

KAZAKHSTAN STOCK EXCHANGE

Approved

by the decision of Kazakhstan
Stock Exchange Council

(protocol No. 6 (3) of March 25, 2003)

Effective

from March 26, 2003

NOTICE

The Rules 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 the Rules in Russian, the Russian version shall always prevail.

RULES

on Issue, Receipt and Use of Trading System Access Passwords and Personal Identification Numbers for Admission to Operation of Trading System

Almaty

2003

These Rules determine principal conditions related to issue, receipt and use of personal identification numbers for admission to operation of the trading system of Kazakhstan Stock Exchange (hereinafter referred to as – the Exchange) and the Exchange trading system access passwords (this paragraph was changed by the Exchange Council decision of January 15, 2004).

Chapter 1. GENERAL PROVISIONS

1. The concepts used herein mean as follows:
 - 1) **"broker"** – an employee of the Exchange member, servicing Internet-clients, who has the right to regulate Internet-clients operation in the trading system on behalf of this Exchange member;
 - 2) **"Internet-client"** – a person that entered into an agreement with the Exchange member on execution by the latter of deals in the trading system at the expense and in the interests of this person on the grounds of his directions (client orders, requests), delivered to the indicated Exchange member by means of the trading system via the Internet or other communication channels;
 - 3) **"the Exchange administrator"** – an employee of the Exchange exercising functions on organization and holding of trades in financial instruments;
 - 4) **"observer"** – a natural person allowed for examination of proceed and results of trades in the trading system;
 - 5) **"user"** – a natural person, authorized for execution of certain actions in the trading system: a trader, a user of the Confirmation System, a broker, an Internet-client or an observer;
 - 6) **"Confirmation System user"** – an employee of the organization – a participant of the Confirmation System who has the right on behalf of this organization to execute actions in the trading system allowed for this organization as to the Confirmation System user;
 - 7) **"remote access mode"** – a method of the trading system operation which requires no physical user presence at the Exchange;
 - 8) **"Confirmation System"** – the Exchange programming-technical complex enabling the persons connected thereto to receive via the trading system the data on the securities deals concluded in the trading system on behalf or on the instructions of these persons or in the interests thereof or their clients and on the basis of processing of received data to provide the Exchange with confirmation of such deals (messages on compliance of the deals executed with the conditions subject to which such deals should or may be concluded) or refusals to confirm such deals;
 - 9) **"trading system"** – the Exchange programming-technical complex by means of which deals with the financial instruments admitted to circulation on the Exchange are concluded;
 - 10) **"trader"** – an employee of the Exchange member, who has the right to execute deals in the trading system on behalf of this Exchange member;
 - 11) **"Participant"** – other, than the Exchange and the Internet-client - a legal entity, organization having the right to operate the trading system;
 - 12) **"participant of the Confirmation system"** – an organization connected to the Confirmation system.
2. These Rules do not cover the users who are employees of the Exchange.
3. For purposes hereof the Internet-client shall mean the Internet-client – a natural person, and an employee of the Internet-client that is a legal entity, who on behalf of this legal entity has the right to execute in the trading system the actions permitted to this legal entity as to the Internet-client.
4. User logging in to the trading system and his executing actions therein are possible only if this user has a personal identification number for access to operation of the trading system (hereinafter referred to as – ID) and the trading system access password (hereinafter referred to as – the password).

To receive ID and a user password a user should pass certification (verification of certification) in compliance with the Rules on the trading system users certification, approved by the Exchange Board decision No. 57/0 of July 7, 2002, unless he is not released from the necessity to pass certification subject to the aforementioned Rules.

5. The order of issue, receipt and use of ID and passwords established hereby:
 - 1) is uniform for any of the trading system operation methods – in the remote access mode or from a working place in the Exchange trading hall;
 - 2) may differ depending on whether the Participant uses programming-cryptographic information security devices at operation of the trading system.
6. Details of issue, receipt and use of ID and passwords at use of programming-cryptographic information security devices at operation of the trading system are determined by the Rules on use of programming-cryptographic information security devices at operation of the trading system in the remote access mode, approved by the Exchange Council decision (protocol No. 15 of November 6, 2002).

Chapter 2. GENERAL DATA ON ID AND PASSWORDS

7. ID presents a digital or letter-digit or letter sequence, unique for every user, not being confidential information and available for familiarization to other users.

The Participant employee user ID is generated by the Exchange administrator and may be changed only by him.

The Internet-client user ID is generated by the Exchange member whose client is this Internet-client and may be changed by this Exchange member only.

The Exchange members should comply with the requirements to the Internet-clients ID composition, specified by sub-item 4) of item 8 hereof, and also to ensure a uniqueness of ID for each Internet-client.
8. ID length and structure will be different depending on the type of the user to whom it belongs:
 - 1) Trader ID is composed of five digits, the first three of which denote the Exchange member whose employee is this trader, and the second two digits denote the trader himself;
 - 2) Confirmation System user ID is composed of six symbols, the three of which are the digits which denote the Confirmation System user whose employee is this Confirmation System user, the fourth symbol is letter "f" (a uniform designation of all Confirmation System users), and the last two symbols are digits and denote the Confirmation System user himself;
 - 3) Broker ID is composed of six symbols, the first three of which are digits and denote the Exchange member whose employee is this broker, the fourth symbol is letter "b" (a uniform designation of all brokers), and the last two symbols are digits that denote the broker himself;
 - 4) Internet-client ID is composed of seven symbols, the first three of which are digits and denote the Exchange member whose client is this Internet-client (with that these digits should be identical to the designation of this Exchange member in its trader (traders) ID), the fourth is letter "e" (a uniform designation of all Internet-clients), and the last three symbols are digits and denote the Internet-client himself;
 - 5) Observer ID is composed of six symbols, the first three of which are digits and denote the organization whose employee is this observer, the fourth symbol is letter "v" (a uniform designation of all observers), and the last two symbols are digits and denote the observer himself.
9. A password represents a symbols sequence, unique for every user which is confidential information that is intended for possession and use thereof only by the owner of this information.
10. A password length and structure should comply with the following conditions:
 - 1) password length should be at least eight symbols;

- 2) password may include up to 20 symbols;
 - 3) only Latin keyboard layout symbols are allowed for password generation;
 - 4) password should contain at least two initial (capital) Latin letter symbols;
 - 5) at least two password symbols should be lower-case Latin letters;
 - 6) at least one password symbol should be a digit, a punctuation mark or a special symbol (for example, "@", "#", "&");
 - 7) there can be any password mandatory symbols sequence order of the specified in sub-items 4)–6) of this item.
11. Passwords are subdivided into primary and working passwords.
- A primary user password is generated by the Exchange administrator (a user, being the Internet-client – the Exchange member whose client is this Internet-client) and used only once, only for the first entrance into the trading system for purposes of its immediate change by a user with a working password.
- At any moment of the trading system operation a user may independently change his password with a new one.
- The passwords change procedure is described by the Exchange explanatory-instructional materials regarding the trading system operation (hereinafter referred to as – the User Manuals).
12. Depending on privileges provided to a broker by the Exchange member whose employee is this broker the latter may execute the functions of a trader of this Exchange member, using his ID and a broker password for logging in to the trading system and execution of actions therein.

Chapter 2. ISSUE AND RECIEPT OF ID AND PASSWORDS

13. The participants' employees' users IDs and primary passwords are issued against signature directly at the Exchange (in envelopes glued, with the Exchange stamp print).
- IDs and primary passwords may be received upon duly formalized proxies of the users, for whom these IDs and primary passwords were generated, or the Participants whose employees are these users.
- The Exchange maintains records of the users that received IDs and primary passwords.
14. Responsibility for protection of the user primary password during its transportation from the Exchange to a user working place (including the Exchange trading hall) is incurred by the Participant whose employee is this user. With that, primary password security means as follows:
- 1) primary password media protection against loss, physical damage or destruction;
 - 2) primary password protection against its duplicating;
 - 3) prevention of receipt of a primary password and/or familiarization therewith by the persons that are not the users for whom this primary password was generated, including other employees of the Participant.
15. The order of ID and primary password issue to the user that is an Internet-client is determined by the Exchange member whose client is this Internet-client.

Chapter 3. ID AND PASSWORDS USE

16. The order of IDs and passwords use for purposes of logging into the trading system is provided by users' manuals.
17. All actions and inaction executed in the trading system after logging therein with indication of ID and password are considered to be made by the user – the owner of the ID and password.
18. Responsibility for password confidentiality provisions is incurred by the Participant whose employee is the user – the owner of this password (in respect of passwords of the Internet-clients – the Internet-clients themselves). With that password confidentiality means:

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- 1) provision of access to this password only to its owner (by way of the password media storage (if available) in the place inaccessible for unauthorized persons, restriction of access to unauthorized persons to the room where this media is stored and by other possible methods);
 - 2) password media protection (if available) against loss, physical damage or destruction;
 - 3) protection of a password against its duplicating or unsanctioned change, including protection against computer programs, reading the text in an off-line mode while it is being typed on the computer keyboard and the similar;
 - 4) protection of the password against familiarization therewith by the persons that are not the owners of the password;
 - 5) sending to the Exchange (the Exchange member, servicing the Internet-client) the message on the password invalidity in case the person in whose respect this password was generated lost the right to work with the trading system due to dismissal, change of position or other possible cause.
19. In case of violation of password confidentiality of the user that is an employee of the Participant the owner thereof should personally or via the other person immediately address the Exchange administrator with a statement (including verbal or by phone) on the necessity of the trading system access blocking on the basis of the password. Responsibility for the consequences that originated as a result of the indicated application submission delay is incurred by the Participant whose employee is this user.
- Upon receipt of the indicated application the Exchange administrator should immediately block an access to the trading system on the basis of a password of this user. Responsibility for the consequences that originated as a result of delay in blocking access to the trading system on the basis of the indicated statement is incurred by the Exchange.
- After blocking an access to the trading system on the basis of the password the user is issued a new primary password. The order of receipt thereof is similar to that specified in items 13–14 hereof. With that the Exchange issues a new primary password only upon receipt of the free form written statement from the Participant whose employee is this user, signed by the persons who have the right of first and second signatures on behalf of this Participant in compliance with the notarially certified signatures and stamp prints specimen form of the Participant available at the Exchange.
20. Actions that are subject to execution and responsibility in case of violation of password confidentiality of the user that is the Internet–client are determined by the Exchange member whose client is this Internet–client.
21. IDs and passwords application peculiarities at operation of the trading system in the remote access mode with use of programming-cryptographic information security devices are determined by separate internal documents of the Exchange.

President

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