

KAZAKHSTAN STOCK EXCHANGE

Approved

resolution No. 462 of the Directorate
of the National Securities Commission
of the Republic of Kazakhstan

October 26, 1999

Adopted

Kazakhstan Stock Exchange
members in categories
"K", "P", "H"

(protocol No. 7 of October 14, 1999)

Effective

November 1, 1999

NOTICE

The Rules have been translated into English by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the original version of the Rules in Russian, the Russian version shall always prevail.

RULES

of Exchange Securities Trading

Almaty

1999

LIST OF AMENDMENTS

1. Changes and Additions No. 1:

- agreed on with the National Bank of the Republic of Kazakhstan on November 9, 2001;
- approved by the decision of the Kazakhstan Stock Exchange categories "K", "P", "H" members meeting (protocol No. 6 of November 13, 2001);
- effective November 15, 2001.

2. Change No. 2:

- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 35 of December 30, 2003);
- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on February 12, 2004;
- effective February 13, 2004.

3. Change No. 3:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on March 19, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 6 of March 10, 2004);
- effective March 23, 2004.

4. Changes No. 4:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on September 1, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 29 (3) of September 10, 2004);
- Effective September 10, 2004.

5. Changes No. 5:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 21, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 37 of October 20, 2004);
- effective October 21, 2004.

6. Changes No. 6:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on January 21, 2005;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 49 of December 29, 2004);
- effective January 24, 2005.

7. Changes No. 7:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 21, 2005;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 39 of December 2, 2005);
- effective December 22, 2005.

8. Change No. 8:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 29, 2007;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 3 (3) of January 15, 2008);
- effective January 15, 2008.

9. Changes and Additions No. 9:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on January 23, 2009;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 1 (3) of January 8, 2009);
- effective January 25, 2009.

10. Changes No. 10:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on March 10, 2009;
- approved by the decision of the Kazakhstan Stock Exchange Council (protocol No. 8 dated February 11, 2009);
- effective March 11, 2009.

11. Change and addition No. 11:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on July 20, 2009;
- approved by the decision of the Kazakhstan Stock Exchange Council (protocol No. 17 dated June 18, 2009);
- effective July 21, 2009.

These Rules of Exchange Securities Trading (hereinafter "the Rules") were developed in compliance with the legislation of the Republic of Kazakhstan and define the order of conclusion of deals in securities on trades of Kazakhstan Stock Exchange Inc. and execution of such deals (*this item was changed by the Exchange Council decision of January 15, 2004*).

The concepts used in these Rules and/or Appendices hereto shall have the following meanings:

"Exchange" – Kazakhstan Stock Exchange (*this paragraph was changed by the Exchange Council decision of January 15, 2004*);

(*This paragraph was excluded by the Exchange Council decision of December 2, 2005*);

"Exchange internal documents (Internal documents)" – the Exchange constituent documents, these Rules and other documents, regulating the Exchange internal activities and the Exchange bodies decisions, made within their competence (*this paragraph was changed by the Exchange Council decision of March 10, 2004*);

(*This paragraph was excluded by the Exchange member meeting on November 13, 2001*);

"Execution of a deal in securities (Deal execution)" – settlements on a deal in securities through parties fulfilling their respective obligations;

"Quotation" – the price announced by the Exchange member for purchasing and/or selling of financial instruments at which he is ready to conclude the deal in the financial instrument on announced by him or accepted by him terms; or an announcement on the Exchange member's willingness to conclude the deal in financial instruments at fixed by him prices on the Exchange member announced or accepted by him terms, or the Exchange collection, processing and announcement information on results of trades in financial instruments, admitted to circulation in the Exchange Trading System: about parameters (price, volume and other possible parameters) of registered in the Trading System deals in such financial instruments and/or about parameters (maximum purchase prices, minimum selling prices, volumes and other possible parameters) registered in the Trading System orders (offers) of the Exchange members for conclusion of deals in such financial instruments (*this item was changed by the Exchange Council decision of December 2, 2005*);

"Bilateral quotation" – announced by the Exchange member purchasing and selling prices of certain securities type, on which he is ready to conclude the deal in these securities on announced by him or accepted by him terms; or the quotation method (as announcement of willingness), given which the Exchange member indicates both the purchasing price and the selling price of certain securities type, on which he is ready to conclude deals in these financial instruments on announced by the Exchange member or accepted by him terms;

"Indicative quotation" – an order, submitted to the Exchange trading system, by the "Nego deal" method (*this paragraph was changed by the Exchange member meeting decision of November 13, 2001*);

"Firm quotation" – an application submitted to the Exchange Trading System by the continuous counter auction method. The order submitted by this method means the absolute agreement of the Exchange member to conclude the deal on indicated in the quotation terms for any number of financial instruments, but not more than indicated in the quotation (*this paragraph was changed by decisions of the Exchange members meeting of November 13, 2001*);

"Exchange administrator" – the Exchange employee, responsible for organization and execution of trades on the Exchange.

"Market-maker" – the Exchange member, acknowledged by the Exchange as the market-maker and who undertook responsibility to continuously announce and support bilateral quotations on certain securities type;

(*This paragraph was excluded by the Exchange members meeting decision of November 13, 2001*);

"Circulation in the Trading system (on the Floor)" – possibility of the security to be the deal subject, concluded in the Exchange Trading (on the Floor) system;

"Exchange floor (Floor)" – a part of the Trading system, which differs from its other parts by specific requirements for trades participants and circulated on it securities, as well as terms of conclusion of deals in securities and their execution;

"Delivery versus Payment (DVP)" – a method of execution of deals in securities, when fulfillment of obligations by one deal party on delivery of securities or money is impossible without execution by another party of counter obligations on delivery of money or securities;

"Exchange Confirmation System (Confirmation System)" – the Exchange program and technical complex, which allows the connected to it persons to receive information about deals in securities, concluded by their order in the Exchange Trading system, based on processing of the received information to deliver to the Exchange confirmations of such deals (information about compliance of terms of deals to terms of orders for their conclusion) or refusals of confirmation of such deals;

"Exchange list" – developed and approved in compliance with the Exchange internal documents of securities of all types, admitted to circulation on the Exchange Trading system;

(This paragraph was excluded by the Exchange Council decision of December 2, 2005);

"Exchange Trading day (Trading day)" – established by the Exchange period within a calendar day, during which deals in securities can be concluded in the Exchange Trading system;

"Exchange Trading session (Trading session)" – a part of a Trading day. If the Trading day is not divided into separate parts, concepts "Exchange Trading day (Trading day)" and "Exchange Trading session (Trading session)" are equal;

"Exchange Trading system (Trading system)" – a complex of interconnected premises, equipment, inventory, program and technical means, internal documents and other necessary assets and procedures, through which deals in securities are concluded between Exchange members;

"Exchange member Trader (Trader)" – a physical person trading on the Exchange on behalf of an Exchange member;

"Authorized agency" – a government agency regulating the securities market *(this paragraph was included by the Exchange member meeting on November 13, 2001 and changed by the Exchange Council decision of March 10, 2004);*

"Trade participant" – an Exchange member authorized to conclude deals in the Trading system (on the Floor) and trading on the Exchange.

Section I. EXCHANGE TRADED SECURITIES

Article 1. Terms of Admission of Securities to Circulation on the Exchange

1. The following securities shall be admitted to circulation on the Exchange:
 - government securities of the Republic of Kazakhstan, issued by the Government or the National Bank of the Republic of Kazakhstan, including those, issued in compliance with the legislation of other states;
 - government securities of the Republic of Kazakhstan, issued by local executive bodies, including those, issued in compliance with the legislation of other states;
 - corporate serial securities of organizations of the Republic of Kazakhstan, including those, issued in compliance with the legislation of other states;
 - securities (bonds), issued by international financial organizations *(this paragraph was included instead of a set of other paragraphs by the Exchange Council decision of December 30, 2003);*
 - serial securities of foreign issuers, issued in compliance with the legislation of other states and circulation of which on the territory of the Republic of Kazakhstan is regulated with the current legislation;
 - debt obligations (bills of organizations of the Republic of Kazakhstan);
 - other securities and financial instruments, admitted to circulation on the organized securities markets of the Republic of Kazakhstan;
 - derivative securities, the basic asset of which are securities, admitted to circulation (trading) on the Exchange.

2. Securities admission is regulated by Appendix "L" hereto.
3. Terms and the order of admission of securities to circulation on the Exchange, not mentioned in item 1 of this article, recognized by the authorized agency as securities, are established by separate appendices hereto. Such appendices must be agreed on with the authorized agency (*this item was changed by the Exchange members meeting decision of November 13, 2001*).

Article 2. Security Basic Parameters

1. Basic parameters of securities, admitted to circulation on the Exchange, are described for each security separately (*this paragraph was changed by the Exchange members meeting decision of November 13, 2001*).
For corporate securities of the Republic of Kazakhstan descriptions are not developed (*this paragraph was changed by the Exchange member meeting on November 13, 2001*).
2. Security descriptions must indicate its issuer, type, face value, issue volume, number of securities, register holder and other data, necessary for traders to conclude deals (*this item was changed by the Exchange member meeting on November 13, 2001*).

Section II. EXCHANGE SECURITIES TRADING PARTICIPANTS

Article 3. Exchange Trade Participants – Exchange Members

1. The Exchange members may trade securities on the Exchange in compliance with the membership categories assigned.
2. Admission, membership terms and category assignment are regulated with Appendix "P" hereto.

Article 4. Issuers Trading Securities

Issuers may be involved in trading securities when placing or redeeming securities in accordance with Exchange internal documents.

(The original version of this article was changed by the Exchange member meeting on November 13, 2001, this article was changed by the Exchange Council on December 29, 2004).

Article 5. Traders

1. An Exchange member may, on their behalf, authorize individuals – traders to trade in securities (*this item was changed by the Exchange member meeting November 13, 2001 and the Exchange Council January 15, 2008*).
2. Admission is regulated with Exchange internal documents.
3. Any transactions of the trader in securities, executed by him during exchange trades, are equal to actions of represented by him Exchange member.
4. At detection of violation by the trader of terms of these Rules and other Exchange internal documents, regulating the order of conclusion and execution of deals in securities, the Exchange has the right to remove such trader from participation in exchange trades in securities.

Decision about removal of the trader from participation in exchange trades in securities is made by the Exchange Board.

Decision about removal of the trader from participation in exchange trades in securities can be appealed by the represented by him in the Exchange Council Exchange member.

Submission of the application appealing the decision about removal does not suspend its force.

Should the decision on removal be made, the fact of removal shall be reported to the authorized agency *(this paragraph was changed by the Exchange member meeting on November 13, 2001)*.

Article 6. Other Persons Allowed to Attend Trading

1. Besides Exchange employees facilitating exchange securities trading, the Exchange President and his deputies, other persons may attend the trading solely as observers and on permit of the Exchange President or his deputy supervising securities trading *(this item was changed by the Exchange Council on December 29, 2004)*.
2. No person, attending exchange trading as an observer, may at such time discuss matters, make announcements or remarks, and carry out other actions non-related to trading *(this item was changed by the Exchange Council on December 29, 2004)*.
3. Persons, attending the trading as observers, are prohibited to trade in securities on the Exchange *(this item was changed by the Exchange Council on December 29, 2004)*.
4. Persons, attending the trading as observers, are prohibited to directly or indirectly interfere with the process.

**Section III. EXECUTION OF EXCHANGE TRADES IN SECURITIES.
DOCUMENTING DEALS IN SECURITIES**

Article 7. Regulations on Exchange Securities Trading

1. Rules of trades (trades execution place and time and other basic parameters) are defined by the Exchange Board.
2. The Exchange must notify trade participants about changing of trade execution, place and time, defined by the Exchange Board, at least 18 hours before the trade.

The norm, established by the first paragraph of this item, is not applicable to cases of emergency changing of trade rules by the Exchange President or the Exchange Vice-President, supervising trade execution, in the case of impossibility of trade execution in the usual mode.

(This article was changed by the Exchange Council on September 10, 2004).

Article 8. Securities Trading Methods

1. Exchange trading methods are described in Appendix "M" hereto *(this item was changed by the Exchange member meeting on November 13, 2001)*.
2. *(This item was excluded by the Exchange member meeting on November 13, 2001)*.
3. *(This item was excluded by the Exchange member meeting on November 13, 2001)*.
- 3-1. Normally, securities shall be placed or redeemed through a special trade, which, however, does not limit the right of a trade initiator to opt for another trading method on condition of accord with the Exchange *(this item was included by Exchange member meeting on November 13, 2001 and the Exchange Council decision on December 29, 2004)*.
4. *(This item was excluded by the Exchange Council decision of December 29, 2004)*.
5. The Exchange must undertake every effort to maintain its Trading system in the working condition and immediately notify, by all possible methods, trade

participants and members about failures in its operation and measures on elimination of failures.

Article 9. Commissions and Other Exchange Fees

1. Trade participants shall pay commissions to the Exchange on deals concluded *(this item was changed by the Exchange Council on September 10, 2004)*.
2. Amounts, the order of calculation and payment of the Exchange commission fees are defined by its internal documents *(this item was changed by decisions of the Exchange Council of March 10, 2004 and September 10, 2004)*.
3. The Exchange internal documents can define other types of fees (including for use of the Exchange property), payable by the Exchange members *(this item was changed by the Exchange Council decision of March 10, 2004)*.

Article 10. Exchange Deals in Securities. Documenting of Deals

1. The Exchange deals in securities are recognized deals on purchasing-selling of securities, concluded between trade participants during their execution in compliance with these Rules. Deals in securities are considered concluded after their registration in the Exchange Trading system.
2. The Exchange deals in securities are documented by exchange certificates.
The Exchange certificate is the document, proving the fact of conclusion of the deal in securities purchasing-selling during exchange trades, and the fact of registration and recording by the Exchange of this deal.
3. The Exchange certificate, signed by the Exchange administrator (deputy of the Exchange administrator) and certified by the Exchange seal, is the document defining mutual obligations of the Exchange and trade participant on concluded deals and falling under terms of these Rules and the Exchange internal documents, mentioned in them.
4. The Exchange certificate is made in two copies, one of which is issued to the trade participant, and the second copy remains on the Exchange for settlement in the tenge and securities.
5. Information about the concluded deals, as well as the content made on its conclusion certificate are the commercial secret and not due to disclosure or delivery to the third parties without special permission of the trade participant, a respective deal party *(this paragraph was changed by the Exchange Council on October 20, 2004)*.
This prohibition is not applicable to delivery of information on exchange trading results to the authorized agency or other authorized government bodies in compliance with the current legislation *(this paragraph was changed by the Exchange member meeting on November 13, 2001)*.

Article 11. Exchange Information

(This article was excluded by the Exchange Council on October 20, 2004).

Section IV. CRITICAL EVENTS

(This headline was changed by the Exchange Council on January 8, 2009).

Article 12. General Provisions on Critical Events

1. For purposes of articles 12–1 and 12–2 of these Rules:
 - 1) the Exchange official list means the Exchange list part consisting of several sectors and subdivided into separate categories and sub-categories, for inclusion to which and presence in which securities and their issuers must comply with certain (listed) requirements;

- 2) the share market index is a stock market indicator calculated by the Exchange in compliance with its internal document "Methodology of Stock Market Indices Calculation", showing price performance of the most popular stocks circulating in the Trading system;
 - 3) any denomination securities price change is defined as the change in price of the last deal in this denomination securities, concluded at the current day trade session relative to a price of the last satisfied deal in securities of this denomination, which was concluded during the last preceding efficient trade session (i.e. that trade session, with at least one deal in these securities).
2. On Exchange notification of the authorized agency in accordance with articles 12–1 and 12–2 hereof:
- 1) such notification is made through sending Exchange messages to the authorized agency via e-mail and/or by fax to addresses (numbers), which were provided to the Exchange by the authorized agency;
 - 2) the mentioned messages are developed according to forms, determined for such purposes by the Exchange Board member, supervising trade execution (considering the specifics, established by item 2 of article 12–1 hereof);
 - 3) the mentioned messages are signed and sent by the trade administrator with immediate sending notification of the Exchange Board member supervising trade execution;
 - 4) the mentioned messages, sent by fax, are liable to registration as the Exchange common outgoing mail;
 - 5) the trade administrator undertakes all reasonable measures to make sure the mentioned messages receipt by the authorized agency.

(This article was supplemented by the Exchange member meeting on November 13, 2001 and changed by the Exchange Council on January 8, 2009).

Article 12–1. Critical Events Entailing Authorized Agency’s Preventive Notice

1. Prior to 17.50 Almaty time the Exchange notifies the authorized agency on the following events occurred during the current share trading day:
 - 1) 15 or more percent price change for stocks of the first/second categories;
 - 2) 5 or more percent change of the KASE Index against the last value as for the last preceding trading day.
2. The notification form sent to the authorized agency must include short analysis of the securities market situation, which entailed the event.

(This article was included by the Exchange Council on January 8, 2009).

Article 12–2. Critical Events Entailing Trade Suspension

1. The Exchange shall suspend trade in any stock listing on the Exchange in the first category, if such stock falls 30 % or more *(this item was changed by the Exchange Council decision dated February 11, 2009).*
2. The Exchange shall suspend trade in all stocks listing on the Exchange, should the KASE Index fall 15 % or more against the last index value as on the preceding trading day *(this item was changed by the Exchange Council decision dated February 11, 2009).*
3. In the cases, set in items 1 and 2 of this article, trade shall be suspended automatically by the Trading System; at that, the exchange administrator shall immediately notify on such suspension the trade-supervising Exchange Board member *(this item was changed by the Exchange Council on February 11, 2009).*

4. The Exchange may suspend trade in stocks in the following cases (unless such cases are covered with items 1 and 2 of this article):
 - 1) the stock price changes 50 or more percent;
 - 2) deterioration of the stock quality to a degree threatening investor interests;
 - 3) other factors, related to the stock, threatening interests of traders, investors and the Exchange.
5. Stocks may be suspended from trade in cases, specified in item 4 of this article, by virtue of the Exchange Board decision, stating reasons and terms of the suspension.
6. At suspension of trade in accordance with items 3 and 5 of this article the Exchange shall notify thereof the authorized agency within one hour after the suspension. Moreover, during this period the Exchange must notify of the suspension Exchange members releasing a corresponding message through the Trading system.
7. If after consultation with an authorized agency the Exchange has received no letter thereof on extension of trade suspension term, trade in any stock, suspended in accordance with item 3 of this article, shall resume with the beginning of business on a trade day in respective stocks (*this item was changed by the Exchange Council decision dated June 18, 2009*).

Trading may be resumed on the day of suspension, if such suspension was due to a trader's error or a Trading system malfunction and in case after consultation with an authorized agency the Exchange has received no letter on extension of trade suspension term (*this item was changed by the Exchange Council decision dated June 18, 2009*).

Trades in securities of any denomination, suspended in compliance with item 5 of this article, are revived upon expiry of the suspension period established by the Exchange Board.

(This article was included by the Exchange Council on January 8, 2009).

Section V. DEAL EXECUTION. SETTLEMENT TERM VIOLATION RESPONSIBILITY

Article 13. Deal Execution and Settlement Term Violation Responsibility

The order and the period of the deal execution in the tenge and securities, and the responsibility for violation of settlement term are specified in Appendix "R" hereto, and are differentiated depending on securities characteristics and basic parameters.

Section VI. CONFLICTS

Article 14. Arrangement of Disputes and Disagreements

Disputes and disagreements between trade participants, as well as between trade participants and the Exchange are solved through negotiations, and if mutually acceptable decision can not be reached – by the Exchange Arbitrary Commission.

Decisions on issues, unregulated by internal documents or resulting from contradictions in internal documents are made by the Exchange Council (*this paragraph was included by the Exchange member meeting on November 13, 2001*).

President

D. Karasaev