

AIX Central Securities Depository Business Rules

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	determined by the AIX CSD and as set out in the Procedures .
Clearing	means a procedure of calculation of obligations arising from the executed transactions in Admitted Products on AIX and the procedure of preparation for Settlement of Transactions by checking the availability of the required Securities and money
Clearing and Settlement Rules	means Rules for Clearing and Settlement as described in Section 5 of these Rules
Client	means any Person who uses the services of a Participant .
Control	<p>means the ability of one Person or group of Persons Acting in Concert (Person A) (whether or not exercised and whether or not exercisable with or without the consent or concurrence of any other Person) to:</p> <p>(a) control, including control the appointment or removal of, 25% or more of the Persons who have the capacity to determine the outcome of decisions concerning the financial and operating policies of another Person (Person B), and where Person B is a company, includes the ability of Person A to control, including control the appointment and removal of, 25% or more of the Directors of Person B; and/or</p> <p>(b) exercise, or control the exercise of, 50% or more of the legal or beneficial ownership rights in respect of that Person (Person B), and where that Person is a company, includes the ability of Person A to control Persons who hold or control 50% or more equity securities or voting rights in Person B.</p>
Corporate Action	means the actions of the Issuers with respect to security holders such as any action relating to specifying dates for book closures, record dates, dates for payment of interest or dividend, dates for annual general meetings, dates of redemption or Maturity of securities, dates of conversion of debentures, warrants, call money dates, rights issues, bonus shares, consolidations, initial public offerings, private placements, mergers and such other actions taken by the Issuer from time to time.
Corporate Offer	means a takeover offer, scheme of arrangement, amalgamation or other offer acceptance of which would result in disposition or replacement of all or part of a holder's interest in the Admitted Product .
Custodian	means a legal entity who is accepted by the AIX CSD as a Participant after such entity is authorised or recognised by the AFSA to practice any of the custody services provided for in Law, such as keeping an investor's money or securities with regard to investment of securities issued to the public or traded in a financial market that is subject to the AFSA control, or practicing

FOP Instruction	means an instruction where the delivery of Admitted Product is made without a delivery of money
Instruction	means: <ul style="list-style-type: none"> - an instruction given by a Participant in respect to a Transaction and/or in an Account; and/or - an instruction or other action by the Depository in respect of a Transaction and/or an Account;
Insolvent	means, in respect of a Person , the occurrence of any of the following: <ul style="list-style-type: none"> - an application or order is made, or a resolution is passed or proposed for the appointment of an administrator in respect of the liquidation, dissolution or winding up of the Person or the removal from the relevant register of the Person or any action, legal proceedings or other procedure or step is taken in relation to the same; - a liquidator, receiver, manager, statutory manager, trustee, administrator, inspector, or similar official is appointed in respect of a Person or any of its assets, whether by a court, by the Person, by its creditors or otherwise or the Person is declared to be at risk of its Business, or any action, legal proceedings or other procedure or step is taken in relation to the same; - any action, legal proceedings or other procedure or step is taken in relation to: <ul style="list-style-type: none"> • the suspension of payments, a stay or moratorium on payment or recovery of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Person; • a composition, assignment or arrangement for the benefit of or with any creditor or class of creditors of the Person; • the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Person or any of its assets; or - a moratorium or administration is proposed, ordered or arranged; - a Person is unable to, or admits inability to pay its debts as they fall due or is deemed, declared or presumed by

Nominee	means AIX CSD Nominee Limited and/or any other Person appointed as nominee by the AIX CSD from time to time and/or equivalent arrangement (AIX CSD nominee account with other Person).
Notice	means a message that is transmitted by the Depository or a Participant in a manner defined in a Procedure , and “ Notifying ” and “ Notify ” shall be construed accordingly.
Participant	means any Person that has applied to become a Participant in the manner set out in these Rules and any applicable Procedure , and that has been accepted by the AIX CSD and designated by the AIX CSD as a Participant . Subject to the foregoing, and without limitation, it is anticipated that the following type of Persons may be admitted as Participants : <ul style="list-style-type: none"> • trading member of AIX; • Custodian; • central securities depository, and a reference to “ Participation ” shall be interpreted accordingly.
Participation Agreement	means the agreement described as such and entered into between a Participant and the AIX CSD as the same may be amended and/or supplemented from time to time.
Participant Member	means Participant who is a trading member of AIX as defined in AIX Rulebook.
Participant Non-Member	means Participant who is not a trading member of AIX as defined in AIX Rulebook.
Person	means person and includes any individual, body corporate or body unincorporated, including a legal entity, company, partnership, unincorporated association, government or state.
Personnel	means, in relation to a particular Person , an employee of that Person and includes any individual employed by, contracted, seconded, or providing consulting services to, the Person whether it be on a permanent, part-time, casual or temporary basis.
Potential Default Event	means any event or circumstances that, with the giving of notice or the lapse of time or both, would constitute a Default Event .
Procedure	means instruction, specification and/or guideline, issued by AIX CSD and relating to the functioning and operation of the AIX CSD , Participants and/or any other party as the case may be.
Responsible Person	means an individual appointed by a Participant to represent the Participant and perform the functions of a Responsible Person in accordance with these Rules .
Rules	means these AIX Central Securities Depository Business Rules

Transaction	means a transaction resulting from an Instruction given under Rule 4.1.1 and executed in accordance with Rule 4.1.4 , and includes any selling, or buying, or transfer of Admitted Product .
Unprofessional Conduct	<p>a) includes: conduct which amounts to dishonesty or impropriety affecting professional character and which is indicative of a failure to either understand or practice the precepts of honesty or fair dealing; and/or</p> <p>b) unsatisfactory professional conduct, where the conduct involves a substantial or consistent failure to reach and/or maintain reasonable standards of competence and diligence,</p> <p>by a Participant, a Director, any Personnel or other Person who acts (or purports to act) on behalf of that Participant, whether in the conduct of that Participant's Business or in the conduct of any other Business in which the Participant, its Directors, Personnel or other Person is involved.</p>
Uplift	means transfer of legal title to Admitted Product for the purpose of ceasing to have the Admitted Product recorded in the Depository in accordance with the Rule 3.7.3, and a reference to " Uplifted " shall be interpreted accordingly.

1.2 The AIX CSD

1.2.1 The **AFSA** has granted the **AIX CSD** a licence to operate a Clearing House to provide a book-entry Securities Settlement System and to operate a Central Securities Depository as specified and defined in Schedule 3: Market Activities of the **AIFC Framework Regulations**.

1.2.2 The powers of the **AIX CSD** under these **Rules** are in addition to the powers of the **Board** under the **Articles of Association** and at **Law**.

1.2.3 The **AIX CSD** is the operator of a central securities depository and securities settlement system and makes the **Depository** available for the following purposes:

- to enable electronic custody of **Admitted Product**;
- to enable recording of interests in **Admitted Product**;
- to enable **Participants** to discharge delivery and payment obligations for the purposes of **Settlement**;
- to enable **Participants** to settle **Transactions** in **Admitted Product**; and
- to provide other services not inconsistent with these **Rules**.

1.2.4 The **AIX CSD** provides or makes available to the **Participants** services and facilities in the **Depository**:

- for the electronic recording of interests in **Admitted Product**;
- for the electronic transfer of title to Securities that are **Admitted Product**;
- for the electronic **Settlement** of **Transactions** in **Admitted Product**;
- for opening and maintenance of securities **Accounts**, the deposit of securities in such **Accounts**, the withdrawal of securities and the transfer of securities between securities **Accounts** in the **Depository System**;
- the provision of entitlement schedules and other reports in respect of **Account**

1.4 Amendment of Rules

- 1.4.1 Subject to the approval by the **AFSA**, the **AIX CSD** may amend, add to, alter, modify or repeal any of the provisions of these **Rules**.
- 1.4.2 The **AIX CSD** will review those **Rules** at least annually.
- 1.4.3 When reviewing the **Rules**, the **AIX CSD** may consult **Participants** and other users through a user committee. The **Depository** consults with representatives of **Participants** and **Persons** through a user committee on material amendments to the **Rules** that, in its reasonable opinion, may have a material effect on such **Participants** or **Persons**. The tasks, work procedure, governance arrangements and management of the conflicts of interest of a user committee shall be defined by terms of reference and are publicly available on **AIX** web page www.aix.kz.

1.5 Procedures

- 1.5.1 The **Rules** shall be supplemented by **Procedures**.
- 1.5.2 The **AIX CSD** may issue **Procedures** inter alia, with respect to:
- mode of functioning and operation of the **Depository System**;
 - hardware and software required to be installed and maintained by the **Participants**;
 - determination from time to time of fees, system usage charges, deposits and other monies payable to the **AIX CSD** by the **Participants** and other **Person** which use the services of the **AIX CSD**;
 - penalties payable by the **Participants**;
 - procedure for opening, operating and closing **Account**;
 - conduct of **Business** with the **Participants**;
 - communication of information relating to **Transactions** and holdings between the **AIX CSD** and **Participants**, **Issuers**, and/or **Securities Registry**;
 - records and books of account to be maintained by **Participants**;
 - requirements, manner and format for submission of periodic returns by **Participants** to the **AIX CSD** in relation to their activities in connection with the **AIX CSD**;
 - manner and form in which the **Participants** shall maintain continuous electronic means of communication with the **AIX CSD**;
 - the **Business Days** and hours of the **AIX CSD** and the hours of **Business** operations;
 - measures taken by **AIX CSD** to handle **Settlement Fails** and the use of a guarantee fund in order to protect non-failing **Participant**;
 - any other matter as may be decided by the **AIX CSD**.
- 1.5.3 The **AIX CSD** shall have power to repeal, delete, amend and/or alter the **Procedures** or any part thereof or issue new **Procedure** from time to time.
- 1.5.4 If there is any inconsistency between any **Rule** and any **Procedure**, the **Rules** will prevail.

requires;

- references to periods of time include the day on which the period commences and also the day on which the period ends;
- any date that is not a **Business Day**, upon or by which anything is due to be done by any **Person**, will be deemed to be a reference to the next **Business Day** except where otherwise stated;
- a reference to conduct or engaging in conduct includes a reference to doing, refusing to do or omitting to do, any act, including the making of, or the giving effect to a provision of, an agreement. Unless the contrary intention appears, a reference to doing, refusing or omitting to do any act or thing includes a reference to causing, permitting, suffering or authorising the act or thing to be done or the refusal or omission to occur;
- words importing the plural include the singular and vice versa and words importing gender import all genders;
- references to statutes, statutory instruments, decrees, rules of a regulatory authority or provisions thereof shall be construed as references to any of the foregoing as the same may be amended, extended, varied or replaced from time to time;
- a reference to a **Rule** (e.g. **Rule 2.3**) includes a reference to all sub- **Rules** included under that **Rule** (e.g. **Rule 2.3.2**) and a reference to a Section (e.g. Section 2) includes a reference to all **Rules** and sub-**Rule** within that Section of the **Rules**;
- a reference to “writing” includes any record capable of being published, whether or not in electronic form, unless a contrary intention is otherwise specified;
- a reference to conduct or engaging in conduct includes a reference to doing, refusing to do or omitting to do, any act, including the making of, or the giving effect to a provision of, an agreement. Unless the contrary intention appears, a reference to doing, refusing or omitting to do any act or thing includes a reference to causing, permitting, suffering or authorizing the act or thing to be done or the refusal or omission to occur;
- any statement in these **Rules** stated to be to the best of a **Person**’s knowledge or to be so far as a **Person** is aware (or any similar expression) will be deemed to include an additional statement that it has been made after due and careful enquiry by that **Person**.

1.7.2 The referred periods of time, notices or others in the **Rules** shall be calculated according to the local time of Astana unless stated otherwise.

imposed by or pursuant to the **Law** relevant to its activities as a **Participant** and these **Rules**;

- (e) satisfies the **AIX CSD** as to the **Applicant's** technical capacity to be connected to the **Depository System** including satisfaction of such systems testing as may be prescribed by **Procedure**;
- (f) where applicable, has bank accounts and facilities to communicate with the **Settlement Bank** for the purposes of conducting **Settlement** and has advised the **AIX CSD** of the identity of the bank and the appropriate accounts;
- (g) satisfies the **AIX CSD** that the **Applicant** does and will continue to meet the requirements of the **Rules** for **Participant's** continuous obligations;
- (h) pays to the **AIX CSD** any prescribed admission fee;
- (i) has nominated a **Responsible Person** and provided the **AIX CSD** with the name of the **Responsible Person** nominated;
- (j) has provided the names of all **Directors, Personnel** and other **Persons** to whom it proposes to give access to the **Depository System** on its behalf;
- (k) has provided contact details for the **Applicant**, the **Responsible Person** and the **Directors, Personnel** or other **Persons** acting on behalf of the **Applicant**;
- (l) has provided to the **AIX CSD** such information as the **AIX CSD** believes is necessary to enable the **AIX CSD** to comply with its obligations under the legislation for the *Kazakhstan Law On Counteraction of Legitimization (Laundering) of Incomes Received by Illegal Means, and Financing of Terrorism* and the *Joint Order Concerning some issues related to counteracting legalization (laundering) of proceeds obtained through criminal means and financing of terrorism* or any other law or regulation applicable to the **AIX CSD** in any jurisdiction;
- (m) has provided to the **AIX CSD** the address of the location at which the **Participant** will store or maintain records required to be stored or maintained under these **Rules**; and
- (n) has provided such additional information as may be prescribed by **the Procedures** or requested by **AIX CSD**, and
- (o) has completed and submitted a duly authorised signed application form and a **Participation Agreement**.

2.2.3 An **Applicant** must provide to the **AIX CSD** a written enforceable undertaking addressed to the **AIX CSD** that it will:

- (i) submit unconditionally to the jurisdiction of the **AIFC Court** in relation to any disputes, or other proceedings in the **AIFC**, which arise out of or relate to its use of the facilities of the **AIX CSD**; and
- (ii) subject itself to the **AIFC Law** in relation to its use of the facilities of the **AIX CSD**.

2.5 Participant Obligations

2.5.1 A **Participant** must at all times:

- a) comply with, and procure that its **Directors**, **Personnel** and other **Persons** acting on its behalf comply with:
 - (i) these **Rules**, the **Procedures** and the applicable laws;
 - (ii) any decisions, directions and requirements of the **AIX CSD** under the **Rules** or the **Procedures** or of the **Law**;
 - (iii) every other undertaking and agreement between the **Participant** and the **AIX CSD** and/or **Nominee**; and
 - (iv) every other agreement, document, instrument or other obligation created in accordance with the **Rules** or the **Procedures**.
- b) continue to satisfy the requirements of **Rule 2.2.2**;
- c) comply with operational, procedural and technical requirements of the **Depository System** and networks, as specified by the **AIX CSD** by the **Procedures**;
- d) comply with, and procure that each of the **Participant's Directors**, **Personnel** and any other **Persons** acting on its behalf complies with, all law and regulation applicable to it and maintain in full effect and comply with all consents which may be necessary or desirable to enable the **Participant** to carry on the **Business** it proposes to carry on or to enable the performance of its obligations as a **Participant** under these **Rules**;
- e) refrain from any act, omission or course of conduct which is likely to harm the reputation of the **AIX CSD**, threaten the integrity or security of the **AIX CSD** or constitute **Unprofessional Conduct**;
- f) maintain any records that may be prescribed by the **Procedures** for the period prescribed by the **Procedures**; and
- g) ensure the accuracy and completeness of all information or documents provided to the **AIX CSD** by or on behalf of the **Participant**.

2.5.2 A **Participant** shall ensure that only persons with authority to transact **Business** with the **AIX CSD** have access to the **Depository System** or other system by which the **Business** is transacted with the **AIX CSD**.

2.5.3 A **Participant** who is admitted as such by the **AIX CSD** shall be required to pay to the **AIX CSD** such fees, levies and charges imposed by the **AIX CSD** within such time as may be specified by the **AIX CSD**. The **AIX CSD** shall not be obliged to pay any interest to the **Participant** on any sum received by the **AIX CSD** as security or deposit unless otherwise agreed by the **AIX CSD**.

2.5.4 A **Participant** shall preserve all documents such as account opening forms, KYC documents, agreements with **Clients** and instructions received from **Clients** for a period defined by the **AIX CSD**.

- (c) any proposed change in the nature or scope of its **Business** or any proposed cessation of its **Business** as a **Participant**;
- (d) any change in any of the **Directors**, **Personnel** or other **Persons** whom the **Participant** allows, or proposes to allow, to access the **Depository System** on its behalf;
- (e) the change of its name or the name in which it carries on **Business**, or any change in the address at which the **Participant** carries on **Business** or stores or maintains records or other information required to be stored or maintained by these **Rules**; or
- (f) the change to the contact details for the **Participant**, the **Responsible Person** or any **Director**, **Personnel**, agent or other **Person** acting on behalf of the **Participant**, which the **Participant** has previously provided to the **AIX CSD**.

- 2.6.3 If the requirements in the **Rule** 2.6.2 (a) and/or (e) can not be met because the effect of the change is immediately upon an occurrence of an event, the **Participant** must give immediate **Notice** on the change to **AIX CSD**, with written explanation on the reasons that caused the occurrence of the immediate change.
- 2.6.4 The **AIX CSD** may, at any time and in its complete discretion, request in writing any information from a **Participant** to enable the **AIX CSD** to determine whether that **Participant** is complying with all applicable **Rules**, **Procedures** and other Notices or directives given from time to time by the **AIX CSD** or applicable laws and regulations and/or to ensure the **AIX CSD** can carry out its functions and/or comply with any obligations it may have, including under the **Rules**, or as required by law, regulation or directive.
- 2.6.5 A **Participant** may apply in writing to **AIX CSD** for that information of the **Rule** 2.6.1 not to be disclosed to any specific **Persons**. **AIX CSD** will consider such request but is not obliged to accept such request if **AIX CSD** considers that such request would cause it to be in breach of any obligations it may have, including to disclose information to any **Person** under the **Rules** or otherwise.

2.7 Participant's Representations, Warranties and Undertakings

- 2.7.1 Each **Participant** represents, warrants and undertakes to the **AIX CSD** and to its **Nominee** that:
- a) the **Participant** is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, has the power to own its own assets, enter into, and to exercise its rights, and observe, perform and comply with its obligations under the **Rules** and each **Transaction**, and to carry on its **Business** as a **Participant**;
 - b) everything required to be done (including the obtaining of any necessary consents, the declaration of any interests, and the passing of all necessary resolutions) to:
 - (i) enable the **Participant** to lawfully enter into, and to exercise its rights, and observe perform and comply with its obligations under the **Rules** and in respect of each **Instruction** and each **Transaction**; and

authority to act in all of its activities with the **AIX CSD** in relation to such **Client** business, including full authority to bind that **Client** and authorise holding of that **Person's Admitted Product** in the **Depository** in accordance with these **Rules** and in respect of the **Lodgement** or **Uplift** of that **Person's Admitted Product** in accordance with these **Rules**.

- 2.7.2 The representations and warranties of the **Participant** contained in these **Rules** will be deemed to be repeated by the **Participant** on each **Business Day** and immediately prior to the creation of each **Transaction** and each **Lodgement** of **Admitted Product** by reference to the facts and circumstances existing on each such time.
- 2.7.3 Each **Participant** acknowledges that the **AIX CSD** has been induced to accept the **Participant** as a **Participant** and act on **Instructions** in reliance upon the representations, warranties and undertakings contained in the **Rule 2.7.1** and that the **AIX CSD** and the **Nominee** will continue to rely on those representations, warranties and undertakings until all obligations of the **Participant** under these **Rules** have been discharged in full.
- 2.7.4 If a **Participant** becomes aware that any representation, warranty or undertaking of the **Participant** and/or repeated is untrue, inaccurate or misleading or any of the information which it has previously given to the **AIX CSD** or the **Nominee** was incorrect, inaccurate, incomplete, untrue or misleading in any material respect, it must promptly notify the **AIX CSD** in writing and submit the correct information together with an explanation.

2.8 Scope of Obligations and Responsibility for Personnel and other Persons

- 2.8.1 A reference to a **Participant** in these **Rules** extends to and includes, in relation to the obligations of a **Participant** under the **Rules**, all subsidiaries of the **Participant**, to the extent necessary to ensure that the object of any applicable **Rules** or any direction given from time to time by the **AIX CSD** is not frustrated or avoided by reason of the separate legal personality of the **Participants** of a group comprising the **Participant** and its subsidiaries.
- 2.8.2 A **Participant** is responsible for the conduct of the **Participant's Directors, Responsible Person, Personnel** and other **Persons** acting on its behalf for the purposes of and in the course of its activities as a **Participant**. Such conduct will be treated for the purposes of these **Rules** as conduct of the **Participant**.
- 2.8.3 A **Participant** must ensure that all **Persons** that are directly involved in the operation of its **Business** as a **Participant** or are provided with access to the **Depository System** on behalf of the **Participant**:
- (a) are under the supervision and control of the **Responsible Person**; and
 - (b) have, and continue to have, the appropriate training, skills, knowledge, expertise and experience required to perform their respective functions; and
 - (c) are of good reputation, character and integrity.

Participant's Business as a **Participant** and/or its compliance with these **Rules** as prescribed by the **Procedures**;

- (e) procure that all information which the **Responsible Person** gives to the **AIX CSD** is correct, accurate, complete, true and not misleading and if the **Responsible Person** becomes aware that information which he or she has previously given to the **AIX CSD** was incorrect, inaccurate, incomplete, untrue or misleading, promptly notify the **AIX CSD** in writing and submit the amended information together with an explanation; and
- (f) complete any training or continuing education requirements that may be prescribed by the **Procedures**.

2.9.4 In determining an application to be approved as a **Responsible Person**, the **AIX CSD**:

- (a) may have regard to any information available to the **AIX CSD** in whatever form and from whatever source;
- (b) will endeavor to make its decision whether to accept or reject an application for an individual to be a **Responsible Person** within a reasonable time of application receiving a complete application;
- (c) may request an applicant to provide further information, undertake such investigations and seek such information from such other **Persons**, as the **AIX CSD** considers necessary to establish whether the applicant satisfies the requirements of the **Rule 2.9.2**; and
- (d) will notify the applicant and the **Participant** of the outcome of its application.

2.9.5 The **AIX CSD** may (in its absolute discretion) withdraw its approval for an individual to be the **Responsible Person** for the **Participant**, for any reason whatsoever, including if:

- (a) the **AIX CSD** considers that:
 - (i) the **Responsible Person** no longer satisfies any of the requirements set out in the **Rule 2.9.2**;
 - (ii) the **Responsible Person** fails to comply with the obligations set out in the **Rule 2.9.3**; or
 - (iii) the continuation of that individual as the **Responsible Person** for the **Participant** will be detrimental, or reasonably likely to be detrimental, to the wellbeing, proper conduct, stability or integrity of the **AIX CSD**, the **Depository System** or its operations; or
- (b) the rights of the **Participant** are, or are to be, suspended or terminated.

2.9.6 Where a **Responsible Person** of a **Participant** fails to comply with the obligations set out in the **Rules** and the **Procedures**, that **Participant** will also have contravened the **Rules** and the **Procedures**.

on demand by **AIX CSD**, pay, do, procure and/or execute such amounts, acts, documents, matters or things as **AIX CSD** requires to enable **AIX CSD** to perform that obligation.

2.12 Authorised Signatories

- 2.12.1 Each **Participant** must, on being allowed to participate in the **Depository**, provide to **AIX CSD** the names of **Persons** authorised by that **Participant** to give **Notices** and **Instructions** on behalf of that **Participant**. A list of **Authorised Signatories** may indicate that any authorised signature may be a facsimile, an email address or electronic signature, whether affixed by stamp or generated by other mechanical or automated means.
- 2.12.2 A **Participant** may provide to **AIX CSD** by **Notice** in writing new list of **Authorised Signatories** at any time. On giving **Notice** in writing of a new list of **Authorised Signatories** all previous lists of **Authorised Signatories**, are automatically revoked.

or compelled in any way to see to the execution of any trust or equity affecting the ownership of, or incidental rights to, money in an **Account**, nor to recognise a **Participant** as holding money in an **Account** on trust nor to recognise (whether or not it has **Notice** of the interest or rights concerned and notwithstanding and designation of any account) any proprietary, equitable, contingent, future, partial or other interest in any money in an account or any other right, except the beneficial right of ownership (if any) of the **Participant** which deposited money for **Settlement** or is receiving money from **Settlement**.

- 3.3.7 The **Participant** shall not assert, nor permit any **Person** claiming under or through the **Participant** to assert, any proprietary, equitable, contingent, future, partial or other interest in any money in an **Account** against the **AIX CSD**, **Nominee** or any **Person** acting on behalf of the **AIX CSD** or **Nominee** (or both), other than the beneficial right of ownership (if any) of the **Participant** for whom the money in the **AIX CSD Nominee** account in the **Settlement Bank** is recorded.
- 3.3.8 If the balance of money provided by the **Participant** on the **AIX CSD Nominee** account in the **Settlement Bank** is not enough to meet his settlement obligations for that settlement cycle, the **AIX CSD** may without limitations take such actions as the **AIX CSD** may deem necessary, expedient or desirable, including taking disciplinary actions against the **Participant**.

3.4 Account Closing

- 3.4.1 **Accounts** may be closed in a manner prescribed by the **Procedures**. An **Account** may only be closed if the **Account** has zero balances. The **AIX CSD** may apply by **Procedures** other conditions to the closing of an **Account** or **Accounts** generally.
- 3.4.2 The **AIX CSD** may on its own initiative close any **Account** that has a zero balance and has had no **Account** activity for a period of 6 months or more.

3.5 Lodgement of Admitted Product

- 3.5.1 Subject to **Rule 3.5.2**, a **Participant** may **Lodge Admitted Product** into a specified **Account** by transferring legal title to the **Admitted Product** to **Nominee** or a **Nominated Custodian** in accordance with the **Procedures**.
- 3.5.2 No **Admitted Product** which has reached **Maturity**, or that is subject to any restriction on transfer that would prevent or restrict the transfer of beneficial interests across **Accounts** or that otherwise fails to meet any condition imposed by the **AIX CSD** under **Rule 6.1.2** may be **Lodged** in the **Depository**.
- 3.5.3 Upon registration of legal title to the **Admitted Product** in the name of the **Nominee** in the **Securities Registry**, or where the **Admitted Product** is held by a **Nominated Custodian**, upon receipt of confirmation from the **Nominated Custodian** of the transfer of the **Admitted Product** into the account of the **Nominee** at that **Nominated Custodian**, the **AIX CSD** will record the credit of the **Admitted Product** in the **Account** of the **Participant Lodging** the **Admitted Product** in accordance with **Rule 3.5.1**. **Lodgement** is deemed to be effective from the later of date and time of transfer of legal title to the **Nominee** and the **Participant** giving **Notice** on the **Lodgement**.

distribution or other benefit received or accrued on any **Admitted Product** will be credited to the relevant **Account** of the **Participant**.

3.7 Uplifting Admitted Products

3.7.1 Subject to **Rule 3.7.4**, a **Participant** may request the **Uplift** of **Admitted Product** from an **Account** in that **Participant's** name for the purpose of ceasing to have the **Admitted Product** recorded in the **Depository**, in the form prescribed by **Procedure**.

3.7.2 Notwithstanding **Rule 3.7.4**, the **AIX CSD** may give Notice to a **Participant** requiring the **Uplift** of **Admitted Product** if:

- (a) the **AIX CSD** determines that the **Admitted Product** does not comply with the criteria or conditions imposed by the **AIX CSD** in accordance with **Rules**; or
- (b) the **Issuer** of an **Admitted Product** becomes **Insolvent**.

3.7.3 On request for **Uplift** or giving Notice of **Uplift** of **Admitted Product** in accordance with the **Rule 3.7.1** and 3.7.2, the **AIX CSD** must:

- (a) procure the registration in the **Securities Registry** of the **Admitted Product** (if any) of legal title or where the legal title to the **Admitted Product** is held by a **Nominated Custodian** on behalf of that **Participant**, beneficial interest in the **Admitted Product** in the name of the **Participant**. The **Participant** must do and execute all acts, documents and things as are required to enable completion of that transfer; and
- (b) record the debit of the **Admitted Product** from the **Account** of the **Participant** specified.

Uplift is complete upon the transfer of legal title or where the legal title to the **Admitted Product** is held by a **Nominated Custodian** on behalf of that **Participant** beneficial interest in the **Admitted Product** into the name of the **Participant**.

3.7.4 **Admitted Product** may not be **Uplifted**:

- (a) if the **Admitted Product** is the subject of a **Depository Transaction** which has not been **Settled**;
- (b) if at the time of receipt of a request in accordance with **Rule 3.8.1**, the balance of that **Admitted Product** in the specified **Account** is less than the aggregate of the amount of that: 1) **Admitted Product** requested in accordance with the **Rule 3.8.1**, 2) **Admitted Product** the **Participant** is obliged to deliver as the product element of a **Depository Transaction** in respect of which an **Instruction** has been received by the **AIX CSD** at that time, and 3) **Admitted Product** the **Participant** is obliged to deliver as the product element of a **Corporate Action** in respect of which an **Instruction** has been received by **AIX CSD** at that time, or
- (c) in any period during which the **Securities Registry** of the **Admitted Product** is closed or is unable to process transfers of legal title to **Admitted Product** or during which the relevant **Nominated Custodian** is closed or is unable to process

3.10 Securities Holders with the Securities Registry

- 3.10.1 Upon **Lodging** securities from the **Securities Registry** into the **Depository System**, the **Securities Holder** shall continue to be registered in the **Securities Registry** (as a sub-title next to the title of the Nominee in respect to the **Securities** so **Lodged**) as a **Person** having entitlement in respect of the securities so **Lodged** and shall continue to enjoy all such rights and privileges and be subject to all such duties and obligations as a registered **Securities Holder** of those **Securities** would be entitled to, or subject to. The consolidated securities register would consist of both **Securities** registered in the **Securities Registry** and **Securities** held for the same **Securities Holder** in the **Depository**.

4.2 Matured Admitted Product

- 4.2.1 The **AIX CSD** and the **Nominee** have no obligation to deal with any **Admitted Product** in the **Depository** after **Maturity** of that **Admitted Product**. If the proceeds of **Maturity** of any **Admitted Product** are received by the **Nominee**, the proceeds must be held on trust for the benefit of the **Participant**, and may be transferred to a third party by the **AIX CSD** or **Nominee** following Notice to that effect from that **Participant**.

4.3 Status of Settlements

- 4.3.1 Settlements are final and binding and may not in any circumstances be reversed or avoided after:
- (a) an amount of money is credited to or debited from an **Account**; or
 - (b) **Admitted Product** is credited to or debited from an **Account**,
in accordance with **Rule 4.1.4** or **Rule 4.5** or **Rule 5.2.21**.
- 4.3.2 Each **Participant** acknowledges that the **AIX CSD** has no responsibility other than to execute **Instructions** received in accordance with **Rule 4.1.4**, and, without limiting the foregoing, the **AIX CSD** has no obligation to ensure that any **Participant** performs or completes its obligations under a **Depository Transaction**.
- 4.3.3 The **AIX CSD** may specify in the **Procedures** the points after which unsettled payments, transfer **Instructions** or other obligations may not be cancelled by a **Participant**.

4.4 Notice of Corporate Actions

- 4.4.1 For **Admitted Product** approved for admission through a **Nominated Custodian**, and subject to **Rule 4.4.3**, upon receipt of details of any **Corporate Action** in respect of such **Admitted Product**, the **AIX CSD** will, as soon as is reasonably practicable, notify the **Participants** for whom it holds that **Admitted Product** of those details.
- 4.4.2 For **Admitted Product** approved for admission through a **Nominated Custodian** the **AIX CSD** will upon request by an **Issuer** of an **Admitted Product** or a relevant authorised **Person**, and may on its own initiative without request, provide the **Issuer** of an **Admitted Product** or a relevant authorised **Person** with the name of the **Participant** on behalf of whom it holds that **Admitted Product**.
- 4.4.3 Where the **AIX CSD** has acted as defined with **Rule 4.4.2**, the **AIX CSD** may rely upon that **Issuer** or a relevant authorised person to inform the relevant **Participants** of the details of any **Corporate Action** in respect of that **Admitted Product**, and if such an **Issuer** or a relevant authorised person acting on his behalf fails or refuses to communicate information regarding the **Corporate Actions** directly to one or more **Participant**, no **Participant** has any claim on, or cause of action against the **AIX CSD**, the **Nominee**, or any **Person** acting on their behalf in respect of any such failure.

- 4.5.3 Notwithstanding anything to the contrary in these **Rules**, **Corporate Actions** of an **Issuer** as described in **Rule** 4.5.2 shall be processed in a manner as described in **Rule** 4.5.2.
- 4.5.4 If the information requested in **Rule** 4.5.2 is not received by the **Participant** in a timely manner, **AIX CSD** shall submit the requested data to the **Issuer** as recorded in the **Depository System**.

4.6 Instructions and Notices from Participants

- 4.6.1 The **AIX CSD** and the **Nominee** are entitled without further enquiry to accept and act on **Instructions** and **Notices** which:
- (a) are communicated via the **Depository System**;
 - (b) are or purport to have been given or sent by an **Authorised Signatory**;
 - (c) are communicated in any other manner permitted or contemplated by these **Rules**;
or
 - (d) are given by a **Person** who the **AIX CSD**, or the **Nominee**, as the context requires, acting in good faith, believes is authorised to give such an **Instruction** and/or **Notice**.
- 4.6.2 The execution of, or action on (or no action, as the context requires) and/or **Notices** shall constitute a good discharge by the **AIX CSD** or the **Nominee**, neither of whom shall be required to check the authenticity or source of any **Instruction** or **Notice** (whether sent by facsimile, computer, telephone or otherwise).
- 4.6.3 Without limiting **Rule** 4.6.1, the **AIX CSD** may also accept as an **Instruction** or **Notice** from a **Participant** an **Instruction** or **Notice** given by a liquidator, receiver, statutory manager or other **Person** the **AIX CSD** reasonably believes has lawful authority to act in the name of, or on behalf of, that **Participant**.
- 4.6.4 Each **Participant** authorises and will adopt and ratify all actions taken or (as the case may be) not taken, by the **AIX CSD** and the **Nominee** in good faith on reliance upon an **Instruction** and/or **Notice** (notwithstanding any error, misunderstanding, lack of clarity, forgery or fraud by an **Authorised Signatory**, **Persons** purporting to be authorised **Authorised Signatory** or by others).
- 4.6.5 Without limiting or prejudicing any other right, discretion, power or remedy, neither the **AIX CSD** nor **Nominee** is obliged to act (and the **AIX CSD** may procure that the **Nominee** does not act) on any **Instruction**, **Notice** or information and may refuse to allow a **Depository Transaction** or a **Corporate Action** to be **Settled** or to deal with an **Admitted Product** or with money in any other way, where:
- (a) the **Depository System** or the system of the **Settlement Bank** is unavailable;
 - (b) the **AIX CSD** believes that the **Instruction** or **Notice** has not been given in accordance with the **Rules**, or that doing so would be unlawful, including contravening any statute or an order made by any court;
 - (c) the **AIX CSD** believes that acting on the **Instruction**, **Notice** or information or allowing the **Transaction**, **Corporate Action** or dealing with the **Admitted Product** or money could place the **AIX CSD** or the **Nominee** in breach of its obligations to another **Participant** or other **Person**;

by the time if any specified in the Notice; and

- (c) if the **Participant** has already transferred any **Admitted Product** or other property or assets the subject of the **Error Benefit**, the **Participant** shall purchase equivalent **Admitted Product**, or other property or assets in order to return the **Admitted Product**, property or assets if required to do so by the **AIX CSD** under this Rule.

4.7.2 Without prejudice to any other provision of these **Rules**, where an **Error** has occurred in respect of the recording of money or **Admitted Product** in an **Account**, the **AIX CSD** may in its discretion take any action it considers necessary or desirable to correct any record.

4.8 General

4.8.1 The **AIX CSD** and the **Nominee** may rely on any representation, **Notice**, agreement or document believed to be genuine, correct and appropriately authorised and upon any statement or representation made by a **Person** regarding any matters which may reasonably be assumed to be in that **Person's** knowledge or power to make.

4.8.2 The **AIX CSD** and **Nominee** are not responsible for:

- (a) the adequacy, accuracy and/or completeness of any information (oral or written) supplied by an **Issuer** of **Admitted Product**, **Securities Registry** or other **Person**; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of any **Admitted Product** or of any Security.

4.8.3 Neither the **AIX CSD** nor the **Nominee** shall be obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or a breach of fiduciary duty (in respect of the **AIX CSD** or the **Nominee**).

5.2 Stock Exchange Transactions Settlement

- 5.2.1 Data on executed transactions in **Admitted Product** shall be submitted by the **AIX** to the **Depository System** in an electronic format on the date of execution. The method of submission and confirmation of received data on executed **Transactions** in **Admitted Product** shall be agreed between the **AIX** and the **AIX CSD**.
- 5.2.2 Following the receipt of official data on the executed transactions from the **AIX** it shall be considered that the transactions in **Admitted Product** executed on the **AIX** are irrevocable for the **Participant Members** and the **Participant Members** may not unilaterally or bilaterally make any modifications or cancellation of the transactions. Transaction received from **AIX** for **Settlement** may be canceled or amended on the basis of an appropriate decision of a judicial body or body of a competent authority. Transaction that may not be **Settled** in accordance with the provisions of this **Rule** the **AIX CSD** is entitled to cancel.
- 5.2.3 Notwithstanding **Rule** 5.2.2, the **AIX CSD** may make modifications or cancel transactions in **Admitted Product** only in case of a request made by the **AIX** for the purposes of removing errors made in the execution of the transaction by its members or because of unpredictable errors in the trading system of the **AIX**. The method and the procedure of cancellation or modifications to the transactions shall be regulated jointly by the **AIX** and the **AIX CSD**.
- 5.2.4 In the event of modification or cancellation of a transactions as defined in **Rules** 5.2.2 and 5.2.3, the **AIX CSD** shall make a new calculation of obligations arising from the transaction and inform the **AIX** and the **Participant Members** settling the transactions thereof.
- 5.2.5 Transactions received from the **AIX** for **Clearing** and **Settlement** of **Admitted Product** registered on an **Account** in the **Depository System** is considered to be an **Instruction** for **Transaction** with **Admitted Product** which is freely transferable and free from any liens and/or restrictions.
- 5.2.6 **Settlement** of transactions executed on the **AIX** shall be made in the **Depository System** according to BIS Model II, where the transfer of **Admitted Product** shall be done on gross basis for each transaction executed on a given trading date, while the transfer of money shall be done by netting buy and sell money obligations of a **Participant Member** for the **Transactions** the **Participant Member** is obliged to **Settle** on a **Settlement Day**, at a level of **Participant Member**.
- 5.2.7 All **Participant Members** with settlement obligations on a respective **Settlement Day** must provide on that **Settlement Day** the required appropriate quantity of **Admitted Product** and the required appropriate monetary amount.
- 5.2.8 A **Participant Member** which is **Settling** buy side of a transaction executed on the **AIX** must secure the required monetary amount is credited on the **Account** on **AIX CSD Nominee** account at the **Settlement Bank** on the **Settlement Day** by the defined settlement time.
- 5.2.9 The timing and the cycles of **Settlement** on a **Settlement Day** are regulated in **Procedures**.
- 5.2.10 The **Depository System** shall make available a report to each **Participant Member** on its settlement obligations as transaction is concluded on **AIX**. The report shall contain the elements necessary for the execution of the **Settlement**.

- 5.2.17 Immediately after the receipt of data from the **AIX**, the **Depository System** shall check whether the required **Admitted Product** is registered on the securities **Account** managed by the **Participant Member** for the selling **Client** and if there is sufficient quantity of **Admitted Product** on that **Account** for **Settlement**.
- 5.2.18 If the case may be that there is insufficient quantity of **Admitted Product** for **Settlement** of a respective Stock Exchange transaction on the appropriate **Account** of the **Participant Member**, the **Participant Member** responsible for **Settlement** of the transaction must take appropriate actions to secure sufficient quantity of the **Admitted Product** by the **Settlement Day** before the **Settlement** takes place.
- 5.2.19 The transfer of money from the **Accounts** of buying **Participant Members** to the **Accounts** of selling **Participant Members** shall be executed by the **Depository System**.
- 5.2.20 The settlement of **Transactions** concluded on **AIX** is performed according to the principle **Delivery-versus-Payment** on the intended **Settlement Day**.
- 5.2.21 On the **Settlement Day**, if the conditions for **Settlement** are met, the **Depository System** shall execute the transfer of **Admitted Product** from the appropriate **Account** of the selling **Participant Member** to the appropriate **Account** of the buying **Participant Member** and at the same time it shall update the cash positions of the **Participant Members** on a **Delivery-versus-Payment** basis. By performing the **Settlement** in the **Depository System**, the transfer of **Securities** and money is final and irrevocable. The **AIX CSD** and the **Participant Members** are obliged to perform all the appropriate allocations of money and **Securities** deriving from the **Settlement** of **Transaction** in the **Depository System** without any delays.
- 5.2.22 On the **Settlement Day**, and in the appropriate settlement cycle, if the conditions for **Settlement** of a particular **Transaction** are not met, the **Depository System** may execute the **Settlement** of the remaining **Transactions** for which there is sufficient money or **Securities**.
- 5.2.23 The **AIX CSD** shall notify the **Participant Members** in the failed **Settlement** that there is unsettled **Transaction** on that **Settlement Day**.
- 5.2.24 The process of **Clearing** and **Settlement** of **Transactions** in the **Depository System** organized by the **AIX CSD** as defined in these **Rules** refers to the **Participant Members** of the **AIX CSD**. The **AIX CSD** shall not be liable for the accuracy, completeness and actions taken by the **Participant Member** for:
- the fulfillment of the monetary obligations between the **Participant Member** and its **Client**, and/or
 - the allocation of **Admitted Product** from the transitory settlement **Account** of the **Participant Member** which performs the **Settlement** of **Transaction** to the **Participant Member's Account** for the respective **Client**.

6 Section: Depository Powers

6.1 Admission of Products

- 6.1.1 Any **Person** may apply to the **AIX CSD**, in the form prescribed by the **Procedures**, to have a class of **Security** approved as an **Admitted Product**. Upon receipt of an application or on its own initiative, the **AIX CSD** may at its discretion approve a class of **Security** as an **Admitted Product**.
- 6.1.2 The **AIX CSD** may attach such conditions to an approval given under **Rule 6.1.1** that it considers necessary for the integrity, reliability and efficiency of the **Depository**.
- 6.1.3 Where a class of **Security** exists or is issued subject to a condition that prevents or limits the ability of that **Security** to be offered for sale to or to be held by any **Person**, that limitation must be notified to the **AIX CSD** on an application made in accordance with **Rule 6.1.1**. Notwithstanding the receipt of notification, it is the sole responsibility of each **Participant** in whose **Account Admitted Product** is recorded to inform any proposed or prospective transferee of any interest in the **Admitted Product** of the existence and nature of the condition. Each **Participant** acknowledges that neither the **AIX CSD** nor the **Nominee** bears any duty or obligation to inform them of the existence and nature of any condition.
- 6.1.4 Where the **AIX CSD** approves a class of **Security** as an **Admitted Product** under **Rule 6.1.1**, the **AIX CSD** must **Notify** the applicant (if any), **AIX**, the **Issuer** of the **Admitted Product** (if any) and, by **Procedure**, each **Participant**. The **Notice** given under this **Rule** will specify:
- (a) the date upon which a class of **Security** becomes **Admitted Product** in accordance with a **Procedure**; and
 - (b) any conditions attached to approval of the **Admitted Product**.
- 6.1.5 The **AIX CSD** may, with **AIX**'s prior written consent, at any time, at its discretion, either:
- (a) suspend approval of a class of **Admitted Product** until further **Notice**, provided that any period of suspension does not exceed 60 **Business Days**;
 - (b) withdraw approval of a class of **Admitted Product**, whether or not approval of the **Admitted Product** is already suspended.
- 6.1.6 If the **AIX CSD** suspends or withdraws approval of a class of **Admitted Product** in accordance with **Rule 6.1.5**, the **AIX CSD** must promptly give **Notice** of the suspension or withdrawal to **AIX**, the **Issuer** of the **Admitted Product** (if any) and each **Participant**. The **Notice** must specify the time and date on which the suspension or revocation is effective and in the case of a suspension in accordance with **Rule 6.1.5**, the period of the suspension.
- 6.1.7 Upon suspension or withdrawal of approval of a class of **Admitted Product** no further **Admitted Product** of that class can be **Lodged** into the **Depository** and no **Instructions** can be given in respect of **Admitted Product** of that class.

- 6.3.2 Documents, records or information to be provided to the **AIX CSD** pursuant to **Rule 6.3.1** must be provided in such format, electronic or otherwise, and by the time, specified by the **AIX CSD**.

6.4 Disclosure of Information obtained on Inspection

- 6.4.1 Information obtained pursuant to **Rule 6.3** may be disclosed:
- (a) as required by the **Law**;
 - (b) to a lawyer, accountant or other professional adviser of the **AIX CSD**; or
 - (c) to any **Person** in **AIFC** that has jurisdiction in relation to the **Participant** or the subject matter or the investigation.
- 6.4.2 The **AIX CSD** will take all reasonable measures to protect any information obtained by the **AIX CSD** pursuant to **Rule 6.3** from any unauthorised use or disclosure.
- 6.4.3 Upon receipt of a request from the **AIX CSD** pursuant to **Rule 6.3** a **Participant** may make a submission in writing to the **AIX CSD** that that information obtained by the **AIX CSD** should not be disclosed to any specified **Person(s)**. The **AIX CSD** will consider such submissions but is not obliged to accept such request if the **AIX CSD** considers that access to that information by any specified **Person** is appropriate for the **AIX CSD** to fulfill its functions, including, but not limited to, fulfilling any obligations it has under the **Law**.

6.5 Power of waiver and rulings

- 6.5.1 The **AIX CSD** has sole discretion to waive all or any part of these **Rules** or the **Procedures** in respect of a **Participant** and the **AIX CSD** may make rulings as to the interpretation of these **Rules** or the **Procedures**. The **AIX CSD** may make rulings and grant waivers from these **Rules** or the **Procedures**, on such terms and conditions as the **AIX CSD**, in its complete discretion, thinks fit. The **AIX CSD** may by **Procedure** specify the procedures and practices it will adopt in relation to consideration of applications for rulings or waivers.
- 6.5.2 Any waiver or ruling granted by the **AIX CSD** may be revoked at any time by the **AIX CSD** by Notice to the **Participant** or **Participants** concerned. Any such revocation shall have effect from the date stated in the Notice (which may be before the date of the Notice if the **AIX CSD** considers that the waiver or ruling was granted on the basis of information which was incorrect, incomplete or misleading in any material respect or if the conditions specified in the waiver or ruling have not been satisfied or complied with in full).
- 6.5.3 Any waiver or ruling granted by the **AIX CSD** will be valid and have effect in accordance with the terms of and for the period specified in the decision for that waiver or ruling. Any waiver or ruling is granted by the **AIX CSD** on the basis that the information provided is complete, true and up-to-date in all material respects. Any waiver or ruling granted by the **AIX CSD** will be void from the outset if the **AIX CSD** has made the decision in relation to the application on the basis of information that the **AIX CSD** determines was incorrect, incomplete or misleading in any material respect. Waivers and rulings granted by the **AIX CSD** subject to conditions are only valid if those conditions are satisfied or complied with. A waiver or ruling will be void from the outset if any such conditions are not satisfied or complied with in full.

7 Section: Default and Termination

7.1 Default Event

7.1.1 The occurrence of any of the following events or circumstances with respect to a **Participant** will constitute a **Default Event**:

- (a) that **Participant** fails to pay an amount due and payable to the **AIX CSD** or **Nominee** under the **Rules** at the place and in the currency in which it is expressed to be payable;
- (b) that **Participant** fails to meet its settlement obligations in a timely manner (by the end of the settlement date), be it failure to deliver cash or securities
- (c) that **Participant** fails to comply with or breaches any of the continuing obligation requirements;
- (d) that **Participant** no longer satisfies any requirements for admission as a **Participant** or fails to comply with any condition of admission;
- (e) that **Participant**:
 - (i) fails to comply with an obligation under these **Rules**;
 - (ii) fails to comply with any condition or directive imposed on the **Participant** by the **AIX CSD** or **Nominee**; and/or
 - (iii) breaches any agreement between the **Participant** and the **AIX CSD** or **Nominee**, as the case may be, in any material respect or breaches any undertaking in favour of the **AIX CSD** or **Nominee**, as the case may be, and which, if the failure to comply is capable of remedy, is not remedied within such later time as the **AIX CSD** may in its sole discretion allow of the earlier of (1) the **AIX CSD** giving Notice to the **Participant** and (B) the **Participant** becoming aware of the failure to comply;
- (f) the **AIX CSD** withdraws approval for a **Responsible Person**;
- (g) an **Insolvency** occurs in respect of the **Participant**;
- (h) the **AIX CSD** restricts that **Participant** from accessing the **Depository System** or the **AIX CSD** is of the opinion that the acts, omissions or proposed conduct of that **Participant** may adversely affect the soundness, stability, security, operation or integrity of the **Depository System**;
- (i) any representation or warranty made or deemed to be made by a **Participant** under or pursuant to the **Rules** or the **Procedures**, or in any other agreement or document delivered by or on behalf of the **Participant** under or in connection with the **Rules** or the **Procedures** (including in respect of an application to be a **Participant**) is or proves to have been incorrect, or misleading when made or deemed to be made;
- (j) the **AIX CSD** is informed by **AIX** or other market operator, clearing and settlement facility or depository facility that the **Participant** or a related **Person** of that

management purposes in respect of such **Declared Default**. This action may include all or any of the following:

- suspending the defaulting **Participant's** connection to the **Depository**, effectively blocking the entry of new settlement instructions;
- cancelling any or all **Instructions** of the defaulting **Participant**.

7.3.2 In order to protect the interests of the non-defaulting **Participant**, the **AIX CSD** will act with unsettled transactions as defined in a Procedure.

7.4 Set off

7.4.1 Without prejudice to any other rights the **AIX CSD** may have, whether under these **Rules**, by agreement, by operation of law or otherwise, the **AIX CSD** may at any time and without notice to a **Defaulting Participant** set off any amount (whether actual, contingent, present or future) payable or owing by the **AIX CSD** to the **Defaulting Participant** against any amount (whether actual, contingent, present or future) payable or owing by the **Defaulting Participant** to the **AIX CSD**. The **AIX CSD** must notify the **Defaulting Participant** of any set off effected under these **Rules**. If any obligation is unascertained, the **AIX CSD** may make a good faith estimation of that obligation and effect set off in respect of that obligation, subject to the **AIX CSD** adjusting its accounting once such obligation is ascertained.

7.5 Suspension

7.5.1 The **AIX CSD** will be entitled to suspend a **Participant** in any of the following circumstances:

- (a) the occurrence of a **Default Event** or **Declared Default** in respect of that **Participant**; or
- (b) a **Potential Default Event** occurs which is continuing; or
- (c) any alleged event or breach of these **Rules** where such breach or event, if proven, could have a Material Adverse Effect.

7.5.2 A suspension may be for a fixed period or for an indefinite period, as determined by the **AIX CSD** in its sole discretion. During a period of suspension in respect of a suspended **Participant**, the **AIX CSD** may exercise any of its powers under the **Rules**.

7.5.3 A suspension will remain in force for any period notified to the **Participant** or until the **AIX CSD** determines that the suspension will be extended or **Participation** is terminated.

7.5.4 A suspended **Participant** may **Uplift Admitted Product** in accordance with the **Rules**, but may not otherwise exercise any other rights of a **Participant**, including without limitation the giving of **Instructions** or **Lodging Admitted Product** to the **Depository**.

7.6 Resignation

7.6.1 A **Participant** may cease to be a **Participant** by providing the **AIX CSD** with no less than 30 **Business Days** written **Notice** of the resignation of its **Participation**.

Rules will remain in full force and effect until all **Admitted Product** held for the **Participant** has been **Uplifted**.

- 7.8.2 On the effective date of resignation, suspension or termination of a **Participant's Participation** in the **Depository**, the **Participant's** access to the **Depository System** shall cease.
- 7.8.3 The **AIX CSD** may publish the resignation, suspension or termination of a **Participant** in any manner it deems appropriate. The **AIX CSD** will notify all other **Participants** and may notify other relevant regulatory authorities of the resignation, Suspension and termination.
- 7.8.4 A resigning, suspended or terminated **Participant** must act in good faith and take such actions as may be necessary, convenient or desirable to assist the **AIX CSD** in all matters arising out of such resignation, suspension or termination.
- 7.8.5 A resigning, suspended or terminated **Participant** will not be entitled to the repayment of any fees, dues, assessments, fines or charges paid by such **Participant** to the **AIX CSD**, nor will the resigning or terminated **Participant** be discharged from the obligation to pay any fees, dues, assessments, fines or charges in respect of the period preceding the effective date of resignation or termination.
- 7.8.6 Subject to any legal or regulatory requirement to retain such information, a resigning or terminated **Participant** must return to the **AIX CSD** all software, equipment and documentation provided by the **AIX CSD**.
- 7.8.7 A former **Participant** shall continue to be liable to the **AIX CSD** and to all other **Participants** for all obligations and liabilities incurred by the former **Participant** under these **Rules** during the period of its **Participation** in the **Depository** until the later of:
 - (a) 7 years following the date on which a **Participant** has ceased to be a **Participant**; and
 - (b) if the **AIX CSD** has instituted proceedings or taken any action against the former **Participant** during the seven-year period, then in relation to the obligation and liabilities that were the subject of such proceedings, the date on which all of the **AIX CSD's** remedies against the former **Participant** have been exhausted.
- 7.8.8 On suspension of a **Participant** or termination of the agreement with a **Participant**, where the **Securities Registry** is the place of origin of an **Admitted Product**, every **Securities Holder** having his **Securities** on a **Participant's Account** for that **Client** shall have the option of either getting his **Securities** held with the **Participant** transferred to another **Participant** or lift the **Securities** into the **Securities Registry**.

- (v) a mechanism for identifying and correcting errors is incorporated in the record keeping system;
- (vi) the timely recovery of the records in the case of a system failure is ensured within the record keeping system.

9 Section: Miscellaneous

9.1 Force Majeure

- 9.1.1 Unless otherwise expressly provided for in these **Rules**, neither the **AIX CSD** nor the **Nominee** shall be liable for any act or omission or for any failure, suspension, restriction or delay in the provision of services and facilities or the performance in whole or in part of its obligations under these **Rules**, if, such act, omission, failure, suspension, restriction or delay arises out of causes beyond its reasonable control.
- 9.1.2 Causes referred to in **Rule** 9.1.1 above may include, but shall not be limited to, acts of God, war, terrorism, civil disturbances, riots, acts of a civil or military authority, embargoes, fires, floods, explosions, accidents, labour disputes, mechanical breakdowns, computer or system failures or other failures of equipment, failures of or defects in computer or system software, unavailability of or restrictions on any online communications system or communication media or facilities, criminal cybercrime activity, interruptions (whether in whole or in part) of power supplies or other utility or service, any suspension, restriction or closure of any market, any market emergency, failure, interruption or suspension of any depository or **Custodian**, bank or financial institution, clearing or settlement system, any law, decree, regulation or order or directive of any government, competent authority or any court or tribunal, and any other causes in all cases which are beyond the **AIX CSD's** or, as the case may be, the **Nominee's** reasonable control.

9.2 Data Protection

- 9.2.1 The **AIX CSD** and the **Nominee** may collect and retain personal information on **Participants Personnel, Directors** and other **Persons**, at all times in conformity with the **Law**.
- 9.2.2 The **AIX CSD** and the **Nominee** may process personal data in connection with its activities and, if necessary, transmit or transfer such data to countries or territories outside the **AIFC**, at all times in conformity with the **Law**.
- 9.2.3 The **AIX CSD** and the **Nominee** acknowledges that:
- (1) **Participants** may, pursuant to these **Rules** and/or at the request of the **AIX CSD** or the **Nominee**, transfer information about their, **Personnel** and **Directors** and other **Persons** to the **AIX CSD** and/or the **Nominee** as the case may be; and
 - (2) such transfers may, in the absence of appropriate arrangements to protect the transferred information, place **Participants** in breach of data protection or privacy laws.
- 9.2.4 In relation to each such transfer or set of transfers the **AIX CSD** and/or the **Nominee**, as the case may be, shall therefore, if so requested in writing by the relevant **Participant**,

10 Section: Governing Law and Jurisdiction



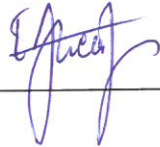
10.1.1 These **Rules** shall be governed by and construed in accordance with the laws, acts and regulations of the **AIFC** and each **Participant** irrevocably submits to the exclusive jurisdiction of the **AIFC Court** and its legal jurisdiction.

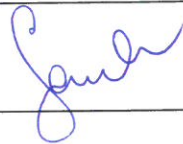
10.1.2 Each **Participant** irrevocably:

- (1) waives any objection arising at any time to the laying of venue of any proceedings brought in **AIFC**;
- (2) waives any claim that such proceedings have been brought in an inconvenient forum; and
- (3) further waives the right to object with respect to such proceedings that the **AIFC Court** does not have jurisdiction over it.

10.1.3 The **AIX CSD** and/or the **Nominee**, as the case may be, shall be entitled to institute proceedings in any other jurisdiction to enforce the obligations of a **Participant**, which arise under or in connection with these **Rules**.

Approval Page

<i>Title</i>	<i>Name</i>	<i>Signature</i>
CEO of AIX CSD	Anna Kolesnichenko	
AIX Head of Legal	Nurkhat Kushimov	
AIX Head of Finance	Dana Begaliyeva	
AIX Head of Post Trade Department	Anna Kolesnichenko	
Initiator	Elena Jakimovska Petrovska	

AIX Secretary	Saule Kaldybekova	
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Date: _____