KAZAKHSTAN STOCK EXCHANGE

A p p r o v e d

by Kazakhstan Stock Exchange
Management Board decision
(minutes # 17 of January 27, 2012)

Effective

from February 1, 2012

N O T I C E

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 Regulations original version in Russian, the latter shall always prevail.

REGULATIONS

of Trades and Confirmation System Operation

Almaty

2012

These Regulations define basic parameters of trading in financial instruments, admitted to Kazakhstan Stock Exchange (hereinafter – the Exchange) executed trades (circulation on the Exchange), and the Confirmation System operation.

Chapter 1. GENERAL PROVISIONS

Article 1. Terminology

1. The terminology used in the Regulations mean the following:
   1) **"price variance limit"** – a limit of order price deviation from a predetermined value, (excess of) which entails a certain event or situation specified herewith and other Exchange internal documents, Exchange Board of Directors/Management Board on decisions or trading system settings;
   2) **"lot"** – a minimum unit to trade a financial instrument; amount of trading financial instrument must be equal or fold the order;
   2–1) **"Exchange broker"** – a head of an Exchange structural unit organizing and administrating trade;
   3) **"efficient trading session"** – a trading session in any financial instrument which resulted in at least one deal in the financial instrument;
   4) **"trading system"** – an Exchange-based program and technical complex facilitating trading in financial instruments;
   5) **"trading session opening price"** – a trading session feature, used for illustrative purposes, and decision-making or implementation of actions or for other purposes;
   6) "**net" price"** – expressed in percentage from a face value (debt nominal) accurate within fourth decimal price of a debt security excluding an accrued (accrued, but not paid) coupon interest;
   7) **"dirty" price"** – a debt security price, including an accrued (accrued, but not paid) coupon interest. The "dirty" price is expressed in percentage from a face value (debt nominal), excluding cases, when based on the Exchange Management Board decision in relation to any security has been set that its "dirty" price is expressed in tenge or other currency in compliance with this security denomination and/or servicing currency. Such Management Board decision shall be made if this security characteristic and issue conditions do not allow correct calculation of its price in percentage from its face value (nominal debt).
2. Other terms used herein are identical to terms defined with other Exchange internal documents.
3. For purposes hereof:
   1) financial instruments shall mean those listing on the Exchange;
   2) trade shall mean trade executed by the Exchange;
   3) deals shall mean deals in financial instruments concluded at trading;
   4) orders shall mean orders for conclusion of deals;
   5) shares of the first (or the second or third) class of liquidity mean shares included to the effective list[1] of securities of the first (or the second or third) class of liquidity.

[1] Lists of securities of various classes of liquidity are developed in compliance with the Methodology of Securities Liquidity Indicators Defining.

Article 2. Trade Regulations

1. Trade Regulations define basic trading parameters, including:
   1) place of trading;
   2) time of trading;
   3) main trading method;
   4) size of a lot;
   5) unit measure of financial instrument;
   6) trading session opening price;
   7) price variance limit;
   8) additional trading method;
   9) reserve trading method;
   10) special terms and restrictions on application of main trading parameters.
2. The place of trading is defined with article 3 hereof.
3. The time of trading is defined with article 4 and chapters 2–8 hereof.
4. The main trading method is defined with article 5 hereof.
5. Sizes of lots (with account to provided with the second passage of this item), price unit measure of financial instruments, trading session opening prices, additional and reserve trading methods are defined with chapters 2–8 hereof.

   At nego deals, term ‘lot’ is not applicable, order sizes and, accordingly, volumes of deals are determined by traders independently on mutual accord.

Article 3. Place of Trading

1. The main place of trading is the trading system operated:
   1) from the desk in the Exchange trading hall;
   2) in the remote access mode (including the use of program and cryptographic means of information protection).
2. In case of impossibility of trading through the trading system, the trade will be held by the voice method in the Exchange trading hall or another place as defined for these purposes by the Exchange President or Vice-president supervising trading.
3. Trading Exchange members shall be informed on the change of trading venues through the trading system or other methods ensuring the notification brought to trading Exchange members before opening of trade at the new place of trading.

Article 4. Time of Trading

1. Trading is held each business day[2] during the trading day individually regulated with chapters 2–8 hereof for each group of financial instruments (except as provided in the second passage of this item).

   A trading day for financial instruments trading by only one seller or buyer of financial instrument (as such trading is defined in Exchange internal document "Regulations on membership fees and exchange dues"), may be different from a trading day determined for the group of financial instruments, to which the trading instrument is related.

[2] Hereinafter the trading day shall mean a business day in the Republic of Kazakhstan (except as term ‘business day’ applied in footnote 2 hereof).

2. Currency trading day is subdivided into separate trading sessions as determined in article 7 hereof.

   Trading days in financial instruments, other than currencies, are not divided into separate trading sessions; such financial instruments are trading in one session, continuing within the trading day.

3. Trading time may be changed by the Exchange President or Vice-president supervising trading, in the following cases:

   1) failure of software/hardware used in trading or through unforeseen circumstances impeding trading in the usual mode;

   2) change of a trading venue in accordance with item 2 of article 3 hereof.

4. Trading Exchange members shall be informed on change in trading schedule through the trading system or other possible methods.

Article 5. Time Restrictions on Repeated Deals

If Exchange internal documents allow for conclusion of repeated (including duplicating repeated) deals, instead of and based on terms of previously concluded, non-fulfilled deals, then such repeated deals can be concluded on expiration of trading time in corresponding financial instruments, but only within the operation time of the Confirmation System.

Article 6. Main Trading Method

1. Except as otherwise provided in chapters 2–8 hereof and other Exchange internal documents for certain groups of financial instruments, the continuous counter auction method is the main trading method.

2. For trading through continuous counter auction certain groups of financial instruments, Exchange internal documents or the trading system settings may provide for submission of preliminary orders, i.e. orders accepted by the Exchange before the trading session.

   The Exchange accepts preliminary orders beginning 11.05 a.m. Almaty time (ALT) on trading day.

   Submission of a preliminary order can be made automatically through submission of such order by a participant of trades with indication of possibility of daily forming of such preliminary order.

   During the term of effect of a preliminary order, daily at 11.05 a.m. ALT in the Exchange trading system shall be formed an automatic order for selling and/or buying a financial instrument.

   In case of checkup of trades participant orders, set by other internal document of the exchange, such checkup of preliminary orders is implemented at the moment of their submission to the trading system, including those submitted by an automatic method.

3. Trades in securities (shares, bonds), executed by the continuous counter auction are transferred to the standby mode, during which they are executed by the Frankfurt trades method:

   1) in case of matching or crossing of prices of orders for sale or purchase of shares, admitted to circulation on the Exchange, the proposed transaction price differs from the last transaction price for these shares by 10 % on shares of the first class of liquidity and 5 % on shares of the second and third class of liquidity;

   2) in case of matching or crossing of the prices indicated in orders for sale and purchase of shares listing on the Exchange, if the shares were not trading 5 or more calendar days;

3) in case of matching or crossing of prices, indicated in the counter orders for selling and buying bonds, admitted to circulation on the Exchange;

4) in case of match or crossing of prices in preliminary counter-directed orders for sale or purchase.

4. At switch of continuous counter auction trading into the standby mode:

1) the minimum duration of the standby mode is 10 minutes, the maximum – 20 minutes (with account to provided in sub-item 3) of this item;

2) the standby mode shall end not earlier than in five minutes from the moment (considering trading session duration limits, established herewith, and the maximum standby mode duration, established with sub-item 1) of this item and specifics, established with sub-item 3) of this item):

the Exchange accepts the last order submitted when trading was in the standby mode;

of the last annulment of an order submitted at trading in the standby mode;

of the last change of terms of an order submitted at trading in the standby mode;

3) if the standby mode duration determined in compliance with sub-items 1) and 2) of this item is 11 to 18 minutes the standby mode expires precisely in compliance with this duration;

if the standby mode duration determined in compliance with sub-items 1) and 2) of this item is 18 to 20 minutes, the standby mode expires within the mentioned period of time in the accidental moment determined by the trading system automatically based on the method of randomly generated figures.

5. At continuous counter-directed auction trading in certain groups of financial instruments these Regulations and trading system settings may provide for switch of trade at the end of the business day to Frankfurt trade for purposes of building representative trade day closing values (the Closing auction).

6. At closing of auction:

1) such auction opens daily (every business day) 15 minutes before the end of a trade day;

2) closing auction shall last 13 and not more than 15 minutes;

3) closing auction shall end at a random moment determined by the trading system automatically within 14th through 15th minute;

4) trading auction shall end simultaneously with closing of auction;

5) orders submitted before an auction closing and during this auction may be annulled s well as their terms changed.

Article 7. Price Variance Limit

1. Price variance limits are subdivided into:

1) preventive;

2) surmountable;

3) strict (insurmountable).

2. Preventive price variance limits are set by the trading system to prevent traders from technical mistakes when entering orders into the trading system.

If order parameters entered into the trading system are breaching preventive price variance limits, the trading system will issue a preventive message, which the trader may ignore or use for adjustment purposes.

3. Surmountable price variance limits are set in the trading system based on decisions of the Exchange Board of Directors and Exchange Management Board on to prevent traders entering orders into the trading system from technical mistakes.

   If order parameters entered into the trading system are breaching any surmountable price variance limits the trading system rejects the order (denies acceptance of the order) and issues an appropriate message.

   In case of deliberate necessity of excess of the indicated limit, the interested trader may request the Exchange broker or the substituting person to withdraw or increase the indicated limit. The Exchange broker does not have the right to deny such request and must inform other traders on withdrawal or increase of the indicated limit.

4. Strict (insurmountable) price variance limits are set in the trading system based on decisions of the Exchange Board of Directors and the Exchange Management Board on to set up the admissible range of order prices or for other purposes.

   If order parameters entered into the trading system are breaching any strict (insurmountable) price variance limits, the trading system rejects the order (denies acceptance of the order) and issues a corresponding message.

   The Exchange broker may not withdraw or increase the indicated limit without permission of the Exchange body that made a decision underlying the limit.

5. The determined surmountable and strict (insurmountable) price variance limits are described in chapters 2–5 hereof.

Article 8. Force Majeure Consequences

The Exchange President or Vice-president supervising trading may set other, distinct from defined herewith, basic trading parameters and Confirmation System operation parameters, in case of force majeure impeding normal circulation of financial instruments on the Exchange, which shall mean any emergency or unavoidable circumstances beyond controls of the Exchange, including, but not limited to, a war, military or terroristic actions, putsch, fire, natural disasters and other circumstances, which the Exchange could not foresee or which directly affected trading in the standard mode.

Chapter 2. FOREIGN CURRENCY TRADING PARAMETERS

Article 9. Trading Day

1. Currency is trading 10.15 a.m. through 17.00 p.m. ALT and subdivided into three trading sessions:

   1) morning session – 10.15 a.m. through 11.00 a.m. ALT;

   2) daytime session – 11.30 a.m. through 15.30 p.m. ALT;

   3) evening session – 11.30 a.m. through 17.00 p.m. ALT.

2. Articles 10–12 of the Regulations for each foreign currency set on which trading sessions this foreign currency is traded.

   When executing trades in any foreign currency in several trading sessions these Regulations also define, which of these trading sessions is the session for this foreign currency is the main, and which is (are) additional.

Article 10. Dollar Trading Parameters

1. The dollar is trading and settled in the tenge at T+0[3], T+1 and T+2 (hereinafter indicated as "USDKZT_TOD", "USDKZT_TOM" and "USDKZT_SPT"[4]).

2. USDKZT_TOD is trading in the morning and daytime trading sessions, of which the morning session is the main, and the daytime is an additional (with account to provided in item 3 of this article).

   USDKZT_TOM and USDKZT_SPT are trading in the evening trading session (with account to provided in items 3 and 4 of this article).

3. If for any reasons Exchange dollar correspondent banks do not settle in the dollar on the trading day (due to holidays, force majeure or other reasons), but will settle on the next business day after the trading day:

   1) USDKZT_ TOD is not trading;

   2) USDKZT_ TOM is trading in the morning and evening trading sessions, of which the morning trading session is the main, the evening trading session is additional:

4. If for any reasons Exchange dollar correspondent banks do not settle in the dollar on the trading day and on the next business day after the trading day (due to holidays, force majeure or other reasons), but will settle on the second business day after the trading day:

   1) USDKZT_TOD and USDKZT_TOM are not traded;

   2) USDKZT_SPT is trading in the morning and evening trading session, with the main session in the morning and an additional session in the evening session:

5. The size of a lot at dollar trading:

   1) for USDKZT_TOD – USD50,000;

   2) for USDKZT_TOM and USDKZT_SPT – USD100,000.

6. At trading dollar its price is measured in the Kazakhstan tenge per one US dollar within the second decimal.

7. The opening price for the dollar is:

   1) for USDKZT_TOD – weighted average of all deals in the dollar (regardless of settlement terms), concluded at the last efficient morning trading session;

   2) for USDKZT_TOM or USDKZT_SPT – the price of the first deal in USDKZT_TOM or USDKZT_SPT accordingly, concluded at the trading session (except as provided in sub-item 3) of this item);

   3) for USDKZT_TOM or USDKZT_SPT trading in the morning of evening trading sessions in accordance with items 3 or 4 of this article, – weighted average of all deals in the dollar (regardless of settlement terms), concluded at the last efficient morning trading session.

8. On February 21, 2006 the Exchange Management Board made decision No. 27/1 on USDKZT_TOD, and on USDKZT_TOM or USDKZT_SPT setting surmountable price variance limit in the size of 0.5 % of the last deal price (before making the first by sequence deal – from the trading session opening price).

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[3] Generally accepted worldwide designation of settlement on exchange transactions in the form of record 'T+n', where T – is the trade day, and n – the number of business days between the trading day and the settlements day.

[4] Refer to the Instruction coding of members of Kazakhstan Stock Exchange, financial instruments and issuers approved by the Exchange Management Board decision of February 10, 2004 No. 19/0.

9. There is no additional method for trading the US dollar.

   The fixing method (regardless of settlement terms) is the reserve method for trading the dollar.

10. If the number of business days between the trade and the settlement is three or more business days, the trading schedule specifics will be defined by the Exchange President or Vice-president supervising trading, brought to notice of dollar trading Exchange members through the trading system and other means.

Article 11. Euro Trading Parameters

1. Transactions in the euro are settled in the tenge and the dollar at settlement terms T+0, T+1 and T+2. Transactions in the euro settled in the tenge and the mentioned settlement terms will be designated as 'EURKZT_TOD', 'EURKZT_TOM' and 'EURKZT_SPT'[4]. Transactions in the euro settled in the dollar and the mentioned settlement terms will be marked as 'EURUSD_TOD', 'EURUSD_TOM' and 'EURUSD_SPT'[4].

2. EURKZT_TOD and EURUSD_TOD are trading in the morning and the daytime trading sessions, of which the main session for the instruments is held in the morning, and the day session is additional (with account to provided in item 3–1 of this article).

   EURKZT_TOM, EURUSD_TOM, EURKZT_SPT and EURUSD_SPT are trading in the evening trading session (with account to provided in item 3–1 of this article).

3. If for any reasons Exchange euro correspondent banks do not settle in the euro on a business day (due to holidays, force-majeure or other reasons), the Exchange will not hold trade in the euro (regardless of settlement currency) with the settlement on the same day.

   If for any reasons Exchange dollar correspondent banks do not settle in the dollar on any business day, the Exchange will not hold trade in the euro settled in the dollar with the settlement on the same day.

4. If in accordance with item 3 of this article the Exchange does not hold trade in:

   1) EURKZT_TOD, but holds trade in EURKZT_TOM, then EURKZT_TOM will be trading in the morning and evening trading sessions, of which the morning session is the main, and the evening session is additional;

   2) EURUSD_TOD, but holds trade in EURUSD_TOM, then EURUSD_TOM will be trading in the morning and evening trading session, of which the morning session is the main, and the evening session is additional;

   3) EURKZT_TOD and EURKZT_TOM, but holds trade in EURKZT_SPT, then EURKZT_SPT will be trading in the morning and evening trading sessions, of which the morning session is the main, and the evening session is additional;

   4) EURUSD_TOD and EURUSD_TOM, but holds trade in EURUSD_SPT, then EURUSD_SPT will be trading in the morning and evening trading sessions, of which the morning session is the main, and the evening session is additional.

5. The size of a lot at trading the euro:

   1) EURKZT_TOD and EURUSD_TOD – EUR50,000;

   2) EURKZT_TOM, EURKZT_SPT, EURUSD_TOM and EURUSD_SPT – EUR100,000.

6. At trading the euro is priced in the settling currency per one euro:

   1) EURKZT_TOD, EURKZT_TOM and EURKZT_SPT – in the tenge within the second decimal;

2) EURUSD_TOD, EURUSD_TOM and EURUSD_SPT – in the dollar within the fourth decimal.

7. The opening price for instruments – EURKZT_TOD, EURKZT_TOM, EURKZT_SPT, EURUSD_TOD, EURUSD_TOM and EURUSD_SPT – shall be the price of the first deal concluded at the trading session in the instrument.

8. The euro is trading at a 3 % surmountable price variance limit of the last transaction.

9. There is no additional method to trade the euro.

   The fixing method is the reserve method of trading the euro.

10. If for any reasons Exchange euro/dollar correspondent banks do not settle in the euro/the dollar for three successive business days (due to holidays, force majeure or other reasons), then specifics of euro trading schedule shall be defined by the Exchange President or Vice-president supervising trading, and be brought to notice of euro trading Exchange members through the trading system and other means.

Article 12. Ruble Trading Parameters

1. The Russian ruble is traded and settled at T+0 only.

2. The Russian ruble is traded in the daytime trading session (with account to provided in item 3 hereof).

3. The ruble is not trading, if for any reasons Exchange ruble correspondent banks do not settle in the ruble on the trading day (due to holidays, force majeure or other reasons).

4. The size of a lot at trading the ruble is RUR100,000.

5. At trading the ruble is priced in the Kazakhstan tenge per one ruble within the fourth decimal.

6. The opening price for the ruble is the price of the first transaction at the trading session.

7. The ruble is trading at a 3 % surmountable price variance limit of the last transaction.

8. There is no additional method to trade the ruble.

   The fixing method is the reserve method of trading the ruble.

9. The ruble is trading with a peculiarity that at availability of a ruble market maker the ruble may be trading at prices indicated in orders submitted by a market maker, and if there is no operating ruble market maker, Exchange members at ruble trading may set firm quotes and conclude deals.

Article 13. Trading Parameters for Currency Swap Transactions

1. Currency swaps transactions may be held in the dollar with the following deals as parts of such transactions:

   1) deals in USDKZT_TOD or USDKZT_TOM as deals with earlier settlement terms (deals, beginning (opening) currency swaps transactions) (with account to provided item 2 of this article);

   2) deals in USDKZT_TOM or USDKZT_SPT as deals with later settlement terms (deals, ending (closing) currency swaps transactions).

2. Currency swaps transactions may be held in the euro with the following deals as parts of such transactions:

   1) deals in EURKZT_TOD or EURKZT_TOM as deals with earlier settlement terms (deals, beginning (opening) currency swaps transactions) (with account to provided in item 2 of this article);

2) deals in EURKZT_TOM or EURKZT_SPT as deals with later settlement terms (deals, ending (closing) currency swaps transactions).

3. Deals in USDKZT_TOM and EURKZT_TOM may be used for the beginning (opening) of currency swaps transactions solely if on the day of such beginning (opening) trading in USDKZT_TOD and EURKZT_TOD is not hold.

4. Currency swaps transactions begin (open) trading in the day trading session.

5. The size of a lot at currency swaps transactions is 100.000 units of a trading currency.

6. At currency swaps transactions its price (a difference between the two deals of the transaction) is measured in the tenge within the second decimal.

7. The opening price at currency swaps transactions composed of any currencies with any settlements is the price of the first currency swaps transaction in certain currencies and for determined settlement opened at the trading session.

8. There is no additional method to trade currency swaps.

   The fixing method is the reserve method to trade currency swaps.

Chapter 3. KAZAKHSTAN GOVERNMENT SECURITIES TRADING PARAMETERS

Article 14. Trading Day

The trading day for Kazakhstan government securities starts at 11.30 a.m. Almaty time through 05.00 p.m. Almaty time.

Article 15. Restrictions on Nego Transactions

Trades in Kazakhstan government securities by nego transactions method is prohibited, excluding trades in Kazakhstan international securities.

Article 16. Price Variance Limits

The Exchange Board of Directors (protocol No. 34 of December 26, 2007) set a 30 % surmountable price variance limit of the last transaction price in Kazakhstan government securities (before the first deal – 30 % of the weighted average of all deals in the securities, concluded at the last resultant trading session). At that the interested party may contact the Exchange administrator with a request to remove or increase the limit not later than 15 minutes before the end of the trading session.

Article 17. Kazakhstan International Securities Trading Parameters

1. The size of a lot when trading international securities of the Republic of Kazakhstan (the Eurobonds) is 1,000 units of debt denomination currency (nominal value of debt[5]) or one Eurobond face value, but not less than 1,000 units of debt denomination currency.

2. Trades in Eurobonds of any denomination are executed:

   in "net" prices, if Eurobonds of this denomination are discounted Eurobonds or comply with all criteria set by Appendix 1 to these Regulations;

   or

   in "dirty" prices, if Eurobonds of this denomination are not discounted Eurobonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

[5] As some international securities do not have nominal value in the meaning specified with the Kazakhstan law on the securities market, hereinafter the nominal debt shall mean the basis (‘principal’) sum of debt payable at redemption of securities, in which the debt is expressed, and on which the interest on such securities is accrued.

3. The opening price for Eurobonds will be the price of the first deal in these Eurobonds, concluded on the trading session.

4. The nego method is an additional method to trade Eurobonds.

   The fixing method is the reserve method to trade Eurobonds.

Статья 18. Trading Parameters of Government Securities, Securities Issued by the National Bank[6] of the Republic of Kazakhstan and Local Executive Bodies

1. The lot size when trading securities of Government, the National Bank of the Republic of Kazakhstan and local executive bodies (hereinafter in this article – government bonds) is:

   1) tenge denominated government bonds – 10,000 tenge (at their face value) or face value of one bond, but not less than 100,000 tenge[5];

   2) a foreign currency denominated government bonds – USD100[5] units of debt denomination currency (at their face value);

2. Trades in government bonds of any denomination are executed:

   in "net" prices, if government bonds of this denomination are discounted government bonds or comply with all criteria set by Appendix 1 to these Regulations;

   or

   in "dirty" prices, if government bonds of this denomination are not discounted government bonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

3. The opening price of the trading session in any government bonds will be the price of the first deal in these government bonds, concluded at this trading session.

4. Additional methods of trading government bonds have not been specified (based on the exception specified in article 15 of these Regulations).

   The fixing method is a reserve method of trading government bonds.

Chapter 4. CORPORATE SECURITIES TRADING PARAMETERS

Article 19. Trading Day

The trading day for corporate securities starts at 11.30 a.m. Almaty time (excluding shares of the second and third classes of liquidity, the trading day for which starts at 15.00 Almaty time) and closes at 17.00 Almaty time (considering the specifics set by item 4 of article 21 of these Regulations).

Article 20. Price Variance Limits

The Exchange Board of Directors (meeting protocol No. 34 of December 26, 2007) set
a 30 % surmountable price variance limit of the last deal in such securities on corporate bonds (except for securities included in state-owned shareholding sold through the Exchange) (before the first deal – 30 % of weighted average price of all deals in such securities, concluded at the last efficient trading session). At that the interested agent may contact the Exchange administrator with a request to remove or increase the limit at least 15 minutes before the end of the trading session.

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6 Excluding international securities of the Republic of Kazakhstan, trading parameters for which have been specified in article 17 of these Regulations.

Article 21. Shares Trading Parameters

1. The size of a lot at trading shares is not specified.
2. At trading shares their price is measured in the tenge per one share within the second decimal.
3. The opening price of the trading session in any shares is the price of the first deal in the shares concluded at this trading session.
4. Closing auction is held 15 minutes before the end of share trading.
5. The nego method is an additional method to trade shares.

   The fixing method is a reserve method to trade shares.

Article 22. Bond Trading Parameters

1. The size of a lot at trading bonds listing on the Exchange (the listed bonds) is:
   1) tenge denominated listing bonds – KZT10,000 (in face value of listed bonds) or nominal value of a listing bond, not less than KZT100,000 [5];
   2) dollar denominated listing bonds – USD100[5] (in face value of listed bonds or in nominal debt)*;*
   3) on listed bonds denominated in other foreign currencies – in the size and currency defined by the Management Board (in face value of listed bonds or in nominal debt).

   The lot sized can be changed by the Management Board decision, if securities issue prospectus or an issue document stipulate another size of a lot.
2. Trades in listed bonds of any denomination are executed:

   in "net" prices, if listed bonds of this denomination are discounted listed bonds or comply with all criteria set by Appendix 1 to these Regulations;

   or

   in "dirty" prices, if listed bonds of this denomination are not discounted listed bonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

   Prices ("net" or "dirty"), on which listed bonds of any denomination are traded shall be defined by the Exchange Management Board decisions made due to opening trades in bonds of this denomination.
3. The opening price of the trading session in any listed bonds will be the price of the first deal in these listed bonds, concluded at this trading session.
4. The nego method is an additional method to trade listing bonds.

   The fixing method is a reserve method to trade listing bonds.

Article 23. Unlisted Bonds Trading Parameters

1. The size of a lot at trading bonds admitted to circulation in sector ‘Unlisted securities’ (the Unlisted bonds), is:
   1) for tenge denominated unlisted bonds – KZT10,000 (in face value of unlisted bonds) or nominal value of an unlisted bond, not less than KZT100,000[5];
   2) for dollar denominated unlisted bonds – USD100[5] (in face value of unlisted bonds or in nominal debt)*;*
   3) on listed bonds denominated in other foreign currencies – 100 units of these bonds denomination currency (in face value of unlisted bonds or in nominal debt).

The lot size on security of any denomination can be changed by the Management Board decision, if securities issue prospectus or an issue document stipulate another size.

2. Trades in unlisted bonds of any denomination are executed:

   in "net" prices, if unlisted bonds of this denomination are discounted government bonds or comply with all criteria set by Appendix 1 to these Regulations;

   or

   in "dirty" prices, if listed bonds of this denomination are not discounted unlisted bonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

   Prices (‘net’ or ‘dirty’), at which unlisted bonds are trading, shall be defined by the Exchange Management Board on admission of bonds to circulation in sector ‘Unlisted securities’.

3. The opening price of the trading session in unlisted bonds will be the price of the first deal in such unlisted bonds concluded at this trading session.

4. The nego method is an additional method to trade unlisted bonds.

   The fixing method is a reserve method to trade unlisted bonds.

Article 24. State Blocks of Shares Trading Parameters

1. Sellers of State Blocks of Shares shall inform the Exchange of sizes of lots at trading state-owned shareholding.
2. At trading State Blocks of Shares their price is measured in the tenge per share within the second decimal.
3. At trading of State Blocks of Shares concepts ‘opening price’ or ‘price variance limit’ shall not be applicable.
4. Methods of trading State Blocks of Shares shall be defined by sellers on accord with the Exchange.

Chapter 5. TRADING PARAMETERS FOR SECURITIES OF INTERNATIONAL FINANCIAL ORGANIZATIONS AND FOREIGN GOVERNMENT SECURITIES

Article 25. Trading Day

Securities of international financial organizations and foreign government securities are trading 11.30 a.m. through 17.00 p.m. Almaty time.

Article 26. Price Variance Limits

The Exchange Board of Directors (protocol No. 34 of December 26, 2007) set a 30 % surmountable price variance limit of the last transaction in such securities (before the first deal – 30 % of weighted average price of all deals in such securities, concluded at the last resultant trading session) on securities of international financial organizations and foreign government securities. At that the interested party may contact an Exchange administrator with a request to remove or increase the limit not later than 15 minutes before the end of the trading session.

Article 27. Trading Parameters for Securities of International Financial Organizations

1. The size of a lot at trading securities of international financial organizations (IFO) is 10.000 units of currency denominating IFO bonds (in face value of IFO bonds or nominal debt).
2. Trades in IFO bonds of any denomination are executed:

   in "net" prices, if IFO bonds of this denomination are discounted IFO bonds or comply with all criteria set by Appendix 1 to these Regulations;

or

in "dirty" prices, if IFO bonds of this denomination are not discounted IFO bonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

Prices ("net" or "dirty"), on which IFO bonds of any denomination are traded shall be defined by the Exchange Management Board decisions made due to admission of bonds of this denomination to circulation on the Exchange.

3. The opening price of the trading session in IFO bonds will be the price of the first deal in such IFO bonds, concluded at this trading session.

4. The nego method is an additional method to trade IFO bonds.

   The fixing method is a reserve method to trade IFO bonds.

Article 28. Trading Parameters of Foreign Government Securities

1. The size of a lot at trading foreign government securities (hereafter – foreign government bonds) is 10,000 units of measure denominating foreign government bonds (in nominal value of foreign government bonds and nominal debt).

2. Trades in foreign government bonds of any denomination are executed:

   in "net" prices, if foreign government bonds of this denomination are discounted foreign government bonds or comply with all criteria set by Appendix 1 to these Regulations;

   or

   in "dirty" prices, if foreign government bonds of this denomination are not discounted foreign government bonds or do not comply with at least one criterion set by Appendix 1 to these Regulations.

   Prices ("net" or "dirty"), on which foreign government bonds of any denomination are traded shall be defined by the Exchange Management Board decisions made due to admission of bonds of this denomination to circulation on the Exchange.

3. The opening price of the trading session any foreign government bonds will be the price of the first deal in such foreign government bonds, concluded at this trading session.

4. The nego method is an additional method to trade foreign government bonds.

   The fixing method is a reserve method to trade foreign government bonds.

Chapter 6. FUTURES CONTRACTS TRADING PARAMETERS

Article 29. Trading Day

Futures contracts are traded from 10.00 a.m. to 15.30 p.m. Almaty time.

Article 30. Clearing Session

The clearing session futures contracts starts at 15.30 ALT and ends at 16.00 ALT.

Article 31. Futures Contracts Trading Parameters

Futures trading parameters shall be defined by the Rules of Exchange Futures Trading and Settlement and Rules of Clearing on Futures Market, approved by the Exchange Board of Directors decision (protocol of May 28, 2010 No. 11), and futures contracts specifications.

Chapter 7. REPO MARKET TRADING PARAMETERS

Article 32. Trading Day

The repo market trading day coincides with the trading day for securities used as repo transactions subjects.

The message on readiness to execute a repo closing deal must be sent to the trading system by either the trades participant to the Confirmation System user not later than 16:45 of the closing date.

Article 33. Nego Repo Trading Parameters

The main trading method for nego repo transactions is the method of nego deals; accordingly:

1) repo opening and closing prices and the repo transaction term (repo closing date) are defined independently by repo agents in agreement with each other;

2) concepts ‘opening price’ and ‘price variance limit’ are not applicable in relation to nego repo transactions;

3) there is no additional or reserve trading method for nego repo transactions.

Article 34. Auto Repo Trading Parameters

1. The size of a lot for auto repo transactions is KZT1,000,000[4].
2. The price of an auto repo transaction (repo transaction yield) is measured within the fourth decimal.
3. The opening price of an auto repo transaction is:
   1) if Kazakhstan government securities are loaned in repo transactions (except for municipal securities) – average yield of all repo transactions with such terms based on opening deals concluded at the last efficient trading session;
   2) if other securities save those mentioned in sub-item 1) of this item are loaned in repo transactions, – yield of a repo transaction with such term based on the first opening deal concluded at this trading session.
4. No price variance limit is set for auto repo transactions.
5. There is not additional trading method for auto repo transactions.

   No reserve trading method is set for auto repo transactions.

Chapter 8. NOTE TRADING PARAMETERS

Article 35. Trading Day

Notes are trading 11.30 a.m. through 17.00 p.m. Almaty time.

Article 36. Note Trading Parameters

1. The size of a lot is not specified.
2. Notes are priced in the tenge per one note within the second decimal.
3. The opening price of the trading session is the price of the first deal in the notes at this trading session.
4. The price variance limit for trading in notes is not specified.
4. The nego method is the primary method for trading in notes.
5. The continuous counter auction method is an additional method to trade notes.

   The fixing method is a reserve method for trading notes.

Chapter 9. REGULATIONS ON CONFIRMATION SYSTEM OPERATION

Article 37. Regulations on Confirmation System Operation

1. The Confirmation system operates daily on business days from 11.30 a.m. to 17.20 p.m. Almaty time.
2. After close of the Confirmation system deal confirmation messages coming through the Confirmation system may only be received on permit of the Exchange President or Exchange Vice-president supervising trading, provided such deals may be executed.

Article 38. Peculiarities of Confirmation System Operation

At special trades orders of other, except for the sole seller (buyer) of offering (selling, redeemed, purchased) financial instrument, traders shall be accepted, at acceptance of which trading accounts controlled by Confirmation system members will be used; at that the Exchange must receive confirmations or rejections of confirmations of such orders:

1) at auction offering (sale, redemption, acquisition) of financial instrument – within the period, including the receipt of the orders by the Exchange and 30 minutes, following such period;

2) at additional offering of securities, offering at special trade, – within the period, including the receipt of the orders by the Exchange and 15 minutes, following such period.

President K. Damitov

Appendix 1

to Regulations of Trades and
Confirmation System Operation

C R I T E R I A

to define types of prices ("net" or "dirty") to trade debt securities, admitted to circulation on the Exchange

1. Debt securities are traded on the Exchange in "net" prices, if they comply with the following criteria:
   1) bonds face value is fixed – not subject to changes during bonds circulation term or indexed at exchange tenge rate to any foreign currency;
   2) if bonds face value is indexed, it shall be indexed in an equal order for a coupon interest accrual and a principal debt payment at its repayment;
   3) bonds are futures and bonds circulation term multiple of each coupon period;
   4) bonds have fixed maturity date;
   5) bonds have fixed dates of coupon payments, equal in each circulation year;
   6) bonds calculation time base – 30 / 360 or actual / actual;
   7) coupon interest size on bonds with fixed or free floating (indexed), but the coupon interest size for the next in turn coupon period must be known to the exchange not less than two business days before the next coupon period;
   8) bonds are not amortized, the bonds issue conditions do not stipulate any schedule of their early repayment. The possible admission may be partial early repayment of bonds through the decrease of number of circulating bonds, which must be clearly specified in the bonds issue prospectus (or similar by significance document);
   9) no capitalization of a coupon interest accrued on bonds;
   10) no accrual and payment of any amounts on bonds, except the coupon interest and the face debt upon expiry of circulation term.
2. Debt securities are traded on the exchange in "dirty" prices, if they are not discount and do not comply with at least one criterion, specified in item 1 of these Regulations.
3. When making changes and/or additions to the issue prospectus of bonds of any denomination (or similar by significance document), according to which bonds of this denomination discontinue being compliant with at least one criterion, specified in item 1 of these Regulations or vice versa become compliant with all criteria specified in item 1 of these Regulations, the Exchange Management Board makes a decision on changing the mode of trades in bonds of this denomination – transfer from trades in "dirty" prices and vice versa. The basis for such decision of the Management Board is the Listing Department information on submission to the exchange by an admission initiator of bonds of this denomination of changes and/or additions to these bonds issue prospectus (or similar by significance document).