

KAZAKHSTAN STOCK EXCHANGE

A p p r o v e d

by the decision of Kazakhstan
Stock Exchange Council

(protocol No. 12 of August 1, 2000)

E f f e c t i v e

from August 15, 2000

NOTICE

Rights and Responsibilities have been translated into English by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the original version of Rights and Responsibilities in Russian, the Russian version shall always prevail.

RIGHTS AND RESPONSIBILITIES

**of Kazakhstan Stock Exchange Category "K"
Members with Local Executive Bodies Bonds
Market Maker Status**

(This title was changed by the Exchange Council decision of January 15, 2004)

Almaty

2000

LIST OF AMENDMENTS

1. Changes No. 1:

- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 2 of February 28, 2002);
- effective from May 2, 2002.

2. Addition and Change No. 2:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on May 24, 2005;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 7 of April 14, 2005);
- effective from July 1, 2005.

**Rights and Responsibilities of Kazakhstan Stock Exchange Category "K" Members
with Local Executive Bodies Bonds Market Maker Status**

This document was approved in compliance with "Rules on Market Maker Activity", approved by the meeting of members of Kazakhstan Stock Exchange (hereinafter referred to as the Exchange) of categories "K", "P", "H" (protocol No. 7 of October 14, 1999) and approved by resolution No. 462 of the Directorate of the National Securities Commission of the Republic of Kazakhstan of October 26, 1999 and Appendix 2 thereto and determines responsibilities, rights and restrictions of rights of the Exchange members, enjoying local district authorities bonds market maker status (*this paragraph was changed by the Exchange Council decision of January 15, 2004*).

Market Maker Should:

1. During the whole trading day maintain in the Exchange trading system at least one firm quotation for purchase and one firm quotation for sale (hereinafter referred to as the Mandatory quotations) in the volume (for both, purchase and sale) of at least 3,000 US dollars or 400,000 tenge by nominal cost (depending on the bonds denomination currency) (*this item was supplemented by the Exchange Council decision of April 14, 2005*).
2. Maintain the spread between the best mandatory quotations (by the difference in absolute terms between the values of yield to maturity, calculated in compliance with the bonds yield, quotations for purchase and sale calculation methodology applied at the Exchange) in the amount, not exceeding two percent points (*this item was changed by the Exchange Council decision of April 14, 2005*).
3. To set a new mandatory quotation within a minute on removal or satisfaction of a mandatory quotation.

Market Maker May:

4. Change the prices of the mandatory quotations declared prior upon condition of compliance with the spread set hereby.
5. Refuse to display mandatory quotations, if the volume of the purchased securities net of that sold, or the volume of the sold securities net of that purchased during the trading day exceeded the amount of 6,000 US dollars or 800,000 tenge by nominal value.
6. To announce an up to one hour time-out in case of an extraordinary situation on the market. During the time out a market maker may remove all quotations and avoid to set new quotations. The right of time-out is granted only once during one trading day. For to receive a time-out the market maker representative must inform the Exchange administrator thereof. The notification of the time-out taken is made in a free form and may be executed via the terminal of the trading system, REUTERS terminal or by phone.
7. Not to pay a commission fee in respect of the deals in bonds of local district authorities.

Market Maker Liability

8. In case of market maker three times violation of the terms of discharge of his duties, set hereby, such market maker may be imposed a twenty monthly calculated indices penalty in favor of the Exchange (*this item was changed by the Exchange Council decision of February 28, 2002*).
9. Five or more minute violation of the terms of item 3 hereof, except for the cases specified in items 5 and 6, is considered as a market maker refusal to set mandatory quotations. Due to a market maker refusal to set mandatory quotations, such market maker is to be deprived of a market maker status, and imposed a two hundred monthly calculated indices penalty (*this item was changed by the Exchange Council decision of February 28, 2002*).
10. The market maker, that violated the terms of item 16 of "Rules on Market Maker Activity", is imposed a two hundred monthly calculated indices penalty (*this item was changed by the Exchange Council decision of February 28, 2002*).

Market Maker Duties Release

11. A market maker is entitled not to execute his duties, specified in items 1–3 hereof, on receipt of a respective notification from the Exchange, in the following cases:

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- 11.1. The events, which may lead to a situation of uncertainty on the government securities market, take place on the government securities market.
 - 11.2. The changes in the legislation of the Republic of Kazakhstan, which may exert significant influence on the domestic market of sovereign Eurobonds, are made by the state bodies of the Republic of Kazakhstan.
 - 11.3. The events, which may exert significant influence on the domestic market of government securities, take place in the Republic of Kazakhstan or abroad.
 - 11.4. A local district authority – the securities issuer does not comply with the obligations on the securities issued thereby.
12. The decision on release of market makers from discharge of their duties, specified in items 1–3 hereof, in the cases, specified in item 11 hereof, before the call of the Exchange Council is to be made by the Exchange Board.

President

D. Karasaev