Cross-Market MM Program 'Single Stocks and Single Stock Futures'

Section I. Terms and definitions

Nearby maturity date of the Instrument – the maturity date of the Derivatives Market Instrument that is as close as possible to the Trading Day on which two-sided quotes are submitted and maintained for such Instrument. Such date is designated as i=n (where n= 1, 2, … – the sequence number of the expiration date of the Instrument).

Instrument(s) (k) **–** issue(s) of securities or futures contract(s) specified in clause 2.2. herein, designated as follows:

- with a securities trading code for the Equity & Bond Market;
- with an underlying asset's primary code for the Derivatives Market.

Cross-Market Market Making (MM) Program – the Cross-Market MM Program 'Single Stocks and Single Stock Futures'. Brief Code: **Equity**.

Best Bid – the price of an order to buy entered by the Market Maker with respect to a Derivatives Market Instrument, which volume (considering the volume of all Marker Maker's orders to buy at the same price or higher) is no less than the minimum required order size.

Best Ask – the price of an order to sell entered by the Market Maker with respect to a Derivatives Market Instrument, which volume (considering the volume of all Marker Maker's orders to sell at the same price or less) is no less than the minimum required order size.

Bid/Ask Quote Size (V_k) – minimum size of MM order(s) to purchase or sell Instruments for maintaining two-sided quotes measured as follows:

- in securities for the Equity & Bond Market; and
- in contracts for the Derivatives Market.

Pair of Instruments – a pair of Instruments as defined in clause 2.2. and designated as *p*=*n* (where *n*= 1, 2, … – the sequence number of the pair of Instruments).

Passive Trade – a MM trade defined as follows:

- for the Equity & Bond Market a passive trade means a Market Maker's trade with a counterparty order's number indicated in the trade's attributes higher than that of the Market Maker's order, while the size of the Market Maker's order is not less than $\frac{V_k}{10}$, where V_k is the Bid/Ask quote size. When calculating the cumulative passive trading turnover for the purpose of Market Maker's remuneration, trades executed under Marker Maker's Orders and Counter Orders placed at expenses of one and the same Market Maker or Client; and
- for the Equity & Bond Market a passive trade means a Market Maker's trade executed under Market Maker's anonymous orders, provided that such orders are registered in the register of orders with lower numbers than their counter orders in the relevant Paired Trades.

Quote Maintenance Period – minimum length of time for the Market Maker to maintain two-sided quotes during a Trading Session in accordance with the Cross-Market MM Program terms and conditions, measured as follows:

- in minutes for the Equity & Bond Market (the Market Maker shall maintain two-sided quotes during the Trading Day of the Trading Session); and

- as % of the Trading Session duration time.

Next-to-nearby maturity date – a maturity date of the Derivatives Market Instrument calculated according to the following formula: $i = n+1$.

Bid/Ask Quote Spread – a marking making obligations parameter set as follows:

- for the Equity & Bond Market – difference, expressed as percentage, between the maximum price in the Market Maker's order to sell, where the cumulative quantum of securities under the order calculated by accrued total by price from smallest to largest is not less than the two-sided quote size, and the minimum price in the Market Maker's order to buy, where the cumulative quantum of securities under the order calculated by accrued total by price from largest to smallest is not less than the two-sided quote size; and
- for the Derivatives Market – the maximum difference between the best bid and the best ask made by the Market Maker with respect to the Instrument. The spread is determined by the measure of the Instrument's price as set out in the instrument's Specifications according to the formula: $Spread_{MM} = a*SP_i$, where:
    - a – constant value specified for each Instrument in clause 2.2. herein and given in %;
    - SP_i – Settlement Price of the Instrument with the i^{th} maturity date determined at the end of the day clearing session.

Trading Day – a day on which Instruments of the Equity & Bond Marker and Derivatives Market are traded through the trading modes specified in clause 2.1 herein.

Terms that are not defined in the Cross-Market MM Program shall be used in the meaning they are given by the Rules of Market Maker Services under Cross-Market MM Programs of the Moscow Exchange.

Section II. Parameters and conditions for fulfilling market maker's obligations

2.1. Pursuant to the market making agreement executed with the Exchange, the Marker Maker shall maintain quotes for each Instrument in the Reporting Period as follows:

- within a Trading Period during the main trading session through the Main Board T+ trades; and
- during the main trading session on the Derivatives Market.

2.2. The following parameters in respect of MM obligations are set for each Instrument and (or) a Pair of Instrument of the Derivatives Market:

Table

Pair of Instruments Designation	Instrument Designation	Instrument Code	Maturity date	On-exchange market	Quoted size (V_k)	Bid/ask quote spread	Quote Maintenance Period	Instrument liquidity coefficient (R_k)
p=1	k=1	AFLT	-	E&B Market	4,000	0.55%	400 min	2
	k=2	AFLT	First (i=1)	Derivatives Market	40	a*SPi, where a = 0.55%	75%	2
p=2	k=3	ALRS	-	E&B Market	5,500	0.35%	400 min	2
	k=4	ALRS	First (i=1)	Derivatives Market	55	a*SPi, where a = 0.35%	75%	2
p=3	k=5	FEES	-	E&B Market	2 000 000	0.70%	400 min	2
	k=6	FEES	First (i=1)	Derivatives Market	40	a*SPi, where a = 0.60%	75%	2
p=4	k =7	GMKN	-	E&B Market	100	0.30%	400 min	1
	k=8	GMKR	First (i=1)	Derivatives Market	10	a*SPi, where a = 0.30%	75%	1
p=5	k=9	HYDR	-	E&B Market	500,000	0.60%	400 min	2
	k=10	HYDR	First (i=1)	Derivatives Market	50	a*SPi, where a = 0.60%	75%	2
p=6	k=11	MGNT	-	E&B Market	250	0.60%	400 min	1
	k=12	MGNT	First (i=1)	Derivatives Market	250	a*SPi, where a = 0.60%	75%	2
p=7	k=13	MOEX	-	E&B Market	4,500	0.40%	400 min	2
	k=14	MOEX	First (i=1)	Derivatives Market	45	a*SPi, where a = 0.40%	75%	2
p=8	k=15	NVTK	-	E&B Market	400	0.60%	400 min	2
	k=16	NOTK	First (i=1)	Derivatives Market	10	a*SPi, where a = 0.70%	75%	2
p=9	k=17	ROSN	-	E&B Market	2,000	0.40%	400 min	1
	k=18	ROSN	First (i=1)	Derivatives Market	20	a*SPi, where a = 0.40%	75%	1
p=10	k=19	SBERP	-	E&B Market	3,500	0.40%	400 min	2
	k=20	SBPR	First (i=1)	Derivatives Market	35	a*SPi, where a = 0.40%	75%	2
p=11	k=21	SNGSP	-	E&B Market	11,000	0.40%	400 min	2
	k=22	SNGP	First (i=1)	Derivatives Market	11	a*SPi, where a = 0.40%	75%	2
p=12	k=23	VTBR	-	E&B Market	17,000,000	0.60%	400 min	2
	k=24	VTBR	First (i=1)	Derivatives Market	170	a*SPi, where a = 0.60%	75%	1

2.3. First (nearby), second and the next following maturity dates are the nearest and the next dates of the expiration of the relevant Instrument falling to March, June, September and December, respectively.

2.4. The Exchange decides whether the Market Maker fulfils or fails to fulfil the obligations in respect of Instruments and (or) Pairs of Instruments under the Cross-Market MM Program for each used MM ID, attributable for the relevant exchange market.

Obligations in respect of p^{th} Pair of Instruments shall be deemed to be fulfilled in the Reporting Period only provided that the Market Maker fulfils obligations under the Cross-Market MM Program for each Instrument in the pair in the relevant Reporting Period.

During the Reporting Period, the Market Maker shall be five (5) Trading Days maximum free not to fulfil obligations under the Cross-Market MM Program in respect of any k^{th} Instrument, given the maturities of the Derivatives Market Instruments, including those within any p^{th} Pair of Instruments.

2.5. If within the Trading Session trading is suspended for one of the Instruments under the Cross-Market MM Program, the length of the Trading Session will not include the time of such suspension when determining the actual period during which the Market Maker has been maintaining two-sided quotes on the Derivatives Market.

Section III. Procedure to calculate the amount of remuneration due to Market Makers for fulfilling their obligations

3.1. The amount of remuneration due to Market Makers for fulfilling their obligations during the Reporting Period under the terms and conditions set out in Section 2 herein, shall be equal to the total of remunerations calculated according to Formula 1 in respect of each stated MM Identifier used in performing obligations under the Cross-Market MM Program pursuant to the Cross-Market MM agreement executed with the Exchange:

Formula 1

$$F = F_1 + F_2 \text{, where}$$

- F_1 – the value calculated according to Formula 1 for all k^{th} Instruments, given the settlement period of Instruments, for which market maker's obligations have been fulfilled in full in the Reporting Period pursuant to clause 2.4. herein:

Formula 2

$$F_1 = \sum_{k,i,l} \min(R_k * Fee_{passive}^{k,i,l}; X)\text{, where}$$

- $Fee_{passive}^{k,i,l}$ – total fee (exchange fee and clearing fee, except for flat rate fees and service fee) paid by the Market Maker in roubles at the applicable rates of the Moscow Exchange and CCP NCC then in effect for each Passive Trade executed under the Cross-Market MM Program.
- R_k – Instrument liquidity ratio specified in clause 2.2. herein;
- X – two (2) thousand roubles for the Equity & Bond Market (not set for the Derivatives Market);
- k = 1, 2, … – the sequence number of the relevant Instrument specified in the Table in clause 2.2. herein;
- i = 1, 2, … – the sequence number of the relevant maturity date specified in clause 2.2. herein;
- l = 1, 2, … – the sequence number of the Trading Day in the relevant month, in which market maker's obligations specified in clause 2.2. in respect of k^{th} Instrument, given the settlement period of Instruments, have been fulfilled.

- F_2 – the value calculated according to Formula 3 for all p^{th} Pairs of Instruments for which market maker's obligations in the Reporting Period have been fulfilled in full pursuant to clause 2.4. herein:

Formula 3

$$F_2 = \sum_{p,m} Fix^{p,m}, \text{ where}$$

  - $Fix^{p,m}$ – one (1) thousand roubles;
  - $p = 1, 2, \dots$ – the sequence number of the relevant Pair of Instruments specified in clause 2.2. herein;
  - $m = 1, 2, \dots$ – the sequence number of the Trading Day in the relevant month, in which market maker's obligations specified in clause 2.2. herein have been fulfilled for a p^{th} Pair of Instruments.

Section IV. Admission terms and conditions

4.1. Participating Market Makers or Clients shall not participate in any other market making Program available on the exchange markets that includes at least one of the Instruments listed in clause 2.2 herein.

4.2. For the Equity & Bond Market, it is allowed that a MM ID indicates one (1) trading & clearing account and one (1) client brief code to a maximum. For the Derivatives Market, when a group of codes of position register section is used as a MM ID, it is allowed to indicate three (3) position register section codes within such group to a maximum.