other Party or by e-mail, shall be deemed to be properly transmitted, sent, received or delivered in all cases on the first business day from the date of its delivery to the addressee.</p> <p>9.3. Delivery of a notice or other communication</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>in writing must be confirmed by a receipt of such delivery and the signature of the messenger, and delivery by e-mail – by confirmation of sending.</p>
	<p>10. Anti-corruption conditions and personal data</p> <p>10.1. When fulfilling their obligations under the Agreement, the Parties and/or their employees do not pay, do not offer to pay and do not allow the payment of money or other valuables, directly or indirectly, to any persons in order to influence the actions or decisions of these persons in order to obtain any unlawful benefits or other improper purposes.</p> <p>10.2. When fulfilling their obligations under the Agreement, the Parties and/or their employees do not carry out actions qualified by the legislation of the Republic of Kazakhstan applicable for the purposes of the Agreement as giving/receiving a bribe, commercial bribery, as well as actions that violate the requirements of the legislation of the Republic of Kazakhstan on combating corruption.</p> <p>10.3. Each of the Parties refuses to encourage employees of the other Party in any way, including by providing money, gifts, performing works (services) for them free of charge and in other ways not specified in this item, which puts the employee in a certain dependence, and directed to ensure that this employee performs any actions in favor of the Party stimulating him.</p> <p>10.4. If a Party suspects that a violation of any anti-corruption conditions has occurred or may occur, the relevant Party undertakes to notify the other Party in writing within 5 working days. Upon written notification, the respective Party has the right to suspend the performance of its obligations under the Agreement until it receives confirmation that the violation has not occurred or will not occur. This confirmation must be sent within 5 working days from the date of sending the written notice.</p> <p>10.5. By signing the Agreement, each of the Parties guarantees that it has the necessary properly executed consents of individuals (its employees/authorized persons) for the collection and processing by the other Party of their personal data transferred to the other Party, in accordance with the provisions of the legislation of the Republic of Kazakhstan. At the same time, each Party undertakes to ensure the confidentiality and security of personal data of employees/authorized persons of the other Party received by it from them or from the Party itself, and security during their processing for the purposes and in connection with the execution of the Agreement in accordance with the requirements of the legislation of the Republic of Kazakhstan on protection of personal data. Also, the Party does not have the right to use the personal data of employees/authorized persons of the other Party received from them or from the</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>specified Party for purposes not related to the fulfillment of its obligations under the Agreement, and in any way transfer the personal data of employees/authorized persons received under the Agreement of the other Party to any third parties for purposes not related to the fulfillment of its obligations under the Agreement, undertakes to store these personal data no longer than required by the purposes of their processing, and destroy them upon achievement of the purposes of processing or in case of loss of the need to achieve them, taking into account the requirements of the legislation of the Republic of Kazakhstan, to comply with other requirements of the legislation of the Republic of Kazakhstan on the protection of personal data as part of the execution of the Agreement.</p>
	<p>11. Procedure for resolving disputes 11.1. Disputes and disagreements between the Exchange and the Pool participant arising in connection with the execution by the Parties of the Agreement shall be resolved through negotiations. 11.2. If the Parties fail to reach an agreement, they shall resolve disagreements and disputes in accordance with the requirements of the Regulations on Clearing Members.</p>
	<p>12. Validity and termination of the Agreement 12.1. The Agreement comes into effect from the date of acceptance by the Exchange of the Pool participant's application for opening a trading and clearing account, and is valid for an indefinite period. 12.2. The Agreement is considered terminated: 1) from the date of the Exchange's decision to terminate the collateral pool; 2) within 3 days from the date of receipt by the Exchange of a notice from the Pool participant of the unilateral refusal to execute the Agreement, subject to the repayment of all outstanding obligations by the Pool participant to repay the GCC and for the trades concluded on the Exchange, and comply with the requirements stipulated by the Clearing Rules, GCC Instruction; 3) from the date of termination of the agreement on clearing services; 4) on other grounds provided for by the Agreement and (or) the legislation of the Republic of Kazakhstan. 12.3. Termination of the Agreement does not release the Parties from the fulfillment of obligations that arose before the termination of the Agreement. 12.4. The Agreement is considered terminated and the obligations of the Parties terminated after the Parties fulfill their obligations under the Agreement in full.</p>
	<p>13. Final provisions 13.1. The Exchange has the right to make</p>

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	<p>changes and/or additions to the Agreement or approve a new version by posting such changes and (or) additions/new version of the Agreement on the website of the Exchange www.kase.kz.</p> <p>By signing the Application for Accession to the Agreement, the Participant gives his consent to join the changes and (or) additions to the Agreement, or the statement of the Agreement in a new edition as a whole, and agrees that the Pool Participant independently monitors the change in the version of the Agreement, including appendixes to it, by browsing the website of the Exchange www.kase.kz.</p> <p>In case of disagreement with the changes and (or) additions to the Agreement, the Pool participant has the right to terminate the Agreement by submitting a written application to terminate the Agreement to the Exchange.</p> <p>13.2. The rights and obligations of the Pool participant cannot be transferred to third parties.</p> <p>13.3. The Agreement is governed by the substantive law and legislation of the Republic of Kazakhstan.</p> <p>13.4. The Agreement was developed in accordance with the legislation of the Republic of Kazakhstan and the Exchange's internal documents related to the Exchange's clearing activities.</p> <p>13.5. The Pool participant confirms that he is familiar with the Clearing Rules, the GCC Instruction and other internal documents of the Exchange posted on the Exchange's website www.kase.kz, which regulate the Exchange's clearing activities, including using the GCC, and understands the meaning of their provisions, conditions and requirements, and unconditionally agrees to their terms, conditions and requirements.</p> <p>13.6. The Pool participant confirms that he is familiar with and agrees with the right of the Exchange to determine the obligations of the Pool participant, including the payment of remuneration in favor of the Exchange for carrying out activities related to the collateral pool, in the manner prescribed by the Exchange's internal documents.</p> <p>13.7. If one of the parts of the Agreement is invalidated in accordance with the procedure established by the legislation of the Republic of Kazakhstan, this fact does not automatically invalidate the entire Agreement as a whole and/or its individual parts.</p> <p>13.8. The Agreement is drawn up in the state language and Russian language. In case of discrepancies in the interpretation of the Agreement in the state and Russian languages, the conditions set forth in the text of the Agreement in Russian shall prevail in interpreting the terms of the Agreement.</p> <p>13.9. Other issues not regulated by the provisions</p>
--	--

**Instruction on the issue, placement, circulation and redemption of
general collateral certificates**

	of the Agreement are resolved in accordance with the legislation of the Republic of Kazakhstan.
--	---