KASE CLEARING CENTER JSC

A p p r o v e d

. by decision of the Board of Directors of
KASE Clearing Center JSC

(minutes of the meeting
dated July 25, 2023 No. 10)

Effective

from a date of start of activities of
KASE Clearing Center JSC

METHODOLOGY

for determination of settlement prices of securities

Almaty City

2023

This Methodology for determination of settlement prices of securities (hereinafter referred to as the Methodology) establishes a procedure for evaluation of securities:

1) to determine settlement prices of financial instruments of the stock market used by KASE Clearing Center JSC (hereinafter referred to as the Clearing Center) when carrying out clearing activities under deals with financial instruments (as this activity is defined by the Securities Market Law of the Republic of Kazakhstan), including those used to determine a value of securities that are the subject of repo deals;

2) for other purposes provided for by the internal documents of the Clearing Center.

Chapter 1. GENERAL PROVISIONS

1. The Methodology uses notions provided for by the laws of the Republic of Kazakhstan as well as the following notions:

1) **base rate** – a rate of a foreign currency to the tenge as determined subject to the internal documents of the Clearing Center "Methodology for determination of risk parameters of financial instruments" (hereinafter referred to as the Risk Parameter Methodology) based on results of trades on the day on which evaluation of the securities is made;

2) **Exchange** – Kazakhstan Stock Exchange JSC;

3) **GS** – (depending on the context) a government security or government securities;

4) **Group of bonds** – grouped bonds of different issues for calculation of Z-spread;

5) **Committee** – the Market Risk Committee, a permanent collegial body under the Management Board of the Clearing Center established by a decision of the Management Board of the Clearing Center, task of which is to analyze, monitor, identify and manage risks associated with a situation on the financial markets, procedure for formation and implementation of which is determined by an internal document of the Clearing Center;

6) **MCI** – a minimum calculated indicator;

7) **MFO** – an international financial organization (international financial organizations);

8) **Authorized body** – a public authority for regulation and development of the financial market;

9) **Authorized subdivision** – a structural subdivision of the Exchange, functions of which include calculation, determination and monitoring of risk parameters of financial instruments when making deals with which the Clearing Center carries out the clearing activities;

10) **max_deals/orders** – a fundamental risk parameter approved by the Committee, which determines a maximum number of the most recent deals and/or orders that will be used when forming samplings of orders or deals in order to determine the settlement prices of securities;

11) **MRPVolume** – a fundamental risk parameter approved by the Committee, which determines a multiplier of the MCI size when determining a minimum amount of an order or a deal when forming samplings of orders or deals in order to determine the settlement prices of securities;

12) **Period** – a fundamental risk parameter approved by the Committee, which determines depth of a sampling in calendar days that lags behind the evaluation date;

13) **timeorders** – a fundamental risk parameter approved by the Committee, which determines the minimum time in minutes that must pass from the moment an order is submitted until it is withdrawn either by a trading participant or by the trading system in connection with the closing of trades that is used to form samplings of orders to determine settlement prices of securities;

14) **Z-spread** – a spread of bond yield to risk-free bond yield curve in the par currency.

2. For purposes of the Methodology:

1) evaluation of securities shall mean both their initial evaluation and subsequent revaluation of securities;

2) “net” price shall mean a price of a debt security ignoring an accumulated but unpaid coupon interest on the security;

3) “dirty” price shall mean a price of a debt security taking into account an accumulated but unpaid coupon interest on the security;

4) quotation price of securities of any denomination shall mean a purchase or sale price of securities of this denomination as specified in the quotation.

3. Result of evaluation of a security shall be its settlement price as determined subject to Chapters 2 and/or 3 of the Methodology.

4. The Clearing Center shall not evaluate financial instruments for which the Clearing Center does not carry out the clearing activities.

5. Evaluation of shares or securities of investment funds or derivative securities, including ETFs, shall be carried out in Kazakhstan tenge.

   Bonds shall be evaluated:

   – at “net” prices, if the bonds are traded at “net” prices subject to an internal document of the Exchange regulating the methodology for calculation of the yield of bonds and the amounts of deals with bonds expressed in Kazakhstan tenge;

   – at “dirty” prices, if bonds are traded “at dirty prices” subject to the internal document of the Exchange regulating the methodology for calculation of the yield of bonds and the amounts of deals with bonds, expressed in Kazakhstan tenge.

6. Evaluation of securities subject to the Methodology shall be carried out every business day after the close of trades on the stock market of that day. Prices determined as a result of the evaluation shall be valid until the end of the next business day.

7. The Clearing Center shall not be responsible for accuracy of the data received by the Clearing Center from third-party sources and used by the Clearing Center to evaluate securities, nor it shall be responsible for results of such evaluation and for consequences of their use other than those directly related to the purposes specified in sub-clause 1) of the preamble of the Methodology.

8. The Clearing Center shall post settlement prices of securities on its official Internet resource on a daily basis.

Chapter 2. EVALUATION OF GOVERNMENT SECURITIES OF THE REPUBLIC OF KAZAKHSTAN

9. For the purpose of evaluation, government securities of the Republic of Kazakhstan shall be divided into the following groups:

1) the first group – international securities of the Ministry of Finance of the Republic of Kazakhstan issued subject to the laws of states other than the Republic of Kazakhstan;

2) the second group – non-indexed government securities of the Republic of Kazakhstan denominated in Kazakhstan tenge, with a fixed coupon rate (for example, MEOKAM, MEUKAM); non-indexed discount government securities of the Republic of Kazakhstan denominated in Kazakhstan tenge (for example, MEKKAM, notes of the National Bank of the Republic of Kazakhstan);

3) the third group – government securities of the Republic of Kazakhstan denominated in Kazakhstan tenge, coupon rate of which is indexed to the inflation rate in Kazakhstan (for example, MEUJKAM);

4) the fourth group – government securities of the Republic of Kazakhstan denominated in foreign currency; government securities of the Republic of Kazakhstan denominated in Kazakhstan tenge, indexed by the level of change in the tenge exchange rate to any foreign currency (for example, MAOKAM);

5) the fifth group – securities of local executive bodies of the Republic of Kazakhstan.

10. Settlement price of government securities of any denomination included in the third group shall be calculated using the following formula:

$$P = (\sum_{i}^{n} \frac{\frac{K_i}{m_i}}{\left(1+\frac{Y}{100m_i}\right)^{m_i F_i}} + \frac{100}{\left(1+\frac{Y}{100m}\right)^{m_i F_i}}) - C, \text{ where}$$

P – a settlement “net” price of the bond as a percentage of its face value;

i – a serial number of the coupon period, starting from the current coupon period;

n – a number of coupon periods in the bond’s circulation period;

mi – a basic coefficient calculated as a ratio of duration of a settlement year in days established for a security of a given name to the duration of the coupon period in days;

Fi – a coefficient calculated as a ratio of duration of a settlement year established for a security of a given name in days to the number of days between the established date of execution of the bond deal and the date of payment of the next coupon on it;

Y – bond yield in percents per annum calculated as a sum of the fixed annual coupon rate, which was determined when placing government securities of this denomination, and the inflation index for the last 12 months, for which values of consumer price indices are known; in this case, calculation of the inflation index shall be carried out in a manner similar to that established by clause 79 of the Rules for issue, placement, circulation, servicing and repayment of government treasury obligations of the Republic of Kazakhstan as approved by Decree of the Government of the Republic of Kazakhstan dated April 3, 2009 No. 466;

Ki – a coupon rate equal to the yield of bond Y;

C – an amount of accumulated interest for the current coupon period.

11. Settlement price of government securities of any denomination from among the government securities of the Republic of Kazakhstan, included in the first, fourth or fifth group, shall be calculated in manner similar to calculation of settlement prices applicable to non-government issue-grade securities subject to Chapter 3 of the Methodology.

12. Settlement prices for government securities of the Republic of Kazakhstan included in the second group shall be calculated subject to the internal document of the Exchange regulating the methodology for determination of the yield function of government securities of the Republic of Kazakhstan.

Chapter 3. EVALUATION OF NON-GOVERNMENT ISSUE-GRADE SECURITIES AND FOREIGN GOVERNMENT SECURITIES

13. For each security of any name j to be evaluated (hereinafter referred to as j), a set of purchase and sale deals closed on the last trading day on the Exchange using the continuous counter auction method shall be formed.

    From each set of deals for each security j, samplings shall be formed, each of which shall satisfy the following conditions:

    – all deals in the sampling have the same settlement date T and settlement currency VAL;

    – the amount of each deal in the sampling is equal to or exceeds the value equal to MRP*MRPVolume;

    – the most recent deals in time are selected in an amount not exceeding the set max_deals/orders value.

14. For each security of any name j to be evaluated, a set of buy orders and a set of sell orders submitted on the last trading day on the Exchange using the continuous counter auction method shall be formed.

From each set of applications for each security j, samplings shall be formed, each of which shall meet the following conditions:

– all orders in the sampling have the same settlement date T and settlement currency VAL;

– the amount of each application in the sampling is equal to or exceeds the value equal to MRP*MRPVolume;

– the sampling does not take into account applications validity period of which is less than the established timeorders;

– the orders that are the latest in time are selected in an amount not exceeding the specified max_deals/orders value;

– buy orders are selected where their yield exceeds or is equal to the parameter $G_{curr}(\mathrm{t})$ of the risk-free bond yield curve in the par currency for the corresponding maturity date of bond j.

15. Weighted average prices shall be calculated for each sampling of deals with common parameters (j,T,VAL) and/or buy orders with common parameters (j,T,VAL), and/or sell orders with common parameters (j,T, VAL) using the following formulas:

$$Pwa(j,T,VAL)=\frac{\sum_{i=1}^{n}(V_i \times P_i)}{\sum_{i=1}^{n} V_i}, \text{ where}$$

Pwa(j,T,VAL) – a weighted average price of deals under the sampling of deals (j,T,VAL);

n – an actual number of deals in the sampling selected subject to clause 16 of the Methodology;

Vi – an amount of the i-th deal in the sampling;

Pi – a value of the i-th deal price in the sampling;

$$ASK_{wa}(j,T,VAL)=\frac{\sum_{i=1}^{n}(V_i \times ASK_i)}{\sum_{i=1}^{n} V_i}, \text{ where}$$

ASKwa(j,T,VAL) – a weighted average price of sell orders under sampling of sell orders (j,T,VAL);

n – an actual number of sell orders in the sampling selected subject to clause 16 of this Methodology;

Vi – an amount of the i-th sell order in the sampling;

ASKi – a value of the price of the i-th sell order in the sampling;

$$BID_{wa}(j,T,VAL)=\frac{\sum_{i=1}^{n}(V_i \times BID_i)}{\sum_{i=1}^{n} V_i}, \text{ where}$$

BIDwa(j,T,VAL) – a weighted average buy order price for a sampling of buy orders (j,T,VAL);

n – an actual number of buy orders in the sampling, selected subject to clause 16 of the Methodology;

Vi – an amount of the i-th buy order in the sampling;

BIDi – a value of the price of the i-th buy order in the sample.

16. Settlement price of bond j $P_{sttlmnt}$ from those listed on the Exchange and traded at “net” prices shall be calculated using the following algorithm:

1) the aggregated “net” price of bond j shall be calculated based on the calculated weighted average deal prices under samplings of this bond with different settlement dates T and

settlement currencies VAL by reducing these prices to date T0 and volumes to tenge using the following formula:

$$Paggr_j = \frac{\sum \frac{Pwa(j,T,VAL)}{1+\frac{(T-T0)\times RepoInd_T}{365}} \times VOLUMEkzt(j,T,VAL)}{\sum VOLUMEkzt(j,T,VAL)};$$

the best buy price and the best sell price for bond j shall be determined based on the calculated average weighted prices of buy orders and weighted average prices of sell orders under samplings with this bond with different settlement dates T and settlement currencies VAL by reducing these prices to date T0 according to the following formulas:

$$BIDbest_j = max_{j,T,VAL}\left[(1+\frac{BIDwa(j,T,VAL)}{\frac{(T-T0)\times RepoInd_T}{365}})\right],$$

$$ASKbest_j = min_{j,T,VAL}\left[(1+\frac{ASKwa(j,T,VAL)}{\frac{(T-T0)\times RepoInd_T}{365}})\right], \text{ where}$$

Paggr – an aggregated “net” price of bond j;

$RepoInd_T$ – an indicative repo rate for settlement date T. Risk parameter calculated subject to the Risk Parameters Methodology;

ASKbest – price of the best offer for bond j;

BIDbest – best bid price for bond j;

T0 – current trades date on which samplings of deals and orders were formed;

VOLUMEkzt(j,T,VAL) – a total volume of deals under sampling of the most recent deals (j,T,VAL), expressed in tenge. If the VAL settlement currency is different from the tenge, the base rate shall be used to convert to tenge;

2) the best bid price BIDbest and the best offer price ASKbest for bond j shall be adjusted to external data at the prices of buy orders (BIDext) and at the prices of sell orders (ASKext) according to the following formula:

$$BID = max(BIDbest, BID_{EXT});$$

$$ASK = min(ASKbest, ASK_{EXT}).$$

The settlement price of the bond $P_{sttlmnt}$ shall be determined to be equal to:

– if there are *BID and ASK, and Paggr:*

$$P_{sttlmnt} = mid(BID, P_{aggr}, ASK), \text{ where}$$

mid – a median calculation function;

– if there are BID and Paggr:

$$P_{sttlmnt} = max(P_{aggr}, BID);$$

– if there are *ASK and Paggr*:

$$P_{sttlmnt} = min(P_{aggr}, ASK);$$

3) if it is not possible to calculate $P_{sttlmnt}$ for a bond of any name subject to sub-clause 2) of this clause, the settlement price shall be determined based on the use of the Z-spread determined for the Bond Group, which includes this bond j.

Composition of Bond Groups shall be approved and reviewed by the Committee in the manner determined by the Risk Parameters Methodology.

Determination of the settlement price of the bond based on the use of the Z-spread shall be carried out in the following sequence:

3-1) the Z-yield spread is calculated for each bond j included into a specific Group of bonds, based on the latest values of the profitability of deals or buy orders concluded during the established sampling period Period, as a solution to the following equation:

$$Z_j = \begin{cases} \emptyset \text{ if } curr \stackrel{\text{def}}{=} KZT, \text{and } Y_{last\,j} - G_{curr}(\mathrm{t}) < 0 \\ Y_{last\,j} - G_{curr}(\mathrm{t}), \end{cases},$$

Y_last_j – the last yield of bond j for the specified sampling period Period to determined in the following order:

in case of the “clean price” of the last deal (Last_Price), received from the information agencies Refinitiv or Bloomberg, the last yield shall be determined based on the Last_Price value subject to the internal document of the Exchange regulating the methodology for calculation of the yield of bonds and the amounts of deals with bonds;

otherwise, the last yield of the bond shall be determined to be equal to the yield of the last deal or, in the absence of it, the yield of the last buy order based on trading data on the Exchange. When selecting deals or buy orders concluded during the specified sampling period Period, deals the size of which is equal to or exceeds a value equal to MRP*MRPVolume, or orders the size of which is equal to or exceeds a value equal to MRP*MRPVolume shall be taken into account and validity period of which is greater than the established period of timeorders;

$G_{curr}(\mathrm{t})$ – value of the risk-free bond yield curve in par currency to be determined for the day of the last deal or the last application to purchase bond j, for the corresponding maturity of bond j calculated subject to the Risk Parameters Methodology;

Z_j – Z-spread on bond j;

3-2) weight coefficient Wj shall be calculated for each bond j included into a specific Bond Group, based on parameters of the last deal or order used to determine the latest yield of bond j using the following formula:

$$W_j = \frac{q^{-(a_i+1)/(\max(a_i)+1)} * \ln \mathrm{vol}_i}{\sum_{i=1}^{Bn} q^{-(a_i+1)/(\max(a_i)+1)} * \ln \mathrm{vol}_i}, \text{ where}$$

i – a serial number of the deal with bond j included in the Bond Group;

$\ln \mathrm{vol}_i$ – natural logarithm of volume of the last deal on bond j included in the Bond Group;

a_i – a number of days from the moment of the last deal on bond j until the day the parameter W_j was formed;

$\max(a_i)$ – a maximum number of days from the moment the last deal on bond j was closed until the day the Wi parameter was formed;

Bn – a number of bonds included in the Bond Group;

q – a minimum number of deals for the Bond Group;

When using data obtained from Refinitiv or Bloomberg news agencies, the Wj parameter shall not be calculated and shall be equal to 1.

3-3) Z-spread shall be calculated for the Bond Group (Z_{wa}) by finding the smallest standard deviation using a grid of possible values of the parameter Z_{wa} [-100;100] according to the formula:

$$argmin_{Z_{wa}} \left(\sum_{j=1}^{k}(Y\_last_j - (G_{curr}(\mathrm{t}) + Z_{wa}))^2 * W_j\right), \text{ where:}$$

W_j – weighting coefficient for the j-th bond included in the Bond Group;

argmin – algorithm for minimizing the standard deviation using the simple iteration method, taking into account the lattice of solutions;

Z_{wa} – Z-spread for the Bond Group;

k – a number of bonds included in the Bond Group;

3-4) theoretical prices P_{theor} for each bond j included in Bond Group shall be calculated using Zwa Bond Group using the following formula:

$$P_{theor} = \left(\sum_t \frac{cashFl\ ow(t)}{(1+(EXP(G_{curr}(\mathrm{t})-1)+Z_{wa})^t}\right) - \mathrm{ACY}, \text{ where:}$$

CashFlow (t) – a future cash flow on the bond in the par currency (coupon payment, amortization, principal amount);

G_{curr}(t) – value of the risk-free bond yield curve in the par currency calculated subject to the Risk Parameters Methodology;

Z_j – Z-spread on bond j;

EXP – a function that calculates an exponent of a number.

In relation to MFO bonds denominated in Kazakhstan tenge and indexed by the inflation level of the Republic of Kazakhstan, for which the amount of the coupon interest for the next coupon period is not known to the Clearing Center before start of the next coupon period, value of Zwa shall be equal to zero;

If it is not possible to determine the Zwa value based on the data subject to sub-clauses 3-1) – 3-3) of this clause, he Clearing Center shall have the right to use, in order to calculate Zwa, available data on primary placements and/or additional placements of corporate bonds and microfinance organizations for each relevant bond j, while the Period parameter is not be used, the sampling depth shall be determined no earlier than April 4, 2011.

3-5) settlement price of the bond $P_{sttlmnt}$ shall be determined to be equal to:

– if there are *BID and ASK, and* P_{theor}*:*

$$P_{sttlmnt}=\mathrm{mid}(BID,P_{theor},ASK), \text{ where}$$

mid – a median calculation function;

– if there are *BID and* P_{theor}:

$$P_{sttlmnt}=\max(P_{theor},BID);$$

– if there are *ASK and* P_{theor}:

$$P_{sttlmnt}=\min(P_{theor},ASK);$$

– if there is only P_{theor}:

$$P_{sttlmnt}=P_{theor};$$

In relation to the MFO bonds denominated in Kazakhstan tenge and indexed by the inflation level of the Republic of Kazakhstan, for which the amount of the coupon interest

for the next coupon period is not known to the Clearing Center before the start of the next coupon period, the value $P_{sttlmnt}=P_{theor}$;

3-6) if there are no data to determine the settlement price of a $P_{sttlmnt}$ bond subject to part 3-5) of this clause, the settlement price of such bond shall be determined to be equal to 100%.

17. Settlement price $P_{sttlmnt}$ of shares or securities of investment funds or derivative securities, including ETFs, or bonds traded in "dirty prices" (hereinafter referred to as equity securities) of any name, shall be calculated in the following order:

1) weighted average prices of deals, weighted average prices of buy orders, weighted average prices of sell orders, calculated samplings of equity securities, as well as the total volumes of deals for these samplings, expressed in different currencies, shall be brought to the corresponding values in tenge using base rates:

$$Pkzt(j,T,VAL)=Pwa(j,T,VAL)\times Rc(VAL)$$

$$ASKkzt(j,T,VAL)=ASK_{wa}(j,T,VAL)\times Rc(VAL)$$

$$BIDkzt(j,T,VAL)=BID_{wa}(j,T,VAL)\times Rc(VAL)$$

$$VOLUMEkzt(j,T,VAL)=VOLUME(j,T,VAL)\times Rc(VAL), \text{ where}$$

Pkzt(j,T,VAL) – a weighted average price of deals in tenge under sampling;

ASKkzt(j,T,VAL) – a weighted average price of sell orders in tenge under sampling;

BIDkzt(j,T,VAL) – a weighted average price of buy orders in tenge under sampling;

VOLUMEkzt(j,T,VAL) – a total volume of deals under sampling of the most recent deals (j,T,VAL), expressed in tenge;

Rc(VAL) – a base exchange rate of foreign currency to tenge determined as of the evaluation date subject to the Risk Parameters Methodology. If the settlement currency VAL is tenge Rc(VAL)=1;

2) aggregated price of an equity security of any name j shall be calculated based on calculated weighted average prices of deals in tenge under samplings with this equity security with different dates and currencies of settlement by reducing these prices to date T0 and volumes to tenge using the following formula:

$$Paggr_j=\frac{\sum \frac{Pkzt(j,T,VAL)}{1+\frac{(T-T0)\times RepoInd_T}{365}}\times VOLUMEkzt(j,T,VAL)}{\sum VOLUMEkzt(j,T,VAL)};$$

the best buy price and the best sell price for equity security j shall be determined based on the calculated weighted average prices of buy orders in tenge and the weighted average prices of sell orders in tenge under samplings with this security with different dates and settlement currencies by reducing these prices to date T0 using the following formulas:

$$BIDbest_j=\max_{j,T,VAL}\left[\left(1+\frac{\frac{BIDkzt(j,T,VAL)}{(T-T0)\times RepoInd_T}}{365}\right)\right],$$

$$ASKbest_j=\min_{j,T,VAL}\left[\left(1+\frac{\frac{ASKkzt(j,T,VAL)}{(T-T0)\times RepoInd_T}}{365}\right)\right], \text{ where}$$

Paggr – an aggregated price of the share price of security j;

$RepoInd_T$ – an indicative repo rate for settlement date T. Risk parameter calculated subject to the Risk Parameters Methodology;

ASKbest – a price of the best offer for equity security j;

BIDbest – the best bid price for equity security j;

T0 – a current trades date on which samplings of deals and orders were formed;

3) the best bid price BIDbest and the best offer price ASKbest shall be adjusted for external data at the prices of the buy orders (BIDext) and at the prices of the sell orders (ASKext) according to the following formula:

$$BID=\max(BIDbest,BID_{EXT}),$$

$$ASK=\min(ASKbest,ASK_{EXT}),$$

If parameters $\mathrm{BID}_{\mathrm{EXT_i}}$ and $\mathrm{ASK}_{\mathrm{EXT_i}}$ are set in a currency other than tenge, then when determining the BID and ASK values using external data, a conversion shall be made in tenge at the base foreign currency rate to the tenge at the time of loading the order data. In the absence of a base rate of foreign currency to the tenge, the rate of the National Bank of the Republic of Kazakhstan shall be used to convert values into tenge;

In case of using the external data to determine the BID and/or ASK parameters for bonds traded at "dirty" prices, the corresponding values of BID_{EXT} or ASK_{EXT} at "dirty" prices obtained from external information systems are used.

4) settlement price of the equity security $P_{sttlmnt}$ shall be determined to be equal to:

– if there are BID and ASK and Paggr:

$$P_{sttlmnt}=mid(BID,Paggr,ASK)$$

mid – a median calculation function;

– if there are BID and Paggr:

$$P_{sttlmnt}=\max(Paggr,BID);$$

– if there are ASK and Paggr:

$$P_{sttlmnt}=\min(Paggr,ASK);$$

– if there are *BID and ASK*:

$$P_{sttlmnt}=\frac{(BID+ASK)}{2};$$

5) if there are no data to determine settlement price $P_{sttlmnt}$ subject to clause 4 of this clause, the settlement price of such security shall be determined by the formula:

$$P_{sttlmnt}=P_{sttlmnt_{T-1}};$$

6) if there are no data to determine settlement price $P_{sttlmnt}$ subject to clause 5 of this clause, the settlement price of such security shall be determined in the following order, taking into account the specified sequence:

– based on data received from the security admission initiator to the trades;

– is set equal to – 0.01 tenge.

Chapter 4. SPECIAL POWERS OF THE MARKET RISK COMMITTEE

18. In situations where the settlement prices of any securities determined subject to the Methodology differ significantly from the objective current price level for these securities in the trading system of the Exchange or in the information systems of other exchanges and/or quotation systems (due to occurrence of majeure force circumstances, refusal of market makers to discharge their obligations

to maintain quotes, significant fluctuations in prices on foreign markets, changes in exchange rates or prices on commodity markets, as well as for other possible reasons), the Committee shall have the right to decide on determination of settlement prices for such securities in manner different from that established by this Methodology. In this case, determination of these settlement prices can be carried out within the timeframe established by the Methodology, or within the timeframe established by the Committee.

19. An authorized division of the Clearing Center or any of the members of the Committee shall have the right to initiate use of the powers of the Committee set out in clause 20 of the Methodology. The initiator of the use of this power shall have to present the procedure for determination of the settlement prices which is different from the one established by the Methodology, justification, as well as the possible period of its application (once or over a certain period of time).

20. When the Committee uses its powers established by clause 20 of the Methodology, minutes of its meetings must reflect the reasons for use of these powers and the actions taken by it subject to these powers.

Chapter 5. FINAL PROVISIONS

21. The Methodology shall be updated as necessary, but at least once every three years to be counted from the date this Methodology takes effect.

Chairman of the Management Board Sabitov I.M.