

# KAZAKHSTAN STOCK EXCHANGE

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Agreed on

with the Agency of the Republic of  
Kazakhstan on Regulation and Supervision of  
Financial Market and Financial Organizations

on April 21, 2010

Deputy Chairman of the Agency of the  
Republic of Kazakhstan on Regulation  
and Supervision of Financial Market  
and Financial Organizations

A. ALDAMBERGEN

**A g r e e d o n**

with the Agency of the Republic of  
Kazakhstan on Regulation of Activities of the  
Regional Financial Center of Almaty

on April 8, 2010

Chairman of the Agency of the Republic  
of Kazakhstan on Regulation of Activities  
of the Regional Financial Center of Almaty

A. ARYSTANOV

**A p p r o v e d**

by Kazakhstan Stock Exchange  
Council decision

(protocol No. 6 of March 30, 2010)

**E f f e c t i v e**

from April 26, 2010

## **NOTICE**

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

# **REGULATIONS**

## **on the Exchange Board of Directors Committee on Issuers Financial Reporting and Audit**

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Almaty

2010

## **LIST OF AMENDMENTS**

### **1. Amendments No. 1:**

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on November 8, 2011;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 26 of October 6, 2011);
- effective from November 11, 2011.

These Regulations have been developed in compliance with the Board Resolution of the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations "On Requirements for the Trades Organizer Institutional Structure and the Stock Exchange Listing Commission Composition, and on Approval of Rules on Performance of the Trades organizer Structural Division, Supervising Deals Execution in the Trades Organizer Trading System" of November 28, 2009 # 195 (hereinafter – the Resolution) and define the structure, functions, rights, responsibilities and order of the Exchange Board of Directors Committee on Issuers Financial Reporting and Audit<sup>1</sup> (hereinafter – the Committee).

### Section 1. GENERAL PROVISIONS

1. The terminology used in these Regulations means the following:
  - 1) **"accredited professional auditing organization"** – as defined by the Law of the Republic of Kazakhstan "On Auditing Activities" of November 20, 1998;
  - 2) **"organization affiliate"** – an individual or a legal entity (except for the government body, controlling and/or supervising within delegated to it authorities), directly and/or indirectly influencing on made by this organization decisions, including a concluded deal related decision;
  - 3) **"Department"** – The Department of Listing – the Exchange structural division, authorized to list securities and monitor securities further compliance with the listing requirements
  - 4) **"organization official"** – this organization Board of Directors (a supervising body), its executive body member or an individual, solely implementing this organization executive body functions;
  - 5) **"conflict of interests"** – as defined by item 3 of these Regulations;
  - 6) **"principal shareholder"** – as defined by the Law of the Republic of Kazakhstan "On Joint Stock Companies" of May 13, 2003;
  - 7) **"Authorized body"** – the government agency, regulating and supervising financial market and financial organizations (*this sub-item was changed by the Board of Directors decision of October 6, 2011*);
  - 8) (*this sub-item was excluded by the Board of Directors decision of October 6, 2011*).
2. Other, used in these Regulations concepts are identical to those defined by other Exchange Council internal documents.
3. For these Regulations purposes the conflict of interests means the situation, when the Committee member interests as a participant (a principal shareholder), an official, an employee or any organization affiliate conflict with his/her obligations to be an independent and unbiased at involvement into the Committee activities. Unless otherwise specified in individual or general cases the Committee recognizes as the conflict of interest those situations, when the Committee member is:
  - 1) a participant (a principal shareholder), an official, an employee or an affiliate of:
    - an issuer of securities, whose financial reporting, auditors' report (auditors' reports) on financial statements or an organization auditors' report on financial statements review are liable to control or being controlled by the Committee; and/or
    - an organization that is an organization subsidiary or related to this securities issuer joint stock company; and/or
    - an organization, in relation to which this securities issuer is a subsidiary organization or related joint stock company; and/or
    - an organization, which together with this securities issuer subsidiary organizations or related joint stock companies of the third organization;

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<sup>1</sup> The Stock Exchange Board of Directors Committee on Issuers Audit, establishment of which is set forth by item 10 of the Resolution.

- 2) a participant (principal shareholder), an officer, employee or affiliated person of the securities issuer financial advisor, financial statements of which, auditors' report (auditors' reports) on financial statements of which or auditors' report on review of financial statements of which are subject to audit or are audited by the Committee.
4. The Committee is a permanent nonstructural Exchange body with the functions defined in compliance with item 10 of the Resolution:
  - 1) considering auditors' report on issuers financial statements (reports of auditing organizations on review of issuers interim financial statements, special purpose auditors' report on unit investment funds), whose securities are admissible to the official list, and attached to mentioned financial statements, and development of a corresponding information on mentioned reports and financial statements consideration results at the Department request.

Indicated in the first paragraph hereof documents for purposes of these Regulations together are called these securities issuer financial documents or financial documents.

The Department request on consideration of securities issuer financial documents for the purpose of their compliance with listing requirements (with regard to financial reporting standards) and applicable legislation (with regard to standards of audit), signed by the Department head or him/her replacing person (hereinafter for purposes of Chapter 1 of these Regulations – the request), must be attached on paper or electronically to this financial documents and other possible documents (copies of documents), which relate to his financial documents;

- 2) development of the Exchange recognized auditing organizations list for admission of securities to the official list and for their being in the list (hereinafter – the auditing organizations list), in the order, stipulated by Chapter 2 of these Regulations.
5. The Committee has the following additional functions:
  - 1) development of the data base on auditing organizations, included to the auditing organizations list, including the information on results of implementation by the Committee of functions, enumerated in item 4 of these Regulations;
  - 2) contacts with auditing organizations, included to the auditing organizations list, and counseling auditing organizations on issues related to requirements for an audit of listed companies and organizations – candidates to listed companies;
  - 3) other functions, set forth by the Exchange internal documents.
6. When implementing activities the Committee uses e-mail as the main mean of communication between the Department, the Committee Chairman, the Committee members and persons, entitled to replace the Committee Chairman and members in case of their absence or interests conflict.

In order to send messages via e-mail to Committee Chairman, the Committee members and persons, entitled to replace the Committee Chairman and members in case of their absence or interests conflict shall be used those e-mail addresses that were provided to the Department by Committee Chairman, the Committee members and persons, entitled to replace the Committee Chairman and members in case of their absence or interests conflict.

In order to send messages via e-mail to the Department, the Committee Chairman, the Committee members and persons, entitled to replace the Committee Chairman and members in case of their absence or interests conflict, have the right to use only one e-mail address – listing@kase.kz.

## Section 2. COMMITTEE MEMBERS

7. The Committee consists of:
  - 1) an Authorized body representatives (*this sub-item was changed by the Board of Directors decision of October 6, 2011*);
  - 2) (*this sub-item was excluded by the Board of Directors decision of October 6, 2011*);

- 3) the Exchange Management Board member;
  - 4) the Department director;
  - 5) the Exchange Board of Directors members.
8. The Committee composition is approved by the Exchange Board of Directors decision, when doing it:
- 1) the Committee member – an Authorized body representative (hereinafter – the Committee member on behalf of an Authorized body) is defined by an Authorized body independently according to set by this body order;
  - 2) the Committee member – an RFCA Authorized body representative (hereinafter – the Committee member on behalf of RFCA Authorized body) is defined by RFCA Authorized body independently according to set by this body order
  - 3) the Committee member – the Exchange Management Board member (hereinafter – the Committee member on behalf of the Exchange Management Board) is defined by the Exchange Management Board decision;
  - 4) the Department director is the Committee member ex officio;
  - 5) the Committee members – the Exchange Board of Directors members (hereinafter – the Committee members on behalf of the Exchange Board of Directors) are elected by the Exchange Board of Directors;
  - 6) persons, elected to the Committee composition can be re-elected unlimited number of times.

9. When defining the Committee members on behalf of an Authorized body and an RFCA Authorized body these government bodies have the right to additionally define their employees that are entitled to replace these Committee members in case of their absence (hereinafter in the text the absence means a disease, vacation or business trip).

The Exchange Board of Directors when electing the Committee members has the right to additionally assign other Exchange Board of Directors members entitled to replace these Committee members in case of their absence or involvement to the conflict of interests.

10. When electing the Exchange Board of Directors has the right to simultaneously elect the Committee members entitled to replace the Committee Chairman in case of his/her absence or involvement to the conflict of interests.
11. The term of office of the Committee members on behalf of an Authorized body and employees, entitled to replace these Committee members in case of their absence, are defined by an Authorized body independently according to the set by this body order (*this paragraph was changed by the Board of Directors decision of October 6, 2011*).

The term of office of the Committee members on behalf of the Exchange Board of Directors and the Exchange Board of Directors members entitled to replace these Committee members in case of their absence or involvement to the conflict of interest, expire simultaneously with the term of office of elected them Exchange Board of Directors (considering specifics set forth by item 12 of these Regulations).

12. The Committee members on behalf of the Exchange Board of Directors are elected (reelected) by the Exchange Board of Directors at one of its first meetings held after the Exchange shareholders general meeting, where the Exchange Board of Directors in this composition has been elected.

The Exchange Board of Directors is entitled at any time to early terminate authorities of any Committee member on behalf of the Exchange Board of Directors and elect the new Committee member to act on behalf of the Exchange Board of Directors.

The Exchange Board of Directors is entitled at any time to terminate authorities of all Committee members acting on behalf of the Exchange Board of Directors and elect new Committee members to act on behalf of the Exchange Board of Directors.

The Exchange Board of Directors is entitled at any time to terminate authorities of the Exchange Board of Directors members that have the right to replace the Committee members on behalf of the Exchange Board of Directors in case of their absence or the conflict of interest and elect new Exchange Board of Directors members, entitled to replace these Committee members in case of their absence or the conflict of interest.

The Exchange Board of Directors is entitled at any time to additionally elect the committee members on behalf of the Exchange Board of Directors and the Exchange Board of Directors members, entitled to replace these Committee members in case of their absence or the conflict of interest.

13. In case of absence of the Committee Chairman or the conflict of interests, the Committee Chairman authorities are exercised by the committee members, who is entitled to replace the Committee Chairman in case of his/her absence or the conflict of interest. In case of existence of several Committee members, entitled to replace the Committee Chairman in case of his/her absence or the conflict of interest, the Committee Chairman authorities shall be delegated in compliance with such replacement order, approved by the Exchange Board of Directors.

If the Exchange Board of Directors did not elect the Committee members, entitled to replace the Committee Chairman in case of his/her absence or the conflict of interest to preside over the Committee meeting, where the Committee Chairman is absent, one of the present at this meeting Committee members on behalf of the Exchange Board of Directors can be elected as a chair person.

14. If the Committee member on behalf of the Exchange Management Board is absent this member authorities can be fulfilled by another Exchange Management Board member in compliance with the order of the Exchange Management Board members replacement in case of their absence.
15. In case of absence of the Department director this Committee member authorities are fulfilled by the Exchange employee – acting director of the Department.
16. In case of absence of the Committee member on behalf of the Exchange Board of Directors or the conflict of interests, this Committee member authorities are fulfilled by one of the Exchange Board of Directors, entitled to replace the Committee members on behalf of the Exchange Board of Directors in case of their absence or the conflict of interests, which is defined for these purposes by the Committee Chairman or the Committee member that fulfills the Committee Chairman authorities by agreement with these Exchange Board of Directors members to avoid the new conflict of interests.

### **Section 3. RIGHTS OF THE COMMITTEE**

17. When implementing functions, indicated in item 4 of these Regulations, the Committee has the right to directly or through the special task to Department to:
  - 1) invite to the Committee meeting representatives of securities issuer and/or an auditing organization that audited (reviewed) this issuer financial statements or representatives of an auditing organization – a candidate for its admission to the auditing organizations list;
  - 2) forward to the securities issuer questions related to its financial statements; an auditing organization that audited (reviewed) this issuer financial statements, questions related to an audit (review) of this issuer financial statements; an auditing organization – a candidate for its admission to the auditing organizations list, questions related to being considered by the Committee documents of this auditing organization;
  - 3) request in the securities admittance initiator copies of the following documents:
    - a) an agreement for securities issuer financial statements audit;
    - b) a plan of securities issuer financial statements audit;
    - c) other document that relate to securities issuer financial statements audit;
  - 4) request in an auditing organization copies of the following documents:
    - a) proving existence in an auditing organization of an internal quality control system and this system functioning;

- b) proving implementation of securities issuer financial statements audit (materials, files) at the Committee option;
- 5) initiate implementation by the professional auditing organization, where this auditing organization has a membership, to check this organization auditing services with involvement of the Committee representative;
- 6) check auditing services quality, provided by this auditing organization, as well as this auditing organization internal control system functioning with involvement of the Committee and the Department employees, assigned for such inspection.

#### **Section 4. THE COMMITTEE FUNCTIONS IMPLEMENTATION**

##### **Chapter 1. Consideration of Financial Documents**

18. During two working days following the day of sending of the Department request and all attached documents to the Committee Chairman or the Committee member, entitled to replace the Committee Chairman in case of his/her absence or the conflict of interests (hereinafter – replacing him/her person or replacing them persons), the Committee Chairman or replacing him/her person:
  - 1) based on the available information on relations of the Committee members on behalf of the Exchange Board of Directors with securities issuers and financial advisors<sup>2</sup>, and through negotiations with the Committee members on behalf of the Exchange Board of Directors, which have the conflict of interests related to request attached financial documents, and in compliance with item 16 of these Regulations, defines replacing them persons;
  - 2) sends via e-mail to the Committee members or replacing them persons, files of the Department request, financial documents and other possible documents that relate to these financial documents in Adobe Acrobat Professional<sup>®</sup> with the covering letter on the need in agreement of the date, time and place of the Committee meeting implementation;
  - 3) agrees on with the Committee members or replacing them persons the date, time and place of the Committee meeting implementation.
19. The Committee meeting to consider financial documents and other possible documents that elate to these financial documents, at the department request is implemented during seven working days following the date, when the Committee members or replacing them persons were send mentioned documents and the Department request.
20. The Committee meeting is implemented in the order independently defined by such meeting participants as well as documented in minutes, which is agreed on during three working days following the date of this meeting implementation, and agreed on with the Committee members or replacing them persons, which participated in this meeting, signed by the Committee Chairman or replacing him/her person that was elected to chair this meeting and signed by the Committee secretary, elected out of the Department employees.
21. The minutes of Committee meetings are handed over to the Department together with the Committee decision foe filing not later than the next working day after signing.
22. If the Committee meeting minutes contain the Committee opinion that considered financial documents complies with listing requirements (financial reporting standards) and the applicable legislation (audit standards), the Department accepts these financial documents for purposes it was submitted.
23. If the Committee meeting minutes contain decisions that entail implementation by the Committee or the Department of any activities mentioned in sub-items 2)–6) of item 17 of these Regulations and that relate to considered by the Committee financial documents, the Committee or the Department implement these activities during five working days following the day, when these minutes were signed and handed over to the Department.

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<sup>2</sup> Any used information that was provided to the Exchange by the Exchange Board of Directors under their obligations set forth by article 67 of Law of the Republic of Kazakhstan "On Joint Stock Companies" of May 13, 2003.

24. The time, during which the Committee or the Department in compliance with item 23 of these Regulations must be submitted documents (the information), indicated in sub-items 2)–4) of item 17 of these Regulations, are set forth in corresponding letters (requests) addressed to mentioned in sub-items organizations.
25. The time, during which is implemented the check up, mentioned in sub-item 5) of item 17 of these Regulations, with the results submitted to the Committee or the Department, is set forth by a professional auditing organization.
26. The number and staff of inspectors, the time during which is implemented the check up, mentioned in sub-item 6) of item 17 of these Regulations, and the document format to formalize such check up are defined by the Committee decisions.
27. After the Committee and the Department implement activities in compliance with item 23 of these Regulations, the repeated Committee meeting to consider financial documents is implemented during seven working days upon expiry of terms, set forth by items 24–26 of these Regulations.  
The Committee and the Department implement the Committee repeated meeting decisions, recorded in the meeting minutes.
28. The Committee can not consider one and the same package of financial documents more than tow times.
29. The Committee meetings minutes, other documents (information) that elate to financial documents can be attached to the conclusion (used in the conclusion) of the Department on possibility of securities admission to the official list or securities transfer from the lower to higher category (subcategory) of the official list, and can be taken into account by the Committee when considering inclusion of an auditing organization to the auditing organizations list by either of two levels (revision its compliance with qualification requirements of either of two levels), and removal of an auditing organization from this list.

## Chapter 2. The List of Exchange Recognized Auditing Organizations

30. The list of auditing organizations is developed and amended based on the Committee decisions, made based on auditing organizations compliance with either of two levels qualification requirements, set forth by an Authorized body corresponding normative act (hereinafter – qualification requirements) *(this item was changed by the Board of Directors decision of October 6, 2011)*.
31. The Committee decisions on auditing organizations inclusion to the auditing organizations list by either of two levels, removal of auditing organizations from this list, revision of auditing organizations compliance with either of two levels qualification requirements are made based on documents, submitted by auditing organizations in compliance with item 32 of these Regulations considering terms set forth by item 29 of these Regulations.
32. For the Committee consideration of the issue related to an auditing organization inclusion to the auditing organizations list (revision of auditing organizations compliance with either of two levels qualification requirements) this auditing organization must submit to the Exchange:
  - 1) an application addressed to the Committee Chairman on its admission to the auditing organizations list (on revision of an auditing organization compliance with either of two levels requirements), which must contain the information (name, position, telephone number, e-mail address) on an employee (employees) of this auditing organization, who shall contact with the Exchange on issues related to respective procedures;
  - 2) the copy of conclusion of the professional auditing organization, accredited by an authorized government body on auditing activities, attesting observance by this auditing organization of international auditing standards and the Code of Ethics based on results of an external quality control – for a legal entities – residents of the Republic of Kazakhstan;
  - 3) the copy of conclusion of the professional auditing organization – a member of International Federation of Accountants or such conclusion issued by a competent government body of the country of its residence, attesting observance by this auditing organization of international auditing standards and the Code of Ethics based on results of an external quality control – for a legal entities – residents of the Republic of Kazakhstan;

- 4) the copy of agreement on insurance of an auditing organization civil responsibility;
  - 5) the copy of document, attesting an auditing organization membership in the international accounting network, which is the fellow of International Accounting Networks Association "Forum of Firms" of International Federation of Accountants;
  - 6) the documents, attesting of auditing activities not less than three years, including the copy of a legal entity registration certificate and an auditing organization licenses, based on which it implements auditing activities;
  - 7) the document, attesting existence in an auditing organization staff:
    - a) to comply with the qualification requirements first level – three auditors, who have international certificates on accounting and auditing of Associate Chartered Accountant (ACA), Chartered Institute of Management Accountants (CIMA), Certified Public Accountant (CPA), the Association of Chartered Certified Accountants (ACCA), including notarized copies of certificates and other documents on training, successfully passed examinations and labor contracts or orders on appointment to a post;
    - b) to comply with the qualification requirements second level – two auditors, who have international certificates on accounting and auditing of Associate Chartered Accountant (ACA), Chartered Institute of Management Accountants (CIMA), Certified Public Accountant (CPA), the Association of Chartered Certified Accountants (ACCA), Diploma in the International Financial Reporting (DiplIFR ACCA), Certified International Professional Accountant (CIPA), including notarized copies of certificates and other documents on training, successfully passed examinations and labor contracts or orders on appointment to a post;
  - 8) copies of auditing reports of this auditing organization with attached financial statements developed in compliance with international financial reporting standards, based on which these reports have been developed, sealed by this auditing organization stamp in the number of:
    - a) fifteen – to comply with the qualification requirements first level;
    - b) ten – to comply with the qualification requirements second level.
33. documents out of listed in sub-items 2)–8) of item 32 of these Regulations, pages of which must be bound, numbered, signed by a person authorized to interact with the Exchange and sealed by an auditing organization stamp.

In addition, documents mentioned in the first paragraph of this item must be submitted electronically in Adobe Acrobat Professional® format and must be the scanned copies of documents paper versions;

34. During two working days after an auditing organization submits an application for its admission to the auditing organizations list (on revision of an auditing organization compliance with either of two levels requirements) and the complete package of documents in compliance with item 32 of these Regulations, the Committee Chairman via e-mail sends to the committee members or replacing them persons these documents and in agrees on the date, place and time of the Committee meeting to consider the mentioned application.

Representatives of an auditing organization that submitted an application on its admission to the auditing organizations list are invited to the Committee meeting.

35. The decision on an auditing organization admission to the auditing organizations list (on revision of an auditing organization compliance with either of two levels requirements) is considered made if for it voted the majority from the total number of the Committee members or replacing them persons, present at the meeting.

If for such admission (revision) were given less votes than specified in the first paragraph of this item, it is considered that the Committee refused such admission (revision).

If for such admission (revision) were given fifty percent of votes from the total number votes of the of the Committee members or replacing them persons, present at the meeting, after an additional discussion the question is put to the repeated voting.

36. The Committee decision on admission to the auditing organizations list (on revision of an auditing organization compliance with either of two levels requirements) becomes effective on the next day after such decision is made.

A respective information message is published on the KASE Internet resources (website) (*this paragraph was changed by the Board of Directors decision of October 6, 2011*).

37. If the Committee minutes contain the decision stipulating the need in implementation by the Committee of actions listed in sub-items 4)–6) of item 17 of these Regulations, the Committee implements these actions during five working days after the day, when such decisions were made.
38. The time frame, during which the Committee in compliance with item 37 of these Regulations must submit documents (information), specified in sub-item 4) of item 17 of these Regulations, is set forth in an appropriate letter (requests), which is addressed to an auditing organization.
39. The Committee actions, stipulated by sub-items 5)–6) of item 17 of these Regulations are implemented in compliance with items 25 and 26 of these Regulations.
40. When the Committee implements actions in compliance with item 37 of these Regulations, the repeated meeting of the Committee to consider the issuer related to an auditing organization admission to the auditing organizations list (on revision of an auditing organization compliance with either of two levels requirements) is convened during seven working days upon expiry of time frames, set forth by items 38–39 of these Regulations.
41. The Committee does not consider one and the same application of an auditing organization more than two times running.
42. An auditing organization can be removed from the auditing organizations list at the Committee initiative based on the following reasons:
- 1) detection of facts of incompliance of an auditing organization with qualification requirements;
  - 2) termination of auditing activities;
  - 3) suspension or termination of a license for auditing activities;
  - 4) detection by the Committee of cases of issue by an auditing organization of an unauthentic auditors report due to a professional mistake or in collusion with its client;
  - 5) provision by an auditing organization of an unauthentic, inaccurate or incomplete information about itself and its activities;
  - 6) detection by the Committee of two and more facts of violation by an auditing organization of the legislation.
43. If an auditing organization included to the auditing organizations list ceases to comply with the first level qualification requirements, but at the same time complies with the second level qualification requirements, the Committee revises this auditing organization compliance with qualification requirements and makes a decision on compliance with the second level qualification requirements.
44. Procedures of making by the Committee of a decision on removal of an auditing organization from the auditing organizations list based on reasons, specified in item 42 of these Regulations and on revision of an auditing organization compliance with qualification requirements based on reasons, specified in item 43 of these Regulations are similar to those described in items 34 and 35 of these Regulations.
45. The Committee decision on admission of an auditing organization to the auditing organizations list or removal of an auditing organization from the mentioned list based on reasons, specified in item 42 of these Regulations or revision of an auditing organization compliance with qualification requirements comes into force on the next day after its making, unless otherwise specified by the Committee when making this decision.

A respective information message is published on the KASE Internet resources (website) (*this paragraph was changed by the Board of Directors decision of October 6, 2011*).

46. During presence in the auditing organizations list an auditing organization not later than January 20 and/or June 20 of each year must submit to the Exchange documents, specified in sub-item 2)-7) of item 32 of these Regulations to confirm this auditing organization compliance with qualification requirements.
47. In case of the change in an auditing organization name, its legal and/or actual address (location) and/or the contact telephone (fax) number, an auditing organization during three working days must notify the Exchange on such changes and attach appropriate documents attesting such changes.

### **Chapter 3. The Committee Additional Functions**

48. The data base on auditing organizations, admitted to the auditing organizations list or intend to be admitted to this list is formed, maintained and kept by the Department based on documents (information), officially submitted to the Exchange (the Committee, the Department) by auditing organizations, accredited by professional auditing organizations, the Committee members, members of the Listing Commission and the Exchange Board of Directors, government bodies, securities issuers and other organizations and entities, and based on the information on results of implementation by the Committee of functions, specified in item 4 of these Regulations.
49. Master copies of all documents developed by the Committee based on results of implementation by the Committee of functions in compliance with item 4 of these Regulations, and documents, submitted by auditing organizations in compliance with item 32 of these Regulations, are kept in the Department.
50. The order of implementation by the Committee of additional functions is defined by the Committee independently in compliance with the applicable legislation and Exchange internal documents.

### **Section 5. FINAL PROVISIONS**

51. The Committee must observe set forth by the legislation and other Exchange internal documents requirements for the order of the Committee performance.
52. If the Committee members violate or inappropriately carry out duties, defined by these Regulations, the Exchange Board of Directors is entitled to impose the following sanctions:
  - 1) to make a remark on negligent execution of duties and notify on termination of authorities in case of detection of repeated breach of the Committee member duties;
  - 2) to terminate authorities of the Committee Chairman, member or replacing them persons.

President

K. Damitov