

KAZAKHSTAN STOCK EXCHANGE

Approved

decision No. 35/1 of the Board
of Kazakhstan Stock Exchange

dated April 17, 2001

Effective

April 17, 2000

NOTICE

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

ORDER

Blocking Government Securities in Favor of the Exchange to Secure Obligations of Exchange Members

Almaty

2001

**Order of Blocking Government Securities in Favor of the Exchange
to Secure Obligations of Exchange Members**

This order is an internal document of Kazakhstan Stock Exchange (the Exchange) regulating a method of evaluation of government securities, blocked in favor of the Exchange by its members to meet their obligations before the Exchange (*this passage was changed by the Exchange Council decision on January 15, 2004*).

GENERAL PROVISIONS

1. To meet obligations before the Exchange its members may block government securities. As collateral the Exchange will only accept government securities, issued by the Kazakhstan Finance Ministry and the Kazakhstan National Bank, including those issued in accordance with the legislation of other countries.
2. The order of blocking of government securities in favor of the Exchange and unblocking thereof by Exchange members is set in internal documents of Central Securities Depository (the Depository), and agreements between the Exchange and the Depository (*this item was changed by the Exchange Council decision on April 14, 2005*).
3. The order of sale of government securities and use of money from sales thereof in case of default by the Exchange member on their obligations before their Exchange shall be set with individual internal documents of the Exchange and the Depository.
4. The order of evaluation of government securities, blocked in favor of the Exchange by its members, shall be set with an individual internal document of the Exchange.

ACCOUNTING OF GOVERNMENT SECURITIES BLOCKED IN FAVOR OF EXCHANGE

5. After government securities have been blocked the Clearing House shall independently distribute government securities according to types of obligations of an Exchange member before the Exchange.
6. Government securities blocked in favor of the Exchange for securing certain obligations, after compliance with such obligations may be used by the Exchange member to meet other obligations. Such redistribution may be carried out on the basis of an order of an authorized trader of an Exchange member.

GOVERNMENT SECURITIES REPLACEMENT ORDER

7. Government securities of a certain issue, blocked in favor of the Exchange, may be replaced with government securities of another issue. Replaced government securities shall be unblocked after replacing government securities had been blocked in favor of the Exchange.
8. The following government securities are to be replaced:
 - Euro notes issued by the Kazakhstan Government, with less than 30 days before maturity;
 - securities of the Kazakhstan Finance Ministry and the Kazakhstan National Bank, issued in accordance with the Kazakhstan legislation, maturing within 14 days.
9. Government securities, specified in item 8 hereof, not replaced by the Exchange member, shall be sold within five business days. Money received from such sale shall be used by the Exchange to meet obligations of an Exchange member.

President

D. Karasaev