

KAZAKHSTAN STOCK EXCHANGE

Approved

by the decision of Kazakhstan
Stock Exchange Council

(protocol No. 7 of June 11, 1999)

NOTICE

The Order has 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 the Order in Russian, the Russian version shall always prevail.

ORDER

of Paying Guarantee Fees and Initial Margin by Clearing Members

*(This title was supplemented by the decision of the Exchange Council and the Exchange Council
Committee on Currency Market of December 19, 1999)*

Almaty

1999

LIST OF AMENDMENTS

1. Changes and Additions No. 1:

- approved by the decision of Kazakhstan Stock Exchange Council and Council Committee on Currency Market (protocol No. 4 of December 19, 1999);
- effective from December 20, 1999.

2. Change and Additions No. 2:

- approved by the decision of Kazakhstan Stock Exchange Council and Council Committee on Currency Market (protocol No. 1 of June 16, 2000);
- effective from July 1, 2000.

This Order has been developed in compliance with item 3 of article 11 of "Rules on Exchange Trading and Settlements on Fixed-Term Contracts" (*this paragraph was changed by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999*).

1. Guarantee fees and initial margin may be paid in Kazakhstan tenge, US dollars, government securities issued the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan (*this item was changed by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999*).
2. Guarantee fees are allowed for payment in Kazakhstan tenge in the amount of 100 %, in the US dollars – 100 %, in government securities – not more than 70 % (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on the currency market of December 19, 1999*).
3. Initial margin on futures open positions may be paid in Kazakhstan tenge in the amount of 100 %. The total ratio of US dollars and government securities in the initial margin on futures open positions should not exceed 80 % (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999; and was changed by the decision of the Exchange Council and the Exchange Committee on the currency market of June 16, 2000*).
- 3–1. Initial margin, including the load, on open positions in euro options may be paid 100 % both in Kazakhstan tenge, and in US dollars or government securities without any limitations (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of June 16, 2000*).
- 3–2. Initial margin, net of the load, on open positions in American options may be paid 100 % both in Kazakhstan tenge, and in US dollars or government securities without limitations. The load in respect of open positions in American options should be paid in Kazakhstan tenge only (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of June 16, 2000*).
4. Guarantee fees and initial margin may be paid in US dollars exclusively by the clearing members that possess the license of the National Bank of the Republic of Kazakhstan for carrying out banking transactions in foreign currency (*this item was changed by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999*).
5. Guarantee fees in US dollars are paid to the Exchange correspondent account in the Bank of New York, S.W.I.F.T. BIC IRVT US 3N, a/c 890-0260-637, S.W.I.F.T. BIC of the Exchange – KICE KZ KX.
6. The Exchange charges and pays no interests in respect of the guarantee fees amount, inclusive of the interests, accrued to the Exchange by the correspondent bank thereof.
7. Payment of guarantee fees and initial margin in government securities is made by respective securities blocking in Central Securities Depository (hereinafter referred to as the Depository) in favor of the Exchange (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999; changed by the decision of the Exchange Council of April 14, 2005*).
8. Government securities are evaluated by the methodology, to be approved by the Exchange Board (*this item was included by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999*).

Order of Paying Guarantee Fees and Initial Margin by Clearing Members

9. In case of insolvency of one or more of the Exchange clearing members and use of guarantee fund, the Exchange sells the US dollars and government securities, paid as guarantee fees and initial margin. With that, US dollars and government securities are sold according to the current market rate; the pretensions from the clearing members in regard of the possible difference between the rate of realization and the rate which is considered as more just by the clearing member are not accepted by the Exchange. The costs related to the sale of the US dollars and government securities are covered at the expense of guarantee fees of the clearing members *(this item was changed by the decision of the Exchange Council and the Exchange Council Committee on Currency Market of December 19, 1999)*.

President

D. Karasaev