

KAZAKHSTAN STOCK EXCHANGE

Approved

by decision No. 14 of Kazakhstan
Stock Exchange shareholders
special general meeting

of January 17, 2008

NOTICE

Mentioned below Code in English has been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the Code original version in Russian, the latter prevails.

CODE

of Kazakhstan Stock Exchange Corporate Management

Almaty

2008

This Code defines the rules of business ethics, by which must be guided Kazakhstan Stock Exchange bodies (hereinafter – the Exchange) and members of the Exchange collegial bodies (hereinafter together – corporate relations participants) when implementing the Exchange corporate management related activities.

During development of this Code was used the Code of Corporate Management, approved by the Issuers Council decision (protocol of the first meeting of Issuers Council of February 21, 2005) and modified by the Issuers Council decision of July 3, 2007.

Chapter 1. PRINCIPLE OF CORPORATE MANAGEMENT

Article 1. General Provisions

1. For this Code purposes corporate relations mean relations on corporate management issues:
 - 1) between the Exchange bodies;
 - 2) between members of any Exchange collegial body;
 - 3) between any member of any Exchange collegial body and other Exchange body;
 - 4) between any member of any Exchange collegial body and any member of another Exchange collegial body.
2. Any participant of the Exchange corporate relations must build up its behavior in these relations based on the following objectives:
 - 1) ensure the Exchange successful operation and the market value growth, maintenance of its financial stability and profitability;
 - 2) ensure the investment attractiveness of Exchange shares for existing and potential Exchange shareholders;
 - 3) ensure the Exchange exemplary status as of the joint stock and the listing company (in case of the Exchange shares listing) taking into account, that the Exchange, being the organizer of trades in securities and other financial instruments, makes certain demands, including the corporate management, for issuers of securities liable to inclusion into the Exchange official list and being present in it;
 - 4) ensure the high prestige of the Exchange in the society considering the Exchange uniqueness and significance in the economy of the Republic of Kazakhstan.
3. Any participant of the Exchange corporate relations must build up its behavior in these relations based on the principles of professionalism, honesty, justice, competence and responsibility.
4. Any participant of the Exchange corporate relations must build up its behavior in these relations based on the following principles, described in articles 2–6 of this Code (the corporate management principles):
 - 1) protection of rights and interests of the Exchange shareholders;
 - 2) efficient management by the Exchange of its shareholders general meeting, the Exchange Council and the Exchange Board;
 - 3) transparency, timeliness and unbiased disclosure of information about the Exchange and its activities;
 - 4) lawfulness and ethics;
 - 5) efficient dividend policy.
5. Observance of this Code norms must not be an end in itself and impede operational activities of the Exchange or affect its financial status.

Article 2. Principle of Protection of Rights and Interests of the Exchange Shareholders

1. The principle of protection of rights and interests of the Exchange shareholders means, that:
 - 1) the Exchange does not impede exercising by its shareholders of property rights in relation of the Exchange shares, if only these rights are not limited in compliance with the applicable legislation, contractual relations or unilateral obligations of the Exchange shareholders;
 - 2) the Exchange ensures in compliance with the legislation of the Republic of Kazakhstan and the Exchange charter exercising of such rights of its shareholders as:
 - the right to address to the Exchange the written requests on its activities and receiving substantial responses to such requests;
 - the right to participate in the Exchange shareholders general meetings and voting on them;
 - the right to participate in forming of the Exchange bodies;
 - the right to receive dividends on the Exchange shares;
 - 3) the Exchange in compliance with the legislation of the Republic of Kazakhstan, the Exchange charter, this Code, decisions of the Exchange shareholders general meeting and the Exchange Council ensures full participation of its shareholders in making decisions on issues related the competence of appropriate Exchange bodies, and gives its shareholders the possibility to express their opinions on these issues before making decisions on them;
 - 4) interested persons, including the Exchange employees, have the right to openly inform the Exchange Council about illegal and unethical, in their opinion, actions of the Exchange Board members and the Exchange structural subdivisions managers;
 - 5) in the order established by the legislation of the Republic of Kazakhstan and the Exchange charter, the Exchange brings into notice of its shareholders the information about its activities affecting the Exchange shareholders interests;
 - 6) the Exchange ensures fair attitude to all its shareholders.
2. The Exchange shareholders have the right to counsel each other on issues related to observance of the Exchange shareholders main rights.
3. The order and mechanisms of ensuring the principle of the Exchange shareholders rights and interests protection are established by the legislation of the Republic of Kazakhstan and the Exchange charter.

Article 3. Principle of Efficient Management by the Exchange of its Shareholders General Meeting, the Exchange Council and the Exchange Board

1. The principle of efficient management by the Exchange of its shareholders general meeting, the Exchange Council and the Exchange Board means, that the Exchange:
 - 1) annually convenes and implements the Exchange shareholders annual meetings in order to approve its annual financial reports and the order of allocation of its net income (profit) for the past financial year, to make decisions on payment of dividends on the Exchange shares, to approve the dividend size per one Exchange share;
 - 2) regularly convenes and implements meetings of the Exchange shareholders in order to determine the quantitative composition of the Exchange shareholders and the period of the Exchange Council authority, election of its members;

- 3) as the need arises, considering the rationality, responsiveness and efficiency, convenes and implements special Exchange shareholders general meetings.
2. Some information on management by the Exchange of the general meeting of its shareholders is described in chapter 2 of this Code.
3. The principle of efficient management by the Exchange of the Exchange Council means, that:
 - 1) the Exchange Council activities are based on maximum observance of the Exchange shareholders interests and are aimed at improvement of the Exchange activities efficiency and its market value;
 - 2) the Exchange Council makes reasonable and precise evaluation of results achieved by the Exchange and perspectives through unbiased monitoring of its current activities and ensures maintenance and functioning of the reliable system of control of the Exchange activities in order to retain its shareholders investments in the Exchange shares and assets;
 - 3) the Exchange Council ensures efficient evaluation of the Exchange exposure to various risks, and participates in settlement of conflicts in corporate relations;
 - 4) the Exchange Council ensures transparency of its activities for the Exchange shareholders.
4. The Exchange Council must include independent directors.

The Exchange determines its own criteria of directors independence, based on the main norms of the law of the Republic of Kazakhstan “On Joint Stock Companies”, proceeding from the fact, that the Exchange independent director main characteristic is his independence from the Exchange principle shareholders, its Board and the state.
5. The system of evaluation of the Exchange Council and its certain members activities and premiums of the Exchange Council members must stimulate their work in the interest of the Exchange and all its shareholders.
6. The Exchange Council develops and continuously improves methods and criteria of evaluation of the Exchange Board activities, and controls the Exchange Board activities.
7. The Exchange charter or the Exchange shareholders general meeting or the Exchange Council may establish, that at entering upon duties the Exchange shareholder must undertake obligations to the Exchange.
8. Some information about the Exchange management by the Exchange Council and its control of the Exchange activities are described in chapter 3 and articles 18 and 20 of this Code.
9. The principle of efficient Exchange management by its Board consists in, that:
 - 1) the Exchange Board implements current management of the Exchange and controls the Exchange daily activities;
 - 2) the Exchange Board activities are based on the maximum observance of the Exchange shareholders interests;
 - 3) the Exchange Board is accountable to its shareholders general meeting and the Exchange Council.

Article 4. Principle of Transparency, Timeliness and Unbiased Disclosure of Information about the Exchange and its Activities

1. The principle of transparency, timeliness and unbiased disclosure of information about the Exchange and its activities means, that the Exchange discloses the information about itself and its activities in order to:

- 1) strengthen shareholders and other financial market subjects confidence in the Exchange;
 - 2) facilitate making investment decisions on purchasing and retaining the Exchange shares;
 - 3) ensure the maximum relevance of decisions made by the Exchange shareholder general meeting and the Exchange Council;
 - 4) ensure the Exchange management transparency.
2. The Exchange discloses the information about main results, plans and perspectives of its activities, and timely and in the full volume responds to its shareholders requests in the order, established by the Exchange charter.
 3. The Exchange discloses the information about significant corporate events in its activities and at the same time uses strict and reliable mechanisms of ensuring information confidentiality, constituting official, commercial or other protected by the law Exchange secret.
 4. Keeping and auditing of the Exchange financial reports are aimed at ensuring the confidence in the Exchange of its shareholders and investors and are based on the following principles:
 - 1) completeness and reliability;
 - 2) unbiasedness and independence;
 - 3) professionalism and competence;
 - 4) regularity and efficiency.
 5. The Exchange Board is responsible for completeness and reliability of provided by the Exchange financial information.
 6. Some information on disclosure of information about the Exchange and its activities are described in article 17 of this Code.

Article 5. Principle of Lawfulness and Ethics

The principle of lawfulness and ethics means, that:

- 1) the Exchange acts in strict compliance with the applicable legislation, the Exchange charter and its internal documents, practices of the business intercourse and business ethics;
- 2) the Exchange internal documents are developed based on the applicable legislation and the business ethics;
- 3) relations between corporate relations participants are based on mutual confidence and respect.

Article 6. Principle of Efficient Dividend Policy

1. The principle of efficient dividend policy means, that:

- 1) The Exchange uses only reliable and provable information about real and perspective status of its operational activities and real and perspective financial status of the Exchange in order to determine availability or absence of conditions for accruing and payment of dividends on its shares;
 - 2) The Exchange ensures transparency of the mechanism of determining of dividends amount on its shares and the order of their payment.
2. More detailed information about the Exchange dividend policy is described in article 19 of this Code.

Chapter 2. EXCHANGE SHAREHOLDERS GENERAL MEETING

Article 7. General Requirements for Preparation and Implementation of the Exchange Shareholders General Meeting

Preparation and implementation of the Exchange shareholders general meeting must meet the following requirements:

- 1) fair and equal attitude towards all Exchange shareholders;
- 2) accessibility of participation in the Exchange shareholders general meeting for all its shareholders (representatives of all Exchange shareholders);
- 3) provision to the Exchange shareholders of complete organizational and reporting information on the Exchange shareholders general meeting;
- 4) simplicity and transparency of implementation of the Exchange shareholders general meeting.

Article 8. Preparation of the Exchange Shareholders General Meeting

1. The Exchange shareholders must be informed about the upcoming shareholders general meeting in time, sufficient for studying by them of the order of this meeting implementation and materials on issues of its agenda, formulation by them of issues of their interest and definition of their positions on this meeting agenda issues.
2. The Exchange informs its shareholders about implementation of the Exchange shareholders general meeting in compliance with its charter, however, as the Exchange must strive for timely informing of all its shareholders about the Exchange shareholders general meeting, the Exchange has the right to:
 - 1) duplicate this information;
 - 2) use additional methods of bringing this information to the Exchange shareholder notice.
3. Issues of the Exchange shareholders general meeting agenda must be formed maximum precisely and exclude possibility of their ambiguous interpretation.
4. Materials on issues of the Exchange shareholders general meeting agenda must be systematized on these issues and provide the Exchange shareholders with the maximum full understanding of these issues essence, receive answers to possible questions they are interested in, possibility of making reasonable decisions on these issues.

Among materials on issues of the Exchange shareholders general meeting agenda, its shareholders can be provided additional information about plans, achievements and problems related to the Exchange activities, analytical researches and materials of other persons about the Exchange activities.

In case of inclusion into the Exchange shareholders general meeting agenda of the issue related to election of any persons, for example, the Exchange Council members, materials on issues of this meeting agenda must contain the information about candidates, proposed for such election, in the composition and the volume, necessary for unbiased evaluation of these candidates.

At the same time when forming issues of the Exchange shareholders general meeting agenda it must not bare unnecessary time and labor inputs or unjustified costs.

The Exchange must use the maximum simple and easy order of familiarization of Exchange shareholders with materials on issues of the Exchange shareholders general meeting agenda.

5. All Exchange shareholders must have the possibility of familiarization with the list of shareholders, who have the right to participate in the Exchange shareholders general meeting. For this purpose persons, who register the

Exchange shareholders general meeting participants, provide to the Exchange shareholders (shareholders representatives), arrived for participation in this meeting, copies of the mentioned list, and in case of making decisions by the Exchange shareholders general meeting through absentee vote without this meeting implementation, the mentioned list is brought to the Exchange shareholders notice simultaneously with materials on issues of this meeting agenda.

6. The process of voting on the Exchange shareholders general meeting must be maximum simple and convenient for the Exchange shareholders.
7. The Exchange shareholders rights to make proposals on changing and/or supplementing the Exchange shareholders general meeting agenda, and demand convening of the special Exchange shareholders general meeting, must be easy to implement given precise rational of necessity of such change and/or supplement or such convocation.

Article 9. The Exchange Shareholders General Meeting Implementation

1. The time of registration of the Exchange shareholders general meeting must be sufficient in order to give all Exchange shareholders (shareholders representatives), arrived for participation in this meeting, the possibility to register.

The Exchange shareholders (shareholders representatives), arrived for participation in the Exchange shareholders general meeting, after its opening have the right to participate in this meeting only after registration of this meeting participant.

2. All Exchange shareholders have equal rights for participation in the Exchange shareholders general meeting.

The Exchange shareholder has the right to participate in the Exchange shareholders general meeting and vote on its agenda issues personally or without personal presence (through his representative, acting based on the power of attorney, which can be issued to any third person or, for example, the nominal holder representative, providing services to this Exchange shareholder).

The Exchange shareholders votes, given by him when voting on issues of the Exchange shareholders general meeting agenda personally or without personal presence, have equal force.

3. At the Exchange shareholders general meeting must be present all persons, whose explanations or comments may be required when considering this meeting agenda issues, and in case of their reasonable absence – deputies of these persons and/or persons, competent on issues, which are under (were under) these persons authority.
4. The Exchange shareholders general meeting can establish its own rules, determining the time of statements of the Exchange official persons and its shareholders (shareholders representatives) on issues of this meeting agenda.

The Exchange shareholders general meeting rules must be based on the principle of reasonable sufficiency and give possibility for full discussion of issues of this meeting agenda and making reasonable decisions on them.

5. The Exchange shareholders general meeting chairman must ensure that Exchange shareholders (shareholders representatives), participating in this meeting, and received answers to all questions of their interest during this meeting implementation. If the complexity of such issues does not allow the immediate answer, persons, who were asked these questions, must provide written answers to them shortly after the Exchange shareholders general meeting closing.

6. The procedure of election of any persons, for example, the Exchange Council members, by the Exchange shareholders general meeting must be maximum transparent and must be beyond the doubt of reasonability of such election.
7. The procedure of collection and counting of votes at the Exchange shareholders general meeting must be maximum simple and transparent; the Exchange shareholders must be convinced of exclusion of any distortion of their voting results. For this purpose the Exchange shareholders general meeting can elect the Exchange members representatives to control the correctness of counting of votes (if only the Exchange shareholders general meeting did not elect the counting commission).

Chapter 3. EXCHANGE COUNCIL

Article 10. The Exchange Council Functions and Activities Principles

1. The main Exchange Council functions and authorities are defined by article 53 of the law of the Republic of Kazakhstan "On Joint Stock Companies" and the Exchange charter, from which it follows that the Exchange Council must:
 - 1) ensure protection of rights and interests of the Exchange shareholders;
 - 2) track to what extent the Exchange current activities correlate with determined by the Exchange Council certain priority areas of its activities;
 - 3) evaluate the Exchange exposure to various risks and make decisions in order to exclude or minimize such exposure or to control these risks;
 - 4) initiate development of changes and additions to the Exchange internal documents or Exchange new internal documents;
 - 5) evaluate, and in case of the positive assessment, approve developed by the Exchange Board changes and additions to the Exchange internal documents or Exchange new internal documents;
 - 6) evaluate, and in case of the positive assessment, approve developed by the Exchange Board estimates of incomes and expenses, and reports on implementation of the Exchange estimates of incomes and expenses;
 - 7) evaluate efficiency of the Exchange Board activities and determine terms and sizes of the Exchange Board members bonuses.
2. In its activities the Exchange Council must strive for achieving of such goals as:
 - 1) creation for the Exchange of the atmosphere of stability and predictability, evenness of its activities;
 - 2) ensuring the constructive relations with the Exchange Board;
 - 3) ensuring of the reasonable compromise between the Exchange shareholders interests, the Exchange commercial interests and its employees personal interests.
3. Persons, elected by the Exchange Council members as the Exchange shareholders (the Exchange shareholders interests representatives), when implementing functions and authorities of the Exchange Council members must behave themselves in a way, that would not be interpreted by others as a demonstrator of interests of exclusively of certain Exchange shareholders or their groups.

The Exchange Council must implement its activities in a way to be perceived by others as the place of concentration of the most professional, honest and fair representatives of the financial market of the Republic of Kazakhstan, having perfect business and moral reputation.

4. Implementing its activities the Exchange Council must not oppose neither to the Exchange shareholders general meeting nor the Exchange Board, as well as must not undertake actions, which could be interpreted as such opposition.

5. The Exchange Council in its activities must create and support among the Exchange employees its reputation as:
 - 1) the Exchange defensive line against unfavorable external factors (considering possible divergences between the Exchange shareholders interests, the Exchange commercial interests and its employees personal interests);
 - 2) the body, able to efficiently regulate a conflict between the Exchange Board members or between all or certain Exchange employees and the Exchange Board members (if the Exchange Board failed to regulate such conflict or waived its regulation).
6. Evaluation of activities of the Exchange Council and its individual members is implemented by the Exchange shareholders general meeting, which has the right to use for these purposes in compliance with article 55 of the law of the Republic of Kazakhstan "On Joint Stock Companies" and the Exchange charter such leverages as:
 - 1) election of any person as the Exchange Council member unlimited number of times;
 - 2) the right of long-term termination of authorities of all or individual Exchange Council members;
 - 3) determination of the size and terms of bonuses payment to the Exchange Council members.
7. in compliance with item 2 of article 35 of the law of the Republic of Kazakhstan "On Joint Stock Companies" the information about the bonus size and composition of the Exchange Council members is due to proclaiming on the Exchange shareholders general meeting.

Article 11. Forming of the Exchange Council

1. A person proposed for election as the Exchange Council member:
 - 1) must comply with requirements, established by the legislation of the Republic of Kazakhstan for managing employees organizers of trades in securities and other financial instruments;
 - 2) must comply with requirements, established by the Exchange charter.
2. Any Exchange shareholder has the right to propose a candidate member of the Exchange Council given observance of norm, established by the legislation of the Republic of Kazakhstan and the Exchange charter.

The Exchange shareholder has the right to propose several candidate members of the Exchange Council, including for election of the Exchange independent directors.

The Exchange shareholder has the right to consolidate in order to jointly propose candidate members of the Exchange Council.

When proposing the candidate member of the Exchange Council, the Exchange shareholder must indicate if this candidate is proposed as the Exchange shareholder (representative of interests of the Exchange shareholder (shareholders)) or as the Exchange independent director.

When determining candidate members of the Exchange Council, the Exchange shareholders must take into account norms, established by item 3 of article 10 of this Code.

3. The Exchange Council in the existing composition has the right to recommend to the Exchange shareholders general meeting the optimum, in its opinion, new quantitative and personal composition of the Exchange Council out of proposed by the Exchange shareholders candidate members of the Exchange Council, and has the right to form for this purpose the Nomination Committee out of

members of the Exchange Council existing composition and other persons, whose objectives will consist in development of recommendations to the Exchange shareholders general meeting on formation of the new Exchange Council composition.

Also, in case of advanced termination of the Exchange Council member authorities, the Exchange Council (the Exchange Council Nomination Committee) has the right to recommend to the Exchange shareholders general meeting a candidate (candidates) for election of the Exchange Council new members.

When electing the Exchange Council members, the Exchange shareholders have the right to consider recommendations of the Exchange Council (the Exchange Council Nomination Committee), decline or reject them.

4. The legislation of the Republic of Kazakhstan and the Exchange charter can establish the mandatory membership in the Exchange Council of certain persons. In this case voting on election of these persons as the Exchange Council members is not implemented.
5. In order to ensure the Exchange independent directors presence in the Exchange Council composition (to observe requirements of the legislation of the Republic of Kazakhstan for presence of the Exchange Council independent directors, as well as to consider the assumption that the Exchange independent director must ensure in the Exchange Council protection of rights and interests of all Exchange shareholders, in particular those shareholders, whose interests representatives were not elected to the Exchange Council) voting on the Exchange shareholders general meeting on election of the Exchange independent directors is implemented separately from voting on election of the rest of the Exchange Council members.
6. When electing the Exchange Council members, the Exchange shareholders general meeting must strive for ensuring regular and active participation of newly elected Exchange Council members in its activities. For this purpose the Exchange Board provides to the Exchange shareholders general meeting the statistical data about participation of the Exchange Council members in its activities, and the Exchange shareholders must consider these data during voting on election of the Exchange Council members.
7. The Exchange shareholders general meeting has the right to determine any Exchange Council structure, for example, the quantitative parity in the Exchange Council of representatives of interest of the Exchange shareholders' certain groups. In this case voting bulletins on election of the Exchange Council members must contain information about belonging of candidate members of the Exchange Council to structural groups, and voting on election of the Exchange Council members belonging to various structural groups, can be implemented separately.
8. When electing the Exchange Council members the Exchange shareholders general meeting, as a rule, must strive for ensuring representation in the Exchange Council of interests of maximum large number of various Exchange shareholders groups, and in case of equality of arguments for benefit of representation in the Exchange Council of several Exchange shareholders groups, to give preference to election of the Exchange independent directors (considering the restriction, established by item 3 of article 54 of the law of the Republic of Kazakhstan "On Joint Stock Companies").
9. In order to ensure transparency and clarity of the procedure of election of the Exchange Council members, the Exchange shareholders general meeting secretary (if only the Exchange shareholders general meeting did not elected the counting commission) speaks on the meeting before such election explaining the procedure.

10. Issues of the Exchange Council formation, unregulated by the legislation of the Republic of Kazakhstan, the Exchange charter and this Code, are due to solution in compliance with the Exchange shareholders general meeting decisions.

Article 12. Organization of the Exchange Council Activities

1. The order of the Exchange Council activities is established by the legislation of the Republic of Kazakhstan, the Exchange charter, its internal documents, the Exchange shareholders general meeting decisions and the Exchange Council.

2. The Exchange Council has the right to make decisions at its meetings and through the absentee voting.

The Exchange Board selects the specific method of making the Exchange Council decisions based on rationality, efficiency and effectiveness, taking into account availability or absence of necessity of issues face time discussion. The Exchange Council meetings implementation is recognized as the most efficient form of its activities and is mandatory when considering issues, decisions on which through absentee voting is directly prohibited by the Exchange charter, its internal documents, the Exchange shareholders general meeting decisions and the Exchange Council.

3. The Exchange Council members when participating in the Exchange Council meetings must be guided by the following principles:

- 1) maximally personally participate in the Exchange Council meetings;
- 2) in case of impossibility of personal participation in the Exchange Council meeting, to issue power of attorney granting the right to participate in the Exchange Council meeting;
- 3) to issue the mentioned power of attorney, as a rule, in the name of another Exchange Council member;
- 4) to one Exchange Council member must not be issued more than two of mentioned powers of attorney.

4. Personal participation of the Exchange Council member in its meeting can be implemented in case of his absence in the place of the Exchange Council meeting implementation using communication technologies.

5. Except as otherwise provided by the Exchange charter, its internal documents, the Exchange shareholders general meeting decisions and the Exchange Council, it is allowed to combine both forms of the Exchange Council work, when one Exchange Council member or several Exchange Council members (but not more than 30 % from the total number of the Exchange Council members) can not personally participate in the Exchange Council meeting. In this case the absent Exchange Council member must provide the Exchange corporate secretary with the written personal opinion on issues, submitted for consideration of the Exchange Council.

6. Besides the Nomination Committee and the Exchange Internal Audit Service, the Exchange Council has the right to establish its own committees:

- 1) on strategic planning;
- 2) on personnel and bonuses;
- 3) on social issues;
- 4) on ethics;
- 5) on other issues in compliance with the Exchange Council decisions.

7. The Exchange Council Committee on Ethics is established for development and implementation of ethical rules of the Exchange Council activities. The basic

norms of such rules must be norms relating to the Exchange social responsibility and the business ethics.

8. For purposes of monitoring of the Exchange current activities, the Exchange Council members have the right to create and maintain contacts with other Exchange bodies and employees.
9. The Exchange Council has the right to establish the time limitation on non-disclosure by the Exchange Council members of information about the Exchange and its activities, constituting official, commercial or any other protected by the law secret.

Chapter 4. EXCHANGE BOARD

Article 13. The Exchange Board Functions and Activities Principle

1. In compliance with item 1 of article 59 of the law of the Republic of Kazakhstan "On Joint Stock Companies" and the Exchange charter, the Board:
 - 1) has the right to make decisions on any Exchange activities related issues, not classified by the legislation of the Republic of Kazakhstan and the Exchange charter as the exclusive competence of the Exchange shareholders general meeting, the Exchange Council and the Exchange President;
 - 2) has the right to make decisions on issues, classified by the Exchange internal documents as the competence of its Board;
 - 3) implements decisions of the Exchange shareholders general meeting and the Exchange Council.
2. Out of the Exchange Board main functions and authorities, mentioned in item 1 of this article, incur, that the Exchange Board must:
 - 1) organize observance of norms of the applicable law and the Exchange internal documents;
 - 2) track the Exchange internal documents relevance and develop necessary changes and additions to them or new Exchange internal documents.
3. In its activities the Exchange Board must strive for achievement of such goals as:
 - 1) ensuring stability and expansion of the Exchange operational activities;
 - 2) ensuring sustainability and improvement of the Exchange financial status;
 - 3) ensuring support and improvement of the Exchange business and public reputation.
4. The Exchange Board must implement its activities in a way not violating the Exchange shareholders rights and, if possible, maximally combine their interests with the Exchange commercial interests and personal interests of its employees.

Article 14. Forming of the Exchange Board

1. The person proposed for election as the Exchange Board member:
 - 1) must comply with requirements, established by the legislation of the Republic of Kazakhstan for managing employees organizers of trades in securities and other financial instruments;
 - 2) must have the positive reputation on the financial market of the Republic of Kazakhstan and enjoy confidence in the majority of Exchange Council members;
 - 3) must maximally comply with terms, established by items 2–3 of this article.
2. For appointment as the Exchange Board member, as a rule, are involved professionals in the area of the financial market with the managing skills.

3. Candidates for election as the Exchange Board members are presented to the Exchange Council, as a rule, by the Exchange President.
4. When electing the Exchange Board members, the Exchange Council must strive for ensuring transparency and reasonability of such election.
5. The Exchange Board formation related issues unregulated by the legislation of the Republic of Kazakhstan, the Exchange charter and this Code are due to solution in compliance with the Exchange Council decisions.

Chapter 5. OTHER PROVISIONS

Article 15. The Exchange Corporate Secretary

1. Strict observance by the Exchange bodies and official persons of procedures, aimed at ensuring of rights and interests of its shareholders, and observation by the Exchange of the applicable legislation, the Exchange charter and its internal documents is supported by the existence of the Exchange corporate secretary, which is appointed by the Exchange Council and reports to it.
2. The Exchange corporate secretary functions are defined by sub-items 6–3) of article 1 of the law of the Republic of Kazakhstan “On Joint Stock Companies”.
3. The Exchange corporate secretary competence and the order of his activities implementation are determined by his functions, and the applicable legislation, the Exchange charter, its internal documents, decisions of the Exchange shareholders general meetings and the Exchange Council; in addition, the Exchange corporate secretary:
 - 1) corresponds with the Exchange shareholders on issues related to the corporate management (without the signatory authority on behalf of the Exchange);
 - 2) ensures appropriate consideration by the Exchange bodies of its appeals to actions of the Exchange and its officials;
 - 3) develops responses to shareholders appeals to actions of the Exchange and its officials;
 - 4) can be involved into regulation of conflicts in corporate relations.

Article 16. Significant Corporate Events in the Exchange Activities

1. To significant corporate events in the Exchange activities relate events, which can lead to fundamental changes in its activities, for example:
 - 1) purchasing of shares by the Exchange (market shares in the authorized capital) of another legal entity in the amount, which makes up 10 and more percents from their total amount;
 - 2) increase of the Exchange obligations by the size, which makes up 10 percent and more from its own capital size;
 - 3) conclusion of a large deal;
 - 4) the Exchange reorganization;
 - 5) the Exchange liquidation.
2. Since significant corporate events in the Exchange activities critically affect shareholders interests, decisions, entailing such events must be made by the exchange shareholders general meeting and the Exchange Council within their competence (excluding the exception, established by the second paragraph of this item).

In case of abrupt market changes, implying sudden significant corporate events in the Exchange activities, which do not leave time for development and implementation of the necessary decision of the Exchange shareholders general meeting or the Exchange Council, the Exchange Board has the right to, avoiding

violation of the exclusive competence of the Exchange shareholders general meeting or the Exchange Council, undertake actions within immediate adequate reaction to such changes, simultaneously initiating the convene of the emergency Exchange Council meeting.

3. At development and implementation of the decision of the Exchange shareholders general meeting or the Exchange Council on significant corporate event in the Exchange activities, the Exchange Board and the Exchange Council must ensure frank and comprehensive discussion of this decision draft and establish the transparent and understandable mechanism and procedure of its implementation (to what extent such frankness, comprehensiveness, transparency and understandability are possible considering existing in the Exchange information and to what extent match with the Exchange interest in relation to this decision).
4. Under requirements, established by item 3 of this article, the Exchange Board and the Exchange Council must pay special attention to:
 - 1) preliminary evaluation and approval of significant corporate event in the Exchange activities;
 - 2) determination of mechanisms and procedures of implementation of significant corporate event in the Exchange activities;
 - 3) deep analysis and discussion of significant corporate event in the Exchange activities.
5. The Exchange Board and the Exchange Council must thoroughly develop the Exchange shareholders general meeting decision on its reorganization or liquidation considering irreversibility or difficult reversibility of such significant corporate event in the Exchange activities.

Article 17. Disclosure of Information about the Exchange and its Activities

1. In relation to the information about Exchange and its activities, the Exchange divides such information into the public (open) and the nonpublic (closed).
2. The following information about Exchange and its activities is public:
 - 1) the general information about the Exchange as on the legal entity, for example, its location, contact details, the Exchange Council and the Exchange Board compositions, the Exchange charter and additions to it;
 - 2) the general information about the Exchange as on the joint stock company, for example, the Exchange shares issue prospectus and changes and additions to it, reports on results of the Exchange shares placement;
 - 3) other information about Exchange and its activities, recognized in compliance with the law of the Republic of Kazakhstan "On Joint Stock Companies" as:
 - liable to publication in the mass media;
 - concerning the Exchange shareholders interests;
 - liable to provision to the Exchange shareholders;
 - 4) the information, which is contained in documents concerning the Exchange activities (how these documents are understood by article 80 of the law of the Republic of Kazakhstan "On Joint Stock Companies");
 - 5) the information, which is contained in the Exchange internal documents (excluding the information, which is contained in the Exchange internal documents, adopted by its Board for the Exchange activities organization);
 - 6) the information, received by the Exchange from the Exchange members, issuers of securities, admitted to circulation on the Exchange executed trades (to circulation on the Exchange), and other persons in compliance

with the legislation of the Republic of Kazakhstan and the Exchange internal documents and liable to dissemination in compliance with the legislation of the Republic of Kazakhstan, the Exchange internal documents and concluded by the Exchange agreements, as well as other information relating to issuers of securities, admitted to circulation on the Exchange;

- 7) other information, generated by the Exchange in the process of its activities implementation on organization and execution of trades in financial instruments and liable to dissemination by the Exchange in compliance with the legislation of the Republic of Kazakhstan, the Exchange internal documents the legislation of the Republic of Kazakhstan, the Exchange internal documents.
3. The public information about the Exchange and its activities is disclosed in compliance with the legislation of the Republic of Kazakhstan, the Exchange charter and the Exchange internal documents in a way, that:
 - 1) the access to this information must be open and easy;
 - 2) such disclosure ensures creation of the favorable Exchange image as of the joint stock company, facilitating attraction by the Exchange of the additional capital, forming of the high business and public reputation of the Exchange;
 - 3) such disclosure fully complied with the Exchange own requirements for information disclosure, made by it as the organizer of trades in securities and other financial instruments for issuers of securities, included into the Exchange official list and presence in it.
 4. Any other not for public information about the Exchange and its activities in compliance with item 2 of this article is classified as nonpublic.

In addition, the information about the Exchange and its activities is considered as nonpublic, which is although complies with characteristics, described in item 2 of this article, but contains information, constituting the state secrets or official and commercial secret of the Exchange and other persons.

5. The Exchange ensures safety and protection of the nonpublic information about itself and its activities using such measures as:
 - 1) determination of the information about the Exchange and its activities, constituting the official, commercial and other protected by the law secret;
 - 2) determination of the Exchange employees list, who have access to the information, constituting the official, commercial and other protected by the law secret;
 - 3) assignment on the Exchange employees of obligations on non-disclosure of the nonpublic information about the Exchange and its activities during implementation by them of their work at the Exchange and during the certain period after termination by them of this work.

Article 18. Control of the Exchange Activities

1. The Exchange Council has the right to request at its discretion, and the Exchange Board or President is obliged to provide the report on any Exchange activity.
2. In order to control the Exchange activities the Exchange Council has the right to:
 - 1) charge its member with checking of the Exchange activity on any issue;
 - 2) create for checking of the Exchange activity on any issue the temporary commission out of its members and other persons;
 - 3) form permanently working the Exchange Internal Audit Service;
 - 4) hire at the Exchange expense the auditing organization.

3. In compliance with item 2 of article 61 of the law of the Republic of Kazakhstan "On Joint Stock Companies" employees of the Exchange Internal Audit Service can not be elected to the composition of the Exchange Council or the Exchange Board, which equally means, that members of the Exchange Council or the Exchange Board can not be assigned by the employees of the Exchange Internal Audit Service.
4. in compliance with item 2 of article 53 and item 3 of article 61 of the law of the Republic of Kazakhstan "On Joint Stock Companies":
 - 1) the order of work of the Exchange Internal Audit Service is determined by the Exchange Council;
 - 2) The Exchange Council determines the size and terms of payment of salaries and bonuses to the Exchange Internal Audit Service employees;
 - 3) The Exchange Internal Audit Service is subordinate to the Exchange Council and reports to it on its activities.
5. The Exchange employees, including the Exchange Board members, must provide every possible assistance to persons, checking the Exchange activities in compliance with item 2 of this article, during implementation of by them of such check ups and provide them with the necessary information, explanations and comments.
6. Any checking of the Exchange activities, implemented in compliance with items 1 and 2 of this article, must be implemented in a way, in order:
 - 1) not to be connected with violation of the applicable legislation, the Exchange internal documents, decisions of the Exchange shareholders general meeting and the Exchange Council, contractual and unilateral obligations of the Exchange;
 - 2) not to impede the Exchange operational activities and not to entail damages to its financial status;
 - 3) not to damage the honor, dignity, business and public reputation of the Exchange;
 - 4) not to infringe the Exchange Board and the resident competence on its management;
 - 5) not to allow ungrounded delay of this check up.
7. As the Exchange is the organizer of trades in securities and other financial instruments and makes to issuers of securities, included into the Exchange official list and present in it, demands on audit, the Exchange itself must be audited by only those auditing organizations, which meet mentioned requirements.
8. When including into the agenda of the Exchange shareholders general meeting of the issue related to results of the check up (check ups) of the Exchange activities, these results must be provided to the Exchange shareholders as materials on issues of this meeting agenda and announced at this meeting.

Article 19. The Exchange Dividend Policy

1. The Exchange dividend policy is based, as a rule, on that its shareholders must receive annually the part of the Exchange net income (profit) for the past financial year as dividends on its shares in order to demonstrate their investment attractiveness, if:
 - 1) accrued dividends on the Exchange shares are not prohibited in compliance with the legislation of the Republic of Kazakhstan;
 - 2) the Exchange shareholders general meeting decided not to pay dividends on its shares for the reporting financial year.

2. The dividend amount per one Exchange share is approved by the Exchange shareholders general meeting. At this the Exchange shareholders general meeting has not the right to set this amount larger than recommended by the Exchange Council.
3. The Exchange shareholders general meeting has the right to set the minimum or fixed portion of the Exchange net income (profit) for the past financial year due to payment of dividends on the Exchange shares.
4. For determination of the Exchange net income (profit) for the past financial year due to payment of dividends on the Exchange shares, is used the Exchange net income (profit) indicator from its annual financial report for this year, approved by the auditing report.
5. Dividends on Exchange shares are paid in money, if only the Exchange shareholders general meeting did not decide to empower its shareholders to choose the form of these dividends receipt – money or securities (shares or bonds) of the Exchange – considering, that:
 - 1) payment of dividends in securities on preferred shares is prohibited in compliance with the law of the Republic of Kazakhstan “On Joint Stock Companies”;
 - 2) dividends in securities on the Exchange common shares are paid only to those persons, who have the right to receive dividends on the Exchange shares and provided the Exchange with the written agreement for receiving these dividends in securities.
6. Decision of the Exchange shareholders general meeting on payment of dividends on its common shares is published on Internet site www.jsc.kz within the period and content, established by the law of the Republic of Kazakhstan “On Joint Stock Companies”.
7. Dividends on the Exchange shares are paid by it independently or using services of the paying agent and in a way, that:
 - 1) these dividends were received by all persons, having the right to receive dividends on the Exchange shares;
 - 2) these dividends were received by mentioned persons maximally precise and easy;
 - 3) the receipt of these dividends by mentioned persons was not difficult and burdensome.
8. The Exchange must strive for exclusion of cases of incomplete or untimely payment of dividends on its shares, and in occurrence of such case must try to at maximum quickly and efficiently regulate the occurred situation paying owing fine in compliance with the legislation of the Republic of Kazakhstan.
9. Norms on accrual and payment of dividends on the Exchange shares, can be extracted into the separate document of the Exchange ("Regulations on Dividend Policy"), approved by the Exchange Council and liable to publication on the Internet site www.jsc.kz.

Article 20. Regulation of Conflicts in Corporate Relations

1. In case of conflicts in corporate relations (hereinafter – the corporate conflict) the Exchange must strive for its regulation in a way, that such regulation:
 - 1) was based on the applicable legislation, the Exchange charter, its internal documents, decisions of the Exchange shareholders general meeting and the Exchange Council, the business intercourse practice, the business ethics, logics and common sense;
 - 2) was not connected with violation of the applicable legislation, the Exchange charter, its internal documents, decisions of the Exchange shareholders

- general meeting and the Exchange Council, the business practice, the business ethics, logics and common sense;
- 3) did not impede the Exchange operational activities and did not damage its financial status;
 - 4) did not damage the honor, dignity, business and public reputation of the Exchange;
 - 5) maximally considered interests of all corporate conflict participants.
2. Participants of corporate relations must strive for regulation of the corporate conflict, as a rule, through negotiations in compliance with items 3–6 of this article and only in case of impossibility of such regulation through the court.
 3. In case of agreement of the corporate conflict interests for its regulation through negotiations, this conflict depending on the level of its participants, its character and existence of possible conflicts of interests is liable to regulation by the Exchange President, the Exchange Board, the Exchange Council or the Exchange shareholders general meeting (considering specifics, established by item 6 of this article), and in case of unsuccessful regulation or revealing of the conflict of interests during such regulation is transferred for regulation to the Exchange superior body.
 4. In order to regulate the corporate conflict, being under the Exchange Council authority, it has the right to create out of its members and other persons the permanent or temporary commission headed, as a rule, by the Exchange independent director.
 5. The Exchange President, the Exchange Board, the Exchange Council or the Exchange shareholders general meeting, considering the corporate conflict under its authority, must be maximally unbiased, follow principles, described in item 1 of this article and strive for regulation of this conflict without causing the new corporate conflict.
 6. The Exchange President or the Exchange Board or the Exchange Council must, as a rule, refrain from regulation of the corporate conflict between the Exchange shareholders, if only it does not have the complete understanding of this conflict essence and ability for its regulation.

President

A. Joldasbekov