

KAZAKHSTAN STOCK EXCHANGE

Appendix L3

to Rules of Exchange
Securities Trading

Agreed on

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

on March 3, 2010

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

A. ALDAMBERGEN

Agreed on

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

on February 15, 2010

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

A. ARYSTANOV

Approved

by Kazakhstan Stock Exchange
Board of Directors decision

(protocol No. 3 of January 28, 2010)

Effective

from March 4, 2010

NOTICE

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

RULES

of Government Securities Admission to the Exchange Official List

Almaty

2010

LIST OF AMENDMENTS

1. Amendment 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 Rules have been developed in accordance with the Law of the Republic of Kazakhstan and determine (establish) the procedure of government securities admittance to the Exchange official list and their removal from that list.

Terms used in these Rules mean the following:

"Exchange" – the joint stock company Kazakhstan Stock Exchange;

"government securities" – securities certifying their holders' rights with regard to the loan whereby the borrower is the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and local executive bodies;

"foreign government securities" – securities certifying their holders' rights with regard to the loan whereby the borrower is a foreign government, or other securities classified as government securities according to legislation of a foreign state;

"securities of local executive bodies" – government securities issued by local executive bodies of a city of republican importance, by those of the capital city.

Other terms used in these Rules are identical to those defined by Exchange's other internal documents.

1. Requirements to government securities admissible (admitted) to the Exchange official list, are established by Authorized body normative acts (*this item was changed by the Board of Directors decision of October 6, 2011*).
2. The Exchange includes into its official list government securities, which are registered (shall be registered from the date of admittance to the Exchange official list) in the Central Depository accounting system.
3. Admittance to the Exchange official list of government securities issued by the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan is carried out automatically, once the Exchange has been informed of the registration of issue of such securities. No requirement as to availability of a market-maker for these securities is established.
4. Admittance to the Exchange official list of securities of local executive bodies is carried out by decision of KASE Managing Board based on the application from the issuer or an Exchange member which must be accompanied by:
 - 1) a document setting forth the procedure of issue, circulation and repayment of local executive body's securities, approved in accordance with the legislation of the Republic of Kazakhstan;
 - 2) a document confirming the fact of these securities existing as objects of civil rights;
 - 3) a document confirming that registration of these securities is effective (shall be effected from the date of admittance to the Exchange official list) in the Central Depository accounting system;
 - 4) application from one of Exchange members for assigning him the market-maker status with regard to these securities.

During presence of securities of the local executive body in the Exchange official list there must be an appropriate market-maker for them.
5. Admittance to the Exchange official list of foreign government securities is effected upon Exchange Managing Board decision based on application of one of Exchange members which must be accompanied by:
 - 1) a document confirming the fact of these securities existing as objects of civil rights;
 - 2) a document confirming that registration of these securities is effected (shall be effected from the date of admittance to the Exchange official list) in the Central Depository accounting system;
 - 3) information on terms of issue, circulation and repayment of these securities;

- 4) a document (information) stating whether the foreign state, issuer of these securities, has a long-term credit rating in foreign currency not lower than "B-" (according to classification by rating agencies Standard & Poor's and Fitch) or "B3" (according to classification by rating agency Moody's).

During consideration of ratings with the purpose of establishing compliance of foreign government securities with this requirement, only ratings are taken into account, which were assigned (confirmed, renewed) within the last twelve months, whereas, if there are ratings assigned by several rating agencies, only the rating assigned (confirmed, renewed) as the latest is taken into account;

- 5) application from one of Exchange members for assigning him the market-maker status with regard to these securities.

During presence of foreign government securities in the Exchange official list there must be an appropriate market-maker for them.

6. Documents, specified in items 4 and 5 of these Rules, are considered by the Exchange within five working days from the day the last of the mentioned documents is submitted.
7. Securities of local executive bodies may be excluded from the Exchange official list based on the Exchange Managing Board decision in the following cases:
 - 1) absence for 60 calendar days of the market-maker for these securities;
 - 2) announcing by the local executive body of default on these securities;
 - 3) suspension of circulation of an issue of these securities stipulated by the legislation of the Republic of Kazakhstan.
8. Foreign government securities may be excluded from the Exchange official list based upon the Exchange Managing Board decision in the following cases:
 - 1) absence for 30 calendar days of the market-maker for these securities;
 - 2) decrease of the short-term credit rating in foreign currency of the foreign state-issuer of these securities, lower than level specified in sub-item 4) of item 5 of these Rules;
 - 3) suspension of circulation of an issue of these securities stipulated by the legislation of the foreign state.
9. Exclusion of government securities and foreign government securities from the Exchange official list due to their maturity or their annulment is carried out automatically and does not require any formal decision by Exchange bodies or officials.

President

K. Damitov