

KAZAKHSTAN STOCK EXCHANGE JSC

Approved

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

(meeting minutes No. 16
of May 21, 2020)

Effective from

August 3, 2020

NOTICE

The Rules have 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 in Russian, the Russian version shall always prevail.

RULES

of execution of repo transactions in the trading and clearing system ASTS+

Almaty

2020

LIST OF AMENDMENTS

1. Changes and additions No. 1:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 19 of the meeting on June 9, 2020);
- effective as of August 3, 2020.

2. Change No. 2:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 9 of the meeting on March 4, 2021);
- effective as of March 9, 2021.

3. Change No. 3:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 46 of the meeting on July 3, 2021);
- effective as of July 1, 2021.

4. Additions No. 4:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 70 of the meeting on December 15, 2021);
- effective as of December 20, 2021.

5. Changes and additions No. 5:

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

6. Changes and additions No. 6:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 18 of the meeting on July 26, 2023);
- effective as of September 25, 2023.

These Rules determine the procedure to carry out and execute repo transactions in trading and clearing system of Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) ASTS+ (hereinafter referred to as the trading and clearing system), main terms and conditions of settlements for these transactions, as well as liability of participants in repo transactions for improper discharge of obligations under repo transactions carried out in trading modes without participation of a central counterparty (*this preamble was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*).

Chapter 1. GENERAL PROVISIONS

1. A repo transaction is a combination of the two, simultaneously carried out, different in time of execution and opposite in directions to each other deals in the same securities (the subject of repo transaction), the parties of which are the same two persons (the participants of a repo transaction): repo opening deal (opening deal) and repo closing deal (closing deal).
2. As related to an entity, repo transactions can be subdivided into:
 - 1) a repo transaction (a nego repo), i.e. sale of a repo transaction subject by a particular person on conditions of an obligation of its subsequent repurchase;
 - 2) a reverse repo transaction, i.e. purchase of a repo transaction subject on the obligation of a subsequent reverse sale.
3. For purposes hereof a repo transaction means a repo transaction itself (nego repo), and a reverse repo transaction.
4. The concepts used herein mean the following:
 - 1) **"guilty participant in a repo transaction"** – a participant in a repo transaction carried out without participation of a central counterparty who failed to discharge his obligations under the transaction he entered into to open or close a repo transaction (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);
 - 2) **"repo closing date"** or **"closing date"** – a day determined by the parties of a repo transaction or by the trading and clearing system for execution of a closing deal;
 - 3) **"repo opening date"** or **"opening date"** – the day the opening deal was concluded;
 - 4) **"repo transaction rate"** – quantitative indicator of a repo transaction calculated as annual percentage, specified by the trading participant in the order, used to calculate the closing deal amount;
 - 5) **"responsible participant in a repo transaction"** – a participant in a repo transaction carried out without participation of a central counterparty, on the part of which the transaction to open or close a repo was not confirmed by the user of the control and collateral system (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);
 - 6) **"injured participant in a repo transaction"** – a participant in a repo transaction carried out without participation of a central counterparty, transaction made by him to open or close a repo transaction was not executed due to a failure of the guilty participant in the repo transaction to discharge his obligations under this transaction (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);
 - 7) **"account in the Central Depository"** – a sub-account opened at the Central Securities Depository (hereinafter – the Central Depository), designated for accounting of securities used as repo transaction subject.
5. Other concepts used in these Rules are identical to the concepts defined by other internal documents of the Exchange.
6. Repo transactions can be executed in the trading and clearing system by two methods:
 - 1) by the "nego" method – at trades, carried out by the method of nego deals;

- 2) by the "automatic" method – at trades, carried out by the method of continuous counter auction.
7. In the trading and clearing system, depending on the trading mode, it is possible to carry out repo transactions with participation of a central counterparty (hereinafter referred to as repo transactions with a CCP) and without participation of a central counterparty (hereinafter referred to as repo transactions without a CCP) *(this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023)*.
8. Repo transactions carried out by the "automatic" method with a basket of securities are used in the trading and clearing system as separate (from securities that are the subject of such repo transactions) financial instruments.
9. When performing repo transactions, the Kazakh tenge or US dollar shall be used as the settlement currency, depending on the settlement currency set for the respective trading mode.
10. The term of the repo transaction carried out by the "nego" method is determined by the participants of this transaction independently upon agreement with each other, provided that this term does not exceed:
 - 1) 30 (thirty) days, if repo transactions with the CCP are carried out in the Kazakh tenge;
 - 2) seven days, if repo transactions with the CCP are carried out in the US dollars;
 - 3) 90 (ninety) days, if there are repo transactions with the CCP, the subjects of which are general collateral certificates, and repo transactions without the CCP in Kazakh tenge *(this sub-item was changed by a decision of the Exchange's Board of Directors dated July 27, 2022)*.
11. The standardized terms for which repo transactions can be carried out on the automatic repo market are established by the Exchange's internal document "Specification of repo transactions carried out by the "automatic" method"¹ *(this item was changed by a decisions of the Exchange's Board of Directors dated March 4, 2021, December 15, 2021 and July 27, 2022)*.
12. Participants of repo transactions carried out in the trading and clearing system may be members of the Exchange who have the right to participate in trades in those securities that are permitted in accordance with these Rules to be used as subjects of repo transactions.

Repo transactions, subject of which are clearing participation certificates, can be carried out by members of the Exchange who meet the requirements established by the internal documents of the central counterparty *(this paragraph was included by a decision of the Exchange's Board of Directors dated 27 July of 2022 and was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023)*.
13. Participants in repo transactions pay the Exchange commission fees on repo transactions subject to the internal document of the Exchange "Regulations on Membership Fees, Exchange and Clearing Fees, Commission for Accounting of Collateral" *(this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023)*.
14. A participant of a repo transaction must control the validity terms of the documents confirming IDs of his clients, details of which are used in the accounting system of the Central Depository.

It is prohibited to carry out repo transactions in which claims and obligations on repo transactions arise in the days preceding the 30 days prior to the expiration date of the document proving the identity of the client of the repo transaction participant.

The Exchange by way of using its trading and clearing system based on data received from the Central Depository within 30 days before expiration of the validity of the document confirming the identity of the repo transaction participant's client, shall block the possibility of concluding deals on that client's trading account.

In case of a change in the expiration date of the document proving the identity of the client of the repo transaction participant, the Central Depository sends such information to the Exchange, according to which the trading and clearing system from the next business day after receiving

¹ Approved by the decision of the Management Board of the Exchange *(this footnote was included by a decision of the Exchange's Board of Directors dated 27 July of 2022)*.

such information automatically releases the blocking on the client's trading account that was blocked according with the third paragraph of this item.

15. When carrying out repo transactions, the norms established by chapter 2 "Participants of exchange trades" of the internal document of the Exchange "Rules of execution of exchange activities" are applied.

Chapter 2. SUBJECTS OF REPO TRANSACTIONS

16. Securities that can be used as underlying assets of repo transactions carried out in the "automatic" way are determined by repo sellers in accordance with the Specification of repo transactions carried out by the "automatic" method (*this item was changed by a decision of the Exchange's Board of Directors dated July 27, 2022*).

17. As subjects of repo transactions carried out by the "direct" method:

- 1) securities included in List T+ can be used with the CCP, the procedure for inclusion in which is determined by the internal document of the clearing organization regulating the procedure for compiling the List of financial instruments admitted to transactions with participation of the central counterparty on conditions of partial collateral, and securities relating to clearing participation certificates (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);
- 2) securities from among those admitted to circulation on the Exchange and are determined by the participants of these operations independently can be used without the CCP, except for securities subject to private placement (taking into account the specifics established by item 19 of these Rules).

(This item was changed by a decisions of the Exchange's Board of Directors dated July 3, 2021 and July 27, 2022)

- 17-1. In case of suspension of trading in securities of particular title, the use of these securities as subjects of repo transactions is prohibited for the period of such suspension.

The prohibition established by the first paragraph of this item is effective only during the period of suspension of trading in securities of particular title and ceases from the moment of resumption of trading in securities of this title.

(This item was included by a decision of the Exchange's Board of Directors dated June 9, 2020)

18. *(This item was changed by a decision of the Exchange's Board of Directors dated June 9, 2020 and was excluded by a decision of the Exchange's Board of Directors dated 27 July of 2022)*

- 18-1. Exclusion of securities of particular title from the list of those permitted to be used as subjects of repo transactions or a ban on their use as subjects of repo transactions specified in items 17-1 and 18 does not apply to previously opened repo transactions with securities of this title and does not exempt participants of these repo transactions from execution of closing deals related to these repo transactions (*this item was included by a decision of the Exchange's Board of Directors dated June 9, 2020*).

19. Securities of any titles, issued by the same issuer of securities, by a decision (decisions) of the Management Board of the Exchange are prohibited from being used as subjects of repo transactions without the CCP, carried out by the "direct" method, if:

- 1) this issuer has not timely paid interest on his debt securities admitted to circulation on the Exchange; and / or
- 2) this issuer has not timely paid the face value of his debt securities admitted to circulation on the Exchange after the end of their circulation period; and / or
- 3) this issuer failed to pay dividends on his preferred shares admitted to circulation on the Exchange in time; and / or
- 4) the initiator of admission of securities issued by this issuer has not provided the Exchange with the financial statements of this issuer (including interim) within three months after the period established by the listing agreement; and / or

- 5) the initiator of admission of securities issued by this issuer did not provide the Exchange with essential information about this issuer and/or securities issued by it (information that may affect the price and valuation of securities issued by this issuer) within 10 days after the period established by the Listing Rules.
20. The prohibition established in accordance with item 19 of these Rules is canceled by a decision of the Exchange's Management Board when the issuer of securities or the initiator of admission corrects the violation due to which such prohibition was imposed (taking into account the specifics specified by the second paragraph of this item)

If the ban on the use of securities as subjects of repo transactions without the CCP, carried out by the "nego" method, was established due to late payment of interest on debt securities, such prohibition can be canceled only after timely payment of the next interest on these securities.
21. The trading and clearing system blocks the possibility of carrying out repo transactions in any way, if at the intended moment of conclusion of the opening and closing deal related to it, it is known that during the expected period of this transaction, a full or partial redemption of securities supposed to be used as the subject of this transaction, will be carried out.

Chapter 3. CONCLUSION OF OPENING OR CLOSING REPO DEALS

22. As opening prices for repo transactions without a CCP carried out in the "direct" method, and repo transactions with a CCP, settlement prices of securities that are the subject of repo transactions established on the date of opening the repo transaction and determined subject to the internal document of the clearing organization regulating the procedure to determine risk parameters of financial instruments (hereinafter referred to as the Procedure for to determine risk parameters), are used (*this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*).
23. As opening prices for repo transactions without a central counterparty carried out in an "automatic" way, calculated prices of securities that are the subject of repo transactions, determined subject to the Procedure to determine risk parameters and discounted subject to the internal document of the Exchange defining the main characteristics repo transactions carried out "automatically", are used (*this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*).
24. Forms of orders for conclusion of opening deals are defined in the trading and clearing system; at that, when performing a repo transaction, the direction of an order for conclusion of an opening transaction – "buy" or "sale" – means, respectively, purchase or sale of the subject of the repo transaction when an opening transaction is made.
25. When performing a repo transaction by the "direct" method:
 - 1) the quantity of the underlying asset of the repo, the term of the repo (defined as the number of calendar days between the closing and opening dates of the repo), the amount of the discount and the rate are determined by the participants in this transaction independently in agreement with each other, taking into account the specifics established by sub-item 3) of this item (*this sub-item was changed by a decision of the Exchange's Board of Directors dated 27 July of 2022*);
 - 2) the calculation of the opening and closing prices is performed by the trading and clearing system automatically.
 - 3) the establishment of a discount is not applicable if the underlying assets of such a transaction are general collateral certificates (*this sub-item was included by a decision of the Exchange's Board of Directors dated 27 July of 2022*).
26. When performing a repo transaction by the "automatic" method:
 - 1) the repo transaction rate is used as the price of the traded financial instrument;
 - 2) the closing date is determined by the trading and clearing system automatically based on the term of the repo transaction (from the number of standardized terms defined as the

number of calendar days between the closing and opening dates of the repo) for which this transaction is carried out;

- 3) the calculation of the opening deal amount, the closing price and the closing deal amount is performed by the trading and clearing system automatically based on the subject of the repo transaction, the amount of the subject of the repo transaction, the opening price and the term of the repo transaction;
- 4) the repo closing deal is generated by the trading and clearing system automatically based on its parameters specified in sub-item 3) of this item, and is concluded simultaneously with the repo opening deal.

27. To calculate the parameters of a repo transaction with a particular financial instrument, the following formulas are used:

- 1) the opening price of a repo transaction with the CCP, carried out by the "automatic" method, is calculated by the trading and clearing system automatically based on the settlement price of the security using the following formula:

$$P_{oa} = P_{tk}, \text{ where}$$

P_{oa} – the opening price of a repo transaction with the CCP, carried out "automatically" (in the currency of settlements);

P_{tk} – the settlement price of the security that is the underlying asset of a repo transaction, as of the opening date of the repo transaction and determined in accordance with the Procedure for determining risk parameters (*this paragraph was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);

- 2) the opening price of a repo transaction with/without the CCP, carried out by the "nego" method, is calculated by the trading and clearing system automatically based on the settlement price of the security that is the subject of the repo transaction and the discount specified by the trading participants, and is determined by the following formula:

$$P_{od} = P_{tk} \times (1 - \text{Disc}), \text{ where}$$

P_{od} – opening price of a repo transaction carried out by the "direct" method (in the currency of settlement);

Disc – amount of the discount specified by participants of the repo transaction;

- 3) the amount of the subject of the repo transaction with the CCP, carried out by the "automatic" method, is calculated by the trading and clearing system automatically according to the formula:

$$K = \left\lfloor \frac{S}{P_{oa}} \right\rfloor, \text{ where}$$

K – quantity of the subject of the repo transaction (in lots);

S – the planned amount of the repo opening transaction specified by the participants of the repo transaction at its conclusion (in the currency of settlements);

$\left\lfloor \right\rfloor$ – rounding the result down to the nearest integer value;

- 4) the amount of the subject of a repo transaction with/without the CCP, carried out by the "direct" method, is calculated by the trading and clearing system automatically according to the formula:

$$K = \left\lfloor \frac{S}{P_{od}} \right\rfloor, \text{ where}$$

$\left\lfloor \right\rfloor$ – rounding the result down to the nearest integer value;

- 5) the amount of the opening deal of the repo with the CCP, carried out by the "automatic" method, is calculated by the trading and clearing system automatically with an accuracy of up to hundredths of the currency in which the repo deal is concluded, and is adjusted based on the calculated number of securities in lots using the formula:

$$S_o = P_{oa} \times K, \text{ where}$$

S_o – amount of the repo opening deal (in the currency of settlement);

- 6) the amount of a repo opening deal with/without the CCP, carried out by the "direct" method, is calculated by the trading and clearing system automatically with an accuracy of hundredths of the currency in which the repo transaction is concluded, and is adjusted based on the calculated number of securities in lots using the formula:

$$S_o = P_{od} \times K;$$

- 7) the amount of a repo closing transaction carried out by the "direct" method is calculated by the trading and clearing system automatically with an accuracy of hundredths of the currency using the formula:

$$S_c = S_o \times \left(1 + \frac{r \times n}{100 \times T}\right), \text{ where}$$

S_c – repo closing deal amount (in the currency of settlement);

r – rate on the repo transaction in percent;

n – term of the repo transaction in calendar days;

T – actual number of days in the calendar year (365 or 366);

- 8) the amount of the closing deal in case of its early execution, as well as when participants change the closing date, is recalculated by the trading and clearing system according to the formula:

$$S_{cn} = S_o + I, \text{ where}$$

S_{cn} – repo deal amount on the day of early execution;

I – income from a repo deal calculated on the day of early execution.

28. To calculate the parameters of a repo transaction carried out by the "automatic" method, with a basket of securities, the following formulas apply:

- 1) the opening price of the repo transaction with the CCP is calculated by the trading and clearing system automatically based on the settlement price of the security, which is the subject of the repo transaction, and is determined by the following formula:

$$P_{ok} = P_{tk}, \text{ where}$$

P_{ok} – opening price of a repo transaction with the CCP (in the currency of settlements);

P_{tk} – a settlement price of the security that is the subject of a repo transaction, as of the date of opening a repo transaction and determined subject to the Procedure for determining risk parameters (*this paragraph was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*);

- 2) the opening price of a repo transaction without the CCP is calculated by the trading and clearing system automatically based on the settlement price of the security being the subject of the repo transaction and the discount set for this security and is determined by the following formula:

$$P_{og} = P_{tk} \times (1 - \text{Disc}), \text{ where}$$

P_{og} – opening price of a repo transaction without the CCP (in the currency of settlement);

Disc – the amount of the discount determined in accordance with the Exchange's internal document defining the main characteristics of repo transactions carried out by the "automatic" method;

- 3) the amount of the subject of the repo transaction with the CCP is calculated by the trading and clearing system automatically according to the formula:

$$K = \left\lfloor \frac{L}{P_{ok}} \right\rfloor \times Q, \text{ where}$$

- K – quantity of the repo transaction's subject (in lots);
 L – size of the lot;
 Q – number of lots in the order;
 $\lceil \rceil$ – rounding the result up to the nearest integer value;
- 4) the amount of the subject of the repo transaction without the CCP is calculated by the trading and clearing system automatically according to the formula:

$$K = \left\lceil \frac{L}{P_{og}} \right\rceil \times Q$$

- 5) the amount of an order when purchasing the subject of a repo transaction with the CCP is calculated by the trading and clearing system automatically according to the formula:

$$\Sigma_k = (N \times L) + (P_{max} \times N), \text{ where}$$

- Σ_k – order amount when purchasing the subject of a repo transaction with the CCP;
 N – number of lots in the order;
 P_{max} – settlement price of the security with the maximum value located in the basket of securities for which the order amount is calculated;
- 6) the amount of the order when buying the subject of a repo transaction without the CCP is calculated by the trading and clearing system automatically according to the formula:

$$\Sigma_g = (N \times L) + ((P_{max} \times (1 - Disc)) \times N)$$

- 7) order amount when selling the subject of a repo transaction and the amount of the opening deal of a repo with the CCP are calculated by the trading and clearing system automatically with an accuracy of hundredths of the currency and are adjusted based on the calculated number of securities in lots using the formula:

$$S_{ok} = P_{ok} \times K, \text{ where}$$

- S_{ok} – order amount when selling the subject of a repo transaction with the CCP/ the opening deal of a repo with the CCP (in the currency of settlements);
- 8) the order amount at the sale of the subject of a repo transaction and the amount of the opening deal of a repo without the CCP are calculated by the trading and clearing system automatically with an accuracy of hundredths of the currency and are adjusted based on the calculated number of securities in lots using the formula:

$$S_{og} = P_{og} \times K, \text{ where}$$

- S_{og} – order amount when selling the subject of a repo transaction without the CCP/opening deal of the repo without the CCP (in the currency of settlements);
- 9) the closing deal amount is calculated by the trading and clearing system automatically with an accuracy of hundredths of the currency using the formula:

$$S_c = S_o \times \left(1 + \frac{r \times n}{100 \times T} \right), \text{ where}$$

- S_c – closing deal amount (in the currency of settlement);
 S_o – the amount of a repo transaction's opening deal (in the currency of settlement);
 r – rate of the repo transaction;
 n – term of the repo transaction, in calendar days;
 T – number of days in the year (365 or 366).
29. Repo transactions, on which opening and closing deals were concluded, are documented by exchange certificates containing information about the opening and closing deals, including information about transfers to settlements.

The exchange certificate is a document certifying the fact of conclusion in the trading and clearing system of opening and closing deals related to one repo transaction, as well as the fact of registration and accounting by the Exchange of these transactions.

The exchange certificate is drawn up in two copies, one of which is issued to the trader of the repo transaction participant, and the second copy remains at the Exchange for the purpose of monitoring the execution of opening and closing deals related to this transaction.

Chapter 4. EXECUTION OF REPO OPENING AND CLOSING DEALS

30. Clearing procedures are applied to opening and closing repo transactions with a CCP, which provide for the netting method in the manner established by the internal document of the clearing organization regulating the procedure to carry out clearing activities. Requirements and obligations arising from opening a repo transaction with a CCP are included accordingly in calculation of net claims and net obligations on the day of closing this opening transaction, and requirements and obligations arising from the closed closing repo transaction with a CCP - in calculation of net claims and net obligations on the day of execution of the closing transaction (*this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*).
31. Settlements for repo transactions without a CCP (execution of opening and closing repo transactions in money and in securities that are the subject of repo transactions) are carried out by the Central Depository based on orders of a clearing organization, interaction with which is regulated by an agreement closed by the Central Depository with this clearing organization (*this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023*).
32. The repo opening deal is executed on the opening date and means the transfer of money from the repo buyer to the repo seller in the exact amount of the opening deal and the transfer of the repo transaction subject from the repo seller to the repo buyer.

The repo closing transaction is executed on the closing date and means the return of the repo transaction subject from the repo buyer to the repo seller and transfer of money from the repo seller to the repo buyer in the amount of the closing deal.

33. When executing an opening deal relating to a repo transaction with the CCP, carried out by any method, or to a repo transaction without the CCP, carried out by the "nego method", the subject of the repo transaction is accounted for as an obligation on the security and is debited to the personal account of the KASE section of the repo seller in the Central Depository, is accounted for as a claim on the security and is credited to the personal account of the KASE section of the repo buyer with the Central Depository. At that, the securities that are the subject of these transactions can be objects of civil right deals by the repo buyer during the term.

Upon execution of an opening deal related to a repo transaction without the CCP, carried out by the "automatic" method, the subject of the repo transaction is written off from the repo seller's account in the Central Depository, credited to the repo buyer's account in the Central Depository and blocked there. At the same time, the securities that are the subject of this operation cannot be objects of civil right deals on the part of the repo buyer during its term.

34. If, during the term of a repo transaction without a CCP carried out in an "automatic" way, the register of securities that are the subject of this transaction is recorded, payments are accrued and made on these securities (dividends or coupons - hereinafter referred to in the text of the Rules as payments on securities) is carried out in favor of the repo seller by the Central Depository.

Accruals and payments on securities that are the object of transactions with a CCP, including those that are the subject of repo transactions with a CCP, are made by a paying agent to a holder of the securities, whose ownership on the date of recording such securities were, among other things, in the personal account with the Central Depository on KASE section.

Transfer of payment on securities that are the subject of a repo transaction with a CCP from the repo buyer to the repo seller is carried out by the clearing organization subject to its internal documents.

The Exchange is not liable to the repo seller in connection with a failure to discharge obligations to transfer payment on securities.

(This item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023)

35. *(This item was excluded by a decision of the Exchange's Board of Directors dated 26 July of 2023).*

36. If the closing date falls on a non-working (day-off or holiday) day, the closing deal is executed on the first business day following this date (taking into account the maximum term of the repo transaction). If the maximum term of the repo transaction is exceeded, the closing deal is executed the day before the day which is non-working (day-off or holiday). At the same time, the trading and clearing system automatically recalculates the amount of the repo closing deal based on the actual duration of this transaction.

37. The procedure of making transfers to settlements and execution of repo transactions with the CCP in the interests of the client, the user of the control and collateral system, is established by the Exchange's internal document determining the procedure of concluding transactions on the stock market, settlements for which are carried out on a net basis.

38. If, when executing a repo opening deal related to a repo transaction without the CCP, trading and clearing accounts are used, controlled through the control and collateral system, the execution of this transaction is made only after receiving messages about its confirmation through the control and collateral system.

A message on confirmation of the repo opening deal must be sent to the trading and clearing system by the user of the control and collateral system no later than the time established by the Exchange's internal document defining the main parameters of the procedure for conducting trades in financial instruments. At that, the submission or refusal to submit the said message within the specified period is, respectively, the confirmation of the user of the control and collateral system or his refusal to confirm the repo opening deal.

Execution of the close deal related to a repo transaction without the CCP does not require confirmation by the user of the control and collateral system, if during the execution of this repo close deal the trading accounts controlled through the control and collateral system, are used.

39. In order to ensure the execution of repo closing deals related to repo transactions without the CCP, on the day falling on the repo deal closing date, before the end of the trading session, during which this deal must be executed, the repo transaction's participants with the closing date that falls on that day, must send execution reports to the trading and clearing system.

40. If one of the participants of a repo transaction without the CCP fails to fulfill the requirements of item 39 of these Rules, the repo closing deal shall be deemed unexecuted and the provisions established by items 51 and 52 of these Rules shall apply to such deal.

41. If the user of the control and collateral system does not confirm a repo opening deal related to a repo transaction without the CCP in accordance with paragraph one of item 38 of these Rules, such deal is executed at the expense of the responsible participant of the repo transaction on the day of conclusion of the opening deal in accordance with the procedure, established by item 42 of these Rules.

41-1. In case of non-fulfillment of obligations under a repo opening/closing transaction without the CCP, the guilty party has the right, at its own discretion, to carry out repeated settlements on it.

Repeated settlements on an unexecuted repo opening/closing transaction without the CCP are carried out by a decision of the guilty party sent to the Exchange's trading and clearing system:

- 1) within one hour from the moment of such non-execution, but within the time limits of trading on repo transactions without the CCP and no later than 10 minutes before their completion without obtaining the consent of the affected party;
- 2) within the Exchange's business day, provided that the Exchange receives a message via the trading and clearing system from the affected party about its consent to such repeated settlements.

(This item was included by a decision of the Exchange's Board of Directors dated December 15, 2021)

42. The execution of the repo transaction without the CCP by the responsible participant of the repo transaction at his own expense in accordance with item 41 of these Rules is carried out on the day of conclusion of such opening deal before the end of the trading time for repo transactions in the following order:
- 1) the responsible participant of the repo transaction provides the Exchange with a letter in a deliberate form on the consent to perform a repeated repo transaction, which was not previously confirmed by the user of the control and collateral system, at his own expense;
 - 2) after receiving a letter in accordance with sub-item 1) of this item, the Exchange conducts negotiations with the affected participant of this transaction, and in case of his consent to carry out a repeated repo transaction, the affected trading participant sends to the Exchange a letter in a deliberate form on his consent to disclose confidential information to the responsible trading participant as on who the affected party is;
 - 3) after receiving the letters provided for by sub-items 1) and 2) of this item, the Exchange informs the responsible participant of the repo transaction the information as on who the affected party is;
 - 4) the responsible participant of the repo transaction submits to the trading and clearing system a direct order for execution of the repo transaction to the affected party, the execution of which will be carried out at the own expense of such responsible participant of the repo transaction.
43. In case of non-fulfillment by a repo transaction participant of requirements of:
- 1) sub-item 1) of item 42 of these Rules, a repo opening deal is recognized as unexecuted and the provisions established by item 50 of these Rules apply to such deal;
 - 2) sub-item 2) of item 42 of these Rules, a repo opening deal is recognized as unexecuted and the provisions established by item 53 of these Rules apply to such deal.

Chapter 5. CHANGING THE DATE OF THE REPO CLOSING DEAL

44. It is allowed to change the repo closing date, with the following exceptions:
- 1) it is prohibited to extend the term of a repo transaction performed by any of the available methods;
 - 2) it is prohibited to change the term of a repo transaction carried out by the "automatic" method.

(This item was changed by a decision of the Exchange's Board of Directors dated June 9, 2020)

45. To change the closing date of a repo carried out by the "nego" method, the participants of the repo transaction send to the trading and clearing system a request for early execution of the closing deal, while the closing date of the repo is considered changed only in case of confirmation of such changes by both participants of this transaction. When the repo closing date is changed, the fulfillment of obligations under the repo closing deal is carried over from the initial date of its execution to the current date.

Actions to change the repo closing date can be performed on any trading day, except for the days when the repo opening and closing deals are executed.

Sending by a repo transaction's participant of a request for early execution of a repo closing deal with a new execution date is the ground for the repo transaction's participants to execute the closing deal on the new date.

(This item was changed by a decision of the Exchange's Board of Directors dated June 9, 2020)

46. In case of early execution of a repo closing deal related to a repo transaction with the CCP, the trading and clearing system checks such closing deals for the sufficiency of collateral based on the value of the single limit and for compliance with the prohibition of unsecured purchases and/or prohibition of short sales.

47. *(This item was excluded by a decision of the Exchange's Board of Directors dated June 9, 2020).*
48. It is prohibited to replace the subject of a repo transaction carried out by the "nego" or "automatic" method with another.
49. The clearing organization transfers information to the Central Depository subject to its internal documents (order, notification of a repo closing transaction, parameters of which were changed subject to clause 45 of these Rules) - on an actual day of execution of this transaction *(this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023).*

Chapter 6. RESPONSIBILITY OF THE REPO TRANSACTION'S PARTICIPANTS. DISPUTES AND CONFLICTS

50. In case of non-fulfillment of obligations on a repo opening deal by a participant of a repo transaction without the CCP (hereinafter in this item – the affected participant):
 - 1) this repo opening deal is recognized as unexecuted;
 - 2) the closing deal related to this transaction is automatically canceled and removed from the trading and clearing system;
 - 3) the affected participant is obliged to pay in favor of another participant of this transaction a forfeit in the amount of 0.1 % of the exact amount of the unexecuted repo opening deal (if the affected participant has a claim for payment of this forfeit);
 - 4) the affected participant is obliged to pay to the Exchange the full amount of the commission fee charged on this transaction (including for its other participant).
51. In case of non-fulfillment on the repo closing date of obligations on the closing deal by any of the participants of the repo transaction without the CCP, carried out by the "nego" method (hereinafter in this item – the affected participant):
 - 1) the closing deal is recognized as unexecuted;
 - 2) the guilty participant is obliged to pay to the Exchange the full amount of the commission fee charged for this transaction (including for the affected participant);
 - 3) The Exchange, no later than two working days after the failure to execute the closing deal notifies the participants of the closing deal about its failure to complete it.

At that, the affected participant receives the right to claim, in the manner prescribed by the laws of the Republic of Kazakhstan and the Exchange's internal documents, the recovery of losses from the guilty participant in full in excess of said forfeit.
52. In case of non-fulfillment of obligations under an automatic repo closing deal on the closing date by any of the participants of the repo transaction without the CCP (hereinafter in this item – the guilty participant):
 - 1) this repo closing deal is recognized as unexecuted;
 - 2) the blocking is removed from the subject of the repo transaction and it can be an object of civil transactions on the part of the repo buyer;
 - 3) the guilty participant is obliged to pay to the Exchange the full amount of the commission fee charged on this transaction (including for its other participant);
 - 4) another participant of this transaction does not have the right to claim payment of any losses and forfeits to him;
 - 5) The exchange, no later than two business days after receiving from the clearing organization a report on execution of a summary statement, notifies in writing the participants in the repo transaction about release of the block on the subject of the repo transaction *(this sub-item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023).*

53. In case of refusal by any of the participants of the repo transaction without the CCP (hereinafter in this clause – the affected participant) to re-execute the repo transaction:
 - 1) the opening deal related to this operation is recognized as unexecuted;
 - 2) the closing deal related to this transaction is automatically canceled and removed from the trading and clearing system;
 - 3) the affected participant does not have the right to demand payment of any losses and forfeit to him;
 - 4) the affected participant is obliged to pay to the Exchange the full amount of the commission fee charged on this transaction (including for the repo buyer).
 54. In case of repeated execution of a repo transaction without the CCP, the guilty trading participant is subject to a penalty in the amount of 10 monthly calculation indexes – if the repo transaction participant has committed more than two cases of repeated execution of repo transactions on opening deals within 30 calendar days.
 - 54-1. In case of repeated settlements on a repo opening/closing transaction without the CCP in accordance with sub-item 2) of item 41-1 of these Rules, the Exchange applies the following sanctions to the guilty trading participant:
 - 1) warning – if a trading participant committed one case of repeated settlements on a repo opening/closing deal without the CCP during one trading day;
 - 2) a penalty in the amount of 10 times the monthly calculation index – if the trading participant committed two or more cases of repeated settlements on a repo opening/closing deal without the CCP during one trading day.
- (This item was included by a decision of the Exchange's Board of Directors dated December 15, 2021)*
55. If, on the settlement day, the affected participant of a repo transaction without the CCP refused to re-settle the repo transaction or did not send a message to the trading and clearing system about the consent to re-settle the repo transaction, he has no right to claim payments of any penalty from the affected party.
 56. Cases of a failure by the parties to discharge their obligations arising from repo transactions with the CCP shall be settled subject to the procedures to settle defaults subject to the internal documents of the clearing organization *(this item was changed by a decision of the Exchange's Board of Directors dated 26 July of 2023)*.
 57. The Management Board of the Exchange has the right to exclude a participant of a repo transaction without the CCP who has not fulfilled (not fully or untimely fulfilled) his obligations to execute the closing deal related to this transaction, from members of the Exchange in all categories.
 58. The repo transaction participant bears full responsibility in accordance with the laws of the Republic of Kazakhstan and internal documents of the Exchange for consequences of violation of the obligation established in the first paragraph of item 14 of these Rules.

Chairperson of the Management Board

A. Aldambergen