

Approved
by order of the President
Caspy Commodity Exchange JSC
No. 19-p of 08.04.2022

**Instruction
for resolving issues in case of technical failures in the electronic
trading system of Caspy Commodity Exchange JSC**

This Instruction is developed in accordance with the Laws of the Republic of Kazakhstan "On Commodity Exchanges" dated May 4, 2009 № 155-IV, "On Informatization" dated November 24, 2015 № 418-V ZRC, and the Order of the Minister of National Economy of the Republic of Kazakhstan dated February 26, 2015 № 141 "On Approval of Mandatory Requirements to the Electronic Trading System of Commodity Exchanges", as well as internal regulatory documents governing the information security of the commodity exchange trading system and regulates the procedure for resolving situations arising from technical and technical issues.

Article 1: General provisions

1. Concepts and terms used in this Instruction are identical to the concepts and terms defined by the legislation of the Republic of Kazakhstan and other internal documents of the Exchange.

2. For the purposes of these Regulations:

1) electronic trading system of the commodity exchange - a complex of computing facilities, software, databases, telecommunication facilities and other equipment of the commodity exchange necessary for exchange trading and ensuring automation of the process of conclusion of exchange transactions, as well as collection, storage, processing and disclosure of information;

2) the Exchange's electronic trading system (hereinafter - ETS) shall also mean the trading and trading and clearing systems (hereinafter - the trading system), as well as the Exchange's information systems used for the purposes of Exchange activities.

3) a technical failure of the deals conclusion process shall mean a temporary failure and/or incorrect operation of the mechanism of submission, collection and satisfaction of orders in the Exchange's trading system, as a result of which/which submission of orders and their satisfaction are carried out incorrectly for several or all trading participants;

3) technical failure of the trading process shall mean the inability to submit bids and conclude deals (including force majeure circumstances), which resulted in the inability of several or all trading participants to participate in the Exchange trading;

4) technical failure of the process of clearing activities shall mean the failure of the Exchange's information system or the Clearing System, the result of which is the impossibility to carry out the process of reconciliation and determination of obligations of clearing participants subject to clearing;

5) technical failure on the Trading Member's side shall mean failure and/or incorrect operation of computer and/or communication equipment of the Trading Member and/or companies servicing it, which lead to impossibility of its participation in the Exchange trading;

6) the technical failure period means the time interval from the beginning to the end of the technical failure determined by the Exchange in accordance with requirements of this Instruction;

7) force majeure circumstances shall mean natural disasters, natural calamities, natural calamities, wars, military actions, acts of terrorism, popular unrest, including failure or incorrect operation of computer and/or communication equipment of service companies and errors or delays in the operation of such equipment, as well as technical failures in settlement organizations;

8) interested parties shall mean Exchange members, exchange trades participants having substantial interest in exchange trading.

3. technical failures of the Exchange's ETS shall be subdivided into the following types:

- 1) technical failure of the transaction process;
- 2) technical failure of the bidding security process;
- 3) technical failure of the clearing process;

4. Technical failures of the Exchange's ETS shall not include failure and/or incorrect operation of information systems and/or computer and/or communication equipment on the trading member's side, as a result of which the trading member is unable to connect to the Exchange's trading system. Measures for restoration of information systems and/or computer and/or communication equipment on the trading member's side shall be taken by the trading member independently.

5. The Exchange shall make all possible efforts to maintain its trading system in working order and notify its members about failures in its operation in accordance with the requirements of this Instruction.

Article 2: Actions of the Exchange in case of technical failures

1. Upon occurrence of a technical failure the head of the Exchange's structural division or the servicing IT organization providing information technology activities shall determine the type and interval of the technical failure based on the study of information recorded in accordance with the form of the Appendix to this Instruction, and shall send it via the electronic document management system to the Exchange's Management no later than the next business day. The Exchange shall bring to the notice of interested persons information on such technical failure and on possible time of its elimination, and other decisions taken.

2. The Exchange structural division responsible for trading together with the servicing IT organization providing information technologies activity shall determine actions on settlement of a technical failure (taking into account peculiarities set by items 4 and 5 of this article), which may provide for:

- 1) restart of the Exchange's information systems and/or hardware;
- 2) transition to work on a backup server and/or in the Exchange's backup center;
- 3) delaying the start and/or suspension and/or extension and/or early termination of the auction, and/or canceling/canceling or postponing the auction;

4) provision of places for participation in trading equipped with an access point to the Exchange's trading system to users of the trading system in a place determined by the Exchange's management or a deputy supervising trading;

5) performance of other actions at the discretion of the Exchange stipulated by the Instruction on the procedure of users' actions to respond to information security incidents and in emergency (crisis) situations.

3. Actions to resolve a technical failure determined in accordance with paragraph 2 of this Article:

1) shall be brought to the notice of trading participants in the course of settlement of technical failures by publication of relevant messages on the Exchange's website or by e-mail message, or by any other available method;

2) shall be mandatory for fulfillment by all trading participants and relevant employees of the Exchange.

4. In case of technical failure of the process of conclusion of deals in the double counter auction mode **for all trading instruments** the Exchange cancels all deals and all orders accepted by the Exchange in the period of technical failure. At that such deals are recognized as canceled, orders are rejected. The Exchange shall notify the trading members and Clearing of deals cancellation and orders rejection.

5. In case of technical failure of the deals conclusion process in the double counter auction mode **on one trading instrument** or type of commodity the Exchange cancels all deals and all orders accepted by the Exchange in the period of technical failure on this trading instrument. At that such deals are recognized as canceled, orders are rejected. The Exchange notifies trading participants and Clearing of deals cancellation and orders rejection.

6. In case of technical failure of the process of conclusion of deals **in the standard auction for all currently held auctions**, the Exchange cancels all deals in the current trading session, and all orders accepted by the Exchange during the period of technical failure. At that such deals are recognized as canceled, orders are rejected. The Exchange notifies the trades participants on deals cancellation and orders rejection.

7. In case of technical failure of the deal conclusion process **in the standard auction for one auction**, the Exchange cancels the deal and all orders accepted by the Exchange during the period of technical failure for this auction. In this case the deal is recognized as canceled, orders rejected. The Exchange notifies trading members on deals cancellation and orders rejection.

8. In case of a technical failure of the trading process resulting in impossibility of submission of orders by one or several trading participants on one or several trading instruments in the double counter auction mode, or on one or several auctions in the standard auction mode, the Exchange shall suspend trading in these trades and make a decision on cancellation of deals, orders, as well as on the time of re-execution of trading, if necessary.

9. In case of technical failure of the clearing activity process the Exchange shall cancel all deals and suspend trading until the system is corrected.

10. The information on elimination of technical failure shall be communicated to the interested parties, and shall contain information:

- 1) on the period of technical failure;
- 2) on the type of technical failure;
- 3) other necessary information.

Article 3: Actions of Bidders in case of technical failures

1. In case of any technical failure, a trader of the trading member or another person, who discovered such a failure, must immediately notify the Exchange broker about it by any available method, with photo and video fixation of the problem attached.

2. After notification of the occurrence of any technical failure the Exchange determines on whose side the technical failure occurred.

3. In case of technical failure on the bidder's side, the bidder shall eliminate such failure, including any causes and/or effects, on its own.

After elimination of the technical failure the Trading Member shall connect to the Exchange's trading system in the normal mode.

4. In case of any technical failure provided by item 3 of article 1 of this Instruction, the Exchange shall eliminate such technical failure independently in accordance with this Instruction.

Article 4: Entry of bids / deletion of bids during a technical failure on the bidder's side

1. In case of any technical failure, if necessary, the Trading Member may request the Broker to enter orders into the trading system on behalf of this Trading Member and/or release from obligations to conclude deals in trading instruments arising from orders submitted by this Trading Member to the trading system prior to such failure by means of deletion of orders by the Broker from the trading system. In order for the broker to enter orders into the trading system on behalf of the trading member and/or delete orders, the trading member shall inform the broker of the details of the relevant orders and send a written notification with the details of the relevant orders by any possible means of communication, which shall be registered in the outgoing documentation log of the trading member.

2. The broker has the right to enter bids into the trading system on behalf of a bidder and/or delete valid bids, or to assign a corresponding task to an IT structural unit or IT service organization.

3. In case of receipt of the message of the Trading Member pursuant to paragraph 1 of this Article, the broker shall enter/delete orders in the Trading System on behalf of this Trading Member subject to the following peculiarities:

1) in case of technical capability of the Exchange's broker to enter/delete orders in the trading system;

2) the broker refuses to delete active orders from the trading system, if deals have already been concluded on such orders.

4. In case a broker indicates incorrect details of orders when entering them into the trading system in accordance with clause 3 of this article, deals concluded as a result of erroneous entry/deletion of such orders shall be declared void.

Article 5: Resumption of tendering

1. Decision on resumption of trading within the current day, in case of their suspension, shall be made by the Exchange management or by the deputy head responsible for coordination and control of the Exchange structural division ensuring trading activity, with determination of the time of resumption of trading and by the Exchange internal document.

2. If the technical failure is not eliminated before the end of the trading day, the Exchange does not resume trading, the trading day is considered closed from the moment of occurrence of the technical failure. Provided the technical failure is eliminated by the beginning of the next trading day the trading shall be opened in the normal mode.

Article 6: Responsibility of the Exchange to Trading Members

1. the Exchange shall not be liable for losses, including lost profit, caused to the Exchange member participating in the Exchange trading, due to technical failure in operation of the software and hardware complex subject to exceptions set forth in this article.

2 The Exchange shall not be liable for losses caused to the Exchange member participating in the Exchange trading, including in the remote access mode, due to technical failure, which occurred through the fault of this Exchange member, its employees or third parties (including organizations providing telecommunication services), as well as due to inoperability or failure of computer and communication equipment of this Exchange member and/or errors and/or delays in the operation of such equipment.


3. The amount of the Exchange's liability for erroneous entry/deletion by the broker of orders, details of which were sent by the Exchange member trader according to item 1 of article 4 of this Instruction, as a result of which deals were concluded, on which settlements were made, is limited by the amount of the Exchange fee for deals concluded.

4. Disputes arising in connection with technical failures related to conclusion of exchange deals shall be subject to consideration in accordance with requirements of the Exchange internal documents.

Article 7: Final provisions

1. Issues not regulated by this Instruction shall be resolved in accordance with legislation of the Republic of Kazakhstan, the Exchange's charter, its internal documents, as well as decisions of bodies and officials of the Exchange taken in the established order within their competence.

2. Exchange members and other interested persons shall familiarize themselves with this Instruction and comply with the requirements. Failure of Exchange members and other interested

	Instruction for resolving issues in case of technical failures in the electronic trading system of Caspy Commodity Exchange JSC	
		Revision 1

parties to familiarize themselves with this Instruction shall not be a ground for non-application by the Exchange of requirements of this Instruction.

3 These Instructions shall be updated as necessary, but at least once every three years.

Appendix to the Instruction for resolving
 issues in case of technical failures in
 operation of the Exchange's ETS

FORM
 of technical failure
 detection

Date of technical failure	
Type of technical failure	technical failure of the transaction process technical failure of the bidding process technical failure of the clearing process
Detailed description of the technical failure	
Technical failure period	from to Astana time
Actions taken by the Exchange to settle the technical failure	

IT division of the Exchange _____

IT service organization _____

Mackler _____

President of the Exchange _____