

## **PROCEDURE FOR USING ELECTRONIC DOCUMENTATION TO EXECUTE, AMEND, AND TERMINATE CONTRACTS AND EXCHANGE OTHER NON-REGULAR ELECTRONIC DOCUMENTS BETWEEN EDI PARTICIPANTS**

### **1. GENERAL PROVISIONS**

- 1.1. This Procedure for using electronic documentation to execute, amend, and terminate contracts, and exchange other non-regular documents between EDI Participants (the Procedure) was developed in accordance with the Electronic Data Interchange Rules adopted by the authorised body of Moscow Exchange (the EDI Rules).
- 1.2. This Procedure covers the following topics regarding using electronic documentation to execute, amend and terminate contracts and exchange other non-regular electronic documentation between EDI Participants:
  - The conditions that the EDI Participants undertake to meet in order to be eligible to use electronic documentation for this Procedure;
  - Electronic data interchange technology;
  - How electronic documents are applied to execute, amend, terminate specific contract types.

### **2. THE SET OF CONDITIONS THAT THE EDI PARTICIPANTS UNDERTAKE TO MEET TO BE ELIGIBLE TO USE ELECTRONIC DOCUMENTATION UNDER THIS PROCEDURE**

To be eligible to use electronic documentation under this Procedure, an EDI Participant undertakes to:

- 2.1. Gain access to the EDI System pursuant to conditions set forth in the EDI Rules;
- 2.2. In accordance with the EDI Rules, create a valid electronic signature key for which the Certification Authority, run by the EDI System Provider, is to produce ESVKC. The area of validity for such an ESVKC is not restricted and the EDI Participant may use the ESVKC within any area of the ESVKC's validity;
- 2.3. Gain access to necessary information and technical provision services pursuant to the relevant Terms of the EDI System Provider;
- 2.4. Within three (3) business days of fulfilling the requirements stated in clauses 2.1-2.3 hereof, the EDI Participant becomes eligible to use electronic documentation for the purposes set forth herein.

### **3. ELECTRONIC DATA INTERCHANGE PRACTICE FOR EXECUTING, AMENDING, AND TERMINATING CONTRACTS AND EXCHANGING OTHER NON-REGULAR ELECTRONIC DOCUMENTATION BETWEEN EDI PARTICIPANTS**

#### **3.1. GENERAL INFORMATION**

- 3.1.1. The Electronic Contract Center (the ECC) is the software complex used to automate the electronic document interchange for executing, amending, and terminating contracts and exchanging other non-regular electronic documentation.
- 3.1.2. An electronic contract (supplementary contract, agreement) is an agreement between EDI Participants to establish, change, or terminate the civil rights and liabilities of the parties with regard to the contract's subject matter, with the terms and settlement details indicated therein and certified with the parties' electronic signatures.
- 3.1.3. In this Procedure, the terms "contract", "supplementary contract", and "agreement" are termed "Contract" when they appear together.
- 3.1.4. Non-regular contracts of the Electronic Contract Center are electronic documents created

at random in the ECC's format, which is based on an extension of the XML regular format. The Exchange may additionally establish requirements for the form and use of non-regular documentation in other documentation governing electronic communication between EDI Participants.

- 3.1.5. The ECC has "Client-Server" architecture, and comprises the server and client sides.
- 3.1.6. The server side of the ECC's software complex (the "ECC's server") is installed at the EDI System Provider or the Authorised Organization and ensures that electronic documentation complies with the established format and, in some cases, that the document details are indicated correctly. It also verifies electronic documentation signatures, keeps such documents, ensures the transfer of documentation between EDI Participants (buyers and sellers), updates and disseminates guides and classifiers (securities codes, identifiers, and internal addresses of registered participants, etc.) to EDI participants. The ECC's server is equipped with administrator management tools; it provides a connection to trading and information systems to produce Contracts automatically.
- 3.1.7. The client side of the ECC's software complex (the "ECC Client") is on the EDI Participant's site and allows local manuals of EDI Participants to be kept, as well as electronic documents to be produced, sent, received and checked for electronic signature accuracy and compliance with the established formats.
- 3.1.8. An EDI System Provider or an EDI Participant may create hard copies of electronic documents via the ECC as per clause 11 of the EDI Rules.
- 3.1.9. EDI Participants independently verify the parties' authorities to sign Contracts. They may request necessary certificates (powers of attorney, statutory documentation, decisions (minutes) of founders, etc.). Neither the EDI System Provider nor the Authorised Organisation are liable for the accuracy of the results of the authority's verification that EDI participants are authorised to sign, amend, or terminate Contracts.

## **3.2. ALGORITHM FOR EXECUTING, AMENDING, TERMINATING CONTRACTS BETWEEN EDI PARTICIPANTS**

### **3.2.1. Regular algorithm for signing contracts through the ECC**

The regular algorithm for signing Contracts through the ECC comprises the following stages:

- The buyer creates a confirmation message in response to a seller's offer addressed to an unspecified range of EDI Participants, to a direct or indirect order, or to a an invitation to make buy/sell offers, and sends the confirmation message to the ECC's server, the operation of which is overseen by the EDI System Provider;
- The ECC's server checks the confirmation message for compliance with the established format and the accuracy of the message details if possible, then transfers it to the seller. The requirements for such checks are set forth in section 4 herein;
- The seller completes the details for requisites in the Contract, signs the contract with its electronic signature, and sends the electronic document to the ECC's server;
- The ECC's server checks the seller's electronic signature, whether the electronic document complies with the established format, and, if possible, whether the details of the documents were entered correctly as required by the documentation stipulating the format of documentation of this type, then transfers the document to the buyer;
- The seller signs the electronic document (contract) with its electronic signature and transfers the document to the ECC's server;
- The ECC's server checks the accuracy of the seller's and buyer's electronic signatures, verifies the compliance of the document with the established format including, if possible, the accuracy of specific details of the document as required by documentation stipulating the format of documentation of this type, ensures that the document is signed by the EDI system Provider, then transfers the document to the seller;
- A receipt for the document is sent automatically to the ECC's server after the seller receives the document;
- After receiving the receipt, the ECC's server assigns the contract "signed" status and sends relevant notification to the seller and buyer.

The ECC provides for the execution of several contracts for one trade, i.e. fragmentation of the underlying asset of the contracts, with each fragment being the underlying asset of a specific sale contract within the trade. This may be done if the relevant paragraph of this Procedure devoted to a specific type of a contract stipulates so.

EDI Participants are entitled to amend or remove, as per the established procedure, offers/orders submitted to them if provided for by the rules of the relevant trading or information system. An electronic document may be cancelled only before the receiver begins processing.

The terms of a Contract having been signed may be amended or discharged as agreed by the parties. Unilateral withdrawal of a Contract is allowed only if relevant provisions are available in the pertinent Trade agreement specified in clause 4.1.

The ECC has a mechanism for monitoring contract settlement through trade settlement reports provided to the EDI System Provider if such monitoring, with a receipt provided for receipt of the settlement report, is allowed in accordance with the relevant rules of the trading or information system.

### **3.2.2. Standard algorithm for contract termination via ECC**

Only contracts that have not been yet executed may be terminated. If a contract is terminated upon agreement of the parties, the termination procedure is similar to that applied to signing contracts:

- The initiator of the termination creates a Termination Agreement document, signs it with its electronic signature, and sends it to the ECC's server;
- The ECC's server checks the electronic signature of the initiator and verifies the electronic document's compliance with the established format and whether the contract may be terminated, and sends the "Termination agreement" document to the initiator's counterparty;
- The initiator's counterparty signs the Termination Agreement with its electronic signatures and sends it to the ECC's server;
- The ECC's server checks the accuracy of the initiator's and initiator counterparty's electronic signatures, verifies the compliance of the document with the established format, ensures that the document is signed with the electronic signature of the EDI system Provider, and transfers the document to the initiator;
- A receipt for the document is sent automatically to the ECC's server after the initiator receives the document. The contract is considered to have been terminated when the initiator receives the Termination Agreement signed by the counterparty;
- After receiving the receipt, the ECC's server assigns the contract "terminated" status and sends relevant notification to the initiator and its counterparty.

If a contract is terminated unilaterally, and if this is possible under the relevant trade agreement or contract, the initiator of the termination should send a termination notice with the reasons for the termination indicated therein to its counterparty.

## **3.3. EXCHANGING NON-REGULAR ELECTRONIC DOCUMENTS BETWEEN EDI PARTICIPANTS**

- 3.3.1. The ECC allows EDI Participants to exchange free-form electronic messages signed with electronic signatures (non-regular electronic signatures).
- 3.3.2. Each electronic message may include one free-form file.
- 3.3.3. EDI Participants may establish requirements for the form of non-regular electronic documents as well as for the format of files transferred as part of bilateral contracts, as well as manually monitor the compliance of non-regular electronic documents with the established criteria.
- 3.3.4. When EDI Participants exchange non-regular electronic documents, the ECC offers the following communication options:
  - The communication initiator creates an electronic message, signs it with its electronic signature, and delivers the message to the counterparty via the ECC.

After receiving the electronic document, the counterparty checks the initiator's electronic signature and begins processing the document;

- The initiator creates an electronic message, signs it with its electronic signature, indicates to the ECC that the message should be being signed by the counterparty, and delivers the message to the counterparty via the ECC. After receiving the electronic document, the counterparty checks the initiator's electronic signature, signs it with its electronic signature, and sends it back to the initiator via the ECC. Thus, each party has the electronic document with two electronic signatures, namely the initiator's and the counterparty's.

3.3.5. The communication algorithms stated in clause 3.3.4 hereof allow EDI participants to establish electronic communication in accordance with the terms set forth in bilateral contracts.

3.3.6. Non-regular electronic document interchange allows any electronic documents to be transferred, with record keeping and electronic document archives maintained on the ECC's server.

#### **4. PARTICULARS OF USAGE OF ELECTRONIC DOCUMENTATION IN CONCLUDING, CHANGING, AND ANNULLING SECURITIES SALE-PURCHASE AGREEMENTS**

4.1. An EDI Participant may conclude securities sale-purchase agreements using the ECC in accordance with this Procedure.

Securities sale-purchase agreements concluded using information indicated on the MOEX Board system (OTC deals) are valid in accordance with the MOEX Board's regulations, which are available on the EDI Provider's site.

The ECC allows EDI Participants to conclude other OTC deals that are sale-purchase agreements without using MOEX Board data.

Conclusion/changes/annulment of exchange and OTC trades are made in accordance with the trade agreement with the EDI System Provider (the "Trade Agreement").

4.2. The format of electronic documents used in concluding, changing, and annulling securities sale-purchase agreements are set out in clause 4.4 of these Rules. Requirements for offers to conclude securities sale-purchase agreements on the MOEX Board are defined in section 4 of the MOEX Board trading Rules.

4.3. In accordance with the Moscow Exchange Equity & Bond Trading Rules (the "Trading Rules"), the ECC makes it possible to conclude multiple agreements for one deal based on an order allowing for partial fulfillment, i.e. concluding based on this order a deal or a number of deals in a volume of securities smaller than that indicated in the order.

4.4. The ECC automatically verifies electronic documentation in accordance with the text format in code WIN-1251, based on the SWIFT standard. Additional verification is conducted of the correct completion of the Contract requisites if this does not contravene the Trading Rules, MOEX Board information system Rules, or Trade agreement, and the ECC is technically capable of doing so.

4.5. If during the verification provided for in point 4.4 of these Rules a divergence is discovered of an electronic document from the requirements set out in point 4.4. of these Rules, the ECC does not transmit the electronic document to the addressee, informing the sender of the electronic document of the divergence.

4.6. The EDI System Provider provides the EDI Participant that is a party to the agreement via the ECC information about one of the following stages which the securities sale-purchase agreement is at within 30 minutes of each stage happening:

- "Agreement confirmation" arrives at the ECC's server;
- "Agreement confirmation" is sent to the addressee;
- The securities sale-purchase agreement arrives at the ECC's server in the form of an electronic document signed by one of the parties;

- The securities sale-purchase agreement in the form of an electronic document signed by one of the parties is sent to the addressee;
  - The text of the securities sale-purchase agreement in the form of an electronic document signed by both parties arrives at the ECC's server;
  - The securities sale-purchase agreement in the form of an electronic document signed by both parties is sent to the addressee;
- 4.7. The ECC's server within 30 minutes of receiving a request from the EDI Participant provides that EDI Participant with a list of trading participant codes of trading organisers which are admitted to trading via applicable software, and a list of financial and other instruments admitted to trading organised by these trading organisers.
- 4.8. The ECC's server within 30 minutes of receiving a request from the EDI Participant provides that EDI Participant with a list of concluded deals registered in the register of deals of the trading organiser having been admitted to trading via applicable software.
- 4.9. Securities sale-purchase agreements may be signed via ESVKC, which is released by the EDI certification centre either with an indication that the ESVKC owner is an individual acting on behalf of the EDI Participant or without indication of such an individual. An ESVKC owner without indication of an individual is recognised as a legal entity or individual entrepreneur, information about which is contained in the ESVKC.
- 4.10. Securities sale-purchase agreements may be signed with an enhanced encrypted and certified digital signature or an enhanced encrypted non-certified digital signature as defined by prevailing Russian law.
- 4.11. Signing/verification of an electronic signature and encoding/decoding of securities sale purchase agreements in the form of electronic documentation is done at the ECC in accordance with EDI Rules and using the relevant Cryptographic Tools.

## **5. PARTICULARS OF USAGE OF ELECTRONIC DOCUMENTATION IN CONCLUDING BANK DEPOSIT AGREEMENTS WHEN THE FEDERAL TREASURY DEPOSITS FEDERAL BUDGET FUNDS IN CREDIT INSTITUTIONS**

- 5.1. An EDI Participant may conclude bank deposit agreements when the Federal Treasury deposits federal budget funds in credit institutions. Whereby, the Federal Treasury shall provide representatives of EDI Participants with a list of persons authorised to sign bank deposit agreements and ensure that the list remains relevant. The EDI Participant shall enter in the ECC the information whether these authorised persons match the owners of ESVKC registered in the ECC on a basis of documents indicated in the relevant Rules of the EDI Participant. The EDI Participant shall not verify authorities of representatives of EDI Participants and of the Federal Treasury, neither it shall request for documents confirming such authorities.
- 5.2. Bank deposit agreements when the Federal Treasury deposits federal budget funds in credit institutions shall be executed after selecting the relevant orders in accordance with the Rules for the use of the Moscow Exchange's trading system while selecting orders for the Federal Treasury's depositing the federal budget funds in credit institutions.
- 5.3. The EDI participant that is a party to the agreement may obtain the information on the status in the bank agreement implementation via the ECC.
- 5.4. The bank deposit agreement arrives at the ECC's server in the form of a non-regular electronic document signed by authorised representatives of the Federal Treasury and the EDI Participant. Bank deposit agreements shall be formalised by electronic document interchange process via the ECC.
- 5.5. The Federal Treasury shall submit the deposit agreement offers for their acceptance by EDI Participants. The Federal Treasury sets a bank deposit agreement form requirements. The ECC's server doesn't verify data in agreements for compliance with the form set by the Federal Treasury. However, the ECC's server ensures visualization of electronic documentation content upon its signing.
- 5.6. The agreement shall be executed by the EDI Participant's acceptance of an offer submitted in accordance with provisions in this Section.
- 5.7. Offers and acceptance of such offers shall deem to have been effected if signed with an

enhanced encrypted and certified digital signature.

- 5.8. Signing/verification of an electronic signature and encoding/decoding of bank deposit agreement in the form of electronic documentation is done at the ECC in accordance with EDI Rules and using the relevant Cryptographic Tools.
- 5.9. In the event of a conflict between provisions in this Section and any other provision herein, provisions in this Section shall prevail.