

APPROVED BY
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PRE-APPROVED by NSD's Executive Board
(Minutes No. 27 dated 24 July 2020)

REGULATIONS ON THE REPOSITORY SERVICES CUSTOMER COMMITTEE OF
NATIONAL SETTLEMENT DEPOSITORY

Moscow, 2020

1. GENERAL PROVISIONS

- 1.1 These Regulations on the Repository Services Customer Committee of National Settlement Depository (the "Regulations") are prepared in accordance with the requirements set forth by the Federal Law "On the Securities Market", other federal laws, Bank of Russia's regulations, and NSD's Articles of Association, internal regulations, rules, and procedures that govern repository activities. These Regulations set out the objectives and functions of the Repository Services Customer Committee, the procedure for its establishment, its operating and decision-making procedures, responsibilities and liability of its members.
- 1.2 The Repository Services Customer Committee (the "Committee") shall operate in accordance with these Regulations, NSD's Articles of Association, resolutions of NSD's management bodies, NSD's internal regulations, federal laws, and Bank of Russia's regulations.
- 1.3 The Committee shall be established by a resolution of NSD's Executive Board and shall be a standing advisory body of NSD.
- 1.4 These Regulations and any amendments hereto shall be approved by NSD's Executive Board.

2. COMMITTEE'S OBJECTIVES AND FUNCTIONS

- 2.1 The Committee's key objectives shall include:
 - 2.1.1 Pre-approval of internal regulations relating to repository activities of NSD (also, the "Trade Repository"), namely:
 - NSD's Rules for the Provision of Repository Services ("NSD's Rules");
 - Risk Management Rules for risks associated with Trade Repository's activities;
 - Trade Repository's Information Disclosure Rules;
 - Fee Schedule for NSD's Trade Repository Services ("NSD's Fee Schedule"); and
 - other internal regulations stipulated by the Russian laws
 - 2.1.2 Reviewing proposals and making recommendations to NSD's Executive Board as to the development and improvement of NSD's repository activities.
- 2.2 To achieve its objectives, the Committee shall exercise the following functions:
 - 2.2.1 Interact with financial market participants with a view of studying clients' needs connected with the provision of repository services.
 - 2.2.2 Make recommendations to NSD's executive bodies ("Recommendations") on the following matters:
 - development of repository services;
 - improvement of terms and conditions of the provision of repository services;
 - formulating Trade Repository's pricing policy; and
 - other matters directly relating to NSD's repository activities.

The key requirement to be followed by the Committee in making Recommendations on any of the above matters shall be to pay attention to opinions of each of the Committee members and to ensure that any proposals received from Committee members are thoroughly examined.
 - 2.2.3 Pre-approve NSD's draft regulations listed in paragraph 2.1.1 above.
- 2.3 The Committee may engage representatives of public authorities or academic or other organizations as experts or advisors.
- 2.4 Committee's decisions on the matters listed in paragraph 2.2.2 above shall be advisory and provided for information purposes to assist NSD's executive bodies in their decision-making process.

3. COMMITTEE MEMBERS AND THEIR ELECTION

3.1 The Committee shall have two sub-committees:

- the Trade Repository Sub-committee responsible for dealing with any matters arising in connection with NSD's repository activities (including pricing matters), to the extent related to collection, recording, processing, safekeeping, and disclosure of information concerning OTC repo contracts, derivative contracts, or contracts of any other type provided for by Russian federal laws or Bank of Russia's regulations, as well as to the keeping of a register of such contracts; and
- the RoFT Sub-committee responsible for dealing with any matters arising in connection with NSD's repository activities (including pricing matters), to the extent related to collection, recording, processing, safekeeping, and disclosure of information concerning bank deposits opened through a financial platform and cash transactions relating to such bank deposits, or information regarding the making of any other financial transactions or related operations made through a financial platform, including any other information (provided for by NSD's Rules) relating to such transactions, as well as to the keeping of a register of such information.

Each of the Committee members may be a member of one sub-committee only.

3.2 Committee members shall work in their personal capacity, voluntarily, and for free.

3.3 The following individuals may be elected to the Committee:

- representatives of NSD's repository service users ("Trade Repository's customers"); and
- independent experts who are neither representatives of Trade Repository's customers, nor NSD's employees.

At least three fourths of the Committee members shall be representatives of Trade Repository's customers.

3.4 The following individuals may not be elected to the Committee:

- NSD's employees, and individuals who have services agreements with NSD, under which they provide services to NSD;
- individuals who are members of any committee/commission and/or working group of any other organization engaged in securities market-related business (other than members of committees or working groups of self-regulatory organizations or Bank of Russia's committees or working groups), which are responsible for trade repository services development.

Committee members elected from among individuals nominated by NSD shall not act as NSD's representatives.

No more than one (1) representative of an organization may be elected to any sub-committee.

3.5 Committee members shall have a higher education and possess knowledge of the securities market and at least one year of work experience in financial institutions, or in the Bank of Russia, or in an executive authority, or in a self-regulatory organization in the financial market.

3.6 Candidates shall be nominated by Trade Repository's customers, other stakeholders, and NSD, following the date when an invitation to submit nominations to the Committee and sub-committees ("Nominations") is posted on NSD's web site. Nominations shall be submitted along with the nominated candidates' consent to be put on the list of nominees for election to the Committee and a sub-committee. The period of time during which NSD will accept Nominations shall be at least 5 business days following the date when the invitation to submit Nominations was posted on NSD's web site.

3.7 Committee and sub-committee members and Committee Chairperson and Deputy Chairperson(s) shall be elected by NSD's Executive Board on the basis of the criteria determined by NSD's Executive Board.

The Committee Secretary shall be appointed by the Chairperson of NSD's Executive Board from among NSD's employees.

3.8 At the same time when electing Committee Chairperson, NSD's Executive Board shall approve:

- the number of Committee members, which shall be at least 11 and no more than 18;
- the number of RoFT Sub-committee members, which shall be at least 4;
- the number of Trade Repository Sub-committee members, which shall be at least 7;

- qualification criteria to be satisfied by candidates nominated to the Committee; and
 - the procedure for election of Committee and sub-committee members (either voting for the entire list of nominees or voting for each nominee individually).
- 3.9 The Committee Chairperson shall (where necessary, with the help of a Committee Deputy Chairperson(s) and NSD's responsible officers) review, within 7 business days after the deadline for submission of Nominations, the Nominations submitted in accordance with paragraph 3.6 above, verify whether the nominees meet the qualification requirements set out in these Regulations, and draw up a list of nominees for election to the Committee and sub-committees, subject to the provisions of paragraphs 3.3 to 3.5 and 3.8 above.
- 3.10 The Committee shall be elected for a term of three years. The voting for election of Committee and sub-committee members shall be performed by NSD's Executive Board in accordance with the procedure approved by NSD's Executive Board (either voting for the entire list of nominees or voting for each nominee individually). The Committee Secretary shall notify any organizations whose nominees have not been elected to the Committee; such notices shall be given within three (3) business days of the Committee election date.
- 3.11 NSD's Executive Board may, upon proposal by the Committee Chairperson or Deputy Chairperson, remove any Committee member who failed to attend three or more Committee meetings.
- 3.12 A Committee member may resign by giving notice in writing to the Committee Chairperson and/or Committee Secretary at least one month prior to the proposed effective date of resignation. A Committee member may be removed from the Committee upon proposal by the organization that nominated that member to the Committee. In this case, the organization may, along with the notice of removal of its nominated member, nominate a new candidate representing the organization to the Committee.
- A Committee member shall be deemed to have been removed from the Committee as soon as NSD's Executive Board resolves to remove him/her.
- The Committee Secretary shall give notice to the Committee member of his/her removal by email no later than five (5) business days of the date of the relevant decision taken by NSD's Executive Board.
- 3.13 The Committee Chairperson or Deputy Chairperson may initiate the election of a new Committee member(s) either in replacement of any member(s) removed in accordance with paragraphs 3.11 - 3.12 above, or for the purpose of increasing the number of Committee members. In this case, an invitation to submit Nominations, stating the deadline for their submission, shall be posted on NSD's web site. NSD may also, in this case, nominate, at its own discretion, candidates to the Committee, subject to the requirements of these Regulations. Nominations submitted by Trade Repository's customers shall be considered in accordance with the procedure set forth in these Regulations.
- 3.14 Where the number of Committee/sub-committee members becomes less than the half of the number determined by NSD's Executive Board, all such remaining members of the Committee/sub-committee shall be removed.
- 3.15 On the basis of information received from the Committee Chairperson or Deputy Chairperson regarding the matter referred to in paragraph 3.14 above, NSD's Executive Board shall resolve to remove the Committee/sub-committee members and to launch the process of election of new members of the Committee/sub-committee. New members of the Committee/sub-committee shall be elected in accordance with the procedure set out in paragraphs 3.6 to 3.10 above.
- 3.16 Documentary and technical support to the Committee shall be provided by the Committee Secretary. Where the Committee Secretary is absent, the Chairperson of NSD's Executive Board shall designate an NSD's employee to act as Committee Secretary on a temporary basis.

4. COMMITTEE CHAIRPERSON AND DEPUTY CHAIRPERSONS

- 4.1 The Committee Chairperson shall organize the Committee's work and have the following responsibilities:
- 4.1.1 Supervise Committee's activities;
 - 4.1.2 Approve meeting agendas, dates, times, venues, and formats;
 - 4.1.3 Approve the list of persons to be invited to attend a Committee meeting;

- 4.1.4 Convene Committee meetings and arrange for the discussion of agenda matters at Committee meetings;
- 4.1.5 Preside over Committee meetings;
- 4.1.6 Sign minutes of Committee meetings;
- 4.1.7 Determine the rules of procedure of the Committee and ensure compliance therewith;
- 4.1.8 Allocate responsibilities to the Committee members;
- 4.1.9 Attend Committee meetings and have a decisive vote in the event of a tie vote;
- 4.1.10 Represent the Committee in the course of its interaction with NSD's Executive Board, or any other bodies or persons; and
- 4.1.11 Have any other responsibilities relating to Committee's activities in accordance with these Regulations.
- 4.2 In cases referred to in paragraph 7.1 hereof, the responsibilities set out in paragraphs 4.1.2 to 4.1.6 and 4.1.9 above shall be performed by the Deputy Chairperson of the Committee who is responsible for the RoFT.
- 4.3 In cases referred to in paragraph 7.2 hereof, where the Committee Chairperson is absent, the responsibilities set out in paragraphs 4.1.2 to 4.1.6 and 4.1.9 above shall be performed by the Deputy Chairperson of the Committee who is responsible for the Trade Repository.
- 4.4 Where the Committee Chairperson is absent, his/her responsibilities shall be performed by the Deputy Chairperson of the Committee or, where there is more than one Deputy Chairperson, by a Deputy Chairperson designated by the Committee (subject to the provisions of paragraphs 4.2 or 4.3 above). Where a Committee meeting is attended neither by the Chairperson, nor by the Deputy Chairpersons, the Committee members present at the meeting shall elect one of them to preside over the meeting.

5. RIGHTS AND RESPONSIBILITIES OF COMMITTEE MEMBERS

- 5.1 A Committee member may:
 - 5.1.1 Participate in Committee meetings, and discuss and vote on agenda items;
 - 5.1.2 Propose matters to be put on a meeting agenda, subject to the Committee's objectives and functions set out in Section 2 above;
 - 5.1.3 Where the member is not able to attend a meeting, submit a written opinion on any agenda matter, subject to the requirements set out in paragraph 6.5 below;
 - 5.1.4 Receive information on Committee's activities; and
 - 5.1.5 Resign from the Committee.
- 5.2 A Committee member shall:
 - 5.2.1 Be involved in Committee's work personally and for free;
 - 5.2.2 Not use any information received while performing his/her responsibilities as a Committee member to cause damage to NSD's business reputation;
 - 5.2.3 Exercise his/her rights and perform his/her responsibilities in good faith and reasonably;
 - 5.2.4 Refrain from any action that may cause losses to NSD and/or its clients;
 - 5.2.5 Neither disclose, nor use for his/her own benefit or for the benefit of third parties, any confidential information or information that constitutes NSD's commercial secrets, of which the member has become aware and the list of which is set out in NSD's internal regulations, as well as any other information access to which is restricted in accordance with NSD's internal regulations;
 - 5.2.6 In any event referred to in paragraph 3.4 above, resign from the Committee by giving notice to the Committee Chairperson in accordance with paragraph 3.12 above; and
 - 5.2.7 Perform any other responsibilities provided for by these Regulations or NSD's other internal regulations.

6. COMMITTEE'S RULES OF PROCEDURE

- 6.1 Committee meetings shall be held as and when necessary and shall be convened by the Committee Chairperson (or, if the Committee Chairperson is absent and in cases referred to in paragraph 7.1 hereof, by the Committee Deputy Chairperson (the "individual acting as Committee Chairperson on a temporary basis")) either at his/her own discretion, or upon a request by an Executive Board member, or a Committee member, or the head of an NSD's business unit.
- 6.2 The Committee Chairperson or the individual acting as Committee Chairperson on a temporary basis may reject convocation of a Committee meeting where the matter proposed to be discussed at the meeting falls outside the scope of the Committee's objectives and functions, as stipulated in Section 2 above.
- 6.3 The following individuals may be invited to attend a Committee meeting: Executive Board members, Deputy Chairpersons of the Executive Board, heads of NSD's business units, individuals who have prepared any materials or documents on the matters to be discussed at the meeting, NSD's employees, and other individuals.
- 6.4. Generally, Committee meetings shall be in-person meetings. At an in-person meeting, it shall only be allowed to discuss any matter that has not been put on the meeting agenda if all of the attending Committee members so agree.

Committee meetings may be held using communication technologies (such as conference calls, etc.).

- 6.5 Any person invited to attend an in-person meeting, including Committee members who are not able to attend the meeting, may submit their written opinion on the agenda matters. Such written opinions shall be read aloud at the Committee meeting by the individual acting as Committee Chairperson before the voting on the matter on which the written opinions have been submitted starts. Where a decision made by the Committee takes account of the written opinion submitted by a Committee member who is not in attendance, his/her written opinion shall be attached to the minutes of the meeting.

For the purposes of establishing whether the quorum is present at a Committee meeting and determining the voting results for any agenda item, a written opinion submitted by a Committee member not present at the meeting shall be taken into account, provided that the following conditions are met:

- the written opinion on the agenda item was received before the start of the meeting; and
- the Committee member has unambiguously made clear his/her position on the agenda item by stating, in his/her written opinion, one of the voting options for the draft resolution ("in favour", "against", or "abstention").

A written opinion containing any corrections or reservations with respect to a proposed draft resolution shall be disregarded when establishing whether the quorum is present and determining the voting results. Where any amendments are made to a draft resolution at the Committee meeting, the written opinion shall also be disregarded when establishing whether the quorum is present and determining the voting results.

When establishing whether the quorum is present at a Committee meeting and determining the voting results, written opinions shall be taken into account separately for each agenda item, which shall be reflected in the minutes of the meeting.

A written opinion submitted by a Committee member who cannot attend an in-person meeting of the Committee shall be signed, stating the member's last name and initials, and shall be submitted by the start time of the Committee meeting, either in the original form or by fax, followed by the original.

- 6.6 The Committee Chairperson (or the individual acting as Committee Chairperson on a temporary basis) may decide that Committee's resolutions shall be passed by absentee voting.
- 6.7 When convening a Committee meeting, the Committee Chairperson (or the individual acting as Committee Chairperson on a temporary basis) shall determine the meeting date, time, agenda, venue, and format, as well as the list of persons to be invited to attend the meeting. The Committee Secretary shall send the following to the Committee members by email:
- a notice of the date of the forthcoming Committee meeting, to be sent at least 3 business days prior to the meeting date; and
 - a copy of the meeting agenda and the materials required to address the meeting agenda items, to be sent at least 1 business day prior to the meeting date.

- 6.8 Where any circumstances occur which make it impossible to hold, or hinder the holding of, the Committee meeting of which the Committee members have been notified, the Committee Chairperson (or the individual acting as Committee Chairperson on a temporary basis) may adjourn the meeting to another date with the same agenda.

In the event of changes in the date and/or time of a Committee meeting, a notice to that effect shall be given by the Committee Secretary to all Committee members at least one (1) business day before the proposed meeting date.

- 6.9 A Committee meeting shall be capable to transact business (shall be deemed to have the required quorum) if attended by at least half of the total number of its members, unless otherwise provided in Section 7 of these Regulations. Whether or not the quorum is present shall be determined by the chairperson of the meeting upon declaring the meeting open. Where the quorum is not present at a Committee meeting, the Committee Chairperson (or the individual acting as Committee Chairperson on a temporary basis) shall decide to adjourn a meeting to be held with the same agenda or to put the agenda matters that should have been discussed at the failed meeting on the agenda of the next scheduled Committee meeting.
- 6.10 Each Committee member, including the Chairperson, shall have one vote. No Committee member may transfer his/her vote to another Committee member.
- 6.11 Decisions at Committee meetings shall be made by simple majority vote of the Committee members attending the meeting. In the case of a tie vote, the Committee member presiding over the meeting shall have the decisive vote.
- 6.12 When a Committee meeting is to be held in absentia, along with the materials (information) on the meeting agenda items, the Committee members shall be sent, by email, voting ballots, which shall indicate, among other things, the deadline for returning them.
- 6.13 A completed voting ballot shall be sent to the Committee Secretary by email by the deadline for submission of voting ballots.
- 6.14 Decisions taken at a Committee meeting shall be laid down in the minutes of the meeting, which shall be issued within three (3) business days following the meeting date. The minutes of any meeting shall be signed by the member presiding over the meeting who shall be responsible for ensuring the accuracy of the minutes, as well as by the Committee Secretary.

An individual opinion of a Committee member who voted against or abstained from voting on a decision on any agenda item may, if so wished by such member, be reflected in the minutes of the meeting.

- 6.15 On agenda matters for which the Committee has made recommendations for a meeting of NSD's Executive Board, such recommendations shall be recorded in the form of an excerpt from the minutes of the Committee meeting, which shall accompany the materials prepared for the Executive Board meeting for the purposes of discussion of the relevant matter.

7. DECISION-MAKING PROCESS WITH RESPECT TO TRADE REPOSITORY'S CERTAIN INTERNAL REGULATIONS

- 7.1 Where any amendments are only proposed to be made to Part III "Registrar of Financial Transactions" of NSD's Rules and/or to Appendices to Part III of NSD's Rules and/or to NSD's Fee Schedule, exclusively with respect to fees for Trade Repository's RoFT services, any Committee meeting convened to consider and discuss such amendments shall be attended by the RoFT Sub-committee members only.

The quorum required to pass resolutions shall be at least half of the total number of the RoFT Sub-committee members. A resolution to approve amended and restated NSD's Rules or NSD's Fee Schedule containing any such amendments as mentioned above shall be passed by a majority vote of the RoFT Sub-committee members attending the meeting.

- 7.2 Where any amendments are only proposed to be made to Part II "Trade Repository" of NSD's Rules and/or to Appendices to Part II of NSD's Rules and/or to NSD's Fee Schedule, exclusively with respect to fees for Trade Repository's services, any Committee meeting convened to consider and discuss such amendments shall be attended by the Trade Repository Sub-committee members only.

The quorum required to pass resolutions shall be at least half of the total number of the Trade Repository Sub-committee members. A resolution to approve amended and restated NSD's Rules or

NSD's Fee Schedule containing any such amendments as mentioned above shall be passed by a majority vote of the Trade Repository Sub-committee members attending the meeting.

- 7.3 Where any amendments are only proposed to be made to Part I "General Provisions" of NSD's Rules and/or Appendices to Part I of NSD's Rules, any Committee meeting convened to consider and discuss such amendments shall be attended by all Committee members.

The quorum required to pass resolutions shall be at least half of the total number of the Committee members. A resolution to approve amended and restated NSD's Rules containing any such amendments as mentioned above shall be passed by a majority vote of the Committee members attending the meeting.

8. COMMITTEE'S WORKING GROUPS

- 8.1 The Committee may have working groups established to make recommendations on certain aspects of NSD's repository activities.
- 8.2 The functions of working groups and the procedure for their establishment shall be approved by the Committee.
- 8.3 Meetings of working groups shall be convened as and when necessary, including upon the initiative of the Committee Chairperson, a working group member, or NSD.

9. LIABILITY OF COMMITTEE MEMBERS

- 9.1 Committee members shall be held liable, in accordance with the laws of the Russian Federation, for failure to perform or improper performance of their responsibilities, resulting in damages to NSD.

10. MISCELLANEOUS

- 10.1 Any matters omitted in these Regulations shall be governed by NSD's Articles of Association and other internal regulations, as well as by the applicable Russian laws.
- 10.2 Where any provision of these Regulations becomes inconsistent with any amended laws, or NSD's Articles of Association, or NSD's other internal regulations, that provision shall cease to be in force, and, until relevant amendments are made to these Regulations, the Committee shall act in compliance with such amended laws and NSD's other internal regulations.