THE INTERNATIONAL REC STANDARD

Empowering Electricity Purchasers

PRELIMINARY REPORT FOR INTEGRATION WITH EVIDENT REGISTRY [AIX ENVIRONMENTAL INSTRUMENTS PLATFORM] PLATFORM OWNED BY [ASTANA INTERNATIONAL EXCHANGE CENTRAL SECURITIES DEPOSITARY]

April 2024

Notice from the I-REC Standard Foundation

This report has been completed by a Platform Operator and is a disclosure form, required by the I-REC Standard Foundation, to inform potential users about the functioning of the operator's Platform and its interaction with an Accredited Registry (Evident's Registry).

Potential and existing Platform users are to be informed that there are different ways to access I-REC(E) and participate in the market. Every I-REC(E) is validated by nationally appointed issuers and ownership records are maintained on the Evident I-REC(E) Registry. Throughout the lifecycle of an I-REC(E) certificate, from issuance to eventual redemption, the certificate ownership is determined and recorded in the I-REC(E) Registry. The Registry also provides basic functionalities including device registration, I-REC(E) transfers and I-REC(E) redemptions. These services are accessible to anyone who is registered in the Registry and can also be accessed through existing market players (e.g., Registrants and Participants) who are familiar with the rules and requirements of the International Attribute Tracking Standard and associated I-REC(E) Product Code. However, the Registry can also be indirectly accessed via Accredited Platforms. These Platforms may provide different services, visualizations or tools which supplement the functionality provided by the Registry. However, use of a Platform is never mandatory for the issuance, trade, or redemption of I-REC(E). Users should, as a result, be informed of the Platforms they intend to make use of and determine if a Platform provides added value for them.

The I-REC Standard Foundation and Evident Services periodically check that the Platform is adherent to the rules of Accreditation and well-integrated with the Registry. However, the Foundation, Evident Services or any Accredited Market Facilitator cannot be held responsible for the quality of services provided by Platform Operators.

If you have any further questions about the interaction between Platforms and the Evident Registry, please contact the I-REC Standard secretariat at secretariat@irecstandard.org.

Who is the legal owner of the Platform (e.g., the Platform Operator)?

Astana International Exchange Central Securities Depositary (AIX CSD)

Please provide a short description of the purpose of the Platform.

The purpose of a trading platform is to provide a digital marketplace where I-REC buyers and sellers can be assured in the transparency of operations and reliability of the transactions. The trading platform serves as an engine infrastructure that enables businesses to take action towards mitigating climate change.

Please define the primary markets or jurisdictions in which the Platform will operate.

The main jurisdiction for Platform's operations is the Astana International Financial Centre (AIFC), with the Astana Financial Service Authority (AFSA) as a financial regulator, located in Astana, Kazakhstan. AIFC jurisdiction is independent from "onshore" Kazakhstan and it is set up by the Constitutional Law of the Republic of Kazakhstan on AIFC and based on the English Common Law regime.

Primary focus market is Kazakhstan with potential extension to the Central Asian and international markets. The Platform trading is operating on the NASDAQ matching engine and the settlement of transactions takes place on T+2 in the AIX CSD Depository System.

How can users register at the Platform and where can contracts or terms and conditions be found?

Users open accounts with financial brokers (Trading Members) who are registered with the AIX and the AIX CSD.

The terms and conditions for users are indicated in the contracts with financial brokers. The terms and conditions of Platform activity/operations are regulated by AIX and AIX CSD Business Rules and Procedures.

Please define the intended steps for various users of the Platform to be registered with the Platform Operator prior to use. Are legal agreements required? If so, are these prepared?

The Astana International Exchange (AIX) engages exclusively with organizations that have obtained the appropriate licenses in accordance with its regulatory framework. These entities (Trading Members) primarily consist of brokers involved in trading shares, securities, and related financial instruments. In addition, brokers are authorized to facilitate the trading of I-REC certificates on behalf of their clients, following the clients' instructions. All operations between brokers and their clients are conducted based on established agreements.

Registrants, participants, and entities without accounts in Evident shall enter into agreements with licensed brokers authorized to trade on the AIX. These brokers establish the appropriate accounts for their clients within the AIX framework. Clients subsequently provide brokers with instructions regarding the transaction or redemption of I-REC certificates. In response, the brokers submit formal applications to the AIX CSD, requesting the execution of I-REC transfers or redemptions.

How can users access the Platform and who can they contact for questions?

Users can access the Platform's live and historical market data through the AIX Exchange website at https://market.aix.kz/environmental. The website has a separate section for trading environmental instruments, accessible from the main page.

Order entry is done via the brokers' hi- or low-touch interface depending on the client's preference and broker's offer.

For questions, users can contact carbonplatform@aifc.kz.

What languages does the Platform support?

English

Please describe in detail the functionality of your Platform.

1. Issuance of I-RECs

AIX does not directly issue I-RECs; this function is performed by local issuing organizations, such as the ECOJER Association in Kazakhstan. Prior to the issuance, Trading Member informs a client with details of the AIX CSD's Evident account. Once issued, I-RECs are placed to AIX CSD's Platform Operator account within Evident.

Key Functionality:

- Receives I-RECs issued by Registrants, storing them in the relevant AIX CSD accounts.
- Facilitates the subsequent transfer of I-RECs to brokers' accounts as instructed by the Registrants.

2. Storage and Custody of I-RECs

AIX CSD acts as the custodian for I-RECs, holding certificates on behalf of various clients. It ensures that I-RECs are securely stored and accurately reflected in brokers' AIX CSD accounts.

Key Functionality:

- Manages sub-accounts within AIX CSD that correspond to specific brokers and their clients.
- Monitors I-REC balances to ensure proper allocation and segregation of certificates according to client instructions.

3. Trading of I-RECs

AIX is an exchange where I-RECs can be traded between buyers and sellers. The trading mechanism is based on a bid-ask system, where buyers place bids and sellers place offers, and trades are executed when there is a price match. This transparent trading process ensures fair market pricing for I-RECs.

Key Functionality:

- Offers a dedicated trading segment for I-RECs on the Market Watch page.
- Facilitates real-time price discovery, displaying essential market data such as bid and ask prices, trading volumes, and historical performance.

4. Transfer of I-RECs

AIX CSD supports both internal and external transfers of I-RECs, ensuring that certificates can move seamlessly between accounts within the AIX CSD and externally to other participants or Platform Operators.

Internal Transfers:

- Involves moving I-RECs between sub-accounts within AIX CSD.
- Allows brokers to efficiently manage client portfolios by reallocating I-RECs as needed for trading, holding, or redemption.

External Transfers:

- Facilitates the movement of I-RECs from AIX CSD's accounts to external Participant accounts or other Platform Operators.

5. Redemption of I-RECs

AIX CSD manages the redemption process of I-RECs. Redemption requests are initiated by clients, typically through brokers, and processed by AIX CSD. Clients instruct their brokers to redeem I-RECs, providing necessary information for the operation. Once I-RECs are redeemed, brokers receive a redemption statement through internal secured channels of the AIX CSD.

Key Functionality:

- Receives and processes redemption instructions submitted by brokers on behalf of their clients.
- Ensures the removal of redeemed I-RECs from trading accounts and reflects this status in Evident.
- Provides Redemption Statements to brokers, which are then transferred to the clients.

6. Market Data and Transparency

AIX enhances market transparency by offering comprehensive market data on its Market Watch page. This data is crucial for brokers and clients to make informed trading decisions.

Key Functionality:

- Broadcasts real-time market data, including prices, trade volumes, and market depth for I-RECs.
- Provides additional information on I-REC origin and trading details, which users can access for detailed data of the renewable energy production.
- Displays historical data that helps brokers analyze market trends and make strategic decisions.

7. Support for Brokers and Clients

AIX CSD provides operational and technical support to brokers, ensuring they can manage their clients' I-REC portfolios effectively. This includes assistance with account setup, transaction processing, and guidance on regulatory requirements.

Key Functionality:

- Provides information, corresponding instructions and resources to brokers on how to handle I-REC transactions.
- Provides a support team to assist with any technical issues related to I-REC trading and transfer processes.

How does the above functionality relate to the Accredited Registry (Evident's Registry)?

The Platform is an Accredited Platform Operator under the I-TRACK Foundation with the API integration.

Who can use your platform? (more than one are possible)

☐ Registrants[1] registered in the Evident Registry

☒ Participants[2] registered in the Evident Registry

☒ Entities without an account in the Evident Registry

Which of the following best describe your platform (more than one are possible):

[1] A registrant is the only entity that is able to request device registration or certificate issuance. They can do this on behalf of a device owner or on their own behalf (if they themselves are device owners).

[2] A participant is a market player, trader or potentially a consumer with an account in Evident Registry and can hold, sell, buy, and redeem I-REC(E)s on their on behalf or on behalf of their clients.

☒ Market, trade, or exchange functionality

☒ Facilitation of Redemptions and/or creation of Platform Redemption statements

☐ Visualization tool or creation of reports on usage

☐ Mechanism to support increased granularity

☐ Mechanism to support registration of small or distributed devices

☐ Platform to simplify the issuance process

☐ Platform only for internal use (back-office/mid-office use)

☐ Other, namely: Click or tap here to enter text.

Please provide a description of the fees associated with the use of the Platform (e.g., link to fee structure).

The AIX charges 0.01% of the transaction value for each trade made on AIX.

The AIX CSD charges safekeeping fee, which is calculated from the monthly average depot value in the subject month multiplied by the applicable BP per annum and divided by 12 months.

The rate of BP per annum for depot value up to 100 million USD equals to 1.86.

The AIX CSD charges 0.5 BP settlement fee of the transaction value for each trade made on AIX.

BP (basic point) – 0.01%

Internal transaction fee is 4.5 USD.

External transaction fee is 18 USD.

Trading Members (brokers) act based on an Agreement with clients, charging its own competitive fee.

In case certificates can be redeemed directly on the Platform, please provide a screenshot of the template Redemption Statement users can expect when using this redemption service on the Platform.

The Platform uses the standard redemption statement by Evident; the AIX's logo is added to the statement.

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This Redemption Statement has been produced for

AITEST3.0

by

AIX CSD

confirming the Redemption of

1.000000

I-REC Certificates, representing 1.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

Astana
Kazakhstan

in respect of the reporting period

2025-03-28 to **2035-03-28**

The stated Redemption Purpose is

demo redemption

Ev.

ASTANA INTERNATIONAL EXCHANGE CSD

QR Code Verification

Verify the status of this Redemption Statement by scanning the QR code on the left and en tering in the Verification Key below

Verification Key

1 4 4 6 2 4 4 8

https://api-internal.sandbox.evident.dev/public/certificates/en/j1eB5pNlOHXOIGwZ6xvzmxHBtbsq9q6xaVVDl4Dkkp7XbBkE5R8k%2Fm5DBzue19Oa

What design elements have been considered to ensure that live, tradable certificates cannot be perceived as being owned or redeemed by an End-User prior to the act of redemption?

A footer on the Market Watch Page with the following statement:

"Tradable I-RECs cannot be perceived as being owned or redeemed by an End-User prior to the act of redemption".

Where can users find more information about the Platform? (e.g., links to documentation)

Information on the Platform is regularly posted at the AIX Market Notice Page: https://aix.kz/news-announcements/aix-market-notices/. Trading Members monitor the page to view any updates on AIX's various operations and products, including I-RECs.

In the situation that the platform has a market, trade, or exchange functionality, has an agreement with an associated financial institution been discussed? Are there expectations as to the needs for associated collateral?

AIX CSD holds a licence from AFSA to operate a Clearing House to provide a book-entry Securities Settlement System and to operate a Central Securities Depository.