

Index Management Policy



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1 PURPOSE OF DOCUMENT

Beta FT Limited Liability Company ("BFT") is the administrator and calculating agent of a wide range of financial indices, each of which is based on a separate methodology. At the same time, all indexes are formed and maintained in accordance with the general rules and principles contained in this Index Management Policy (hereinafter the "Policy").

This Policy is based on the Principles for Financial Indicators (the "IOSCO Principles"), which set forth the highest standard of operation for a financial indicator administrator. BFT annually review the Policy for compliance with the said IOSCO Principles and shall make amendments and additions as necessary.

2 TERMINOLOGY

2.1 For the purposes of this Policy, the following terms and definitions apply:

"Calculation base" - a list of financial instruments and (or) indicators approved by BFT in accordance with the Methodology, on the basis of which the Index is calculated;

"Exchange"- a trade organizer (including a foreign one), where trading in financial instruments included in the Settlement Base is conducted;

"Index" - an index formed by BFT on the basis of the relevant Methodology. BFT have statutory rights in respect of each Index;

"Backtest" - retrospective modeling of the Index curve on the basis of data on the Index Components included in the current calculation base for previous periods;

"Sample" - a set of financial instruments and (or) indicators united on the basis of the criteria defined in the Methodology, of which the Calculation Base is formed;

"Index Component" - a financial instrument and (or) indicator included in the Index calculation base;

"Initial data" - data about the values of the Index Component, using which the corresponding Index is calculated;

"Data Provider" means a page on the Internet, a computer program, or any other source of information about the values of the Source Data to which BFT has provided access by the Contributor.

"Contributor" means the legal entity providing BFT with access to the Information Resource;

"Methodology" - the methodology of formation and calculation of the corresponding Index, developed by Beta Financial Technologies;

"Official website" - BFT page on the Internet at: beta-ft.ru;

"Rebalancing" - the procedure for reviewing the composition and shares of the Index Components, stipulated by the Methodology;

"Revision of the universe" - the procedure for revising the composition of the universe stipulated by the Methodology;

"Trading Day" shall mean a day on which the relevant Exchange is open for trading in the main trading mode.

2.2 2.2 Non-specified terms used in this Policy shall have the meanings set forth in laws and regulations promulgated thereunder, as well as in IOSCO standards.

3 INDEX CALCULATION METHODOLOGY

3.1 Formulas for calculation of Indices, procedure for formation of Calculation Bases, Rebalancing, number of financial instruments and (or) indicators included in the Calculation Bases and other specifics of calculation are established by the Methodologies developed by BFT and disclosed on the Official Website.

3.2 The text of the Methodology shall be posted on the Official Website as soon as possible, but no later than ten (10) working days after its approval.

3.3 Information on changes in the Methodology shall be posted on the Official Website no later than one (1) calendar month prior to the effective date of such changes

4 INDEX INFORMATION DISCLOSURE

- 4.1 BFT discloses on the Official Website the values of each Index.
- 4.2 BFT discloses information about the values of the Index in the order and with the frequency defined in the relevant Methodology.
- 4.3 If it is impossible to calculate and disclose the relevant Index in the normal mode, the actions of BFT are determined by Section 5 of this Policy.
- 4.4 BFT posts on the Official Website information about Index values on weekends and holidays.

5 MAINTAINING THE CONTINUITY OF INDEX DISCLOSURES

General Provisions

- 5.1 To ensure the continuity of disclosure of information about the Indices, BFT operates in accordance with the rules specified below in this section
- 5.2 BFT provides continuity of calculation and publication of Indices in the following cases:
- (1) In the ordinary course of business, subject to standard calculation procedures;
 - (2) If BFT has no access to the Information Resource at the time of calculation of the relevant Index;
 - (3) In case of Suspension of trading in a particular financial instrument;
 - (4) In case of Suspension of trading on the Exchange;
 - (5) In case of detection of errors in calculation of the Index (see Ch. 6 "Correction of the Index due to detection of errors")
- 5.3 In the case described in par. (1) π. 5.2 of this Policy, the continuity of the Index calculation shall be ensured by Beta Financial Technologies' compliance with the requirements and procedures described in the Methodology and Section 4 of this Policy.

LACK OF ACCESS TO AN INFORMATION RESOURCE

- 5.4 Lack of Access to an Information Resource means a situation where Beta Financial Technologies, for reasons beyond its control, is unable to obtain information about actual Source Data from an Information Resource normally used in the calculation of an Advice Index (for example, due to some technical malfunction on the part of the Contributor, which undertakes to provide BFT with access to the relevant Information Resource).
- 5.5 In the absence of access to the Information resource BFT
- 5.5.1 Publish information on this circumstance on the Official Website as soon as possible, but no later than the next Trading Day;
- 5.5.2 Within five (5) Trading Days (not including the date of loss of access to the Information Resource), Beta Financial Technologies shall use the last known Initial Data for the Index calculation (unless access to the Information Resource, which is normally used for the calculation of the relevant Index, is restored prior to the expiration of the specified period)
- 5.5.3 Starting from the 6th (sixth) Trade day (not including the date of loss of access to the Information resource) Beta Financial Technologies shall calculate the Index using the Initial Data obtained from public sources until access to the Information resource, which is normally used for the calculation of the relevant Index, is restored
- 5.5.4 If the Source Data cannot be obtained from public sources, Beta Financial Technologies has the right to
- (i) Extend the period of calculation of the Index based on the last known Reference Data by 40 Trading Days, or
 - (ii) Terminate of calculation of the Index (see Ch. 7, "Termination of Index Calculation»).
- 5.6 In the case of loss of access to the Information resource, Beta Financial Technologies shall make every effort to obtain up-to-date Initial data. With this in mind, Beta Financial Technologies shall have the right to calculate the Index using the Source Data

obtained from public sources, until the expiry of the period specified in paragraphs 5.5.2 of this Policy. 5.5.2 of this Policy

- 5.7 When posting on the Official Website information on the value of the Index calculated in accordance with paragraphs. 5.5.3 of this Policy, Beta Financial Technologies shall at the same time inform about the public source of the Source Data used in the calculation of the relevant Index

SUSPENSION OF TRADING IN A PARTICULAR FINANCIAL INSTRUMENT

- 5.8 Suspension of trading in a certain financial instrument for the purpose of this Policy shall mean the situation when trading in a certain financial instrument included in the Settlement Code is suspended for any reason

- 5.9 In the event of Suspension of trading in an individual financial instrument, the relevant financial instrument shall be used for the purposes of calculation of the Index on the basis of the last known price for a period of 10 Trading Days (not including the date of Suspension of trading in an individual financial instrument). If within the specified period trading in the specified financial instrument has not resumed, BFT shall be entitled to make one of the following decisions:

- (a) (a) to extend the calculation period of the Index based on the last known price of the relevant financial instrument for 10 Trading Days (the "Extension Decision");
- (b) (b) on exclusion of the relevant financial instrument from the Index calculation base with a price equal to zero. In such case, BFT shall perform an extraordinary Rebalancing.

When making a decision, BFT takes into account any available information that allows assessing the likelihood of resuming trading in the relevant financial instrument

- 5.10 If BFT has made the Decision to extend, and within 10 Trading Days from the date of such decision trading in the specified financial instrument has not resumed, BFT repeatedly assesses the probability of resumption of trading in the relevant financial instrument and makes one of the decisions provided for in paragraph. 5.9 of this Policy.
- 5.11 If BFT repeatedly decides to extend, and within 10 Trading Days from the date of such decision trading in the specified financial instrument was not resumed, BFT shall

exclude the financial instrument from the Settlement Base with the price equal to zero and perform an extraordinary Rebalancing.

- 5.12 After resumption of trading in the financial instrument excluded from the Settlement Code in accordance with clause 5.9 or clause 5.10 or clause 5.11 of the Clearing Rules. 5.10 or clause 5.11 of this Policy. 5.11 of this Policy, BFT shall have the right to re-include such financial instrument into the Index Calculation Base within the framework of the next Rebalancing.
- 5.13 If the Suspension of trading in an individual financial instrument takes place on the date of the next Rebalancing, the financial instrument in respect of which the trading is suspended shall not be included in the Calculation Base.
- 5.14 The rules specified in clauses. 5.7 - 5.13 of this Policy shall also apply in case of suspension of trading in more than one financial instrument included in the Index Calculation Base, except for the case when the rules stipulated by clauses 5.15 hereof shall apply. 5.15 of this Policy.

SUSPECION OF EXCHANGE TRADES

- 5.15 Suspension of trading on the Exchange for the purposes of these Regulations shall mean any situation when, as a result of suspension of trading on the Exchange, trading of a material part¹ or entire portfolio of financial instruments included in the Index calculation base.
- 5.16 In the event of Suspension of trading on the Exchange, the corresponding financial instrument shall be used for the purposes of calculation of the Index on the basis of the last known price within 10 Trading Days. If within the specified period trading in the specified financial instrument was not resumed, Beta Financial Technologies shall be entitled to make one of the following decisions:
- (a) Extension decision;
 - (b) Decision to terminate the maintenance of the Index.

¹ More than 40% financial instrument, listed in a Base of Index Calculation.

In making its decision, BFT shall take into account any available information that allows to assess the likelihood and timing of resumption of trading on the Exchange.

- 5.17 If BFT has made the Decision to extend, and within 10 Trading Days from the date of such decision trading on the Exchange has not resumed, Beta Financial Technologies reassesses the likelihood of resumption of trading on the Exchange and makes one of the decisions provided for in paragraph. 5.16 of this Policy
- 5.18 If BFT decides to extend in accordance with paragraph 5.17 of the Policy, and within 10 Trading Days from the date of such decision trading on the Exchange resumed, BFT obliges to cease to maintain such Index (see Ch. 7 "Termination of Index Calculation").
- 5.19 If the Suspension of trading on the Exchange takes place on the date of the next Rebalancing, the next Rebalancing shall be postponed until the date of resumption of trading on the relevant Exchange.
- 5.20 The rules specified in clauses. 5.8 - 5.19 of this Policy shall apply irrespective of the reasons of Suspension of trading on the Exchange / Suspension of trading in particular financial instrument.
- 5.21 If in respect of a financial instrument, which, according to the criteria defined in the Methodology, may be included in the Index Calculation Base within the framework of the next Rebalancing, trading was suspended for any reason less than 10 Trading Days before the relevant date of Rebalancing, BFT will not include such financial instrument in the Index Calculation Base.

6 CORRECTION OF THE INDEX DUE TO THE DETECTION OF ERRORS

- 6.1 In the case of errors in the formation of the Index (its calculation base) and in the process of maintaining the Index Beta Financial Technologies acts in accordance with the rules specified below in this section.

TYPES OF ERROR

- 6.2 We can distinguish the following types of errors occurring in the formation and maintenance of the Index:

- (a) Technical errors

(i) Incorrect Source Data

An error in the calculation of the Index can be due to the use of incorrect Source data. This type of error depends on the quality of the Input data.

(ii) Errors in calculating the Index

Incorrect reflection of the level of the Index may be due to errors in the calculation of the Index due to incorrect application of the Methodology or calculation errors.

(b) Errors in the composition of the calculation base

Errors may occur at the stage of Index creation due to incorrect filling of the Index calculation base, for example, erroneous inclusion of a financial instrument and (or) indicators in the calculation base or incorrect calculation of the share of one or more Index Components.

(c) Errors in the composition of the Sample

Errors can be related to incorrect inclusion of financial instruments in the Sampling, for example, due to incorrect application of financial instruments selection criteria contained in the Methodology.

ERRORS DETECTION

6.3 Potential error may be detected by Beta Financial Technologies, or brought to Beta Financial Technologies' attention by Index users or other third parties.

6.4 In the process of identifying a potential error the following actions are carried out:

- (a) the potential error and its causes are investigated;
- (b) the error is confirmed;
- (c) potentially incorrect information to which the Index error relates is rechecked with another financial data provider (if applicable);
- (d) a list of appropriate measures to correct the error is established.

INDEX ADJUSTMENT

6.5 BFT shall strive to eliminate any Technical Errors within no more than two (2) Trading Days from the date of their detection.

At the same time, BFT admits that the period of correction of the Index in some cases may be longer.

- 6.6 In case of detection of Technical Errors BFT,
 - 6.6.1 Suspends the calculation of the Index, but not more than for 1 (one) Trading Day, following the day of detection of the Technical error;
 - 6.6.2 Carries out activities aimed at identifying the cause of the technical error;
 - 6.6.3 Resumes calculation of the Index using the correct source data / calculation algorithm.
- 6.7 If a Technical Error is identified, the Supervisory Committee may decide to conduct a Backtest using the correct Source Data / calculation algorithm and publish the Index values for the previous period.
- 6.8 In the event of an Error in the Computation Base and (or) an Error in the Sampling, the Supervisory Committee shall have the right to make the following decisions no later than the Trade day following the date of such error:
 - 6.8.1 on conducting an unscheduled Sample Review;
 - 6.8.2 on holding an extraordinary rebalancing;
 - 6.8.3 if the next Rebalancing is planned to be carried out within not more than 15 (fifteen) Trade days from the date of identification of the Error in the Settlement Base - on making changes in the Settlement Base to correct the Error within the next Rebalancing;
 - 6.8.4 on conducting the Back-test (after adjustments are made to the Calculation Database) and publishing the Index value for the previous period.
- 6.9 If the Supervisory Committee makes a decision under clause. 6.8.2 of the Policy, the extraordinary Rebalancing shall be carried out not later than the Trading Day following the date of such decision.

- 6.10 Calculation of the Index on the basis of the adjusted Calculation Base shall start not later than on the Trading Day following the date of the extraordinary Rebalancing.

7 TERMINATION OF INDEX CALCULATION

7.1 Each Index is an indicator of a particular market sector or describes the condition of a particular market industry or a particular segment represented by individual companies. If the market situation, for the description and measurement of which the respective Index was created, changes to such an extent that the mechanics of the Index are disturbed and it becomes impossible to adequately reflect the condition of such sector, industry or segment by means of the Index, Beta Financial may be forced to stop the maintenance of such Index. Beta Financial Technologies shall cease to maintain the Index if changes to the relevant Methodology or other comparable measures fail to restore the adequacy of the Index and termination of the relevant Index is necessary and unavoidable.

7.2 Termination of maintenance of the Index may be caused by the following circumstances:

- (a) The Index components are no longer available and cannot be replaced by similar indicators for objective reasons;
- (b) An insufficient number of customers using the Index and/or it is not economically feasible to maintain the Index;
- (c) Legislative or regulatory changes and restrictions that directly or indirectly interfere with the calculation of the Index;
- (d) Geopolitical processes;
- (e) A significant change in the market infrastructure that could render the relevant Index unclaimed;
- (f) Any other events that make the Index no longer representative of its intended scope.

7.3 If it becomes necessary to stop maintaining the Index, Beta Financial Technologies shall take the following actions:

- (i) Consult with members of the legal department on the possibility of terminating the maintenance of the Index;
- (ii) Hold discussions with counterparties and other stakeholders that may be affected by the termination of maintenance of the Index; at this stage, Beta Financial Technologies and the stakeholders will, among other things, determine a termination timeline that will provide sufficient time to adjust the financial instrument associated with such Index (if necessary);

In the cases described in clauses. 5.16 to 5.18 of this Policy, BFT shall terminate the maintenance of the Index in .

- (iii) BFT ceases to maintain the Index, as disclosed on the Official Website.

The decision to terminate maintenance of the Index and the reasons for such decision shall be documented, and such documentation shall be maintained in accordance with Beta Financial Technologies' accounting policies

8 CONTRIBUTORS

General Provisions

- 8.1 The accuracy of calculation of the Index depends on the accuracy and correctness of the Initial Data used for its calculation. All Indices administered and calculated by Beta Financial Technologies shall be calculated using data on the value of financial instruments / values of indicators at a certain point in time, obtained from a quality Information Resource, access to which is provided by the Contributor.
- 8.2 The Underlying Data shall be sufficient and appropriate to accurately and fairly reflect the market or economic reality that the relevant Index is intended to measure. Beta Financial Technologies shall take into account current market conditions and economic reality when deciding whether to use the Reference Data provided by the relevant Contributor.

CRITERIA FOR SELECTING CONTRIBUTORS

- 8.3 BFT for index development and calculation have to choose data contributors using

following criteria:

- (i) The accuracy and reliability of the Information from data provider
- (ii) Availability of historical data
- (iii) High level of service; and
- (iv) The reputation and recognition of the Contributor in the marketplace

8.4 BFT will enter into an agreement with the selected data contributor that defines the procedure and terms of access to the data platform

8.5 If a Contributor is no longer meets the criteria set forth in Section 8.3 of this Policy, for example, if BFT systematically receives incorrect Underlying Data, BFT will consider terminating the contract with such Contributor and selecting a new Data Contributor

9 CONTROL

9.1 BFT on a periodic basis carries out a comprehensive internal control of the Index-Management processes for compliance with the requirements of federal laws and regulations adopted in accordance with them in the field of financial markets, as well as the IOSCO Principles and internal documents of Beta Financial Technologies.

9.2 To monitor and control the Index-Management, BFT shall form a Supervisory Committee.

9.3 The Oversight Committee shall, on a quarterly basis, randomly verify

(a) the compliance of the calculation of the Indices with the requirements specified in the Methodologies;

(b) the calculation of an individual Index for Technical Errors;

(c) compliance with the requirements for disclosure of current Index values.

9.4 On an annual basis, BFT shall conduct internal audits, within which the

correctness of the Methodologies and the calculation of all Indices shall be checked.

10 CONFLICT OF INTERESTS

General provisions

- 10.1 BFT is committed to high standards in the administration of Indices and to operating with the highest standards of ethics and integrity in order to ensure the accuracy and reliability of the Indices maintained. Although the Indices are calculated based on the formulas disclosed in the Methodologies, there is a risk of conflicts of interest. Conflicts of interest may arise in situations where BFT, its management, employees, counterparties have a direct or indirect interest that conflicts with the activities of BFT or the activities of any of Beta Financial Technologies' clients ("conflict of interest"). In this regard, BFT has developed procedures to manage potential conflicts of interest, including their identification, disclosure, mitigation or prevention
- 10.2 BFT is not a financial institution, trade organizer, broker, dealer or any other professional participant of the securities market. BFT does not issue securities, sell, trade or exchange securities or other financial instruments. In this regard, BFT believes that there are no conflicts of interest due to its corporate or ownership structure
- 10.3 BFT implements a set of measures designed to ensure that no BFT employee directly involved in the administration of an individual Index has any interest or business connections that jeopardize the operation of BFT

- (a) 10.4 For purposes of identifying conflicts of interest, BFT and its employees shall monitor situations where any of its employees BFT
- (b) Is engaged in the same activity as the customer (engaging in a competing activity);
- (c) Has a financial or other incentive to act for one client and to the detriment of another client;
- (d) Receives any remuneration from a person other than the client in connection with services provided to the client;
- (e) Works on highly confidential projects accessible only to a limited group of people

Ethics wall

- 10.4 If a situation arises where two different clients of BFT have opposing interests, which could lead to a conflict of interest, BFT ensures that different employees interact with each client and ensures that no information is exchanged between the respective employees. For these purposes, BFT has implemented the "Ethics walls" principle.
- 10.5 The principle of "Ethics walls" means the strict isolation of one employee, unit or group from another employee, unit or group when their interaction could potentially jeopardize the objectivity of the processing and use of information and the administration of the individual Index. The principle of "Ethics walls" is implemented through organizational measures (e.g., by physical and personnel separation, agreements on data access rights or pseudonyms).

ADDITIONAL MEASURES TO IDENTIFY AND CONTROL CONFLICTS OF INTEREST

- 10.6 The list of measures to identify and control conflicts of interest of BFT employees includes the following

- (a) Ensuring Awareness of Conflict of Interest Policy: In order to prevent conflicts of interest, each Beta Financial Technologies employee must certify his or her familiarity with this policy and other internal rules governing conflicts of interest. Each employee must certify that he or she has no conflicts of interest (including potential conflicts of interest) in connection with the activities undertaken by Beta Financial Technologies or disclose such conflicts of interest in writing (e.g. any business, commercial or financial interests that could be interpreted as being in conflict with his or her duties). If an employee is unsure about the situation or has any questions about the conflict of interest policy, he or she should send an email request to the Compliance Officer

 - (b) Remuneration: To avoid any conflict of interest, the remuneration of BFT employees is not linked (directly or indirectly) to the levels or performance of the Indices

 - (c) Gifts and invitations: Beta Financial Technologies does not prohibit its employees from giving or receiving gifts or invitations. However, this applies only to non-cash gifts that do not give rise to a conflict of interest Receiving and giving cash gifts is strictly forbidden
- 10.7 In order to prevent potential situations of conflict of interest, BFT discloses information relating to changes in the Methodology in accordance with the established procedure, simultaneously using different channels of communication. This ensures that no market participant receives information that could lead to an unfair market advantage before the other participant