

KAZAKHSTAN STOCK EXCHANGE

A p p r o v e d

by the decision of Kazakhstan
Stock Exchange Council

(protocol No. 1 of January 12, 2001)

E f f e c t i v e

from January 15, 2001

N O T I C E

Rights and Responsibilities 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 Rights and Responsibilities in Russian, the Russian version shall always prevail.

RIGHTS AND RESPONSIBILITIES

of Kazakhstan Stock Exchange Members with International Financial Organizations Bonds Market-Maker Status

*(This title was changed by the Exchange Council decisions
of January 15, 2004 and April 14, 2005)*

Almaty

2001

LIST OF AMENDMENTS

1. Changes No. 1:

- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 2 of February 28, 2002);
- effective from May 2, 2002.

2. Changes and Addition No. 2:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on May 24, 2005;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 7 of April 14, 2005);
- effective from July 1, 2005.

This document has been approved in accordance with "Rules of Market-Makers Activities", agreed by the meeting of members of Kazakhstan Stock Exchange (hereinafter referred to as the Exchange) of categories "K", "P", "H" (protocol No. 7 of October 14, 1999) and approved by resolution No. 462 of the Directorate of the National Commission of the Republic of Kazakhstan on securities of October 26, 1999 and Appendix 2 thereto and determines responsibilities, rights and restrictions of rights of the Exchange members, enjoying status of market-maker of international financial organizations bonds (hereinafter referred to as "the Supranational bonds") *(this paragraph was changed by the decision of the Exchange Council of January 15, 2004)*.

Market-Maker Must:

1. During the whole trading day a market-maker must maintain in the Exchange trading system at least one firm quotation for purchase and one firm quotation for sale (hereinafter referred to as the mandatory quotations) in the volume (both, for purchase, and sale) equal to at least 10,000 units of the bonds denomination currency at par value *(this item was supplemented by the decision of the Exchange Council of April 14, 2005)*.
2. Maintain the spread between the best mandatory quotations (by the difference, in absolute terms, between the values of yield to maturity, calculated in compliance with the bonds yield and purchase and sale quotations calculation methodology applied at the Exchange) in the amount, not exceeding two percent points *(this item was changed by the Exchange Council decision of April 14, 2005)*.
3. Set a new mandatory quotation within a minute on removal or accomplishing of the mandatory quotation.

Market-Maker May:

4. Change the prices of the mandatory quotations set prior under the condition of compliance with the spread set hereby.
5. Refuse to display mandatory quotations, if during the trading day the volume of the purchased securities net of that sold, or the volume of the sold securities net of that purchased in respect of this supranational bonds issue exceeded USD1,000,000 (or other currency denominating the supranational bonds issue) at par value.
6. To announce an up to one hour time-out in case of emergency situation on the market. During the time-out a market-maker may remove all quotations and not to display new quotations. The right of time-out is granted only once during one trading day. To be granted a time-out a market-maker representative must notify thereof the Exchange administrator. The notification on the time-out received is made in an optional form and may be made through the trading system terminal, REUTERS terminal or by phone.
7. Not to pay the commission fees on the deals in supranational bonds, concluded on the Exchange by the persons acting as market-makers.

Market-Maker Liability

8. In case of market-maker three times violation of the terms of discharge of his duties, set hereby, such market-maker is imposed a twenty monthly calculated indices penalty in favor of the Exchange *(this item was changed by the Exchange Council decision of February 28, 2002)*.
9. Five or more minute violation of the terms of item 3 hereof, except for the cases specified in items 5 and 6, is considered as a market-maker refusal to set mandatory quotations. Due to a market-maker refusal to set mandatory quotations, such market-maker is to be deprived of a market-maker status, and imposed a two hundred monthly calculated indices penalty *(this item was changed by the Exchange Council decision of February 28, 2002)*.
10. The market-maker, that violated the terms of item 16 of "Rules of Market-Makers Activities", is imposed a two hundred monthly calculated indices penalty *(this item was changed by the Exchange Council decision of February 28, 2002)*.

Market-Maker Duties Release

11. A market-maker is entitled not to execute his duties, specified in items 1–3 hereof, on receipt of a respective notification from the Exchange, in the following cases:
 - 11.1. During five working days exceeding 1,000 basis points prices fluctuations on the supranational bonds international market or other significant events which may lead to an uncertain situation on the supranational bonds market occur.
 - 11.2. The changes in the legislation of the Republic of Kazakhstan, which may exert significant influence on the domestic market of sovereign Eurobonds, are made by the state bodies of the Republic of Kazakhstan.
 - 11.3. The events, which exert significant influence on the domestic market of government securities, take place in the Republic of Kazakhstan or abroad.
12. The decision on release of market-makers from discharge of their duties, specified in items 1–3 hereof, in the cases, specified in item 11 hereof, before the call of the Exchange Council is to be made by the Exchange Board.

President

D. Karasaev