

# KAZAKHSTAN STOCK EXCHANGE JSC

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

following a decision of Management Board  
of Kazakhstan Stock Exchange JSC

(minutes No.147 of the meeting  
dated November 29, 2019)

**Effective as of**

December 3, 2019

**NOTICE**

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

## **RULES** of market-maker activities

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Almaty

2019

## LIST OF AMENDMENTS

**1. Changes and addition No. 1:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 78 of the meeting on June 9, 2020);
- effective from the date of commissioning of the second release of the trading and clearing system ASTS+ on the stock market.

**2. Changes and additions No. 2:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 89 of the meeting on June 30, 2020);
- effective from July 1, 2020.

**3. Changes and additions No. 3:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 96 of the meeting on July 14, 2020);
- effective from July 29, 2020.

**4. Addition No. 4:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 117 of the meeting on August 27, 2020);
- effective from August 28, 2020.

**5. Change and addition No. 5:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 123 of the meeting on September 10, 2020);
- effective from September 11, 2020.

**6. Changes and addition No. 6:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 144 of the meeting on October 29, 2020);
- effective from October 30, 2020, with the exception of amendments to Appendix 4 of these Rules, the coming into effect of which is established from November 12, 2020.

**7. Changes and addition No. 7:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 159 of the meeting on December 3, 2020);
- effective from December 4, 2020.

**8. Changes and additions No. 8:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 162 of the meeting on December 11, 2020);
- effective from December 14, 2020.

**9. Change No. 9:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 17 of the meeting on February 23, 2021);
- effective from February 24, 2021.

**10. Change No. 10:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.44 of the meeting on April 29, 2021);

- effective from April 30, 2021.

**11. Change No. 11:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.56 of the meeting on June 8, 2021);
- effective from June 9, 2021.

**12. Change No. 12:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.65 of the meeting on July 1, 2021);
- effective from July 7, 2021.

**13. Change and additions No. 13:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.116 of the meeting on November 4, 2021);
- effective from November 5, 2021.

**14. Change and additions No. 14:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.15 of the meeting on February 1, 2022);
- effective from February 2, 2022.

**15. Change No. 15:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.20 of the meeting on February 16, 2022);
- effective from February 17, 2022.

**16. Change and additions No. 16:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.43 of the meeting on March 31, 2022);
- effective from February 28, 2022.

These Rules have been developed in accordance with the requirements of the Regulations on market-makers, approved by the Board of Directors of Kazakhstan Stock Exchange JSC (hereinafter – the Regulations), determine the conditions and procedure of assigning by Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) to members of the Exchange of the market-maker status, conditions and procedure of the voluntary refusal of the market-maker status or the forced stripping of such status, the specification of market-makers and their responsibility for non-fulfillment or violation of the obligations of a market-maker.

**Article 1. General provisions**

1. Terms used in these Rules are identical to those determined in other internal documents of the Exchange or laws of the Republic of Kazakhstan.
2. Parameters of mandatory quotations of market makers, conditions of their announcement and maintenance, responsibility of market makers, procedure of determination of his encouragement at rendering of market maker's services, as well as other terms of market makers activity and interaction between them and the Exchange are set by these Rules, including their appendixes (specifications of market makers).

For purposes of increasing liquidity on particular exchange markets or on particular financial instruments the Exchange may conclude with its members individual agreements on rendering market maker services (hereinafter - the Agreement) based on the decision of the Exchange Management Board according to the approved by it standard form of such agreement. If there is an Agreement between the Exchange and its member on rendering market maker services in relation to a particular financial instrument or group of financial instruments, relations between the Exchange and such Exchange member when rendering market maker services on that financial instrument or group of financial instruments are regulated by the said Agreement.

These Rules are applicable to the relations between the Exchange and such Exchange member only to the extent not regulated by the said Agreement.

*(This item was changed by the decision of the Exchange Management Board of February 1, 2022)*

**Article 2. Conditions and procedure of assigning the status of market-maker and refusal to assign it**

1. The status of a market maker is assigned to an Exchange member by the Exchange Management Board *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020 and June 8, 2021)*.
2. The status of a market maker is assigned for financial instruments of any type according to the conditions stipulated by the Regulations, these Rules and/or the Agreement *(this item was changed by the decision of the Exchange Management Board of February 1, 2022)*.
3. To obtain the status of a market maker on financial instruments of any denomination, the Exchange member provides an application according to the form of Appendix 1 or, in case of conclusion of the Contract, Appendix 1-1 to these Rules three working days before the day from which this Exchange member plans to start market maker activities on financial instruments of this denomination. *(this item was changed by the decision of the Exchange Management Board of February 1, 2022)*.
4. Within three working days from the date of receipt of the Exchange member's application on assignment of the market maker status on financial instruments of any denomination, the Exchange sends to the Exchange member a notice on

assignment of the market-maker status on financial instruments of that denomination or a motivated refusal in assignment of that status (taking into account specifics, established by the second paragraph of this item, and except as specified in item 3 of this article).

The decision of the Exchange Management Board on assignment to the Exchange member of the market maker status on securities of a particular denomination newly included in the Exchange official list (admitted to circulation on the Exchange) shall be made within three working days from the effective date of the Exchange Management Board decision on inclusion of securities of this denomination to the Exchange official list (admission to circulation on the Exchange) takes effect, but not later than the date of opening of trading in securities of this denomination.

A decision of the Exchange Management Board on assignment to an Exchange member the status of a market-maker on financial instruments of any denomination must contain a record on the day of activation of that status, i.e. on the day, with the occurrence of which this Exchange member is entrusted with the duties of a market-maker on financial instruments of this denomination. At that the day of activation of that status is determined by the Exchange based on terms of that Exchange member's application on assignment to him of the market-maker status on financial instruments of that denomination.

The notification sent by the Exchange to its member on assignment of the status of market-maker on financial instruments of any denomination must contain a record on the day of activation of the said status.

*(This item was changed by the Exchange Management Board decisions of June 9, 2020 and June 8, 2021).*

5. If by the decision of the Exchange Management Board the Exchange member is deprived of the market-maker status on financial instruments of any denomination (including due to a voluntary refusal of the said status), a new application of this Exchange member on assignment of the market-maker status on financial instruments of this denomination is considered by the Exchange after 30 trading days from the date of the said decision. *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020 and June 8, 2021).*
6. The Exchange refuses to assign to a member of the Exchange the status of a market-maker for particular financial instruments for any of the following reasons:
  - 1) non-compliance of the application of that member of the Exchange for said status with the form specified in Appendix 1 hereto;
  - 2) non-compliance of that member of the Exchange within 12 consecutive months before the day the Exchange received the application for assigning to him said status, with regulations of the Republic of Kazakhstan on the securities market and/or internal documents of the Exchange in terms of manipulations on the security market and/or unfair conduct, and/or unlawful use of insider information;
  - 3) *(this sub-item is excluded by a decision of the Exchange Management Board of February 16, 2022).*
7. In addition to the grounds stipulated by paragraph 6 of this article, the Exchange may refuse to grant to the Exchange member the status of a market maker on financial instruments of any denomination if:
  - 1) systematically repeated (two or more times within 12 consecutive months) cases of non-fulfillment by the Exchange member of the market-maker obligations on any financial instrument (as a case of non-fulfillment of the market-maker obligations is defined by the second paragraph of item 1 of article 6 of these Rules);

- 2) this Exchange member fails to comply with any requirements, prohibitions, restrictions and special conditions established by the Regulations within 12 consecutive months prior to the date of receipt by the Exchange of the application for assignment of the said status and special conditions established by the Regulations and these Rules

*(This item was changed by the decisions of the Exchange Management Board dated February 1, 2022 and February 16, 2022).*

8. In case the Exchange Management Board decides to assign to the Exchange member the status of a market-maker on financial instruments of any denomination, the Exchange on the day of sending to this Exchange member a notice on assignment of such status sends to the authorized body a written notification on the said decision, as well as publishes the decision on the Exchange Internet resource (www.kase.kz) *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020 and June 8, 2021).*

**Article 3. Conditions and procedure of voluntary waiver of the market-maker status by a member of the Exchange**

1. A member of the Exchange may voluntarily relinquish the market-maker status provided the total continuous operation time of that member of the Exchange as a market-maker for particular financial instruments makes up at least 30 trading days after the day of decision on assignment of the status of a market-maker for the respective financial instrument to that member of the Exchange, except for government securities for which such term of operation as a market-maker makes up 10 trading days.
2. To voluntarily relinquish the status of a market maker on financial instruments of any denomination, the Exchange member provides a written notice in any form indicating the reason for relinquishment signed by an authorized member of the executive body of this Exchange member (person individually performing functions of the executive body of this Exchange member), sealed (if available) by this Exchange member and containing the record on the preferred day, with the occurrence of which this Exchange member intends to terminate execution. At the same time such preferred day is determined by this Exchange member independently, based on conditions of paragraphs 1 and 3 of this article *(this item was changed by the decision of the Exchange Management Board of November 4, 2021).*
3. Irrespective of the date of notice by a member of the Exchange on the voluntary relinquishment of the status of a market-maker for particular financial instruments and irrespective of the preferred day specified by that member of the Exchange, upon the onset of which he would like to discontinue acting as a market-maker for those financial instruments, that member of the Exchange must execute duties of a market-maker for those financial instruments for at least three trading days after the date of registration by the Exchange of the original of said notification as incoming correspondence.
4. Within three working days from the date of receipt of the Exchange member's original notification on voluntary renunciation of the market-maker status in financial instruments of any denomination, the Exchange shall send to that Exchange member a notice on withdrawal of his market-maker status in financial instruments of that denomination due to his voluntary renunciation of the said status.

Deprivation of the market-maker status of an Exchange member in case of his voluntary withdrawal from that status shall be accepted by the Exchange Management Board, provided that the conditions stipulated by these Rules are met.

A decision of the Exchange Management Board on deprivation of its member of the status of a market-maker in financial instruments of any denomination due to voluntary renunciation of that status must contain a record on the day of deactivation of that status, i.e. the day from coming of which that Exchange member is released from execution of duties of a market-maker in financial instruments of that denomination. At that the day of deactivation of that status is determined by the Exchange based on conditions of items 1 and 3 of this article, taking into account the preferred day determined by that Exchange member, with coming of which he intends to stop fulfilling the duties of a market-maker on financial instruments of that denomination.

The notice sent by the Exchange to its member on withdrawal of its status of a market-maker on financial instruments of any denomination due to voluntary withdrawal of the said status shall contain a record on the day of deactivation of the said status.

*(This item was changed by the Exchange Management Board decisions of June 09, 2020 and June 8, 2021).*

5. In case the Exchange Management Board decides to deprive an Exchange member of the market-maker status in financial instruments of any denomination due to voluntary withdrawal of the said status, the Exchange on the day of sending to this Exchange member a notice on withdrawal of such status shall send to the authorized body a written notification on the said decision, as well as publish the decision on the Exchange Internet resource (www.kase.kz). *(this item was changed by the decisions of the Exchange Management Board of June 09, 2020 and June 8, 2021).*
6. In addition to the requirements set forth in this Article, in case of execution of the Contract, the Exchange member shall be obliged to comply with the procedure and terms for termination of the Contract set forth in the Contract *(this item was included by a decision of the Exchange Management Board of February 1, 2022).*

**Article 4. Conditions and procedure of compulsory withdrawal of the market-maker status**

1. The Exchange Management Board may take a decision on compulsory withdrawal of the Exchange member's market-maker status in financial instruments of any denomination, if one or more of the following grounds arise *(this paragraph was amended by the decisions of the Exchange Management Board dated June 9, 2020 and June 8, 2021)*:
  - 1) changes in the legislation of the Republic of Kazakhstan or internal documents of the Exchange, emergence of situations impeding the circulation of those financial instruments, which make the further operation of this member of the Exchange as a market-maker for those particular financial instruments impossible;
  - 2) incompliance of that member of the Exchange with legal norms of the Republic of Kazakhstan, internal documents of the Exchange or ethical norms of members of the Exchange;
  - 3) existence of cases of violation and/or non-fulfillment by this Exchange member of his responsibilities as a market-maker on any financial instruments (as cases of violation and non-fulfillment of market-maker responsibilities are defined by paragraphs one and two of item 1 of article 6 of these Rules) *(this sub-clause was changed by a decision of the Exchange Management Board of February 1, 2022)*;
  - 4) incompliance of that member of the Exchange with requirements, prohibitions, restrictions, special conditions specified in the Regulations and these Rules.

2. A decision of the Exchange Management Board on compulsory deprivation of its member of the market-maker status in financial instruments of any denomination must contain a record on the day of deactivation of that status, i.e. on the day when this Exchange member is released from the duties of a market-maker on financial instruments of this denomination. At that the day of deactivation of the indicated status is determined by the Exchange independently, based on the fact that such day must not precede the day of making such a decision *(this item was changed by the decisions of the Exchange Management Board of June 09, 2020 and June 8, 2021)*.
3. Within three working days from the date of the decision to forcibly deprive an Exchange member of the market-maker status in financial instruments of any denomination, the Exchange shall send to that Exchange member a notice of forced deprivation of the market-maker status in financial instruments of that denomination, to the authorized body - a written notice of the said order, as well as publish information on such forced deprivation of the market-maker status in the Exchange Internet resource (www.kase.kz). *(this item was changed by the decision of the Exchange Management Board of June 09, 2020)*.
4. The Exchange Management Board's decision to forcibly deprive an Exchange member of the market-maker status on financial instruments of any denomination may be appealed by the Exchange member to the Exchange Board of Directors within 30 working days from the date of the decision of the Exchange Management Board on the basis of an arbitrary application submitted by him to the Exchange.

An appeal against the decision of the Exchange Management Board shall not suspend the decision of the Exchange Management Board.

*(This item was changed by the Exchange Management Board decisions of June 09, 2020 and June 8, 2021)*

**Article 5. Standards of market-makers' activities**

1. Taking into account the requirements of item 12 of the Regulations, the following additional requirements to the quotations supported by the market maker throughout the trading session shall be established:
  - 1) the volume of the mandatory quotation shall not be less than the value established by these Rules or the Contract *(this sub-clause was amended by the decision of the Exchange Management Board of February 1, 2022)*;
  - 2) the spread shall not exceed the value set by these Rules or the Contract, except if the value of such spread is changed in accordance with in accordance with these Rules or the terms of announcement and maintenance of mandatory quotations do not provide for observance of the spread value *(this sub-clause was amended by the decision of the Exchange Management Board of February 1, 2022, March 31, 2022)*;
  - 3) mandatory quotations can be announced and maintained by a particular member of the Exchange on his own account, as well as on account of his clients in accordance with their instructions (taking into account the specifics set out in sub-item 4) of this item);
  - 4) at announcement of mandatory quotations that member of the Exchange is prohibited to use trading accounts controlled through the Control and Collateral System *(this sub-item was changed by a decision of the Exchange's Management Board of December 3, 2020)*.
  - 5) a member of the Exchange who has the status of a market-maker for financial instruments of a particular title is not entitled to submit iceberg orders in fulfillment of his duties for a financial instrument of this title *(this sub-item was included by a decision of the Exchange's Management Board of December 3, 2020)*.



2. If not otherwise specified in these Rules, an order of a member of the Exchange for purchase (sale) of particular financial instruments he is submitting to the trading system in pursuance of his market-maker obligations on those financial instruments, must be marked by that member of the Exchange as a mandatory quotation or a market-maker's order.

In case a member of the Exchange holding the status of a market-maker for particular financial instruments has not marked the order for purchase (sale) of particular financial instruments as a mandatory quotation or the market-maker's order, such order will not be recognized by the trading system as one submitted by that member of the Exchange in pursuance of his market-maker obligations on those financial instruments.

3. The Exchange member having the status of a market-maker on financial instruments of any denomination has the right to change the price indicated in the mandatory quotation announced by him, provided that the spread established by these Rules or the Contract is observed (*this item was changed by the decision of the Exchange Management Board of February 1, 2022*).
4. The Exchange member, who has the status of a market-maker on financial instruments of any denomination, has the right to use a time-out during the trading session, the maximum total duration of which is established by these Rules or the Agreement (*this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022*).

If not otherwise specified in these Rules, the time-out can be used during the trading session piece by piece.

During the trading session the counting of the actual length of the time-out used by the member of the Exchange holding the status of a market-maker for particular financial instruments, begins from the moment of emergence of a situation when that member of the Exchange fails to fulfill any of his obligations (set of obligations) of the market-maker for those financial instruments, is suspended at the moment of correction of that situation, and is continued from the moment of occurrence of each of the consecutive situations of failure of that member of the Exchange to fulfill any of said obligations (set of obligations) and is suspended at the moment of correction of such new situation.

5. The market-maker on securities of any denomination has the right to refuse further announcement and/or maintenance of mandatory quotations on the securities of this denomination during the trading day in the trading system, if the deviation of the price of the last concluded deal with securities of this denomination from their closing price on the previous trading day, or - if there is no closing price on the securities of this denomination on the previous trading day - from their opening price on the current trading day, exceeds the following value:
  - 1) 5.0 percentage points of yield on debt securities (excluding debt securities traded in "dirty" prices);
  - 2) 7.0% on debt securities traded at "dirty" prices;
  - 3) 7.0% on equity securities, mutual fund units, ETF securities and global depositary receipts.

*(This item was included by a decision of the Exchange's Management Board dated 31 March of 2022)*

6. In case of circumstances, as a result of which the Exchange members may incur significant financial losses due to non-fulfillment or improper fulfillment of duties of market makers on securities, the Exchange Management Board may temporarily, for a period not exceeding 10 trading days from the date of the Exchange Management Board decision, expand (increase) the maximum spread values, set by the Market Maker Specification on Securities or the Contract.

Extension of the maximum value of the spread established by the Contract shall be carried out without conclusion of a supplementary agreement to such Contract.

*(This item was included by a decision of the Exchange's Management Board dated 31 March of 2022)*

7. In cases, stipulated by items 5 and 6 of this Article, the market-maker has the right to receive a discount on payment of commission fees of the Exchange, provided there are no other grounds for refusal to receive it, established by these Rules, and is deprived of the right to receive a fee for the period of validity of these items in the amount, set by the specification of the market-maker on securities and/or the Contract *(this item was included by a decision of the Exchange's Management Board dated 31 March of 2022)*.

**Article 5-1. Procedure for selecting a market maker under the Contract**

1. Conclusion of the Contract, first of all, is offered to the acting market-maker on a financial instrument.
2. If there is no active market maker or it refuses to provide market maker services under the Contract, the market maker under the Contract shall be selected by way of request for proposals.  

The best offer is the offer of the Exchange member, which contains the narrowest spread on a financial instrument.
3. The announcement of the request for proposals for market maker services is sent by the Issuer and Investor Relations unit to the Exchange members by e-mail, specifying the offered financial instruments, spread values and cost of services, as well as the date the date and time of closing of applications acceptance.
4. The application of a potential market maker is sent to customers@kase.kz and must contain an indication of the selected financial instrument and a spread offer.
5. On the deadline day, the Issuer and Investor Relations Department collects orders and analyzes proposals.
6. Within one business day after the deadline for submission of orders, the Issuer and Investor Relations Department draws up a protocol of the request for proposals, indicating the best offer.
7. In case several identical proposals are received, the division for work with issuers and investors conducts a repeated request for proposals among Exchange members, who sent identical proposals, in accordance with the procedure stipulated by sub-items 3)-6) of this article.
8. The contract is concluded with the Exchange member who sent the best offer, in the absence of grounds for refusal to assign the market maker status, in accordance with the procedures established by the Exchange internal documents.

*(This article was included by a decision of the Exchange's Management Board dated 31 March of 2022)*

**Article 6. Responsibility for failure to fulfill or violation of market-maker's obligations**

1. Four purpose of differentiating the improper fulfillment of the market-maker's obligations, the Exchange makes distinction between cases of non-fulfillment and violation of the market-maker's obligations.

A case of the market-maker's failure to fulfill his obligation is the situation when the market-maker for particular financial instruments fails to announce and/or maintain quotations for purchase and sale of those financial instruments during the entire trading session (with exceptions defined in items 4 of article 5 of these Rules and item 13 of the Regulations).

The case of market maker violation of his obligation is the situation when the market maker on financial instruments of any denomination does not comply with any of requirements, prohibitions, restrictions and special conditions, established in the main text of these Rules and in the specification of market maker applicable to this Exchange member (with exceptions, established by item 4 of article 5 of these Rules and item 13 of the Regulations, and situation, which falls under the definition, given in paragraph two of this item) and/or the Contract *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

2. If the Exchange member having the status of a market maker on financial instruments of any denomination fails to fulfill or violates the duties (responsibilities) of a market maker within a calendar month, the following sanctions or their combinations are applied to that Exchange member, unless otherwise provided by the Agreement:

for the first violation of the obligation within one calendar month, the market maker loses the right to the commission fee privileges stipulated by the specifications;

for the second violation of the obligation within one calendar month, the market maker loses the right to receive remuneration, if such remuneration is provided by the specification or the Contract, otherwise the rules established by subparagraph 3) of this paragraph shall apply for the second violation of the obligation;

for subsequent cases of violation or for failure to fulfill any obligation of a market maker within one calendar month, the Exchange Management Board may decide to forcibly deprive this Exchange member of the market maker status.

*(This paragraph was amended by decisions of the Exchange Management Board dated June 9, 2020, June 8, 2021 and February 1, 2022).*

3. The decision on application to the Exchange member of a sanction (combination of sanctions) from among those specified in paragraph 2 of this article or provided for in the Contract shall be made by the Exchange Management Board upon results of consideration of all circumstances of occurrence and development of the situation, which falls under the definition provided in paragraphs two and three of paragraph 1 of this article *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

In this case, the sanction providing for the loss of the privilege of payment of commission fees and payment of remuneration by the Exchange shall be unconditionally applied according to the specification of the market maker applicable to this Exchange member or according to the terms and conditions of the Agreement *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

In the course of consideration of circumstances in accordance with paragraph one of this item, the Exchange Management Board shall study all orders submitted by the Exchange member to the trading system, including those not marked by this Exchange member as mandatory quotes or market maker orders.

*(This item was changed by the decisions of the Exchange Management Board of June 09, 2020 and June 8, 2021).*

4. The Board has the right (including in the case stipulated by the second paragraph of item 3 of this article) to make a decision on non-application of a

sanction (combination of sanctions) to a market-maker from among those indicated in item 2 of this article or stipulated by the Contract, in case of force majeure circumstances preventing bona fide and full execution by a market-maker of his obligation and observance of prohibitions, restrictions, special conditions, set by Rules or the Contract. Force majeure means any extraordinary and unavoidable circumstances beyond reasonable control of the Exchange, including, but not limited to, war, military or terrorist actions, actions of government agencies, coup d'etat, fire, natural disasters and other circumstances that the market maker could not foresee and that directly affected the ability of the market maker to fulfill his obligations in good faith and in full, from *(this item was included by a decision of the Exchange Management Board of February 1, 2022)*.

**Article 7. Final provisions**

1. Issues not regulated by these Rules are resolved in accordance with the laws of the Republic of Kazakhstan, internal documents of the Exchange, as well as decisions of the Exchange's bodies, which are made in the prescribed manner within their competence.
2. Responsibility for the timely making of amendments and/or additions to these Rules (updating) lies with the Trading Department.
3. These Rules are subject to updating upon necessity, but at least once every five years, calculated from the date of putting into effect of these Rules.

**Appendix 1**

to the Rules of market-maker activities

Kazakhstan Stock Exchange JSC

*(This appendix was amended by the Exchange Management Board decisions of October 29, 2020 and July 1, 2021)*

**APPLICATION**  
**for assigning the market-maker status**

We hereby request to assign [insert full name of applicant] the status of a market maker on [insert name of financial instruments with indication of available identification details and trading<sup>1</sup> currency] from [insert date] in accordance with the terms of the scheme [insert scheme number, if any]. *(this paragraph was changed by the decision of the Exchange Management Board of November 4, 2021).*

Account, from which mandatory quotations of the market-maker will be announced and maintained in fulfillment of his duties - [specify own or client account]<sup>2</sup>.

We confirm that we have read the internal documents of the Exchange "Regulations on Market Makers" and "Rules of Market Makers' Activities", including the obligations and obligations arising from our status as a market maker in the above financial instruments and our responsibility as such a market maker.

We undertake to announce and maintain mandatory quotations on the above financial instruments in accordance with the said Regulations on Market Makers and other obligations arising from our status as a market maker on the above financial instruments.

Position

[signature]

Surname, initials

[stamp (if available)]

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<sup>1</sup> Trading currency is indicated if the financial instrument is traded with settlements in two or more currencies *(this footnote was included by decision of the Exchange Management Board of November 4, 2021).*

<sup>2</sup> The trading account from which the mandatory quotations will be announced and maintained in fulfillment of the market maker's duties shall be specified in case of application for assignment of the market maker's status under the futures *(this footnote was included by the decision of the Exchange Management Board of July 1, 2021, the numbering of this footnote was changed by the decision of the Exchange Management Board of November 4, 2021).*

**Appendix 1-1**  
to the Rules of Market  
Maker Activities

*(This appendix was included by decision of the Exchange Management Board of February 1, 2022)*

**APPLICATION**  
**on assignment of market maker status**  
**on the basis of the Market Maker Service Agreement**

We hereby request that [insert full name of the applicant] be assigned market maker status on [insert name of financial instruments with available identification details] from [insert date] in accordance with the terms and conditions of the Market Maker Services Agreement No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter referred to as the Agreement).

We confirm that we have read the internal documents of the Exchange "Regulations on Market Makers" and "Rules of Market Makers' Activities", including the obligations and obligations arising from our status as a market maker and our responsibility as such a market maker.

We undertake to announce and maintain, in accordance with the Market Maker Regulation and the Market Maker Service Agreement, the mandatory quotations and other obligations arising from our status as a market maker in the above financial instruments.

Position

[signature]

Surname, initials

[stamp (if any)]

**Appendix 2**

to the Rules of market-maker activities

**SPECIFICATION**  
**of the market-maker for securities**

**Part 1. REQUIREMENTS FOR MANDATORY QUOTATIONS**

- 1.1. Mandatory quotations on securities are maintained in the trading system throughout the trading day (taking into account the particulars specified in paragraph two of this item and part 2 of this Specification).

The market-maker, for units of a unit investment trust, of which he is the management company, begins to announce and maintain mandatory quotations two trading days after the date of commencement of the market-maker functions for such units.

*(This item was changed by a decision of the Exchange's Management Board of February 23, 2021)*

- 1.2. Unless otherwise provided by a decision of the Exchange Board of Directors in respect of securities of any particular denomination, the market maker shall announce and maintain mandatory quotations (at its option) in accordance with the terms of circuits 1, 2, 3 or 4, set forth in the appendix to this Specification *(this item was changed by decisions of the Exchange Management Board dated June 30, 2020, October 29, 2020 and April 29, 2021)*.

- 1.2-1. The number of equity securities / ETF securities / global depositary receipts, deals with which are settled in US dollars, according to the condition of Scheme 1, is calculated on a weekly basis on the first business day of the calendar week according to the following algorithm:

- 1) before 09:30 o'clock, Almaty time, the Exchange's Information and Statistics Department fixes the closing price of these equity securities / ETF securities / global depositary receipts determined on the last business day preceding the first business day of the current calendar week on the London Stock Exchange, published on the terminal of the Bloomberg information system; in the absence of such information on the Bloomberg terminal or its inoperability, reliable websites are used as backup sources of such information regarding the reliability and relevance of closing prices published on them;
- 2) the closing price of this item on these equity securities / ETF securities / global depositary receipts obtained in accordance with sub-item 1) of this item is transferred to the Exchange's Trading Department, which calculates the number of equity securities / ETF securities / global depositary receipts according to the following formula:

$$K = \frac{2\,000 \times MCI}{P \times R}, \text{ where}$$

- K – number of equity securities / ETF securities / global depositary receipts rounded up;
- MCI – monthly calculation indicator for calculating pensions, benefits and other social payments, as well as for applying penalties, taxes and other payments in accordance with the legislation of the Republic of Kazakhstan, the value of which is established by the laws of the Republic of Kazakhstan on the republican budget for the relevant years;
- P – closing price obtained in accordance with sub-item 1) of this item;
- R – official rate of the national currency established by the National Bank of the Republic of Kazakhstan on the day of settlement;
- 3) the number of equity securities / ETF securities / global depositary receipts received in accordance with sub-item 2) of this item is entered into the Exchange's trading system and 60 minutes before the opening of trading with these equity securities / ETF securities /

global depositary receipts is sent to the market-maker by e-mail.

*(This item was included by a decision of the Exchange Management Board of June 30, 2020 and amended by the decisions of the Exchange Management Board of December 11, 2020 and November 4, 2021)*

1.2-2. Number of securities, included in "KASE Global" sector, announced and supported by the market-maker according to schemes 1 and 2, is calculated on a monthly basis on the first working day of each calendar month according to the following algorithm:

- 1) before 09:30 a.m. Almaty time the Exchange's information and statistics division records the closing price of securities on the last business day preceding the first business day of the calendar month on the New York Stock Exchange, published on the Bloomberg information system terminal; in case such information is not available on the Bloomberg terminal or it is inoperative, websites trustworthy in terms of reliability and timeliness are used as backup sources of such information and up-to-date closing prices published thereon are used as backup sources of such information.;
- 2) the closing price of securities received in accordance with subparagraph 1) hereof shall be transferred to the trading unit, which shall calculate the number of securities according to the following formula:

$$K = \frac{10\,000\text{USD}}{P}, \text{ where}$$

- K – number of securities rounded upwards;
- P – the closing price received in accordance with subparagraph 1) of this paragraph;
- 3) the number of securities received in accordance with sub-clause 2) hereof shall be entered into the Exchange information system and sent to the market-maker by e-mail 60 minutes prior to the opening of trading in these securities.

*(This item was included by the decision of the Exchange Management Board of November 4, 2021)*

1.3. To move from one scheme of announcement and maintaining of mandatory quotes to another the market-maker must five working days before the beginning of the calendar month, provide the Exchange with a corresponding application drawn up in any form.

Transition from one scheme of announcement and maintaining of mandatory quotes to another during the current month is prohibited.

1.4. The minimum number of government securities issues for which the market maker announces and maintains the mandatory quotations in accordance with the scheme 1 or 2 is five issues of government securities, the term to maturity of which is:

less than 360 days;

361 days to 1,080 days inclusive;

1,081 days to 1,800 days inclusive;

1801 days to 2520 days inclusive;

2521 days to 3600 days inclusive.

The minimum number of issues of government securities for which the market maker announces and maintains the mandatory quotations in accordance with the scheme 3 or 4 is one issue of government securities.

*(This item was supplemented by a decision of the Exchange Management Board of June 30, 2020, changed by decisions of the Exchange Management Board of September 10, 2020, December 3, 2020 and April 29, 2021)*

1.5. Mandatory quotes announced by a market-maker during a discrete auction trading in securities are not considered by the trading system as submitted by a member of the Exchange in pursuance of his duties as a market-maker at the time of such an auction *(this item was*



*included by a decision of the Exchange's Management Board dated June 9, 2020).*

- 1.6. A market-maker for government securities, whose mandatory quotation parameters correspond to the conditions of Schemes 1 or 2, has the right to increase the number of government securities issues for which he intends to announce and maintain mandatory quotations, regardless of the number of days remaining until their maturity (*this item was included by a decision of the Exchange's Management Board of September 10, 2020 and changed by a decision of the Exchange's Management Board of December 3, 2020*)

## **Part 2. TERMS OF THE TIME-OUT**

- 2.1. On securities the time-out can be used at any time of the trading day.
- 2.2. The maximum total duration of the time-out on securities is 90 minutes within one trading day, taking into account the specifics set forth in the second paragraph of this clause.

Maximum total duration of time-out on securities included in in KASE Global sector is 192 minutes within one trading day.

*(This item was included by the decision of the Exchange Management Board of November 4, 2021)*

- 2.3. The maximum total length of the time-out on government securities makes up 150 minutes during one trading day.

## **Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER**

- 3.1. A market-maker for government securities who chose the scheme of 1 or 2 of announcement and maintaining of mandatory quotes, has the right to change the type of security within one circulation period in order to maintain the mandatory quotation for such a security, provided that from the day this member of the Exchange was assigned the status of a market-maker for a variable security, the term of his activity as a market-maker is at least ten trading days (*this item was supplemented by a decision of the Exchange's Management Board dated June 30, 2020*).
- 3.2. A market-maker may relinquish further announcement and/or maintenance during the trading day in the trading system of mandatory quotations on particular securities, if the accomplished total volume of purchase-sale transactions in those securities, concluded by this member of the Exchange during the trading day (based on mandatory quotations he announced earlier) made up at least:
  - 1) five-fold minimum amount of mandatory quotation for equity/debt securities, units of a mutual investment fund, ETF securities and global depository receipts of this denomination (*this sub-item was changed by a decision of the Exchange's Management Board dated June 30, 2020*);
  - 2) three-fold minimum amount of mandatory quotation on government securities of this denomination (*this sub-item was changed by a decision of the Exchange's Management Board dated June 30, 2020*).
- 3.3. (*This item was changed by the decisions of the Exchange Management Board dated June 30, 2020 and February 1, 2022 and was excluded by a decision of the Exchange's Management Board dated 31 March of 2022*)

## **Part 4. PREFERENCE AND REMUNERATION FOR THE MARKET-MAKER. SPECIAL CONDITION**

- 4.1. A market-maker on equity securities, trades in which are settled in tenge, debt securities, units of mutual funds, ETF securities and global depository receipts of any denomination shall pay the Exchange commission fees on deals in purchase and sale of securities of that

denomination at the rate reduced by 50% relative to the rate applicable to such deals in accordance with the Exchange internal document on membership fees, exchange and clearing fees, if during one calendar month, for which the Exchange commission fees are accrued on trades of purchase and sale of securities of this denomination, parameters of its mandatory quotations meet the conditions of scheme 1.

The market-maker on equity securities, settlements on deals in which are made in tenge, debt securities, units of the unit investment fund, ETF securities and global depositary receipts of any denomination shall be exempt from payment of the Exchange commission fees on deals in purchase and sale of securities of that denomination, if during one calendar month, for which the Exchange commission fees are accrued on trades of purchase and sale of securities of this denomination, its mandatory quotation parameters meet the conditions of Scheme 2 and are announced and/or maintained by it from its own account (in its own interests and at its own expense).

*(This item was amended by the decisions of the Exchange Management Board of June 30, 2020, December 03, 2020 and November 4, 2021)*

- 4.2. A market-maker for government securities, regardless of the chosen scheme, is exempted from payment of the Exchange's commission fees on transactions of purchase and sale of securities of this title, for which he fulfills the obligations of the market-maker.

A market-maker for government securities of particular denomination pays the Exchange's commission fees on transactions with other government securities for which he does not perform the functions of a market-maker at a rate reduced by 50% relative to the rate applicable to such transactions in accordance with the Exchange's internal document on membership dues, exchange and clearing fees *(this paragraph was changed by a decision of the Exchange's Management Board dated June 30, 2020)*.

The first and second paragraphs of this item do not apply to transactions on repurchase of government securities issued by the Ministry of Finance of the Republic of Kazakhstan.

- 4.3. A market-maker for equity securities, the parameters of the mandatory quotes of whom within one calendar month for which the Exchange's commission fees are charged, comply with the conditions of Scheme 3, is exempt from payment of the Exchange's commission fees *(this paragraph was changed by a decision of the Exchange's Management Board dated December 3, 2020)*.

A market-maker for equity securities, the parameters of the mandatory quotes of whom within one calendar month correspond to the conditions of scheme 3, is entitled to receive a fee in the amount of 25% of the amount of the Exchange's commission fee received from the counterparty of the concluded deal, taking into account the following *(this paragraph was changed by a decision of the Exchange's Management Board dated December 3, 2020)*:

- 1) the counterparty on purchase-sale transactions is not this market-maker;
- 2) the order of the market-maker, according to which the purchase and sale transaction was concluded, has been submitted to the trading system earlier in time than the counterparty's order for such a transaction, and the amount of such a transaction is 3,000 times the MCI.

- 4.3-1. A market-maker for government securities, the parameters of the mandatory quotations of whom within one calendar month, for which the Exchange's commission fees are charged, correspond to the conditions of Scheme 3, is entitled to receive a remuneration in the amount of 50% of the amount of the Exchange's commission fee received from the counterparty on the concluded deal, considering the following *(this paragraph was changed by a decision of the Exchange's Management Board of December 3, 2020)*:

- 1) this market-maker is not the counterparty for purchase and sale transactions;
- 2) the market-maker's order, on which the purchase and sale deal was concluded, was submitted to the trading system earlier in time than the counterparty's order for such a deal, and the size of such a deal is equal to 500,000,000 tenge at par.

- 4.3-2. Market maker on securities included in "KASE Global" sector, which parameters of mandatory quotations during one calendar month meet the conditions of schemes 1 and 2:

- 1) is exempt from payment of commission fees of the Exchange on transactions of purchase and sale of securities of this denomination;
- 2) is entitled to remuneration, which consists of a fixed and a variable part, the amounts of which are set out in Annex 2 to this Specification.

*(This item was included by the decision of the Exchange Management Board of November 4, 2021)*

4.3-3. Clause 4.3-2 of this Specification shall apply only to passive<sup>3</sup> trades of purchase and sale of securities concluded by the market maker *(this item was included by the decision of the Exchange Management Board of November 4, 2021)*.

4.4. Clauses 4.1- 4.3-2 and sub-clause 4.3-2 (1) of this Specification shall not apply to *(this paragraph was amended by the decisions of the Exchange Management Board dated July 14, 2020 and November 4, 2021)*:

- 1) transactions with state-owned stakes in organizations being privatized;
- 2) transactions related to repo transactions;
- 3) transactions of purchase and sale of securities concluded by direct deals;
- 4) transactions in government securities with less than 360 days to maturity.

*(This item was included by a decision of the Exchange's Management Board of July 14, 2020)*

4.5. Payment of remuneration to the market-maker in accordance with paragraph two of item 4.3, item 4.3-1, sub-item 2) of item 4.3-2 of this Specification, provided that his duties are performed within five working days of the month following the month of calculation, based on the information received by the Exchange on details of the Exchange member and the invoice for payment, work performance certificate and invoice issued by it *(this item was changed by the decisions of the Exchange Management Board dated July 14, 2020 and November 4, 2021)*.

4.6. *(This item was changed by a decision of the Exchange's Management Board dated December 3, 2020 and was excluded by a decision of the Exchange's Management Board dated 31 March of 2022)*.

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<sup>3</sup> A passive deal is a deal concluded on the basis of a market maker's order submitted to the trading system earlier than the counterparty's order on such a deal *(this footnote was included by decision of the Exchange Management Board of November 4, 2021)*.

## Appendix 1

to the Specification of the market-maker for securities

*(this header has been changed by a decision of the Exchange Management Board of November 4, 2021)*

*(This appendix was included by a decision of the Exchange Management Board of October 29, 2020 and amended by decisions of the Exchange Management Board dated December 11, 2020 and April 29, 2021)*

### **S C H E M E S** **of announcement and maintenance of mandatory quotations for securities**

| Name  | Scheme 1   |                             | Scheme 2   |                             | Scheme 3  |  | Scheme 4   |                             |
|---|--|-----------------------------|--|-----------------------------|---|--|--|-----------------------------|
| Financial instruments   | Volume of obligatory quotations for purchase (sale), MCI | Maximum value of the spread | Volume of obligatory quotations for purchase (sale), MCI | Maximum value of the spread | Volume of obligatory quotations for purchase (sale) | Maximum value of the spread                        | Volume of obligatory quotations for purchase (sale), MCI | Maximum value of the spread |
| 1   | 2  | 3                           | 4  | 5                           | 6   | 7  |  |                             |
| Equity securities/mutual fund units/ETF securities/global depositary receipts (calculated in in | 2,000-fold   | 3.0 %                       | 3,000-fold   | 1.0 %                       | 3,000-fold MCI                                      | maintaining quotes at the best prices <sup>4</sup> | -  | -                           |

<sup>4</sup> The best prices are the prices in relation to other bids of trading participants, i.e. order price of the market-maker's order to buy must be the highest, and the order to sell must be the lowest of all available orders *(this footnote was renumbered by the decisions of the Exchange Management Board of July 1, 2021 and November 4, 2021)*.

Rules of market-maker activities

| Kazakhstani Tenge)  |   |   |                   |   |                                 |   |                  |   |
|---|---|---|-------------------|---|---------------------------------|---|------------------|---|
| <b>Mutual fund units (with settlements in US dollars)</b> | \$13,500  | 3.0 %   | -                 | -   | -                               | -   | -                | -   |
| <b>Debt securities</b>                                    | 1.000 - multiple (for bonds, settlements on deals with which are made in Kazakhstani tenge) or 5.000 US dollars (for bonds, settlements on deals with which are made in US dollars) | 2.0 percentage points between the values of yields of obligatory quotations or 3.0 % of the mandatory quotation bid price for mandatory quotations on perpetual debt and debt | -                 | -   | -                               | -   | -                | -   |
| <b>Government securities</b>                              | 50,000-fold size  | traded in "dirty" prices  | 100,000-fold size | 1.0 percentage point between the values of yields of mandatory quotes or 2.0% of the mandatory quotation bid price for mandatory quotations on debt traded in "dirty" prices. | 500,000,000 tenge at face value | 1 % of the price of a mandatory buy quotation | 50,000-fold size | 2.0 percentage points between the values of yields of obligatory quotations or 3.0% of the mandatory quotation order price for mandatory quotations on perpetual debt and debt traded in "dirty" prices |
| <b>Name</b>   | <b>Scheme 1</b>   |   | <b>Scheme 2</b>   |   | <b>Scheme 3</b>                 |   | <b>Scheme 4</b>  |   |

Rules of market-maker activities

| Financial instruments  | Quantity, pcs.  | Maximum value of the spread | Quantity, pcs.                                    | Maximum value of the spread | Quantity, pcs. | Maximum value of the spread | Volume of obligatory quotations for purchase (sale), MCI | Maximum value of the spread |
|--|---|-----------------------------|---|-----------------------------|----------------|-----------------------------|--|-----------------------------|
| <b>Securities ETFs/Global Depository Receipts (settled US dollars)</b><br><i>(the text of this box was changed by the decision of the Exchange Management Board of November 4, 2021)</i> | Quantity calculated in accordance with paragraph 1.2.-1 | 3.0 %                       | -   | -                           | -              | -                           | -  | -                           |
| <b>Securities included in the "KASE Global" sector</b>   | Quantity calculated in accordance with paragraph 1.2-2  | 1.0 %                       | Quantity calculated in accordance with item 1.2-2 | over 1 % to 3 % inclusive   | -              | -                           | -  | -                           |
| <i>(This line was included by a decision of the Exchange Management Board of November 4, 2021)</i>   |   |                             |   |                             |                |                             |  |                             |

## Appendix 2

to the Specification for the  
Market Maker of Securities

*(This appendix was included by decision of the Exchange Management Board of November 4, 2021)*

### REMUNERATION AMOUNTS of market-makers on securities included in the "KASE Global" sector

The amount of remuneration for a market maker depends on the scheme of announcing and maintaining compulsory quotations for a security and is as follows:

| No. p/p | Part of the remuneration | Scheme 1 of the announcement and maintaining mandatory quotes                 | Scheme 2 of the announcement and maintaining mandatory quotes |
|---------|--------------------------|---|---|
| 1       | 2                        | 3   | 4   |
| 1.      | Fixed <sup>5</sup>       | \$100 per calendar month for one security                                     | \$100 per calendar month for one security                     |
| 2.      | Variable                 | 2 times the commission fee of the Exchange for each sale-purchase transaction | –   |

If two or more market makers are set for a security of any denomination, the fixed and variable parts of remuneration for such market makers are as follows:

| No. p/p | Market Maker  | Scheme 1 of the announcement and maintaining mandatory quotes |   | Scheme 2 of the announcement and maintaining mandatory quotes |               |
|---------|---|---|---|---|---------------|
|         |   | Fixed part  | Variable part   | Fixed part  | Variable part |
| 1       | 2   | 3   | 4   | 5   | 6             |
| 1.      | The market maker whose volume of transactions concluded on a security of any denomination during the period for which remuneration is accrued is the largest among all market makers on a security of this denomination | \$100 per calendar month for one security                     | 2 times the commission fee of the Exchange for each sale-purchase transaction | \$100 per calendar month for one security                     | –             |
| 2.      | Other market makers   | \$50 for one calendar month for one security                  | –   | \$50 for one calendar month for one security                  | –             |

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<sup>5</sup> recalculated by the Exchange in tenge at the official rate of the National Bank of the Republic of Kazakhstan, set on the day of calculation of the remuneration of the market maker.





**Appendix 3**

to the Rules of market-maker activities

**SPECIFICATION**  
**of the market-maker for futures**

*(This appendix was amended by the decisions of the Exchange Management Board of June 09, 2020, June 8, 2021 and July 1, 2021).*

**Part 1. REQUIREMENTS FOR MANDATORY QUOTATIONS**

- 1.1. Market Maker maintains mandatory quotations on the futures of any name, the execution date of which is the closest to the trading day, on which the mandatory quotations are maintained.
- 1.2. The minimum volume of the best mandatory quotation of the market-maker on the futures is:
  - 1) 100 futures contracts - on the futures for the U.S. dollar to tenge exchange rate;
  - 2) 500 futures contracts - for futures on shares of Kazakhstani issuers;
  - 3) 2,000 futures contracts - on KASE Index futures.
- 1.3. The maximum value of the spread for mandatory quotes on the futures is:
  - 1) 0.4 tenge - on the futures on the US dollar to tenge exchange rate;
  - 2) 4 tenge - on the futures on common shares of JSC "Halyk Savings Bank of Kazakhstan;
  - 3) 80 tenge - on the futures for common shares of NAC Kazatomprom JSC;
  - 4) 30 tenge - on KASE Index futures.
- 1.4. During the period of increased volatility of the futures market, the Exchange Management Board has the right to change the size of the minimum volume of the best mandatory quotation of the market maker and/or the maximum spread value for mandatory quotations of the market maker on futures of any denomination.
- 1.5. The Exchange Management Board independently determines the state of the futures market as normal or volatile depending on various parameters of this market, including the amount of futures price fluctuations.

The Exchange Management Board also has the right to determine the state of the futures market as volatile based on the statements received from futures market makers (prepared in on recognition of the futures market condition as volatile

**Part 2. TERMS OF TIME-OUT**

- 2.1. For foreign currencies timeout can be used at any time of the trading session.
- 2.2. The maximum total duration of the timeout is:
  - 1) five minutes - in respect of any financial instrument in foreign currency with the trading day settlement period and transactions in foreign currency in respect of the yuan, except for the time-out on the instruments in respect of the ruble with the term of settlement on the trading day, which is 60 minutes;

- 2) 60 minutes - on a financial instrument in foreign currency with a settlement date on the next business day and on the second business day after the trading day and currency swap transactions / transactions in foreign currency in respect of the dollar, euro and ruble.

*(This item was changed by the decisions of the Exchange Management Board of December 3, 2020 and April 29, 2021).*

### **Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER**

- 3.1. A market-maker for particular futures may relinquish further announcement and/or maintenance during the trading day in the trading system of mandatory quotations on those futures, if the accomplished total volume of purchase-sale transactions in those futures, concluded by that member of the Exchange during the trading day (based on mandatory quotations he announced earlier) made up at least the two-fold minimum volume of the best mandatory quotation on those futures.

### **Part 4. REMUNERATION OF THE MARKET-MAKER**

- 4.1. A market-maker for particular futures is released from payment of the Exchange's commission fees.
- 4.2. The Exchange pays a member of the Exchange who has the status of a market-maker for particular futures, a fee of 50% of the amount of the commission fee received from the counterparty of the concluded transaction.
- 4.3. The Exchange's Management Board independently determines the state of the futures market as normal or volatile depending on various parameters of this market, including the magnitude of fluctuations in futures prices.

The Exchange's Management Board may also determine the state of the futures market as volatile based on the applications received from market-makers for futures (compiled in deliberate form) on the recognition of the state of the futures market as volatile.

- 4.4. Market-makers for futures are not subject to the responsibility defined in article 6 of the Rules.  
The special condition established by the first paragraph of this item is subject to cancellation by the Exchange's Board of Directors upon reaching the level of liquidity on the futures market determined by it.
- 4.5. A member of the Exchange holding the status of a market-maker for particular futures:
  - 1) for a three-fold violation of any obligation of the market-maker within one calendar month, loses the right to receive the remuneration established by item 4.2 of this Specification;
  - 2) for the fourth case of violation of any obligation of the market-maker within one calendar month, a member of the Exchange's Management Board in charge of the trading division has the right to issue an instruction to forcibly strip this Exchange member of the market-maker status *(this paragraph was changed by a decision of the Exchange's Management Board dated June 9, 2020).*



**Appendix 4**

to the Rules of market-maker activities

**SPECIFICATION**  
**of the market-maker for foreign currencies**

**Part 1. REQUIREMENTS FOR THE MARKET-MAKER (CANDIDATE FOR MARKET-MAKERS)  
AND FOR MANDATORY QUOTATIONS**

- 1.1. The equity of a member of the Exchange holding the status of a market-maker for a particular foreign currency-based financial instrument or wishing to obtain such status must equal to at least 1,000,000-fold MCI.
- 1.2. If not otherwise specified by a decision of the Exchange's Board of Directors with regard to a particular foreign currency-based financial instrument, the minimum volume of the best mandatory purchase (sale) quotation for foreign currency-based financial instrument makes up:
  - 1) on the US dollar (hereinafter – the dollar) and on currency swap transactions/foreign currency transactions regarding the dollar – USD500,000 (*this sub-item was supplemented by a decision of the Exchange's Management Board of December 3, 2020*);
  - 2) on the ruble of the Russian Federation (hereinafter – the ruble) and on foreign currency transactions in relation to the ruble:

according to scheme 1 of the announcement and maintenance of mandatory quotations – 5,000,000 rubles;

according to scheme 2 of the announcement and maintenance of mandatory quotations – 20,000,000 rubles;

*(this sub-item was changed by decisions of the Exchange's Management Board of October 29, 2020 and December 3, 2020)*
  - 3) on the Chinese yuan (hereinafter – the yuan) and on foreign currency transactions regarding the yuan – CNY100,000 (*this sub-item was changed by a decision of the Exchange's Management Board of December 3, 2020*).
- 1.3. The maximum value of spread makes up:
  - 1) for mandatory quotations on the dollar – KZT0.3 (*this sub-item was changed by a decision of the Exchange's Management Board dated December 3, 2020*);
  - 2) for mandatory quotations on the ruble regardless of the chosen scheme of announcing and maintaining mandatory quotes – KZT0.01 (*this sub-item was changed by a decision of the Exchange's Management Board of October 29, 2020*);
  - 3) for mandatory quotations on the yuan – KZT0.07;
  - 4) for currency swap transactions / foreign currency transactions with regard to the dollar, ruble and yuan – 1.5 percentage points between yield values of mandatory quotations (*this sub-item was supplemented by a decision of the Exchange's Management Board dated December 3, 2020*).
- 1.4. In case of emergence of circumstances resulting in members of the Exchange possibly incurring substantial financial losses from their undue performance of obligations of the market-maker for a particular foreign currency-based financial instrument, the Exchange's Management Board may temporarily, for no longer than 10 (ten) trading days, increase at most twice the maximum value of the spread for mandatory quotations on that financial instrument, specified in item 1.3 of this Specification.

## Part 2. TERMS OF THE TIME-OUT

- 2.1. On foreign currencies the time-out can be used at any time during the trading session.
- 2.2. The maximum total length of the time-out makes up:
  - 1) five minutes – on a particular foreign currency-based financial instrument with a settlement date on the trading day and on foreign currency transactions regarding the yuan (*this sub-item was changed by a decision of the Exchange's Management Board dated December 3, 2020*);
  - 2) 60 minutes – on a particular financial instrument in foreign currency with a settlement date of the next business day and the second business day after the trading day and currency swap transactions/foreign currency transactions regarding the dollar, euro and ruble (*this sub-item was supplemented by a decision of the Exchange's Management Board dated December 3, 2020*).

## Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER

- 3.1. A market-maker for a particular foreign currency-based financial instrument may relinquish further announcement and/or maintenance during the trading session in the trading system of mandatory quotations on that financial instrument, if the accomplished total volume of purchase-sale transactions in that financial instrument, concluded by that member of the Exchange during the trading day (based on mandatory quotations he announced earlier) made up at least the five-fold minimum volume of the best mandatory quotation on that financial instrument.

## Part 4. PREFERENCES FOR THE MARKET-MAKER. SPECIAL CONDITIONS

- 4.1. The Exchange's internal document on membership fees, exchange and clearing commissions for foreign currency market-makers can specify preferences on payment of monthly membership fees (*this item was changed by decision of the Exchange's Management Board dated June 30, 2020*).
- 4.2. Market-makers for foreign currency-based financial instruments are not subject to item 2 of article 5 of the Rules of market-maker activities.
- 4.3. (*This item was excluded by a decision of the Exchange's Management Board dated December 3, 2020*).
- 4.4. If on a particular trading day the Exchange doesn't conduct trading in the financial instrument on the ruble and/or yuan with settlement on the trading day, then the market-maker may not maintain mandatory quotations on the financial instrument on the yuan on that trading day (*this item was supplemented by a decision of the Exchange's Management Board of October 29, 2020*).