

KAZAKHSTAN STOCK EXCHANGE

Appendix P7

to Rules of Exchange
Securities Trading

Approved

by Kazakhstan Stock Exchange
Board of Directors decision
(protocol No. 05 of March 29, 2012)

Effective

from May 1, 2012

NOTICE

The Regulations have been translated in English by employees of Kazakhstan Stock Exchange solely for information purposes. In case of any incompliance of this translation with the Russian original the latter shall always prevail.

REGULATIONS

on Membership Fees and Exchange Dues

Almaty

2012

These Regulations define the composition and the amount (rate) of membership fees and Exchange dues payable by the Kazakhstan Stock Exchange members (hereinafter – the Exchange), the Exchange dues payable by issuers of securities which are placed or re-purchased in trades conducted by the Exchange, time frames and the procedure of such fees and dues payment as well as responsibility for their non-payment (untimely or incomplete payment).

The Exchange internal documents can establish another, other than types of dues specified in item 1 of article 7 of these Regulations payable by Exchange members in its favor; in this case amounts (rates) of such dues, time frames and the order of their payment as well as responsibility for their nonpayment (untimely or incomplete payment) are defined by these Exchange internal documents.

Chapter 1. GENERAL PROVISIONS

Article 1. Concepts

1. The concepts used herein shall mean the by:
 - 1) **"commission fees on transactions in foreign currencies"** – the Exchange commission fees on foreign currencies purchasing-selling deals;
 - 2) **"commission fees on transactions in securities"** – the Exchange commission fees on securities purchasing-selling deals, including repo transactions;
 - 3) **"commission fees on transactions in futures contracts"** – the Exchange commission fees on futures contracts purchasing-selling deals;
 - 4) **"MCI"** – a monthly calculation index for accounting of pensions, allowances and social payments, and application of penalties, taxes and other payments in compliance with the legislation of the Republic of Kazakhstan, the value of which is set by laws of the Republic of Kazakhstan on the national budget for corresponding years.
2. Other concepts used in these Regulations are identical to concepts defined by other Exchange internal documents.
3. For purposes of these Regulations:
 - 1) deals on purchasing-selling of any financial instruments mean only those deals, which were concluded on trades executed by the Exchange;
 - 2) repo transactions mean only those transactions, which were executed (being executed) in the trading system;
 - 3) securities purchasing-selling deals mean only those deals, which do not relate to repo transactions (except for deals specified in item 7 of article 9 of these Regulations);
 - 4) the by trades relate to trades with the sole seller or buyer of the financial instrument:
 - trades on securities placement or re-purchasing (regardless of their execution method);
 - specialized trades on financial instruments placement (selling, repurchasing, purchasing);
 - trades on selling of state blocks of shares (regardless of their execution method);
 - the English trades;
 - the Dutch trades;

- 5) the trades initiator is an organization (the Exchange member or securities issuer who is not the Exchange member), which initiates trades with the sole seller or buyer of the financial instrument;
- 6) the trades initiator is not included into the number of trades with the sole seller or buyer of the financial instrument.

Chapter 2. MEMBERSHIP FEES

Article 2. Admittance Membership Fees

1. A company admitted to membership of the Exchange shall pay admission membership fee:
 - 1) for admission to stock market membership – 1,500 MCI;
 - 2) for admission to currency market membership – 6,000 MCI.
2. No admittance fees shall be collected for admission to futures market membership.
3. The admittance membership fee is paid by the newly admitted member of the Exchange independently based on the notification about his admittance to the Exchange membership; given this the newly admitted Exchange member has the right to request the Exchange to present the organization an appropriate bill.
4. Dates of admittance membership fees payments as well as responsibility for their non-payment (untimely or incomplete payment) are set by the Exchange internal document "Regulations on Membership".

Article 3. Periodical Membership Fees

1. The Exchange members must pay monthly membership fees.
2. The monthly membership fees are paid to the Exchange every month for the current calendar month based on the Exchange bills delivered to the Exchange members at the beginning of this month and payable during five business days from the day of their delivery (considering specifics established by article 13 of these Regulations).

Article 4. Monthly Fees payable by Stock Market Members

Stock market members shall pay monthly membership fees equal to 25 MCI.

Article 5. Monthly Fees payable by Futures Market Members

Futures market members shall pay no monthly fees.

Article 6. Monthly Fees payable by Currency Market Members

1. Currency market members shall pay monthly membership fees (at their own discretion) under the by schemes:
 - 1) under scheme 1: without additional payment of commission fees on currency transactions;
 - 2) under scheme 2: with additional payment of commission fees on currency transactions in accordance with article 11 hereof.
2. Unless otherwise is specified by a currency market member, he is considered to have selected monthly member fees payment scheme 2.

To switch from one monthly member fees payment scheme to another a currency market member must at least five business days before the beginning of the month submit to the Exchange a corresponding notification in any form.

It is not allowed to switch from monthly member fees payment scheme to another within the current calendar month.

3. The monthly member fee shall be as follows:
 - 1) under scheme 1 for a currency market member not making market on any foreign currency, – 400 MCI (except as provided in item 4 of this article);
 - 2) under scheme 1 for a currency market member making market on a foreign currency, – 200 MCI (except as provided in item 4 of this article);
 - 3) under scheme 2 – 300 MCI.
4. Sub-items 1) and 2) of item 3 of this article shall not be applicable to the National Bank of the Republic of Kazakhstan, which shall pay monthly member fees equal to 125 MCI.

Chapter 3. EXCHANGE DUES

Article 7. General Provisions on Exchange Dues

1. Exchange dues are:
 - 1) for stock market members – commissions fees on securities transactions accrued in accordance with items 2 and 3 of this article and articles 8 and 9 hereof;
 - 2) for futures market members – commissions on futures transactions accrued in accordance with article 10 hereof;
 - 3) for currency market members that selected monthly member payment scheme 2, – commissions on currency transactions accrued in accordance with article 11 hereof;
 - 4) the Exchange commission fees for organization and execution of trades with the sole seller or buyer of the financial instrument charged in compliance with article 12 of these Regulations.
2. A stock market member shall pay commission fees on securities transactions in accordance with articles 8 and 9 hereof:
3. The Exchange's internal documents may set incentive rates of commission fees on transactions in securities and futures contracts for market-makers for such securities and market-makers for such futures contracts.

Terms and procedure of application of such incentive rates shall be set in Exchange internal documents regulating market-makers' activities.
4. Exchange dues are paid by Exchange members every month for the past calendar month based on bills presented by the Exchange to Exchange members at the beginning of the calendar month by the past month and payable within five business days from the day of their delivery (considering specifics established by the second paragraph of this item, item 5 of this article and article 13 of these Regulations);

Specifics of payment of Exchange dues on deals in purchasing-selling of state-owned blocks of shares are defined by the Exchange's internal documents.
5. Commission fee the Exchange charges for arranging and execution of trades with the sole seller or purchaser of a financial instrument is paid by trades initiator based on the bill from the Exchange delivered to the trades initiator upon their completion and payable within five business days from the day of its delivery (considering specifics established by article 13 of these Regulations).

Article 8. Exchange Commission Fees on Deals in Serial Securities

1. Stock market members pay Exchange commission fees due on purchasing-selling transactions in securities at the by rates (taking into account particulars and exceptions set by items 2 and 3 of this article and article 12 of these Regulations):

- 1) on a deal of purchasing-selling of the state-owned block of shares – 0.10 % of that deal's amount payable by that block's purchaser;
 - 2) on a deal of purchasing-selling of corporate securities, admitted to circulation in the Unlisted Securities sector (excluding securities, included into state-owned blocks of shares sold through the Exchange), – by 0.05 % of that deal's amount payable by each deal party;
 - 3) on a nego deal of purchasing-selling of any securities (except for securities, included into state-owned blocks of shares sold through the Exchange and corporate securities admitted to circulation in the Unlisted Securities sector) – by 0.05 % from that deal's amount payable by each deal party;
 - 4) on a deal of purchasing-selling of any securities concluded by any open trades methods (except for securities, included into state-owned blocks of shares sold through the Exchange and corporate securities admitted to circulation in the Unlisted Securities sector,) – by 0.01 % from this deal amount payable by each deal party.
2. The minimum amount of the Exchange commission fee charged per Exchange member on one securities purchasing-selling deal makes up 0.5 fold of MCI (excluding exceptions established by the second paragraph of this item).
- The minimum amount of the Exchange commission fee on securities purchasing-selling deals is not fixed in relation to deals, for execution of which the Central Securities Depository does not collect from the Exchange its tariff (its interest), as well as deals of purchasing-selling of corporate securities, concluded using any methods of open trades by the order, at the expense and on behalf of physical persons (except for deals of purchasing-selling of securities, included into the state blocks of shares sold through the Exchange).
3. If a party of a deal concluded by any of open trades methods of corporate securities purchasing-selling (except for a deal of corporate securities purchasing-selling, included into the state-owned blocks of shares sold through the Exchange) is an Exchange member, which concluded this deal upon request, at the expense and on behalf of a physical person¹, the Exchange commission fee on that deal in the part, which relates to this Exchange member, is calculated based on the by rates:
- 1) on a deal in the amount of up to one mln KZT inclusive – 100 KZT;
 - 2) on a deal in the amount from one to 3 mln KZT inclusive – 150 KZT;
 - 3) on a deal in the amount from 3 to 5 mln KZT inclusive – 200 KZT;
 - 4) on a deal in the amount over 5 mln KZT – 0.01% from this deal amount.

Article 9. Repo Transactions Commission Fees

1. Stock market members – repo transactions agents shall pay Exchange commission fees on all repo transactions. That means, particular Exchange commission fee shall be calculated as follows (taking into account details and exceptions set by items 2–8 of this article):

$$K = Q \times P \times n, \text{ where:}$$

- K – commission fee every repo transaction agent is charged, in tenge;
- Q – volume of an opening repo transaction in tenge;
- P – commission fee rate set in accordance with item 2-1 of this article;
- N – repo transaction's term in days.

¹ The Exchange determines a deal on purchasing-selling of securities as concluded upon request, at the expense and on behalf of a physical person depending upon in whose name was the trading account opened, in which this deal was concluded.

2. The Exchange commission fee is charged on the repo closing day.
3. Rates for calculation of the commission fee amount on repo transactions (P) are as follows:
 - 0.000065 % for repo transactions with a term of up to 3 days inclusive;
 - 0.000060 % for repo transactions with a term of 4 to 7 days inclusive;
 - 0.000055 % for repo transactions with a term of 8 to 30 days inclusive;
 - 0.000050 % for repo transactions with a term of 31 to 90 days.
4. For calculation of the commission fee on a repo transaction with an Intraday term, the term of that transaction (n) is considered being equal to one.
5. When changing a repo transaction's term, the Exchange commission fee is calculated based on the actual repo transaction term.
6. The National Bank of the Republic of Kazakhstan is exempt from payment of Exchange commission fee on repo transactions, where it acts as the repo seller.
7. In case of annulment of a closing deal which relates to a repo transaction executed by the "nego" method, the Exchange commission fee is not charged on the securities; instead a commission fee is charged on the securities purchasing-selling deal which was the opening deal relating to this repo transaction.
8. The minimum amount of a commission fee charged on a repo transaction in corporate securities makes up 400 KZT for each repo transaction agent.

Article 10. Commission Fees on Transactions in Futures Contracts

1. Futures market members being parties of futures contracts purchasing-selling deal shall pay commission fees on transactions in futures contracts, sizes of which depend on futures contract volume.
2. For futures contracts with the volume that exceeds ten thousand tenge, the commission fee equals 8 tenge per contract for each party of the deal made.

For futures contracts with the volume less than ten thousand tenge, the commission fee equals 4 tenge per contract for each party of the deal made.

When making deals that lead to opening or closing of a position on a futures contract during one trading session, the commission size, specified in above paragraphs, decreases twice.

Article 11. Commission Fees on Transactions in Foreign Currencies

1. A currency market member choosing scheme 2 for payment of monthly membership fees shall pay commission fees on foreign currency transactions, if the amount of his monthly net position in foreign currency purchasing-selling deals concluded by himself, set in accord with item 2 of this article, does not exceed three million USD.
2. A monthly net-position of a currency market member in his foreign currency purchasing-selling deals is determined as follows:
 - 1) for each separate trading session of trades in foreign currencies, the Exchange determines this Exchange member's net position in KZT at the same time distinguishing between deals differing in their settlement terms;
 - 2) at the end of each business day the Exchange determines this member's total net position for that day in US dollars, for this purpose summing up his net positions in KZT, determined in compliance with sub-item 1) of this item, and recalculating the received sum into the US dollars equivalent at the average weighted US dollar rate, determined in compliance with item 3 of this article;

- 3) on the last business day of a calendar month the Exchange determines the monthly net position of this member on foreign currencies purchasing-selling deals concluded by him, thus summing up his total net positions for each business day of the calendar month, determined in compliance with sub-item 2) of this item.
3. The average weighted US dollar rate used for conversion into US dollars of the total net position of a currency market member with regard to foreign currencies purchasing-selling deals concluded by him on a particular business day shall be based on the average weighted rate of all US dollar purchasing-selling deals concluded on that day during the main (morning) trading session of the Exchange in US dollars with settlements to be made on the day of trading (except for cases mentioned in paragraph two of this item).

In case of absence of US dollar purchasing-selling deals concluded during the main (morning) trading session of the Exchange with settlements on the day of trades as the average weighted rate is used the last average weighted US dollar rate, determined in compliance with the first paragraph of this item with the by exception: USD-correspondent banks of the Exchange by any reason make settlements in US dollars on the day of trades, then as the average weighted US dollar rate is used the average weighted price of all US dollar purchasing-selling deals, concluded during the main (morning) US dollar trading session of the Exchange with settlements on the day T+n, where T – the day of Exchange trading in US dollar, n – the duration of a break in settlements in US dollars by USD-correspondent banks (in days).
4. In case the size of the monthly net position of a currency market member who chose scheme 2 for payment of monthly membership fees on foreign currencies transactions he concluded, exceeds three million US dollars, he shall pay commission fees on foreign currencies transactions to the amount of 0.05% of the difference between the amount of the mentioned net position and three million US dollars.
5. The National Bank of the Republic of Kazakhstan as the government regulator of the foreign exchange market is exempt from paying commission fees to the Exchange on transactions in foreign currencies it concluded.

Article 12. Exchange Commission Fees chargeable for Arranging and Executing Trades involving Sole Seller or Buyer of a Financial Instrument

1. The Exchange does not collect from trades participants its commission fees on financial instruments purchasing-selling deals, concluded at trades with the sole financial instrument seller or buyer (excluding state blocks of shares purchasing-selling deals).
2. The trades initiator pays the Exchange commission fees for arranging and execution of trades with a sole seller or buyer of financial instruments at the by rates (excluding exceptions established by item 3 of this article):
 - 1) if bonds are the subject of trades with a seller or buyer of sole financial instrument – 0,025% from the total face value of bonds placed (sold, re-purchased, purchased) at these trades (but not less than 80 fold of MCI and not more than 15,000 fold of MCI);
 - 2) if another, other than bonds, financial instrument is the subject of trades with the sole financial instrument seller or buyer – 0,025% from the total amount of deals (in KZT) concluded at these trades (but not less than 80 fold of MCI and not more than 15,000 fold of MCI).
 - 3) if no deal were made (regardless of a financial instrument) – 50 fold of MCI.
3. The buyers are exempted from the Exchange commission fee payment for arranging and execution of trades with a sole seller or buyer of a financial instrument:

- 1) The Ministry of Finance of the Republic of Kazakhstan when placing or repurchasing securities issued by itself;
- 2) The National Bank of the Republic of Kazakhstan when placing or repurchasing securities issued by it or the Ministry of Finance of the Republic of Kazakhstan;
- 3) Exchange members – sellers of state-owned blocks;
- 4) listed companies or admittance initiators when placing corporate securities, included into the Exchange official list (within three months from the day when decision on inclusion (recognized included) of these securities into the Exchange official list became effective).

**Chapter 4. THE EXCHANGE BILL DELIVERY DAY.
RESPONSIBILITY FOR NONPAYMENT (INCOMPLETE OR UNTIMELY
PAYMENT) OF PERIODICAL MEMBERSHIP FEES AND EXCHANGE DUES**

Article 13. Exchange Bill Delivery Day

1. The Exchange bill delivery day for payment of membership fees and/or Exchange dues is considered:
 - 1) for the Exchange member who applied for using of the program and cryptographic information protection means when operating the trading system in the remote access regimen, – the day of the mentioned bill sending in an electronic form via the trading system using the Exchange electronic digital signature;
 - 2) for the Exchange member who did not apply for using of the program and cryptographic information protection means when operating the trading system in the remote access regimen, – the day when the Exchange sends the electronic message sending (via the trading system and/or e-mail) with notification that the account specified in the hard copy was put into this Exchange member special mail box installed in the Exchange office, or – if this Exchange member is located outside Almaty and does not have the special mail box installed on his application in the Exchange office, – was sent to this Exchange member by post.
2. E-mail addresses provided to the Exchange by its members for mutual correspondence on issues related to the status of the Exchange corresponding category member are used for sending to the member, who did not apply for using of the program and cryptographic information protection means when operating the trading system in the remote access regimen, of the electronic message mentioned in sub-item 2) of item 1 of this article.
3. The appropriate registration record in the trading system and/or e-mail software is sufficient evidence of sending of the Exchange bill for payment of periodical membership fees and/or Exchange dues via the trading system or e-mail, specified in sub-item 2) of item 1 of this article.
4. The day of sending (delivery) of the mentioned bill in hard copy is considered the delivery day of the Exchange bill for payment of Exchange commission fees for organization and execution of trades with the sole seller or buyer of a financial instrument.

Article 14. Responsibility for Non-Payment (Incomplete or Untimely Payment) of Periodical Membership Fees and Exchange Dues

1. For non-payment (incomplete or untimely payment) of periodical membership fees and Exchange dues by the Exchange member (the trades initiator who is not the Exchange member), the Exchange have the right to charge this member (the trades initiator who is not the Exchange member) a penalty in the amount of 0,2% from the amount of payment to the Exchange in return of these fees and/or dues for each day of delay of this payable amount.

Regulations on Membership Fees and Exchange Dues

The penalty payment specified in the first paragraph of this item does not exempt the Exchange member (the trades initiator who is not the Exchange member) from obligation of periodical membership fees and/or Exchange dues payment.

2. In case of non-payment (incomplete or untimely payment) by the Exchange member of periodical membership fees and Exchange dues during ten business days after expiration of the their payment period set in compliance with these Regulations, the Exchange Board has the right to debar this member from trades in financial instruments.

President

K. Damitov