

KAZAKHSTAN STOCK EXCHANGE

Approved

by a decision of the Board of Directors of
Kazakhstan Stock Exchange JSC
(minutes No. 17 dated June 13, 2018)

Effective as of

June 14, 2018

NOTICE

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

REGULATIONS

on Trading Methods

Almaty

2018

LIST OF AMENDMENTS

1. Change No. 1:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange (KASE) JSC (minutes No. 28 of the meeting on September 26, 2018);
- effective as of September 27, 2018.

2. Changes No. 2:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange (KASE) JSC (minutes No. 45 of the meeting on September 24, 2019);
- effective as of December 3, 2019.

3. Change No. 3:

- approved by a decision of the Board of Directors of Kazakhstan Stock Exchange (KASE) JSC, by absentee voting of February 7, 2020 No. 5;
- effective as of February 10, 2020.

These Regulations describe trading methods used by Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) in the ACT and NEXT trading systems (hereinafter – the trading system) *(this preamble was changed by a decision of the Exchange's Board of Directors dated September 24, 2019)*.

Chapter 1. GENERAL PROVISIONS

Article 1. Main Terms

1. These Regulations feature concepts determined in the Exchange's internal document "Rules of execution of exchange activities"¹.

Other concepts and terms used herein are identical to concepts and terms determined by laws of the Republic of Kazakhstan and other internal documents of the Exchange.

2. For purposes hereof:
 - 1) financial instruments shall mean the instruments admitted to circulation on the Exchange;
 - 2) trades shall mean trades held by the Exchange;
 - 3) size of an order² shall mean its volume in units of measure of the financial instrument.
 - 4) the cut-off price³ means:

during the Frankfurt trading – the price of the financial instrument determined during a particular iteration, and which enables conclusion of deals in that financial instrument to the maximum total amount possible;

during a special trading session – the price of a financial instrument, based on which the sole seller (buyer) of that financial instrument selects (cuts off) offset orders for conclusion of deals in that financial instrument (on this price or on prices being more favorable for that sole seller (buyer) of that financial instrument);
 - 5) deals shall mean deals in financial instruments concluded at trades;
 - 6) the Central Depository means the Central Securities Depository JSC.

Chapter 2. ORDERS

Article 2. General provisions on orders

1. The order means an order for conclusion of a deal submitted by the trades' participant, i.e. announcement of any trades' participant about willingness to conclude the deal based on this announcement's terms or terms allowing this announcement submission.
2. Orders are divided by:
 - 1) direction:

orders for sale, i.e. orders submitted by financial instruments sellers;

¹ Approved by a decision of the Board of Directors of Kazakhstan Stock Exchange JSC (minutes No. 30 of the meeting dated December 14, 2017).

² Acceptable synonym – "announced price".

³ The cut-off price may have both the money and the percentage terms (e.g. in percentage to the bond face value); in the last case the acceptable synonym of the "cut-off price" is the term "cut-off rate".

purchase orders, i.e. orders submitted by financial instruments buyers;

2) degree of relevance:

effective orders, i.e. orders accepted by the Exchange, not executed in the full volume and not annulled by trades' participants, who submitted them or by the Exchange, pursuant to these Regulations and other internal documents of the Exchange;

invalid orders, i.e. orders not unaccepted by the Exchange or orders accepted by the Exchange and executed in the full volume, or orders accepted by the Exchange not executed in the full volume, but annulled by trades' participants who submitted these orders or by the Exchange, pursuant to these regulations and other internal documents of the Exchange;

3) price indication:

limit⁴ orders, i.e. orders which contain financial instruments prices;

market⁵ orders, i.e. orders not containing financial instruments prices and meaning that trades' participants, who submitted these orders, are willing to conclude deals at any prices allowing execution of these orders.

Article 3. Submission and annulment of orders

1. Submission of an order means unconditional consent of the trading participant who submitted it to conclude the deal based on this order, with exceptions established by item 2 of this article.
2. The trading participant may refuse conclusion of the deal based on the submitted order in the following cases:
 - 1) if this order is an indicative quotation;
 - 2) if this order is the order of the only seller (buyer) of the financial instrument, being placed (sold, repurchased, purchased) during a special trading session.
3. Submission of a limit order means consent of the trading participant who submitted the order to conclude the deal based on this order at the price indicated therein or at a price being the most profitable for this participant.
4. Submission of an order does not mean its unambiguous acceptance by the Exchange. Accordingly, an order submitted by a trading participant cannot be executed if not executed by the Exchange.
5. Excluding cases established by chapters 8 and 9 of these Regulations, the trading participant at any moment of the trading may annul a previously submitted order or change its terms.

Excluding specifics established by item 9 of this article, upon the end of the trading session, the Exchange annuls all unexecuted orders.
6. The annulment of an order by the submitting trading participant is allowed only within the unexecuted amount of this order.

The order is annulled by the Exchange in the unexecuted amount of this order.
7. The order's terms are changed through its annulment and submission of a new order with changed terms.
8. The order is annulled:

⁴ Acceptable synonym – "competitive orders".

⁵ Acceptable synonyms – "unlimited orders", "noncompetitive orders".

- 1) when executing trades in the trading system – through its removal from the trading system;
 - 2) when executing trades by voice – through its withdrawal by the trading participant, who submitted the order, or its recognition by the Exchange as invalid.
9. The order may contain its termination time and date; at that:
- 1) if this order contains an indication of its termination time and day:
this order cannot be annulled by the Exchange earlier than the indicated time (considering specifics established by the third paragraph of this sub-item);
this order is annulled by the Exchange on the day of its termination at the moment of termination time or completion of the last trading session (depending on what event occurs earlier);
 - 2) if this order indicates its termination day, but does not indicate its termination time:
this order cannot be annulled by the Exchange earlier than the indicated termination day;
this order is annulled by the Exchange on termination of the indicated day.

Chapter 3. GENERAL PROVISIONS ON TRADING METHODS

Article 4. Trading methods

1. The Exchange uses the following trading methods:
 - 1) the continuous counter auction method;
 - 2) the nego deals conclusion method;
 - 3) the fixing method;
 - 4) the Frankfurt trades method;
 - 5) the special trading session method;
 - 6) the English trades method;
 - 7) the Dutch auction method;
 - 8) the subscription method.
2. The continuous counter auction method and subscription method are used only when executing trades in the trading system.
3. The following terms are equally applicable in these Regulations, other Exchange internal documents, office documentations and correspondence, and the Exchange information:
 - 1) "trades executed using the Frankfurt trades method" or the "Frankfurt trades";
 - 2) "trades executed using the special trading session method" or the "special trading session";
 - 3) "trades executed using the English trades' method" or the "English trades";
 - 4) "trades executed using the Dutch trades method" or the "Dutch trades";
 - 5) "the deal concluded at trades executed using any trades method" and "the deal concluded by any trades execution method";

- 6) "the deal concluded at trades executed by the nego deals conclusion method" and the "nego deal";
- 7) "trades executed using the subscription method" and the "subscription method".

Article 5. Classifying the trading methods

1. Methods, specified in sub-items 1), 3)–7) of item 1 of article 4, relate to open trades methods, i.e. trades during which execution or non-execution of the order, given other conditions are equal, does not depend on which trades participant exactly submitted the order, and presumably there is the competition between potentially unlimited number of trades participants (unlike trades executed by the subscription method and nego deals conclusion method when satisfaction or non-satisfaction of the order depends on which trades participant exactly submitted the order, and deals are exclusively nego deals).
2. When executing trades in the trading system, methods specified in sub-items 1), 3)–7) of item 1 of article 4 hereof, relate to anonymous trades methods, i.e. when any trades participant does not provided with the information on what particular trading participants submitted orders and what particular trading participants are parties of deals concluded based on a particular trading participant's order (excluding exceptions established by the legislation of the Republic of Kazakhstan, these regulations and internal documents of the Exchange).
3. Methods specified in sub-items 3)–7) of item 1 of article 4, relate to discrete trades methods, i.e. trades which can be executed in several iterations with determination of prices of deals based on results of each of such iterations.
4. Methods specified in sub-items 5)–8) of item 1 of article 4 hereof, relate to irregular trading methods, i.e. trades which are executed on initiative of certain persons (on applications of persons having the right to submit such applications pursuant to these Regulations).
5. The trading methods are described in chapters 4-9 of these Regulations.
6. The trading methods are used in practice in compliance with the Exchange's internal documents, defining terms and the order of trades in financial instruments as well as:
 - 1) when executing trades in the trading system – in compliance with the trading system settings, the Exchange explanatory and instructive materials related to operation with the trading system (the trading system user manual), guidelines and explanations of the Exchange administrator (administrators), and his/her (their) assistant (assistants);
 - 2) when executing trades by voice – in compliance with guidelines and explanations of the Exchange's broker (brokers), and his/her (their) assistant (assistants).

Chapter 4. CONTINUOUS COUNTER AUCTION METHOD

Article 6. Main provisions of the continuous counter auction method

1. The continuous counter auction method is based on the matching principle, according to which the effective order of any trading participant is absolutely and unconditionally satisfied at the expense of effective offset orders of other trading participants on the same financial instrument, which specify prices the most profitable for this trading participant.

2. The continuous counter auction method application assumes equal submission of orders by trading participants of orders for both selling and purchasing of the financial instrument and ranking of these orders by their price and time of their acceptance by the Exchange.

Article 7. Acceptance of orders by the continuous counter auction method

1. When executing trades by the continuous counter auction method:
 - 1) the trading system creates two lines of unsatisfied limited orders (for purchase and sale), in compliance with item 2 of this article;
 - 2) the orders are satisfied in compliance with items 1 and 2 of article 8 hereof.
2. The trading system forms lines of unsatisfied limited orders as follows:
 - 1) valid orders for selling are formed into the line of unexecuted orders for selling where orders are ranked in their prices descending order (i.e. the order with the least price is the first in the unexecuted orders line);
 - 2) effective orders for purchasing are formed into the line of unexecuted orders for purchasing where orders are ranked in the prices ascending order (i.e. the order with the highest price is the first in the unexecuted orders line);
 - 3) in case of equality of orders prices in one and the same unexecuted orders line, the preference will be given to the earlier submitted order in compliance with the time of its acceptance by the Exchange.
3. When executing trades by the continuous counter auction method, the trading system settings may establish the possibility of market orders submission.
4. When executing trades by the continuous counter auction method for particular groups of financial instruments, the Exchange's internal documents or the trading system settings can establish the possibility of preliminary orders submission, i.e. orders being accepted by the Exchange prior to the start of the trading session.

Specifics of trading by the continuous counter auction method, in the case of coincidence or crossing of prices of preliminary orders for selling or purchasing are established by article 18 of these Regulations.

Article 8. Execution of orders by the continuous counter auction method

1. The Exchange executes a particular accepted limited order at the expense of offset orders from another line of unexecuted limited orders as follows:
 - 1) this order is executed at the expense of those offset orders, prices of which are profitable for the trading participant, who submitted this order;
 - 2) this order's execution starts with the first offset order from another line of unexecuted orders and continues till this order's full execution or exhaustion of offset orders from another line of unexecuted orders, prices of which are profitable for the trading participant, who submitted this order (depending on which of described events occurs earlier);
 - 3) in the case of partial satisfaction of this order at the expense of the offset order, the deal is considered concluded in the amount of the least of these orders;
 - 4) in the case of execution of this order at the expense of several offset orders, several deals are concluded at various prices, and the total amount of such deals can equal this order amount or be less;

- 5) in the case of full execution of this order, it is rejected from the corresponding line of unexecuted orders;
 - 6) in the case of full or partial satisfaction of this order, it remains in the corresponding line of unexecuted orders.
2. When executing trades by the continuous counter auction method, the trading system settings may establish the possibility of market orders submission; at that:
- 1) the Exchange does not accept the market order in the case of absence of counter limit orders;
 - 2) the market order terms can provide for its execution at any prices of offset orders or only at the price of the first offset order from another line of unexecuted orders;
 - 3) execution of the market order with terms stipulating its execution at any prices of offset orders, starts with the first offset order from another line of unexecuted orders and continues till this order's full unexecuted or till the exhaustion of offset order from another line of unexecuted orders (depending on which of described events occurs earlier); in the latter case the Exchange annuls this order in the unexecuted amount of this order;
 - 4) a market order with terms stipulating its execution only at the price of the first offset order from another line of unexecuted orders is executed only at the price of such offset order and at the least amounts of these orders; in the case of incomplete execution of this order it, depending on its terms, is annulled by the Exchange in the unexecuted amount of this order or is reformed into a limit order, the price of which equals this order's execution price, and the amount equals this order's unexecuted amount.

Chapter 5. NEGO DEALS CONCLUSION METHOD

Article 9. Main provisions of the nego deals conclusion method

The nego deals conclusion method assumes that each particular deal is concluded as a result of negotiations between two trading participants and achievement by them of agreement on conclusion of this deal between them.

Article 10. Submitting orders and concluding deals by the nego deals conclusion method

1. When executing trades by the nego deals conclusion method, the deal can be concluded:
 - 1) by submission (announcement) of the indicative quotation by any trading participant, with further negotiations between this and other trading participants, who responded to this indicative quotation (willing to conclude the deal based on it);
 - 2) directly based on preliminary negotiations with trading participants (with submission by them of counter direct orders without submission (announcement) of indicative quotations).
2. Submission (announcement) of the indicative quotation by any trading participant does not impose on the participant any obligations to conclude the deal based on this indicative quotation.
3. The order of a trading participant cannot be executed at the expense of the valid counter direct order of another trading participant, if the second of them is not willing that the party of the deal, being concluded based on his order, was the first of those trading participants.

4. When executing trades by the nego deals conclusion method negotiations between trading participants can be implemented using any method available for them (by telephone, via the trading system or any other way).

Chapter 6. FIXING METHOD

Article 11. Main provisions of the trading method

1. The fixing method is based on the principle of searching the price, which ensures the balance between the total amounts of orders for selling and purchasing accepted by the Exchange.
2. Prior to execution of trades by the fixing method, the Exchange's broker:
 - 1) if necessary provides consultation to trading participants on the preferable initial (start) price of the financial instrument (if only the method of such initial (start) price of the financial instrument is not specified by the Exchange's internal documents);
 - 2) may ask trading participants about the step on changing of the financial instrument price preferable for them and duration of the period for acceptance of additional orders by the Exchange;
 - 3) announces the acceptance by the Exchange of basis orders, the initial (start) price of the financial instrument, duration of the period of admittance by the Exchange of basic orders as well as duration of the period of acceptance by the Exchange of additional orders.

Article 12. Order acceptance by the fixing method

1. During the period of basis orders acceptance by the Exchange, they can be submitted by trading participants only at the initial (start) price of the financial instrument.
2. When conducting the trading by the fixing method, market orders cannot be submitted.
3. On expiration of basis order acceptance period, the Exchange forms the summary list of basis orders accepted by the Exchange, which includes data on:
 - the total amount of all basis orders for selling;
 - the total amount of all basis orders for purchasing;
 - the amount of difference (positive or negative) between total amounts of basis orders for selling and purchasing.
4. In case of absence of basis orders for selling or purchasing, the Exchange recognizes and announces trades being executed by the fixing method as failed.

Article 13. Execution of orders by the fixing method

1. In case of the balance (zero difference) between the total amounts of accepted by the Exchange basis orders for selling and purchasing, trades executed by the fixing method are simultaneously announced opened and closed, and deals are concluded at the initial (start) price of the financial instrument in the amounts of basis orders for selling and purchasing accepted by the Exchange.
2. In case of imbalance (zero difference) between the total amounts of accepted by the Exchange basis orders for selling and purchasing, trades executed by the fixing method are announced opened, and trading participants have the right to

submit additional orders for selling and purchasing at the financial instrument's initial (start) price.

3. In case of the balance (zero difference) between the total amounts of accepted by the Exchange orders for selling and purchasing (basis and additional orders at the financial instrument's initial (start) price) trades, being executed by the fixing method are announced closed, and deals are concluded at the financial instrument's initial (start) price in the amounts of orders for selling and purchasing (basis and additional orders at the financial instrument's initial (start) price) accepted by the Exchange.
4. If the total amount of orders for selling (basis and additional orders at the financial instrument's initial (start) price) accepted by the Exchange exceeds the total amount of orders for purchasing (basis and additional orders at the financial instrument's initial (start) price) accepted by the Exchange, the financial instrument's price decreases by one step from its initial (start) price.
5. If the total amount of orders for purchasing (basic and additional orders at the financial instrument initial (start) price) accepted by the Exchange exceeds the total amount of orders for selling (basic and additional orders at the financial instrument initial (start) price) accepted by the Exchange, the financial instrument's price increases by one step from its initial (start) price.
6. If the financial instrument's price changes in accordance with items 4 and 5 of this article, trades are executed in accordance with items 7 and 8 of this article.
7. After a change in the financial instrument's price by one step, trading participants acquire the right to submit additional orders for selling and purchasing at the price of the financial instrument changed in this way; at that:
 - 1) additional orders can be submitted by trading participants only towards reduction of the difference between total amounts of basis and additional orders for selling and purchasing accepted by the Exchange;
 - 2) the additional order, whose amount exceeds the difference between total amounts of basis and additional orders for selling and purchasing accepted by the Exchange, is accepted by the Exchange only in the amount of such difference;
 - 3) additional orders are accepted by the Exchange in the order of their submission;
 - 4) if the total amount of basis and additional orders for selling accepted by the Exchange exceeds the total amount of basis and additional orders for purchasing accepted by the Exchange, the financial instrument's price is decreased by one step from its previously changed price;
 - 5) if the total amount of basis and additional orders for purchasing accepted by the Exchange exceeds the total amount of basis and additional orders for selling accepted by the Exchange, the financial instrument's price is increased by one step from its previously changed price.
8. Procedures established by item 7 of this article are subject to iteration until achievement of the balance (zero difference) between total amounts of basis and additional orders for selling and purchasing accepted by the Exchange and fixing of the financial instrument's price, at which such balance was achieved.

At achievement of the balance (zero difference) between total amounts of accepted by the Exchange basis and additional orders for selling and purchasing at the financial instrument's fixed price, trades, being executed by the fixing method, are announced closed, and deals are concluded at the financial instrument's fixed price in amounts of basis and additional orders for selling and purchasing accepted by the Exchange.
9. Trading conducted by the fixing method can be conducted by one iteration according to wishes of trading participants.

Article 14. Specifics of conducting the trading by the fixing method by voice

1. Basis orders for selling and purchasing must be submitted in writing.
2. Disputable situations on the sequence of additional orders submission are solved based on the Exchange's broker's (brokers') opinion, which is considered final and cannot be appealed; in addition, in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange's broker (brokers) has the right to request opinions of other trading participants, and his/her assistant (assistants).
3. Upon completion of trades, verbal additional orders accepted by the Exchange must be confirmed in writing.
4. The Exchange provides trading participants with forms of basis and additional orders.

Chapter 7. FRANKFURT TRADES METHOD

Article 15. Main provisions of the Frankfurt trades method

The Frankfurt trades method is based on searching of the cut-off price.

Article 16. Acceptance of orders by the Frankfurt trades method

1. Within the period of acceptance by the Exchange of basis orders, trading participants submit basis orders at prices of the financial instrument determined by them independently.
2. When conducting the Frankfurt trades by the voice method:
 - 1) basis orders for selling and purchasing must be submitted in writing;
 - 2) disputable situations on the sequence of additional orders submission are solved based on the Exchange's broker's (brokers') opinion, which is considered final and cannot be appealed; in addition, in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange's broker (brokers) may request opinions of other trading participants, and his/her assistant (assistants);
 - 3) upon completion of trades, verbal additional orders accepted by the Exchange must be confirmed in writing;
 - 4) the Exchange provides trading participants with forms of basis and additional orders.
3. When conducting the Frankfurt trades, market orders may not be submitted.

Article 17. Execution of orders by the Frankfurt trades method

1. On expiration of the period of acceptance by the Exchange of basis orders, the Exchange forms the summary list of the Exchange accepted basic orders (in prices' descending order), which includes data on:
 - the total amount of basis orders for selling at each separate price and higher (progressive total);
 - the total amount of basis orders for purchasing at each separate price and lower (progressive total);
 - the maximum possible total amount of deals available for conclusion at each separate price;

the amount of difference (positive or negative) between total amounts of basis orders for selling at each separate price and higher (progressive total) and for purchasing at each separate price and lower (progressive total);

the total amount of all basis orders for selling;

the total amount of all basis orders for purchasing;

2. the Frankfurt trades iteration is recognized and announced by the Exchange as failed, and all basis orders accepted by the Exchange are annulled in the following cases:

if basic orders for selling and/or purchasing are absent;

if the financial instrument's minimum price indicated in basis orders for selling exceeds the financial instrument's maximum price indicated in basis orders for purchasing.

3. In case of absence of circumstances, specified in item 2 of this article, the Frankfurt trades iteration is recognized as started, the cut-off price is determined (considering specifics established by items 4 and 5 of this article), and deals are concluded at the cut-off price in amounts of basis orders for selling accepted by the Exchange, prices of which are equal to or lower than the cut-off price or in amounts of basis orders for purchasing accepted by the Exchange, prices of which are equal to or higher than the cut-off price (depending on which of indicated values is the least).

4. If on several prices of the financial instrument there are ensured equal maximum possible total amounts of deals, as the cut-off price shall be chosen that one out of those prices, at which the difference between total amounts of basis orders for selling at each separate price and higher (progressive total) and for purchasing at each separate price and lower (progressive total), has the minimum absolute amount.

In case of existence of two prices of the financial instrument, based on which are ensured equal maximum possible total amounts of deals at an equal indicated difference, the arithmetical mean value between these prices is selected as the cut-off price (considering specifics, established by item 5 of this article).

5. If the difference, described in item 4 of this article, is less than the minimum measurement unit of the financial instrument's price and, therefore selection of the arithmetic mean value between two prices as the cut-off price is impossible, the following is selected as the cut-off price:

- 1) the lower of these prices – if the total amount of all basis orders for selling exceeds the total amount of all basis orders for purchasing;

- 2) the higher of these prices – if the total amount of all basis orders for purchasing exceeds the total amount of all basis orders for selling.

- 3) price of the first buy or sell order – if the total amount of all basis buy orders is equal to the total amount of all basis sell orders.

6. When executing the Frankfurt trades by voice, after determination of the cut-off price in compliance with items 1–5 of this article, trading participants acquire the right to submit additional orders for selling or purchasing at the cut-off price, at that:

- 1) if the total amount of basis orders for purchasing at the cut-off price exceeds the total amount of basic orders for selling at the cut-off price – trading participants acquire the right to submit additional orders only for selling;

- 2) if the total amount of basis orders for selling at the cut-off price exceeds the total amount of basis orders for purchasing at the cut-off price – trading participants acquire the right to submit additional orders only for purchasing;

- 3) the additional order whose amount exceeds the absolute amount of the difference between basis and additional orders for selling and purchasing accepted by the Exchange, is accepted only in the amount of such difference;
- 4) in case of submission of several additional orders, the Exchange gives the priority to those trading participants, whose basis orders were not executed during this iteration; at that, in case of equality of basis orders' prices, the priority is given to the additional order of that trading participant, whose basis order was accepted by the Exchange earlier;
- 5) execution of additional orders starts with orders of those trading participants, whose basis orders were submitted:
for selling – at the lowest price and continues in the ascending order of prices of basis orders for selling;
for purchasing – at the highest price and continues in the descending order of prices of basis orders for purchasing;
- 6) if trading participants do not submit additional orders for selling or their total amount is less than the amount of difference between total amounts of basis orders for selling and purchasing:
basis and additional orders for selling are executed in the full volume;
basis orders for purchasing are executed starting with the order, which has indication of the financial instrument's highest price till complete execution of orders for selling at the cut-off price and lower;
- 7) if trading participants do not submit additional orders for purchasing or their total amount is less than the amount of difference between total amounts of basis orders for selling and purchasing:
basic and additional orders for purchasing are executed in the full volume;
basic orders for selling are satisfied starting with the order, which has indication of the financial instrument's lowest price till complete execution of orders for selling at the cut-off price and higher.
7. After conclusion of deals at the cut-off price, in accordance with items 1–6 of this article, the Frankfurt trades iteration is recognized and announced as performed and completed, and the Exchange annuls all orders unexecuted during this iteration (with the exception, specified by item 3 of Article 18 of these Regulations).
8. The Frankfurt trades iterations are executed in accordance with items 1–7 of this article until all trading participants refuse submission of basic orders for selling and purchasing or until completion of the trading session (depending on what of the mentioned events occurs earlier).

Article 18. Specifics of using the Frankfurt trades method when conducting the trading by the continuous counter auction method

1. Trades, executed by the continuous counter auction method, are transferred into the standby mode, during which they are executed by the Frankfurt trades method in accordance with article 17 of these Regulations, in cases specified by the Exchange's internal document "Regulations of trading in the ACT and NEXT trading systems (hereinafter – the Trading regulations) *(this item was changed by a decision of the Exchange's Board of Directors dated September 24, 2019)*.
2. When transferring trades, being executed by the continuous counter auction method, into the standby mode:
 - 1) the standby mode is at the same time the period of acceptance by the Exchange of basis orders;

- 2) duration of the standby mode is defined by the Regulations of Trades;
 - 3) during the trading's stay in the standby mode, each trading participant has access to information on prices and amounts of basis orders, submitted by other trading participants;
 - 4) orders, submitted before the switching of the trading into the standby mode during the period of acceptance by the Exchange of basis orders, can be annulled as well as their terms can be changed;
 - 5) basis orders submitted during the stay of trades in the standby mode can be annulled as well as their terms can be changed;
 - 6) the standby mode expires not earlier than expires the time period defined by the Regulations of Trades from the moment of (considering limitations of the maximum admissible duration of the trading session and the maximum duration of the standby mode):
 - the acceptance by the Exchange of the last basis order;
 - the last annulment of any basis order;
 - the last amendment of any basis order's terms;
 - 7) trades are executed in one iteration;
 - 8) the cut-off price is defined in compliance with items 1–5 of article 17 of these Regulations.
3. At the moment of the standby mode period expiration, unexecuted orders accepted by the Exchange in accordance with item 2 of this article, remain in the trading system as valid.

Chapter 8. SPECIAL TRADING SESSION METHOD

Article 19. Main provisions of the special trading session method

1. The special trading method is used only for offering, selling, re-purchase and purchase of the financial instrument, admitted to circulation on the Exchange, and only in case of existence of the sole seller (buyer) of the financial instrument being offered (sold, repurchased, purchased) (hereinafter in this article – the seller (buyer)) (*this paragraph was changed by a decision of the Exchange's Board of Directors dated September 26, 2018*).

The right to act as the seller (buyer) has only a member of the Exchange of that category, which accords with the type of the financial instrument supposed for offering (selling, re-purchase, purchase) at the special trades (*this paragraph was changed by a decision of the Exchange's Board of Directors dated February 7, 2020*).
2. The special trades are intended for:
 - 1) offering or re-purchase of securities by a member of the Exchange, representing the issuer's interests and conforming to terms specified in the second paragraph of item 1 of this article;
 - 2) offering or re-purchase of financial instruments other than securities by members of the Exchange, representing interests of these financial instruments' issuers and conforming to terms specified in the second paragraph of item 1 of this article;
 - 3) selling and purchase of the financial instrument by any member of the Exchange conforming to terms specified in the second paragraph of item 1 of this article.

3. The special trades can be executed in one or more iterations according to preferences of the seller (buyer); at that, the following is (are) considered as a particular iteration the specialized trades:
 - 1) the auction for offering (selling, re-purchase, purchase) of the financial instrument (hereinafter in chapter 8 of these Regulations – the auction)⁶;
 - 2) only when offering securities – trades on their additional offering executed in accordance with article 23 of these Regulations.
4. When executing the auction, the seller (buyer) may choose one of the following offset orders submission methods⁷:
 - 1) the open method⁸, when the seller (buyer) has access to information on prices and amounts of offset orders, submitted by trading participants⁹, and each particular trading participant has access to information on prices and amounts of offset orders, submitted by other trading participants;
 - 2) the closed method, when information on prices and amounts of offset orders is accessible only for that trading participant, by whom it was submitted.
5. When conducting the auction, the seller (buyer) may to choose one of the following methods of limit offset orders execution (considering restrictions resulting from specifics of the financial instrument type being offered (sold, repurchased, purchased):
 - 1) depending upon the order price:
 - at the cut-off price; or
 - at prices of limit offset orders, equal to the cut-off price or those being more favorable for the seller (buyer);
 - 2) depending upon the sequence of order submission:
 - according to the time of acceptance of offset orders by the Exchange; or
 - pro rata to amounts of offset orders.
6. When executing offset orders according to their acceptance time, the Exchange shall in the first place execute those offset orders which were accepted by the Exchange earlier.

When executing offset orders pro rata to their amounts, they shall be executed irrespective of time of their acceptance by the Exchange, in proportion to the relations of amounts of offset orders to their total amount. Execution of orders pro rata to their amounts can be applied in case the total amount of limited counter orders submitted at one and the same price, exceeds the unexecuted amount of the order of a seller (buyer) remaining after execution of market orders and limit offset orders submitted at higher prices, and at the same time the differences between the time of acceptance of remaining limit offset orders are not sufficient to unconditionally consider the method of execution of those orders according to acceptance time as justified.
7. When conducting the auction, the seller (buyer) may choose one of the following methods of market offset orders execution (considering restrictions resulting from specifics of the financial instrument type being offered (sold, repurchased, purchased):

⁶ It is acceptable to execute several auctions on offering (selling, re-purchase, purchase) of the financial instrument.

⁷ Hereinafter in this article offset orders mean orders for purchase (when offering or selling the financial instrument) or orders for selling (when re-purchasing or purchasing the financial instrument).

⁸ Open method of counter orders is possible only during special trades in the trading system.

⁹ Hereinafter in this article the seller (buyer) is not included in the number of trading participants.

- 1) at the cut-off price; or
 - 2) at the weighted average price of limit offset orders, prices of which are equal to the cut-off price or more profitable for the seller (buyer).
8. When conducting the auction, the seller (buyer) may specify the lot whose maximum amount at offering (selling, repurchase, purchase) may not exceed 5 % of the supposed number of the financial instrument being offered (sold, repurchased, purchased).
 9. When executing the auction for offering (sale, buyback, purchase) by the National Bank of the Republic of Kazakhstan (hereinafter – the National Bank) of government securities, the National Bank may set requirements (criteria) for participants of that auction.
 10. For conducting of the auction, the seller (buyer) must submit to the Exchange an application according to the form of the Appendix hereof (hereinafter in this article – the application), except for the application for conducting of special trading in shares of a limited liability partnership, which is submitted to the Exchange in accordance with the Exchange's internal document "Rules of conclusion of deals and execution of settlement on KASE Private Market".
 11. The Exchange may require, and the seller (buyer) must include into the application terms other than those specified in Chapter II, in the Exchange's opinion, necessary for organizing and conducting of special trades.
 12. Indicated in the application the maximum admissible duration of the period of acceptance by the Exchange of offset orders, at their submission by the open method, may vary from 0 to 60 minutes.
 13. The degree of market offset orders' execution indicated in the application may vary from 0 to 70%.
 14. The guarantee fee is used only when conducting trades on selling government-owned blocks of shares in accordance with the Exchange's internal document "State Blocks of Shares. Order of Admittance to Sale on Trades and Settlements based on Trades Results".
 15. The application must be received by the Exchange not later than three business days before the auction day preferable for the seller (buyer) (with exception set out by paragraph two of this item).

When executing the auction for offering (sale, buyback, purchase), whereby the National Bank acts as the seller (buyer) of government securities, the application must be received not later than one business day ahead of the auction day preferable for the National Bank, but not less than 24 hours before the auction date.
 16. The auction is executed on the day, determined by the Exchange based on the indicated in the application day, preferable for the seller (buyer) for execution of this auction.

A change in the date (period) of conducting the auction is permitted only to a later time and not more than two times from the moment of submission of the first application. No changes and/or supplements by the seller (buyer) to other terms of the special trading session mentioned in Chapter II of the application are allowed.
 17. Not later than the next business day after determination by the Exchange of the auction day, the information message about this auction is released on the Exchange's website.
 18. A repeated conducting of special trades is possible only within three working days after the date of conducting the first special trades and on similar terms.

An application for conducting repeated special trades should be presented jointly with the decision of the seller (buyer) on executing offset orders (on choosing the

cut-off price), accepted by the Exchange in the course of conducting an auction, or on refusal of offering (selling, buyback, purchase) of a financial instrument.

19. The application accepted by the Exchange (provided, the Exchange accordingly determined the auction day) represents the sale (buy) order submitted by the seller (buyer).
20. The seller (buyer) may not receive preliminary information from the Exchange regarding the course of trades until after accepting of orders is finished.
21. Before the auction begins, the seller (buyer) may refuse to conduct it; in such case:
 - 1) the order of the seller (buyer) for selling (purchasing) is recognized annulled;
 - 2) the Exchange releases a statement on cancelation of the auction on the Exchange's website.

Article 20. Accepting of orders by the special trading method

1. Upon the beginning of the auction execution:
 - 1) trading participants acquire the right to submit offset orders at independently determined by them prices of the financial instrument being offered (sold, repurchased, purchased);
 - 2) the auction is recognized and announced failed, if the number of trading participants makes up less than two or the Exchange admitted none of limit offset orders (with the exception set out by item 2 of this article);
 - 3) if the application allows the extension of the period of acceptance by the Exchange of offset orders if they are submitted by the open method, this period expires not earlier than in five minutes from the moment of (considering the certain announcement of limitation of maximum admissible duration of this period extension time):

acceptance by the Exchange of the last offset order;

the last annulment of any offset order;

the last amendment of terms of any offset order;
 - 4) the Confirmation system participants must deliver to the Exchange confirmations or refusals of confirmation of those offset orders, at execution of which will be used trading accounts controlled by the Confirmation system participants; if the Exchange does not receive these orders confirmation during the timespan determined by the Regulations of Trades, they will be recognized unaccepted and annulled by the Exchange.
2. When conducting the auction for purposes of offering or buyback of equity securities or corporate debt securities, as well as conducting an auction for purposes of offering (selling, buyback, purchase) of government securities and shares of a limited liability partnership, the minimum number of trade participants is not limited.

When conducting auctions with purposes other than those indicated in paragraph one of this item, the number of trade participants must be not less than two.

Article 21. Execution of orders by the special trading method

1. On expiration of the period of offset orders acceptance by the Exchange:
 - 1) counter orders cannot be annulled nor can their terms be changed;

2) the Exchange forms and delivers to the seller (buyer) the summary list of offset orders accepted by the Exchange; at that, the volume information of included into the mentioned summary list is determined based on the terms of issue of the financial instrument being offered (sold, repurchased, purchased) and the application parameters in a way allowing the seller (buyer) making a reasonable decision on execution of offset orders accepted by the Exchange (on selection of the cut-off price) or on refusal of offering (selling, re-purchasing, purchasing) of the financial instrument; information about trading participants, which submitted these orders is not included into the summary list of offset orders accepted by the Exchange (with the exception specified in item 2 of this article);

3) the seller (buyer) delivers to the Exchange, in accordance with item 2 of this article, the information message about his decision on execution of offset orders accepted by the Exchange (on selection of the cut-off price) or refuse the offering (selling, re-purchasing, purchasing) of the financial instrument; at that:

the decision of the seller (buyer) on execution of offset orders accepted by the Exchange (on selection of the cut-off price) means his agreement to conclude the deal in the financial instrument being offered (sold, repurchased, purchased) at the price (prices) and in amounts in accordance with the terms of issue of the financial instrument being offered (sold, repurchased, purchased), the application parameters and this decision;

if the seller (buyer) decides to satisfy offset orders accepted by the Exchange (on selection of the cut-off price), the seller (buyer) may execute offset orders accepted by the Exchange within the quantity of financial instrument being offered (sold, repurchased, purchased) indicated in the application, as well as in excess of such quantity (but not more than the financial instrument's total amount feasible for offering (selling, re-purchasing, purchasing) in compliance with the applicable legislation and terms of this financial instrument issue);

if the seller (buyer) decides to execute offset orders accepted by the Exchange (on selection of the cut-off price), the volume of information for inclusion into the mentioned information message must allow the Exchange the explicit distribution of the financial instrument being offered (sold, repurchased, purchased) between trading participants, who submitted offset orders subject to satisfaction in accordance with terms of issue of the financial instrument being offered (sold, repurchased, purchased), the application parameters and this decision;

if the seller (buyer) decides to refuse the offering (selling, re-purchasing, purchasing) of the financial instrument, the mentioned information message must contain a description of such refusal's reason.

2. The decision of the seller (buyer) on execution of offset orders accepted by the Exchange (on selection of the cut-off price) or on refusal of offering (selling, re-purchasing, purchasing) of the financial instrument, must be received by the Exchange not later than two hours after the delivery by the Exchange to the seller (buyer) of the summary list of offset orders accepted by the Exchange (excluding the exception established by item 3 of this article).

3. Violation of the term established by item 2 of this article is admissible, if settlements of the financial instrument being offered (sold, repurchased, purchased) are made after the auction day and:

1) when making these settlements on the first business day, following the auction day, – the seller's (buyer's) decision on execution of offset orders accepted by the Exchange (on selection of the cut-off price) or on refusal of offering (selling, re-purchasing, purchasing) of the financial instrument, was received by the Exchange prior to 11:00 ALT of the first business day following the auction day; or

- 2) when making these settlements on the second or any other ensuing business day following the auction day, – the seller's (buyer's) decision on execution of offset orders accepted by the Exchange (on selection of the cut-off price) or on refusal of offering (selling, re-purchasing, purchasing) of the financial instrument, was received by the Exchange not later than one business day before making these settlements.
4. If the seller (buyer) violates the obligation established by item 2 of this article (considering admissible deviation established by item 3 of this article), the Exchange may announce the auction as failed and impose on the seller (buyer) the full responsibility for such violation and any other consequences of such violation.
5. When executing the auction for offering (sale, buyback, purchase) by the National Bank of government securities, the Exchange includes into the summary of offset orders it accepted the data on trading participants who submitted these orders.
6. If the seller (buyer) decides to execute offset orders accepted by the Exchange (on selection of the cut-off price):
 - 1) the market offset orders are executed first of all, in accordance with items 7 and 8 of this article (if the application stipulates execution of market counter orders);
 - 2) secondly, the limited offset orders are executed, in accordance with item 9 of this article.
7. When executing market offset orders accepted by the Exchange:
 - 1) the market offset orders are executed within the degree of market offset orders execution;
 - 2) the market offset orders are executed by the method, determined in the application (at the cut-off price or weighted average price of limit offset orders, prices of which are equal to the cut-off price or more profitable for the seller (buyer));
 - 3) if full satisfaction of all market offset orders is impossible due to the excess of market offset orders execution degree, they shall be executed pro rata to their amounts within limits allowed by the degree of market offset orders execution (considering specifics, established by item 5 of this article).
8. If strictly proportional satisfaction of market offset orders is impossible in accordance with item 4 of this article:
 - 1) the amount of deal, based on a particular market offset order, is determined as follows:

this order's amount is multiplied by the ratio of maximum possible total amount of deals, based on market offset orders (within limits allowed by the degree of market offset orders execution), to the total amount of market offset orders;

the value, obtained in accordance with the second paragraph of this sub-item, is rounded down to the nearest integral number and shall be the amount of the deal based on this order;
 - 2) deals are concluded based on market offset orders in amounts, specified in accordance with sub-item 1) of this item; if the amount of the deal based on the market offset order determined in accordance with sub-item 1) of this item equals zero, this order is not liable to execution;
 - 3) the difference between the maximum possible total amount of deals based on market offset orders (within limits allowed by the degree of market offset orders execution) and the total amount of deals concluded in accordance with sub-item 2) of this item is determined;

- 4) the difference determined in accordance with sub-item 3) of this item is distributed between market offset orders, executed in accordance with sub-item 2) of this item, as follows:

the amounts of deals based on market offset orders are increased by one unit of the financial instrument (each); at that, the preference is given to market offset orders, submitted earlier in accordance with the time of their acceptance by the Exchange;

an increase in amounts of deals, in accordance with the second paragraph of this item, continues till exhaustion of the mentioned difference or till occurrence of the event, mentioned in the fourth paragraph of this sub-item (depending on what of mentioned events occurs earlier);

an increase in the amount of a deal based on the market offset order, in accordance with the second paragraph of this sub-item, is not carried out, if such increase leads to the excess of this order's amount.
9. When executing limit offset orders accepted by the Exchange, using the execution method according to the time of acceptance of offset orders by the Exchange:
 - 1) the total amount of limit offset orders liable to execution cannot exceed the difference between the amount of the seller's (buyer's) order for selling (purchasing) and the total amount of deals based on market offset orders, concluded in compliance with items 7 and 8 of this article;
 - 2) limit offset orders are executed by the method determined in the application (at the cut-off price or at prices of limit offset orders equal to the cut-off price or those being more profitable for the seller (buyer));
 - 3) limit offset orders are executed beginning from that order, which indicates the price more profitable for the seller (buyer);
 - 4) at equality of prices of limit offset orders, the preference is given to earlier submitted orders, according to the time of acceptance by the Exchange;
 - 5) a limited offset order can be executed only partially (based on the procedure of limit offset orders execution, defined by sub-items 1)–4) of this item.
10. When executing limit offset orders accepted by the Exchange by the method of executing pro rata to amounts of offset orders:
 - 1) the size of a deal based on a particular limit offset order is defined as follows:

the amount of this deal is multiplied by the ratio of the largest total amount of deals based on limit offset orders possible to the total amount of limit offset orders;

the amount obtained in accordance with paragraph two of this sub-item is rounded down to the next whole figure and is the amount of the deal based on this order;
 - 2) deals are concluded based on limit offset orders in the amounts determined in accordance with sub-item 1) of this item; if the amount of the deal based on a limit offset order determined in accordance with sub-item 1) of this item is equal to zero, that order is not subject to execution;
 - 3) the difference between the largest total amount of deals based on limit offset orders possible and the total amount of deals concluded in accordance with sub-item 2) of this item;
 - 4) the difference found out in accordance with sub-item 3) of this item is distributed between limit offset orders executed in accordance with sub-item 2) of this item, as follows:

amounts of deals based on limit offset orders are increased by one unit of the financial instrument (each); at that, those limit offset orders are preferred which were submitted earlier, in accordance with the time of their acceptance by the Exchange;

increasing the amount of deals in accordance with paragraph two of this sub-item carries on until the exhaustion of the specified difference or until the occurrence of the event specified in paragraph four of this sub-item (depending upon which of the mentioned events occurs earlier);

increasing the amount of a deal based on a limit offset order in accordance with paragraph two of this sub-item is not carried out, if such increasing leads to exceeding of the amount of that order.

11. Settlements on deals concluded at special trades are carried out by the Central Depository according to its rules, taking into account the specifics set in paragraph three of this item.

Interaction between the Exchange and Central Depository during settlements on deals concluded at special trading sessions is regulated by agreements between the Exchange and Central Depository.

Settlements of deals in shares of a limited liability partnership are executed in accordance with the Exchange's internal document "Rules of conclusion of deals and execution of settlement on KASE Private Market".

Article 22. Post-trade procedures

1. Upon completion of the auction (upon completion of execution of offset orders in accordance with items 3–7 of article 21 hereof), the Exchange delivers to the seller (buyer) the summary list of deals, concluded at this auction, including the information about trading participants, who concluded these deals.
2. The information indicated in the summary list is confidential and is intended only for the seller (buyer), who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

Article 23. Features of conducting the trading for additional offering of securities being offered during special trading

1. Trades on additional offering of securities being offered on special trades (hereinafter in this article – trades on additional offering) can be executed only on the auction day.
2. When executing trades on additional placement:
 - 1) securities are offered for purchasing by trading participants at the price, determined by the sole seller of securities being additionally offered (hereinafter in this article – the seller¹⁰) based on the auction results;
 - 2) trading participants can submit only market offset orders.
3. For execution of trades on additional offering, the seller must submit to the Exchange an application in free form (hereinafter in this article – the application), which must contain the information on:
 - 1) the quantity of securities being additionally offered;
 - 2) the price of securities being additionally offered;
 - 3) the opening and closing time of the period of acceptance by the Exchange of offset orders;

¹⁰ Hereinafter in this article the seller is not included into the number of trading participants.

- 4) the offset orders submission method (open or closed);
 - 5) terms of the settlements on securities being additionally offered;
 - 6) other possible information necessary, in the seller's opinion, for organization and execution of these trades.
4. The Exchange may demand, and the seller (buyer) must include into the application other, aside from specified in item 3 of this article, information and obligations necessary, in the Exchange's opinion, for organization and execution of trades on additional offering.
 5. The application must be received by the Exchange simultaneously with the seller's decision to execute offset orders (on selection of the cut-off price) accepted by the Exchange during the auction.
 6. The time of trades on additional offering must comply with the trades' execution time, defined by the Regulations on Trades for the group of financial instruments to which belong securities being additionally offered.
 7. The application accepted by the Exchange is considered as a sale order submitted by the seller.
 8. During 30 minutes after acceptance of the application by the Exchange, it delivers to potential trading participants (via e-mail or the trading system) and publishes on its website the information message on execution of trades on additional offering.
 9. Before opening of execution of trades on additional offering the seller may refuse their execution, in this case:
 - 1) the seller's sell order is recognized annulled;
 - 2) the Exchange delivers to potential trading participants (via e-mail or the trading system), and publishes on its website the information message about cancellation of these trades.
 10. With the opening of trades on additional offering:
 - 1) trading participants acquire the right to submit offset orders;
 - 2) trades on additional placement are recognized and announced failed, if the Exchange accepted none of the offset orders;
 - 3) the Confirmation System's participants must deliver to the Exchange confirmations or refusal of confirmation of those offset orders, during execution of which will be used trading accounts, controlled by the Confirmation System's participants; if the Exchange does not receive confirmations of these orders during the time, specified by the Regulations on Trades, they are recognized unaccepted by the Exchange and shall be annulled by the Exchange.
 11. Upon completion of the period of acceptance of offset orders by the Exchange:
 - 1) counter orders cannot be annulled, as well as their terms cannot be changed;
 - 2) the Exchange forms and delivers to the seller the information about the total amount of offset orders, accepted by the Exchange;
 - 3) the seller informs the Exchange in accordance with item 14 of this article about his decision either to execute offset orders accepted by the Exchange or to refuse additional offering of securities; at that:

the seller's decision to execute offset orders accepted by the Exchange means his consent to conclude deals in securities being additionally offered, determined by the seller based on the auction results and in the amounts in accordance with terms of issue of securities being additionally offered, the application parameters and this decision;

when the seller decides to execute offset orders accepted by the Exchange, the seller may execute offset orders accepted by the Exchange as within limits of the quantity of securities being additionally offered, indicated in the application, as well as exceeding such quantity (but not more than the total quantity of securities possible for offering in accordance with the legislation and terms of issue of these securities);

If the seller decides to refuse additional offering of securities, this notification must have description of such refusal reason.

12. If the seller decides to execute offset orders, accepted by the Exchange then during their execution preference will be given to those, which were submitted earlier in accordance with the time of their acceptance by the Exchange.
13. Upon completion of trades on additional offering (upon completion of offset orders execution in accordance with item 12 of this article) the Exchange delivers to the seller the summary list of deals concluded at these trades, including the information about trading participants, who concluded these deals.

The mentioned information is confidential and intended only for the seller, who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

14. The seller's decision on execution of offset orders accepted by the Exchange or refusal of such additional offering of securities must be received by the Exchange not later than 30 minutes after delivery by the Exchange to the seller of information on the total amount of offset orders accepted by the Exchange (with the exception, established by item 15 of this article).
15. Violation of the term, established by item 14 of this article, is admissible, if settlements on securities being additionally offered, are made after the day of trades on additional offering, and:
 - 1) when making these settlements on the first business day, following the trades on additional offering, – the seller's decision on execution of the offset orders accepted by the Exchange, or on refusal of additional offering of securities, received by the Exchange prior to 11:00 ALT of the first business day, following the day of execution of trades on additional offering; or;
 - 2) when making these settlements on the second or any other business day, following the day of execution of trades on additional offering, – the seller's decision on execution of the offset orders accepted by the Exchange or on refusal of additional offering of securities received by the Exchange not later than one business day before making these settlements.
16. If the seller violates the obligation established by item 14 of this article (considering allowed deviation established by item 15 of this article), the Exchange may announce the trades on additional offering failed and impose on the seller the full responsibility for such violation and any other consequences of such violation.

Article 24. Consequences of non-fulfillment of liabilities on a deal concluded at special trades

The fine is paid by the party which failed to fulfill liabilities on a deal concluded and terminated at special trades, in the size of 5.0 % of that deal's amount, to the suffered party (if the latter has a claim for payment of that fine).

Chapter 9. ENGLISH AND DUTCH TRADES METHODS

Article 25. General provisions of the English and Dutch trades methods

1. English and Dutch trades methods are used only in case of existence of the sole seller of the financial instrument, being sold at English or Dutch trades.

Only a member of the Exchange of the category, which complies with the type financial instrument proposed for selling at the English (Dutch) trades, has the right to act as such seller.

2. The financial instrument is sold at English (Dutch) trades as the integral, with conclusion of the only single deal in this financial instrument (excluding the case when during the Dutch trades the single deal in the financial instrument being sold is not concluded due to refusal of the seller of further participation in these trades in accordance with sub-item 3) of item 1 of article 26 hereof).
3. The English (Dutch) trades can be executed in one or more iterations in accordance with preferences of the seller with giving him the possibility for a repeated submission of the sell order in the same amount as during the previous iteration or changing this amount (considering prohibition, established by the second paragraph of this item).

The repeated submission of the sell order, executed based on the pervious iteration results, is not allowed.

4. When using the English trades method each iteration starts with the seller-determined initial (start), as a rule intentionally underestimated, price of the financial instrument and continues towards the increase of his price by potential buyers of this financial instrument till conclusion of the deal in this financial instrument.

When using the Dutch trades method each iteration starts with the seller-determined initial (start), as a rule intentionally overestimated, price of the financial instrument and continues towards the decrease of his price by potential buyers of this financial instrument till conclusion of the deal in this financial instrument or refusal of the seller of further participation in trades (depending on which of the mentioned events occurs earlier).

5. For conducting of the English (Dutch) trades, the seller must submit to the Exchange an application in free form (hereinafter in this article – the application), which must contain information on:
 - 1) the type of trades, selected by the seller (English or Dutch);
 - 2) day of these trades execution preferable for the seller¹¹;
 - 3) the start and the end of the period of acceptance by the Exchange of buy orders;
 - 4) the financial instrument being sold;
 - 5) the quantity of financial instrument being sold¹²;
 - 6) the initial (start) price of financial instrument being sold;
 - 7) possible guarantee fees payable by potential trading participants¹³;
 - 8) terms of settlements on financial instrument being sold;
 - 9) other possible information necessary, in the seller's opinion, for organization and execution of these trades.

¹¹ The English (Dutch) auction can last several days; accordingly, the seller has the right to indicate in the application several preferable days of trades or the day, from which the seller prefers to start execution of English (Dutch) auction, possible for execution during several days.

¹² The seller may divide the financial instrument being sold into several lots of free (at the seller's choice) amounts; at that each such lot is due to be sold as an independent financial instrument.

¹³ Hereinafter in this article the seller is not included into the number of trading participants.

6. The application must be received by the Exchange not later than two business days before the preferable for the seller day of execution of the English (Dutch) trades.
7. The English (Dutch) trades are executed on the day determined by the Exchange based on the indicated in the application preferable for the seller day of these trades execution.

The time of execution of English (Dutch) trades must correspond with the time of trades execution defined by the Regulations on Trades for the group of financial instruments to which belongs the financial instrument, assumed for selling at English (Dutch) trades.

When executing English (Dutch) trades in several iterations, the seller may announce breaks between them with the free, at the seller's will, duration of such breaks.
8. The application accepted by the Exchange is considered as submitted by the seller sell order.
9. Not later than the following business day after the Exchange determines the day of English (Dutch) trades, the Exchange delivers to these trades' potential participants (via e-mail or the trading system), and publishes on its website the information message about these trades.
10. In case of inclusion into the application of information about guarantee fees payable by potential trading participants:
 - 1) the amount of such guarantee fee is determined by the seller (if only the amount of such guarantee fee is not determined in accordance with the Exchange's internal documents);
 - 2) such guarantee fee is subject to crediting to the Exchange's bank account, details of which are included into the information message, described in item 9 of this article, before opening of these trades;
 - 3) in these trades only those potential trading participants can participate, who fulfilled guarantee fees payment terms in compliance with sub-items 1) and 2) of this item;
 - 4) the Exchange must announce the number of potential trading participants, who fulfilled guarantee fees payment terms in compliance with sub-items 1) and 2) of this item.
11. Prior to each separate iteration of English (Dutch) trades, the seller may refuse execution of these trades; in this case:
 - 1) the order for selling is recognized annulled;
 - 2) the Exchange delivers to these trades' potential participants ((via e-mail or the trading system), and publishes on its website the information message about these trades cancellation.

Article 26. Submission of orders and conclusion of deals by the English and Dutch trades methods

1. With the beginning of each separate iteration of English (Dutch) trades:
 - 1) the price changing step of the financial instrument being sold can be established;
 - 2) trading participants acquire the right to submit buy orders at prices of the financial instrument the being sold, independently determined by them; at that:

when executing English trades – the order price must be higher than the initial (start) price of the financial instrument being sold;

when executing Dutch trades – the order price must be lower than the initial (start) price of the financial instrument being sold;

Dutch trades are recognized and declared as failed if the number of participants of the trades makes up less than two;

the amount of order must equal to the quantity of the financial instrument being sold (the amount of sell order);

- 3) when executing Dutch trades the seller acquires the right to:
 - refuse further participation in trades (to annul unexecuted sell order);
 - decrease the selling price of the financial instrument (the price of the sell order);
- 4) the English trades' iteration is recognized and announced failed:
 - if the number of trading participants is less than two;
 - if during the time period¹⁴, used for acceptance by the Exchange of buy orders for purchasing, it accepted none of buy orders;
- 5) when executing English trades:
 - the seller does not have the right to refuse further participation in trades (to annul unexecuted sell orders);
 - buy orders can be submitted by trading participants only towards the increase of the price of the financial instrument being sold;
 - the buy order is subject to execution from the moment of whose acceptance by the Exchange expired the period, used by the Exchange for acceptance of buy orders, given that during this time period the Exchange did not accept another buy order;
 - the deal is concluded at the price of the buy order subject to execution in accordance with the third paragraph of this item, in this order's amount (in the amount of sell order);
- 6) when executing Dutch trades:
 - in case of absence of buy orders the seller decreases the financial instrument's selling price (the price of sell order) or refuses further participation in trades;
 - the first buy order accepted by the Exchange order is subject to execution (considering specifics established by article 12 of these Regulations);
 - the deal is concluded at the price of the buy order subject to execution in accordance with the third paragraph of this item in the amount of this order (in the amount of the sell order).

2. Upon completion of each particular iteration of English (Dutch) trades (after execution of the buy order in accordance with article 27 hereof), the Exchange delivers to the seller information about the deal concluded at these trades, including the information about the trading participant, who concluded this deal.

The mentioned information is confidential and intended only for the seller, who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

¹⁴ The time period used for acceptance by the Exchange of buy orders when executing English trades is determined by the Exchange independently, based on the business behavior of trading participants, by principle of counting to three. At that it is considered that at "three" English trades are recognized and announced failed (if at the initial (start) price of the financial instrument being sold during this time period, the Exchange accepted none of the buy orders) or the Exchange announces that this financial instrument was sold to that trading participant, whose buy order was accepted by the Exchange the last, given that during this time period the Exchange did not accept another buy order.

Article 27. Specifics of conducting the Dutch Trades by voice

1. When executing the Dutch trades by voice, disputable situations concerning the sequence of submission of buy orders are solved based on the Exchange's broker's (brokers') opinion, which is considered final and cannot be appealed; in addition, in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange broker's (brokers') may request opinions of other trading participants, and his/her assistant (assistants).
2. If in accordance with item 1 of this article the buy orders submitted by several trading participants, were recognized as simultaneously submitted and accepted by the Exchange:
 - 1) the seller does not have the right to annul the sell order for selling or change its terms;
 - 2) the financial instrument, sold at the Dutch trades, is divided in equal quantity between these trading participants, and deals are concluded at the last price of the sell order in amounts of such equal quantity;
 - 3) if the financial instrument being sold at the Dutch trades cannot be divided in equal quantity between these trading participants, trades are continued by replacing their execution method to the English trades' method; at that:

these trading participants may refuse participation in such English trades;

the trading participant, who did not refuse participation in such English trades, must submit the buy order towards the increase of the price of the financial instrument being sold;

if such English trades are recognized and announced failed, in accordance with sub-item 4) of item 1 of article 26 of these Regulations, the Dutch trades are also recognized and announced failed in consequence of which such English trades were executed.

Article 28. Final provisions

1. These Regulations are subject to release on the Exchange's website.
2. These Regulations are subject to updating upon necessity, but at least once every three years.
3. The responsibility for the timely updating of these Regulations rests with the Trades department.

Chairperson of the Management Board

A. Aldambergen

Appendix

to the Regulations on Trading Methods

APPLICATION
for conducting a special trading session

(full name of the member of the Exchange of the "stock" category)

asks to organize the conduct of a special trading session for [*offering, selling, buyback or purchase of the financial instrument*] [*name of securities*] with indicated parameters and on the following terms.

CHAPTER I. ISSUE PARAMETERS		
1.	Type of financial instrument	
3.	NIN / ISIN	
4.	Trade code	
5.	Issue currency	
6.	Face value (<i>for bonds</i>)	
7.	Issue volume (<i>in the issue currency</i>): – registered – outstanding	
8.	Circulation start date	
9.	Circulation last day (<i>for bonds</i>)	
10.	Redemption start date (<i>for bonds</i>)	
11.	Maturity (<i>for bonds</i>)	
12.	Coupon rate (<i>for bonds</i>)	
13.	Coupon payment periodicity (<i>for bonds</i>)	
14.	Coupon payment start date (<i>for bonds</i>)	
15.	Time base (<i>for bonds</i>)	
CHAPTER II. TERMS OF CONDUCTING SPECIAL TRADES		
1.	Trades date	
2.	Announced offering volume	
3.	Order acceptance beginning time	
4.	Order acceptance end time	
5.	Order confirmation period	
6.	Cut-off date and time	
7.	Order submission method	
8.	Limit order execution method	
9.	Market buy order execution method (<i>provided market orders are accepted</i>)	

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10.	Order execution method	
11.	Financial instrument's price	
12.	Lot amount (<i>if available</i>)	
13.	Number of financial instruments in the order	
14.	Order cut-off method	
15.	Order amount	
16.	Transaction amount	
17.	Market order execution percentage	
18.	Payment date and time	
19.	Settlement terms	
20.	No. of sub-account for write-off/crediting of financial instruments	
21.	Other terms of special trades (<i>if necessary</i>)	

[position of the head of
executive body of the member
of the Exchange of the
"stock" category]

[signature]

[surname, initials]

stamp