

KAZAKHSTAN STOCK EXCHANGE

A g r e e d

Central Securities Depository

A p p r o v e d

decision of the Exchange Council
on currency market
of Kazakhstan Stock Exchange

(protocol No. 2 dated March 15, 2000)

decision of the Exchange Council
of Kazakhstan Stock Exchange

(protocol No. 3 dated March 15, 2000)

E f f e c t i v e

March 16, 2000

N O T I C E

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

R U L E S

Sale of Securities Blocked by Members in Favor of Exchange to Secure Obligations before the Exchange

Almaty

2000

These Rules are an internal document of Kazakhstan Stock Exchange, regulating the order of sale of government securities, blocked by Exchange members in favor of the Exchange to secure obligations thereof before the Exchange (*this passage was changed by the Exchange Council decision dated January 15, 2004*).

The concepts used herein shall mean the following:

"Exchange" – Kazakhstan Stock Exchange Incorporated (*this passage was changed by the Exchange Council decision dated January 15, 2004*);

"Depository" – Central Securities Depository JSC (*this passage was changed by the Exchange Council decision dated April 14, 2005*);

"Exchange correspondent account" – a correspondent account of the Exchange in the Office for payment systems of the Kazakhstan National Bank No. 900161427, BIC 190201125, TIN 600200049149;

"Trading system" – an Exchange programming and technical system allowing for trading in financial instruments listed on the Exchange;

"Auction participant, participant" – an Exchange member of a corresponding category.

I. GENERAL PROVISIONS

1. Securities shall be blocked and unblocked by Exchange members in favor of the Exchange according to the order set in internal documents of Central Securities Depository (the Depository), and in accordance with agreements between the Exchange and the Depository (*this item was changed by the Exchange Council decision dated April 14, 2005*).
2. Cases, at origin of which securities, blocked in favor of the Exchange, shall be sold and the order of use of money from such sales shall be specified in individual internal documents of the Exchange.
3. The list of securities, which may be accepted to secure obligations of an Exchange member, shall be compiled in accordance with individual internal documents of the Exchange.

II. SECURITIES SALE ORDER

4. In case an Exchange member that blocked securities in favor of the Exchange does not comply with obligations before the Exchange, the Exchange shall in the written form notify such Exchange member and the Depository the securities will be sold.
5. Securities blocked in favor of the Exchange shall be sold at a special auction. The Exchange shall inform about such special auction all Exchange members of corresponding categories sending a message through the Exchange Trading system.
6. A notice on an auction shall mention securities' national identification number, nominal value of the total amount of selling securities, an auction start time, an auction end time, time of payment for securities purchased at the auction.
7. Bids for purchase of securities at a special auction shall be submitted through the Trading system.
8. A bid for purchase is necessary and sufficient evidence, the Exchange member that submitted the bid agrees to purchase securities at a price specified in the bid.
9. At the end of the bid submission period, the submitted bids shall be accepted.
10. Bids for purchase shall be accepted beginning from bids with the highest price, and then in the order of decreasing price until all selling securities are sold. For bids of the same price, those submitted earlier will be accepted first.
11. A special auction may result in acceptance of only a part of a submitted bid.

III. SETTLEMENT

12. After a special auction the Exchange shall formalize exchange certificates.
13. Exchange members that sold securities at a special auction, must credit at an Exchange's correspondent account money in return for purchased securities in the amounts and terms specified in exchange certificates.
14. While purchased securities are being paid the Exchange shall inform the Depository on auction results, indicating seller's and purchaser's depo account codes, amount of securities, a security price, and national identification number. Based on received data the Depository within two hours after receipt of such data shall transfer the securities to purchasers' accounts.

IV. SETTLEMENT TERM VIOLATION LIABILITY

15. If a purchaser violates settlement terms, a transaction shall be announced as annulled. A guilty party shall pay the Exchange a forfeit in the amount of 0.2 % of a transaction amount.
16. The Exchange is not liable for a price level, at which securities were sold at a special auction.

President

D. Karasaev