

KAZAKHSTAN STOCK EXCHANGE

Appendix M1

to Rules of Exchange
Securities Trading

Agreed on

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

January 21, 2005

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

E. BAKHMUTOVA

Approved

by the decision of Kazakhstan
Stock Exchange Board of Directors
(protocol No. 49 of December 29, 2004)

Effective

January 24, 2005

NOTICE

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

REGULATIONS on Trading Methods

Almaty
2004

LIST OF AMENDMENTS

1. Changes and Additions No. 1:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on July 12, 2005;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 18 of June 21, 2005);
- effective from July 1, 2005.

2. Changes No. 2:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on July 28, 2005;
- approved by the decision of Kazakhstan Stock Exchange Board of Directors (protocol No. 25 (3) of July 18, 2005);
- effective from July 29, 2005.

3. Changes and Additions No. 3:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on March 11, 2007;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 14 of March 15, 2007);
- effective from March 16, 2007.

4. Changes No. 4:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on November 5, 2009;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 24 of October 1, 2009);
- effective from January 1, 2010.

5. Changes No. 5:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 23, 2010;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 28 of October 28, 2010);
- effective from December 28, 2010.

6. Change and Additions No. 6:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on June 17, 2011;
- approved by Kazakhstan Stock Exchange Board of Directors decision (protocol No. 07 of March 31, 2011);
- effective from July 1, 2011.

7. Additions and changes No. 7:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on December 2, 2011;

- approved by Kazakhstan Stock Exchange Board of Directors' decision (meeting minutes No. 26 of October 6, 2011);
- effective from June 11, 2012.

8. Changes No. 8:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on March 2, 2012;
- approved by Kazakhstan Stock Exchange Board of Directors' decision (meeting minutes No. 02 of January 31, 2012);
- effective from March 15, 2012.

9. Additions and change No. 9:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on February 12, 2013;
- approved by Kazakhstan Stock Exchange Board of Directors' decision (meeting minutes No. 3 of February 11, 2013);
- effective from February 13, 2013.

10. Changes No. 10:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on October 30, 2013;
- approved by Kazakhstan Stock Exchange Board of Directors' decision (meeting minutes No. 23 of September 26, 2013);
- effective from November 18, 2013.

11. Changes No. 11:

- agreed on with the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan on December 24, 2013;
- approved by Kazakhstan Stock Exchange Board of Directors' decision (meeting minutes No. 29 of November 28, 2013);
- effective from December 30, 2013.

12. Changes No. 12:

- agreed upon with the National Bank of Republic of Kazakhstan on April 24, 2014;
- approved by a decision of the Exchange Council of Kazakhstan Stock Exchange (minutes No. 14 of the meeting on March 28, 2014);
- effective as of May 6, 2014.

13. Changes and additions No. 13:

- approved by a decision of the Exchange's Board of Directors (minutes No. 40 of the meeting on December 9, 2016);
- effective as of January 1, 2017.

These Regulations describe trading methods used by Kazakhstan Stock Exchange (hereinafter – the Exchange).

Chapter 1. GENERAL PROVISIONS

Article 1. Basic Terms

1. The Regulations apply:
 - 1) concepts defined with other Exchange internal documents;
 - 2) concepts defined with articles 2 and 3 hereof.
2. Other terms used herein shall mean the following:
 - 1) **"additional offering of securities"** – placement of securities not offered for placement or not placed in the previous iterations of special trade on securities offering;
 - 2) **"counter order"** – using any other trading method:
in relation to an effective order for sale of any financial instrument – the order for purchase of the same financial instrument;
in relation to an effective order for sale of any financial instrument – the order for sale of the same financial instrument;
 - 3) **"direct order"** – at nego deals: an order addressed to a trader and visible to such trader only;
 - 4) **"iteration"** – an independent phase of discrete trades;
 - 5) **"indicative quote"**¹ – an order imposing no obligations on the trader that submitted it to conclude the deal on the terms as in the order;
 - 6) **"lot"** – a unit to trade financial instrument; amount of financial instrument, the order size for such financial instrument must be equal/fold to such lot;
 - 7) **"Exchange administrator"** – the Exchange employee, organizing and executing trades in financial instruments and enjoying supreme authorities among other Exchange employees carrying out such functions;
 - 8) **"trading system"** – the set of facilities, internal documents of the Exchange and other necessary assets and procedures, with the use of which deals are concluded in serial securities and other financial instruments between members of Exchange (*this sub-item was changed by a decision of the Exchange Council dated March 28, 2014*);
 - 9) **"order acceptance"** – conclusion of deals based on an order in full or partial amount at the expense of active counter orders;
 - 10) **"trader"** – an Exchange member admitted to conclusion of deals with the use of the Exchange's trading system and taking part in the Exchange-operated trading (*this sub-item was changed by a decision of the Exchange Council dated March 28, 2014*);
 - 11) **"best price"**:
for a financial instrument seller – a financial instrument price not less than the price at which the seller is ready to sell the financial instrument;

¹ Acceptable synonym – "direct quotation".

- for a financial instrument buyer – a financial instrument price not higher than the price at which the buyer is ready to buy this financial instrument;
- 12) **"order price"**² – financial instrument sale/purchase price as indicated in the order;
- 13) **"striking price"**³:
at Frankfurt trade – the price of financial instrument, determined in the course of a separate iteration, at which the financial instrument may be traded in the maximum amount;
at special trade – the price of financial instrument, based on which the sole seller (buyer) of the financial instrument is selecting (striking off) counter orders for conclusion of deals in the financial instrument (at the price or prices best for the sole seller (buyer) of this financial instrument);
- 14) **"deal price"** – price of the financial instrument, at which the deal was concluded (*this sub-item was changed by the Exchange Council decisions of March 31, 2011 and January 31, 2012*).
- 15) (*this sub-item was included by the Exchange Council decision of March 31, 2011 and removed by the Exchange Council decision of January 31, 2012*);
- 16) **"Central depository"** – JSC "Central Securities Depository" (*this sub-item was included by the Exchange Council decision of October 6, 2011 and changed by the Exchange Council decision of September 26, 2013*).
3. For purposes hereof:
- 1) financial instruments shall mean the instruments admitted to circulation on the Exchange;
 - 2) trades shall mean trades held by the Exchange;
 - 3) deals shall mean deals in financial instruments concluded at trades;
 - 4) size of an order⁴ shall mean its volume in units of measure of the financial instrument.

Article 2. General Provisions on Orders

1. The order means an offer for conclusion of the deal submitted by the trades' participant, i.e. announcement of any trades' participant about willingness to conclude the deal based on this announcement terms or terms allowing this announcement submission.
2. Orders are divided into:
 - 1) (by area):
an order for sale, i.e. orders submitted by financial instruments sellers;
purchase orders, i.e. orders submitted by financial instruments buyers;
 - 2) (by degree of relevance):
effective orders, i.e. orders accepted by the Exchange, unsatisfied in the full volume and not annulled by trades' participants, who submitted them

² Acceptable synonym – "announced price".

³ Cut-off price may have both the money and the percentage terms (e.g. in percentage to the bond face value); in the last case the acceptable synonym of the "cut-off price" is the "cut-off rate".

⁴ Acceptable synonym – "quantity of order".

or the Exchange, pursuant to these Regulations and other Exchange internal documents;

invalid orders, i.e. orders unaccepted by the Exchange or orders accepted by the Exchange and satisfied in the full volume, or orders accepted by the Exchange unsatisfied in the full volume, but annulled by trades' participants who submitted these orders or the Exchange, pursuant to these regulations and other Exchange internal documents;

- 3) (by an indicated price):
 - limited orders⁵, i.e. orders which contain financial instruments prices;
 - market orders⁶, i.e. orders without financial instruments prices and meaning that trades' participants, who submitted these orders, are willing to conclude deals at any prices allowing these orders satisfaction.
3. Excluding exceptions established by item 4 of this article, the order submission mean unconditional agreement of applied trades' participant to conclude the deal based on this order.
4. The trades' participant has the right to refuse conclusion of the deal based on the submitted order in the following cases:
 - 1) if this order is the indicative quotation;
 - 2) if this order is the order of the only seller (buyer) of the financial instrument, being placed (sold, repurchased, purchased) on specialized trades.
5. The limited order submission means agreement of the trades' participant who submitted the order to conclude the deal based on this order at indicated in it price or the most profitable for this participant prices.
6. The order submission does not mean its unambiguous acceptance by the Exchange. Accordingly, the order submitted by the trades' participant cannot be satisfied if unaccepted by the Exchange.
7. Excluding cases established by articles 8–12 of these Regulations, the trades' participant at any moment of their execution has the right to annul previously submitted order or change its terms.

Excluding specifics established by item 11 of this article, at the moment of the trades' completion, the Exchange annuls all unsatisfied orders.
8. The annulment of order by the applied trades' participant is allowed only in the unsatisfied volume of this order.

The order is annulled by the Exchange in the unsatisfied volume of this order.
9. The order's terms are changed through its annulment and submission of the new order with changed terms.
10. The order is annulled:
 - 1) when executing trades in the trading system – through its rejection from the trading system;
 - 2) when executing trades by voice – through its withdrawal by the trades participant, who submitted the order or its recognition by the Exchange as invalid.
11. The order may contain its termination time and date; given this:
 - 1) if this order has its termination time and day:

⁵ Acceptable synonym – "competitive orders".

⁶ Acceptable synonym – "unlimited orders", "noncompetitive orders".

this order cannot be annulled by the Exchange earlier than the indicated time (considering specifics established by the third paragraph of this sub-item);

this order is annulled by the Exchange on the day of its termination at the moment of termination time or completion of the last trades (regarding what event occurs earlier);

- 2) if this order indicates its termination day, but does not indicate its termination time:

this order cannot be annulled by the Exchange earlier than the indicated termination day;

this order is annulled by the Exchange on termination of the indicated day.

Article 3. General Regulations on Trading Methods

1. The Exchange uses the following trading methods:
 - 1) the continuous counter auction method;
 - 2) the nego deals conclusion method;
 - 3) the fixing method;
 - 4) the Frankfurt trades method;
 - 5) the specialized trades' method;
 - 6) the English trades method;
 - 7) the Dutch auction method (*this sub-item was changed by the Exchange Council decision of October 6, 2011*);
 - 8) the subscription method (*this sub-item was included by the Exchange Council decision of October 6, 2011*).
2. The continuous counter auction method and subscription method are used only when executing trades in the trading system (*this item was changed by the Exchange Council decision of October 6, 2011*).
3. Methods, specified in sub-items 1), 3)–7) of item 1 of this article, relate to open trades methods, i.e. trades during which satisfaction or non-satisfaction of the order, given other conditions are equal, does not depend on which trades participant exactly submitted the order, and presumably there is the competition between potentially unlimited number of trades participants (unlike trades executed by the subscription method and nego deals conclusion method when satisfaction or non-satisfaction of the order depends on which trades participant exactly submitted the order, and deals are exclusively nego deals) (*this item was supplemented by the Exchange Council decision of October 6, 2011*).
4. When executing trades in the trading system, methods specified in sub-items 1), 3)–7) of item 1 of this article, relate to anonymous trades methods, i.e. when any trades participant does not provided with the information on what trades participants submitted orders and what trades participants are parties of deals concluded based on this trades participant order (excluding exceptions established by the legislation of the Republic of Kazakhstan, these regulations and the Exchange internal documents).
5. Methods specified in sub-items 3)–7) of item 1 of this article, relate to discrete trades methods, i.e. trades which can be executed in several iterations with determination of prices of deals based on each such iteration results.

6. Methods specified in sub-items 5)–8) of item 1 of this article, relate to irregular trades methods, i.e. trades which are executed on initiative of certain persons (on applications of persons having the right to submit such applications pursuant to these Regulations) (*this item was changed by the Exchange Council decision of October 6, 2011*).
7. The trading methods are described in chapter 2 of these Regulations.
8. The trading methods are used in practice in compliance with the Exchange internal documents, defining terms and the order of trades in financial instruments as well as:
 - 1) when executing trades in the trading system – in compliance with the trading system settings, the Exchange explanatory and instructive materials related to operation with the trading system (the trading system user manual), guidelines and explanations of the Exchange administrator (administrators), and his/her (their) assistant (assistants);
 - 2) when executing trades by voice – in compliance with guidelines and explanations of the Exchange administrator (administrators), and his/her (their) assistant (assistants).
9. Excluding exceptions established by the Exchange internal document “Regulations of Trades and Confirmation System Operation”, approved by decision No.108/1 of the Exchange Board of Directors of August 5, 2004 (hereinafter in these Regulations – the Regulations of Trades), when executing trades using the continuous counter auction, fixing, Frankfurt trades methods, the order volume must equal or fold the lot size, determined by the Regulations of Trades.
10. The following terms are equally applicable in these Regulations, other Exchange internal documents, office documentations and correspondence, and the Exchange information:
 - 1) “trades executed using the Frankfurt trades method” or the “Frankfurt trades”;
 - 2) “trades executed using the specialized trades' method” or the “specialized trades”;
 - 3) “trades executed using the English trades' method” or the “English trades”;
 - 4) “trades executed using the Dutch trades method” or the “Dutch trades” (*this sub-item was changed by the Exchange Council decision of March 15, 2007*);
 - 5) “the deal concluded at trades executed using any trades method” and “the deal concluded by any trades execution method” (*this sub-item was included by the Exchange Council decision of March 15, 2007*);
 - 6) “the deal concluded at trades executed by the nego deals conclusion method” and the “nego deal” (*this sub-item was included by the Exchange Council decision of March 15, 2007 and changed by the Exchange Council decision of October 6, 2011*).
 - 7) “trades executed using the subscription method” and the “subscription method” (*this sub-item was included by the Exchange Council decision of October 6, 2011*).

Chapter 2. DESCRIPTIONS OF TRADES EXECUTION METHODS

Article 4. Continuous Counter Auction Method

1. The continuous counter auction method is based on matching, according to which the effective order of any trades participant is absolutely and unconditionally satisfied at the expense of effective counter orders of other trades participants on the same financial instrument, which specify prices the most profitable for this trades' participant.
2. The continuous counter auction method application assumes equal submission of orders by trades' participants for both the selling and the purchasing of the financial instrument and ranking of these orders by their price and time of their admittance by the Exchange.
3. When executing trades by the continuous counter auction method:
 - 1) the trading system creates two lines of unsatisfied limited orders (for purchase and sale), in compliance with item 4 of this article;
 - 2) the orders are satisfied in compliance with items 5 and 6 of this article.
4. The trading system forms lines of unsatisfied limited orders as follows:
 - 1) effective orders for selling are formed into the line of unsatisfied orders for selling where orders are ranked in their prices descending order (i.e. the order with the least price is the first in the unsatisfied orders line);
 - 2) effective orders for purchasing are formed into the line of unsatisfied orders for purchasing where orders are ranked in the prices ascending order (i.e. the order with the highest price is the first in the unsatisfied orders line);
 - 3) in case of equality of orders prices in one and the same unsatisfied orders line, the preference will be given to the earlier submitted order in compliance with the time of its acceptance by the Exchange.
5. The Exchange satisfies any accepted limited order at the expense of orders from another line of unsatisfied limited orders as follows:
 - 1) this order is satisfied at the expense of those counter orders, prices of which are profitable for the trades' participant, who submitted this order;
 - 2) this order satisfaction starts with the first counter order from another line of unsatisfied orders and continues till this order's full satisfaction or exhaustion of counter orders from another line of unsatisfied orders, prices of which are profitable for the trades participant, who submitted this order (depending on which of described events occurs earlier);
 - 3) in the case of partial satisfaction of this order at the expense of the counter order, the deal is considered concluded in the amount the least of these orders;
 - 4) in the case of satisfaction of this order at the expense of several counter orders, several deals are concluded at various prices, and the total amount of such deals can equal this order amount or be less;
 - 5) in the case of full satisfaction of this order, it is rejected from the corresponding line of unsatisfied orders;
 - 6) in the case of full or partial satisfaction of this order, it remains in the corresponding line of unsatisfied orders.
6. When executing trades by the continuous counter auction method, the trading system settings may establish the possibility of market orders submission; given this:

- 1) the Exchange does not accept the market order in the case of absence of counter limited orders;
 - 2) the market order terms can provide for its satisfaction at any prices of counter orders or only at the price of the first counter order from another line of unsatisfied orders;
 - 3) satisfaction of the market order with terms stipulating its satisfaction at any prices of counter orders, starts with the first counter order from another line of unsatisfied orders and continues till this order's full satisfaction or till the exhaustion of counter order from another line of unsatisfied orders (depending on which of described events occurs earlier); in the latter case the Exchange annuls this order in an unsatisfied amount of this order;
 - 4) market order with terms stipulating its satisfaction only at the price of the first counter order from another line of unsatisfied orders is satisfied only at the price of such counter order and at the least amounts of these orders; in the case of incomplete satisfaction of this order it, depending on its terms, is annulled by the Exchange in an unsatisfied amount of this order or is re-formed into the limited order, the price of which equals this order satisfaction price, and the amount equals this order unsatisfied amount.
7. When executing trades by the continuous counter auction method for separate groups of financial instruments, the Exchange internal documents or the trading system settings can establish possibility of preliminary orders submission, i.e. orders being accepted by the Exchange prior to the start of the trading session.

Specifics of trading by the continuous counter auction method, in the case of coincidence or crossing of prices of preliminary orders for selling or purchasing are established by article 8 of these Regulations.

Article 5. Nego Deals Conclusion Method

1. The nego deals conclusion method assumes that each separate deal is concluded as a result of negotiations between two trades' participants and achievement by them of agreement on conclusion of this deal between them.
2. When executing trades by the nego deals conclusion method, the deal can be concluded:
 - 1) by submission (announcement) of the indicative quotation by any trades' participant, with further negotiations between this and other trades' participants, responded to this indicative quotation (willing to conclude the deal based on it);
 - 2) directly based on preliminary negotiations with trades' participants (with submission by them of counter direct orders without submission (announcement) of indicative quotations).
3. Submission (announcement) of the indicative quotation by any trades' participant does not impose on the participant any obligations to conclude the deal based on this indicative quotation.
4. The order of any trades' participant cannot be satisfied at the expense of the effective counter direct order of another trades' participant, if the second of them is not willing that the party of the deal, being concluded based on his order, was the first of those trades' participants.
5. When executing trades by the nego deals conclusion method negotiations between trades' participants can be implemented using any accessible for them way (by telephone, via the trading system or any other way).

Article 6. Fixing Method

1. The fixing method is based on the principle of searching prices, which ensures the balance between the total amounts of the Exchange accepted orders for selling and purchasing.
2. Prior to execution of trades by the fixing method, the Exchange administrator:
 - 1) if necessary provides consultation to trades' participants on preferable initial (start) price of the financial instrument (if only the method of such initial (start) price of the financial instrument is not specified by the Exchange internal documents);
 - 2) has the right to ask trades' participants about preferable for them step on changing of the financial instrument price and duration of the period for acceptance of additional orders by the Exchange;
 - 3) announces the acceptance by the Exchange of basic orders, initial (start) price of the financial instrument, duration of the period of admittance by the Exchange of basic orders as well as duration of the period of acceptance by the Exchange of additional orders;
3. When executing trades by the fixing method:
 - 1) during the period of basic orders admittance by the Exchange, they can be submitted by trades' participants only at the initial (start) price of the financial instrument;
 - 2) on expiration of basic order admittance period, the Exchange forms the summary list of basic orders accepted by the Exchange, which includes data on:
 - the total amount of all basic orders for selling;
 - the total amount of all basic orders for purchasing;
 - the amount of difference (positive or negative) between total amounts of basic orders for selling or purchasing;
 - 3) in the case of absence of basic orders for selling or purchasing, the Exchange recognizes and announces trades being executed by the fixing method as failed;
 - 4) in the case of the balance (zero difference) between the total amounts of accepted by the Exchange basic orders for selling and purchasing, trades executed by the fixing method are simultaneously announced opened and closed, and deals are concluded at the initial (start) price of the financial instrument in the amounts of accepted by the Exchange basic orders for selling and purchasing;
 - 5) in the case of imbalance (zero difference) between the total amounts of accepted by the Exchange basic orders for selling and purchasing, trades executed by the fixing method are announced opened, and trades' participants have the right to submit additional orders for selling and purchasing at the financial instrument initial (start) price;
 - 6) in the case of the balance (zero difference) between the total amounts of accepted by the Exchange orders for selling and purchasing (basic and additional orders at the financial instrument initial (start) price) trades, being executed by the fixing method are announced closed, and deals are concluded at the financial instrument initial (start) price in the amounts of accepted by the Exchange orders for selling and purchasing (basic and additional orders at the financial instrument initial (start) price);
 - 7) if the total amount of accepted by the Exchange orders for selling (basic and additional orders at the financial instrument initial (start) price)

- exceeds the total amount of accepted by the Exchange orders for purchasing (basic and additional orders at the financial instrument initial (start) price), the financial instrument price decreases by one step from its initial (start) price;
- 8) if the total amount of accepted by the Exchange orders for purchasing (basic and additional orders at the financial instrument initial (start) price) exceeds the total amount of accepted by the Exchange orders for selling (basic and additional orders at the financial instrument initial (start) price), the financial instrument price increases by one step from its initial (start) price;
 - 9) if the financial instrument price changes in compliance with sub-items 7) and 8) of this item, trades are executed in compliance with items 4 and 5 of this article.
4. After changing of the financial instrument price by one step, trades' participants acquire the right to submit additional orders for selling and purchasing at this way changed price of the financial instrument; given this:
- 1) additional orders can be submitted by trades' participants only towards reduction of the difference between total amounts of accepted by the Exchange basic and additional orders for selling and purchasing;
 - 2) the additional order, with the amount exceeding the difference between total amounts of accepted by the Exchange basic and additional orders for selling and purchasing, is accepted by the Exchange only in the amount of such difference;
 - 3) additional orders are accepted by the Exchange in the order of their submission;
 - 4) if the total amount of accepted by the Exchange basic and additional orders for selling exceeds the total amount of accepted by the Exchange basic and additional orders for purchasing, the financial instrument price decreases by one step from its previously changed price;
 - 5) if the total amount of accepted by the Exchange basic and additional orders for purchasing exceeds the total amount of accepted by the Exchange basic and additional orders for selling, the financial instrument price increases by one step from its previously changed price.
5. Procedures established by item 4 of this article are the subject for iteration aimed at achieving of the balance (zero difference) between total amounts of accepted by the Exchange basic and additional orders for selling, purchasing and fixing of the financial instrument price, given which such balance was achieved.
- At achievement of the balance (zero difference) between total amounts of accepted by the Exchange basic and additional orders for selling and purchasing at the financial instrument fixed price, trades, being executed by the fixing method, are announced closed, and deals are concluded at the financial instrument fixed price in amounts of accepted by the Exchange basic and additional orders for selling and purchasing.
6. When executing trades by the voice fixing method:
- 1) basic orders for selling and purchasing must be submitted in writing;
 - 2) disputable situations on the sequence of additional orders submission are solved based on the Exchange administrator (administrators) opinion, which is considered final and cannot be appealed; in addition in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange administrator (administrators) has the right to request opinions of other trades' participants, and his/her assistant (assistants);

- 3) upon completion of trades, accepted by the Exchange verbal additional orders must be confirmed in writing;
 - 4) the Exchange provides trades' participants with forms of basic and additional orders.
7. Trades executed by the fixing method can be executed at one or more iterations according to preferences of trades' participants.
 8. When executing trades by the fixing method, market orders cannot be submitted.

Article 7. Frankfurt Trades Method

1. The Frankfurt trades method is based on searching of the cut-off price.
2. During each iteration of the Frankfurt trades:
 - 1) within the period of acceptance by the Exchange of basic orders, trades' participants submit basic orders at independently determined by them prices of the financial instrument;
 - 2) on expiration of the period of acceptance by the Exchange of basic orders, the Exchange forms the summary list of the Exchange accepted basic orders (in prices descending order), which includes data on:
 - the total amount of basic orders for selling at each separate price and higher (progressive total);
 - the total amount of basic orders for purchasing at each separate price and lower (progressive total);
 - the maximum possible total amount of deals available for conclusion at each separate price;
 - the amount of difference (positive or negative) between total amounts of basic orders for selling at each separate price and higher (progressive total) and for purchasing at each separate price and lower (progressive total);
 - the total amount of all basic orders for selling;
 - the total amount of all basic orders for purchasing;
 - 3) the Frankfurt trades iteration is recognized and announced by the Exchange as abandoned, and all accepted by the Exchange basic orders are annulled in the following cases:
 - if basic orders for selling and/or purchasing are absent;
 - if the financial instrument's minimum price indicated in basic orders for selling exceeds the financial instrument's maximum price indicated in basic orders for purchasing;
 - 4) in case of absence of circumstances, specified in sub-item 3) of this item, the Frankfurt trades iteration is recognized as started, the cut-off price is determined (considering specifics established by items 3 and 4 of this article), and deals are concluded at the cut-off price in amounts of accepted by the Exchange basic orders for selling, prices of which equal or lower than the cut-off price or in amounts of accepted by the Exchange basic orders for purchasing, prices of which equal or higher than the cut-off price (depending on which of indicted values is the least).
3. If on several financial instruments prices are ensured equal maximum possible total amounts of deals, as the cut-off price shall be chosen that one out of these prices, given which the difference between total amounts of basic orders

for selling at each separate price and higher (progressive total) and for purchasing at each separate price and lower (progressive total), has the minimum absolute amount.

In case of existence of two prices of the financial instrument, based on which are ensured equal maximum possible total amounts of deals given equal indicated difference, the arithmetical mean value between these prices is selected as the cut-off price (considering specifics, established by item 4 of this article).

4. If the difference, described in item 3 of this article, is less than the minimum unit of measure of the financial instrument price and, therefore selection of the arithmetic mean value between two prices as the cut-off price is impossible, as the cut-off price is selected:
 - 1) the lower of these prices – if the total amount of all basic orders for selling exceeds the total amount of all basic orders for purchasing;
 - 2) the higher of these prices – if the total amount of all basic orders for purchasing exceeds the total amount of all basic orders for selling.
5. When executing the Frankfurt trades by voice, after determination of the cut-off price in compliance with items 2–4 of this article, trades' participants acquire the right to submit additional orders for selling or purchasing at the cut-off price, given this:
 - 1) if the total amount of basic orders for purchasing at the cut-off price exceeds the total amount of basic orders for selling at the cut-off price – trades' participants acquire the right to submit additional orders only for selling;
 - 2) if the total amount of basic orders for selling at the cut-off price exceeds the total amount of basic orders for purchasing at the cut-off price – trades' participants acquire the right to submit additional orders only for purchasing;
 - 3) the additional order with the amount exceeding the absolute amount of the difference between accepted by the Exchange, basic and additional orders for selling and purchasing are accepted only in the amount of such difference;
 - 4) in case of submission of several additional orders, the Exchange gives the preference to those trades' participants, whose basic orders were not satisfied during this iteration; given this in the case of equality of basic orders prices, the preference is given to the additional order of that trades' participant, whose basic order was accepted by the Exchange earlier;
 - 5) satisfaction of additional orders starts with orders of those trades' participants, whose basic orders were submitted:

for selling – at the lowest price and continues in the ascending order of prices of basic orders for selling;

for purchasing – at the highest price and continues in the descending order of prices of basic orders for purchasing;
 - 6) if trades' participants do not submit additional orders for selling or their total amount is less than the amount of difference between total amounts of basic orders for selling and purchasing:

basic and additional orders for selling are satisfied in the full volume;

basic orders for purchasing are satisfied starting with the order, which has indication of the financial instrument highest price till complete satisfaction of orders for selling at the cut-off price and lower;

- 7) if trades' participants do not submit additional orders for purchasing or their total amount is less than the amount of difference between total amounts of basic orders for selling and purchasing:

basic and additional orders for purchasing are satisfied in the full volume;

basic orders for selling are satisfied starting with the order, which has indication of the financial instrument lowest price till complete satisfaction of orders for selling at the cut-off price and higher.
6. After conclusion of deals at the cut-off price, in compliance with items 2–5 of this article, the Frankfurt trades iteration is recognized and announced as performed and completed, and the Exchange annuls all orders unsatisfied during this iteration (excluding the exception, specified by item 3 of Article 8 of these Regulations).
7. The Frankfurt trades iterations are executed in compliance with items 2–6 of this article until all trades' participants refuse submission of basic orders for selling and purchasing or until completion of the trading session (depending on what of the mentioned events occurs earlier).
8. When executing the Frankfurt trades by voice:
 - 1) basic orders for selling and purchasing must be submitted in writing;
 - 2) disputable situations on the sequence of additional orders submission are solved based on the Exchange administrator (administrators) opinion, which is considered final and cannot be appealed; in addition, in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange administrator (administrators) has the right to request opinions of other trades' participants, and his/her assistant (their assistants);
 - 3) accepted by the Exchange verbal additional orders on completion of trades must be confirmed in writing;
 - 4) the Exchange provides trades' participants with forms of basic and additional orders.
9. When executing Frankfurt trades method, market orders cannot be submitted.

Article 8. Specifics of Using of Frankfurt Trades Method when Executing Trades by the Continuous Counter Auction Method

1. Trades, executed by the continuous counter auction method, are transferred into the standby mode, during which they are executed by the Frankfurt trades method in compliance with article 7 of these Regulations, in the following cases:
 - 1) in the case of coincidence or crossing of prices of orders for selling and purchasing of shares, admitted to circulation on the Exchange according to the order set by Regulations of Trades) (*this sub-item was changed and supplemented by the Exchange Council decision of June 21, 2005 and changed by the Exchange Council decision of October 1, 2009*);
 - 2) in the case of coincidence or crossing of prices, indicated in preliminary counter orders for selling and purchasing (*this sub-item was changed by the Exchange Council decision of October 1, 2009*).
2. When transferring trades, being executed by the continuous counter auction method, into the standby mode:
 - 1) the standby mode at the same time is the period of acceptance by the Exchange of basic orders;

- 2) duration of the standby mode is defined by the Regulations of Trades (*this sub-item was changed by the Exchange Council decision of June 21, 2005*);
 - 3) during trades stay in the standby mode, each trades' participant has the access to information on prices and amounts of basic orders, submitted by other trades' participants;
 - 4) orders, submitted before transferring of trades into the standby mode during the period of acceptance by the Exchange of basic orders, can be annulled as well as their terms can be changed (*this sub-item was changed by the Exchange Council decision of October 1, 2009*);
 - 5) basic orders submitted during the stay of trades in the standby mode can be annulled as well as their terms can be changed;
 - 6) the standby mode expires not earlier than expires the time period defined by the Regulations of Trades from the moment of (considering limitations of the maximum admissible duration of the trading session and the maximum duration of the standby mode) (*this sub-item was supplemented by the Exchange Council decision of June 21, 2005*):
 - the acceptance by the Exchange of the last basic order;
 - the last annulment of any basic order;
 - the last amendment of any basic order terms;
 - 7) trades are executed at one iteration;
 - 8) the cut-off price is defined in compliance with items 2–4 of article 7 of these Regulations.
3. At the moment of the standby mode period expiration, unsatisfied orders accepted by the Exchange in compliance with item 2 of this article, remain in the trading system as effective.

Article 9. Specialized Trades Method

1. The specialized trades method is used only for placement, selling, re-purchasing and purchasing of the financial instrument and only in the case of existence of the sole seller (buyer) of being placed (sold, repurchased, purchased) financial instrument (hereinafter in this article – the seller (buyer)).

As the seller (buyer) has the right to act only the Exchange member of that category, which complies with the type of the financial instrument assumed for placement (selling, re-purchasing, purchasing) at specialized trades (*this paragraph was changed by the Exchange Council decision of January 31, 2012*).

One lot maximum size at offering (sale, buy back, buying) cannot exceed 5 % from assumed number of the financial instrument being offered (sold, bought back, bought) (*this paragraph was included by the Exchange Council decision of March 31, 2011*).
2. The specialized trades are intended for:
 - 1) placement or re-purchasing of securities by the Exchange member, representing the issuer interests and conforming to terms specified in the second paragraph of item 1 of this article (*this paragraph was changed by the Exchange Council decision of January 31, 2012*);
 - 2) placement or re-purchasing of another, other than securities, financial instruments by the Exchange members, representing interests of these financial instruments issuers and conforming to terms specified in the second paragraph of item 1 of this article;

- 3) selling and purchasing of the financial instrument by any member of the Exchange conforming to terms specified in the second paragraph of item 1 of this article.
3. Specialized trades can be executed at one and more iterations according to preferences of the seller (buyer); given this as the specialized trades separate iteration acts (act):
 - 1) the auction on placement (selling, re-purchasing, purchasing) of the financial instrument (hereinafter in this article and article 10 of these Regulations – the auction)⁷;
 - 2) only when placing securities – trades on their additional placement executed in compliance with article 10 of these Regulations.
- 3-1. A repeated conducting of specialized trades is possible only within five working days after the date of conducting the first specialized trades and on similar terms.

An application for conducting repeated specialized trades should be presented jointly with the decision of the seller (buyer) on accepting counter orders (on choosing the cut-off price), accepted by the Exchange in the course of conducting an auction, or on refusal of placement (selling, buyback, purchase) of a financial instrument.

(This item was included by the Exchange Council decision of October 6, 2011).

4. When executing the auction, the seller (buyer) has the right to choose one of the following counter orders submission methods⁸:
 - 1) the open method⁹, when the seller (buyer) has the access to information on prices and amounts of counter orders, submitted by trades' participants¹⁰, and each trades' participant has the access to information on prices and amounts of counter orders, submitted by other trades' participants;
 - 2) the closed method, when information on prices and amounts of counter orders is accessible only for that trades' participant, by whom it was submitted.
5. When executing the auction, the seller (buyer) has the right to choose one of the following methods of limited counter orders satisfaction (considering restrictions resulted from specifics of the financial instrument type being placed (sold, repurchased, purchased)):
 - 1) depending upon the order price:
 - at the cut-off price; or
 - at prices of limited counter orders, equal to the cut-off price or those being more favorable for the seller (buyer);
 - 2) depending upon the sequence of order submission:
 - according to the time of acceptance of counter orders by the Exchange;
 - or

⁷ It is acceptable to execute several auctions on placement (selling, re-purchasing, purchasing) of the financial instrument (*numbering of this reference was changed by the Exchange Council decision of June 21, 2005*).

⁸ Hereinafter in this article counter orders mean orders for purchasing (when placing or selling the financial instrument) or orders for selling (when re-purchasing or purchasing the financial instrument) (*numbering of this reference was changed by the Exchange Council decision of June 21, 2005*).

⁹ Open method of counter orders is possible only during specialized trades in the trading system (*numbering of this reference was changed by the Exchange Council decision of June 21, 2005*).

¹⁰ Hereinafter in this article the seller (buyer) is not included into the number of trades' participants (*numbering of this reference was changed by the Exchange Council decision of June 21, 2005*).

pro rata to amounts of counter orders.

(This item was changed by a decision of the Exchange's Board of Directors of December 9, 2016).

- 5-1. When executing counter orders according to their acceptance time, the Exchange shall in the first place execute those counter orders which were accepted by the Exchange earlier.

When executing counter orders pro rata to their amounts, they shall be executed irrespective of time of their acceptance by the Exchange, in proportion to the relations of amounts of counter orders to their total amount. Execution of orders pro rata to their amounts can be applied in case the total amount of limited counter orders submitted at one and the same price, exceeds the unexecuted amount of the order of a seller (buyer) remaining after execution of market orders and limited counter orders submitted at higher prices, and at the same time the differences between the time of acceptance of remaining limited counter orders are not sufficient to unconditionally consider the method of execution of those orders according to acceptance time as justified.

(This item was included by a decision of the Exchange's Board of Directors of December 9, 2016).

6. When executing the auction, the seller (buyer) has the right to choose one of the following methods of market counter orders satisfaction (considering restrictions resulted from specifics of being placed (sold, repurchased, purchased) financial instrument type):
- 1) at the cut-off price;
 - 2) at the weighted average price of limited counter orders, prices of which equal to the cut-off price or more profitable for the seller (buyer).
- 6-1. When executing the auction for offering (sale, buyback, purchase) by the National Bank of the Republic of Kazakhstan (hereinafter – the National Bank) of government securities, the National Bank may set requirements (criteria) for participants of that auction *(this item was included by the Exchange Council decision of February 11, 2013).*
7. For execution of the auction, the seller (buyer) must submit to the Exchange the application in a free form (hereinafter in this article – the application), which must contain information on:
- 1) this auction purpose (for placement, selling, re-purchasing or purchasing of the financial instrument);
 - 2) on the financial instrument being placed (sold, repurchased, purchased) and its quantity *(this sub-item was supplemented by a decision of the Exchange's Board of Directors of December 9, 2016);*
 - 3) *(this sub-item was removed by a decision of the Exchange's Board of Directors of December 9, 2016);*
 - 4) the preferable for the seller (buyer) day of this auction execution¹¹;
 - 5) the opening and the closing time of the period of acceptance by the Exchange of counter orders;
 - 6) the method of counter orders submission (open or closed);

¹¹ The seller (buyer) has the right to assume the need in several auctions on placement (selling, re-purchasing, purchasing) of the financial instrument and, accordingly, indicate in the application several preferable days of these auctions execution or the day, beginning which the seller (buyer) prefers to start these auctions *(numbering of this reference was changed by the Exchange Council decision of June 21, 2005).*

- 7) the maximum admissible duration of the period of acceptance by the Exchange of counter orders, when they are submitted by the open method (considering specifics established by item 8 of this article);
 - 8) the ratio of the total amount of counter orders liable to satisfaction to the total amount of all counter orders liable to satisfaction (hereinafter in this article – the degree of market counter orders satisfaction) (considering specifics, established by item 9 of this article);
 - 9) the methods of limited counter orders satisfaction chosen by the seller (buyer) out of those indicated in item 5 of this article (*this sub-item was supplemented by a decision of the Exchange's Board of Directors of December 9, 2016*);
 - 10) the methods of limited counter orders satisfaction chosen by the seller (buyer) out of those indicated in item 6 of this article (*this sub-item was supplemented by a decision of the Exchange's Board of Directors of December 9, 2016*);
 - 11) (*this sub-item was removed by the Exchange Council decision of October 6, 2011*);
 - 12) payment terms on being placed (sold, repurchased, purchased) financial instrument;
 - 12-1) on seller bank account details to enter money (*this sub-item was included by the Exchange Council decision of March 31, 2011*);
 - 13) other available information necessary, in opinion of the seller (buyer), for organization and execution of this auction.
8. Indicated in the application maximum admissible duration of the period of acceptance by the Exchange of counter orders, at their submission by the open method, may vary from 0 to 60 minutes.
 9. Indicated in the application degree of market counter orders satisfaction may vary from 0 to 70%.
 10. (*This item was removed by the Exchange Council decision of January 31, 2012*).
 11. The Exchange may require, and the seller (buyer) must include into the application data and liabilities other than those specified in item 7 of this article, in the Exchange's opinion, necessary for organizing and conducting of special trades.
 12. The application must be received by the Exchange not later than seven business days before preferable for the seller (buyer) auction day (with exception set out by paragraph two of this item).

When executing the auction for offering (sale, buyback, purchase) by the National Bank of government securities, the application must be received not later than one working day ahead of the auction day preferable for the National Bank, but not less than 24 hours before the auction date.

(This item was changed by the Exchange Council decisions of October 28, 2010 and February 11, 2013).

13. The auction is executed on the day, determined by the Exchange based on the indicated in the application day, preferable for the seller (buyer) for execution of this auction.

It is permitted to change the date and time of conducting the auction only for a later date and on terms determined in the application earlier.

The auction execution time must comply with the trades' execution time, defined by the Regulations of Trades for the financial instruments group, to

which belongs the financial instrument assumed for placement (selling, repurchasing, purchasing) at the auction.

The seller (buyer) does not have the right to receive preliminary information from the Exchange regarding the course of trades until after accepting of orders is finished

(This item was changed by the Exchange Council decision of October 6, 2011).

14. Accepted by the Exchange application (given an appropriate determination by the Exchange of the auction execution day) is submitted by the seller (buyer) order for selling (purchasing).
15. Not later than the next business day after determination by the Exchange of the auction day, the Exchange delivers to potential trades' participants (via e-mail or the trading system), as well as publishes on its website, the information message about this auction.
16. The guarantee fee is used only when conducting trades on selling government-owned blocks of shares in accordance with the Exchange's internal document "State Blocks of Shares. Order of Admittance to Sale on Trades and Settlements based on Trades Results" *(this item was changed by the Exchange Board of Directors decisions of October 28, 2010 and October 6, 2011).*
17. Prior to the auction start, the seller (buyer) has the right to refuse its execution; in this case:
 - 1) the order of the seller (buyer) for selling (purchasing) is recognized annulled;
 - 2) the Exchange delivers to potential trades' participants (via e-mail or the trading system), as well as publishes on its website, the information message about the auction cancellation.
18. Upon the beginning of the auction execution:
 - 1) trades' participants acquire the right to submit counter orders at independently determined by them prices of being placed (sold, repurchased, purchased) financial instrument;
 - 2) the auction is recognized and announced failed, if the number of trades' participants makes up less than two or the Exchange admitted none of limited counter orders (with exception set out by item 18-1 of this article) *(this item was supplemented by the Exchange Council decisions of October 6, 2011 and February 11, 2013);*
 - 3) if the application allows the extension of the period of acceptance by the Exchange of counter orders if they are submitted by the open method, this period expires not earlier than in five minutes from the moment of (considering the certain announcement of limitation of maximum admissible duration of this period extension time):
 - acceptance by the Exchange of the last counter order;
 - the last annulment of any counter order;
 - the last amendment of terms of any counter order;
 - 4) the Confirmation system participants must deliver to the Exchange confirmations or refusals of confirmation of those counter orders, at satisfaction of which will be used trading accounts controlled by the Confirmation system participants; if the Exchange does not receive these orders confirmation during determined by the Regulations of Trades time, they will be recognized unaccepted and annulled by the Exchange.

- 18-1. When executing the auction for offering of equity securities or corporate debt securities, as well as executing an auction for purposes of offering (selling, buyback, purchase) of government securities, the minimum number of trade participants is not limited.

When conducting auctions with purposes other than those indicated in paragraph one of this item, the number of trade participants must be not less than two.

(This item was included by the Exchange Council decision of February 11, 2013, changed by the Exchange Council decision of November 28, 2013 and a decision of the Exchange's Board of Directors of December 9, 2016).

19. On expiration of the period of counter orders acceptance by the Exchange:
- 1) counter orders can be annulled as well as their terms can be changed;
 - 2) the Exchange forms and delivers to the seller (buyer) the summary list of accepted by the Exchange counter orders; given this, the volume of included into the mentioned summary list information is determined based on the terms of issue of being placed (sold, repurchased, purchased) financial instrument and the application parameters in a way allowing the seller (buyer) making reasonable decision on satisfaction of accepted by the Exchange counter orders (on selection of the cut-off price) or on refusal of placement (selling, re-purchasing, purchasing) of the financial instrument; information about trades' participants, which submitted these orders is not included into the summary list (with exception 19-1 of this article) *(this item was supplemented by the Exchange Council decisions of February 11, 2013)*;
 - 3) the seller (buyer) delivers to the Exchange, in compliance with item 25 of this article, the information message about his decision on satisfaction of counter orders accepted by the Exchange (on selection of the cut-off price) or refuse placement (selling, re-purchasing, purchasing) of the financial instrument; given this:

The decision of the seller (buyer) on satisfaction of counter orders accepted by the Exchange (on selection of the cut-off price) means his agreement to conclude the deal in the being placed (sold, repurchased, purchased) financial instrument at the price (prices) in amounts in compliance with the terms of issue of the being placed (sold, repurchased, purchased sold, repurchased, purchased) financial instrument, the application parameters and this decision;

if the seller (buyer) decides to satisfy accepted by the Exchange counter orders (on selection of the cut-off price), the seller (buyer) has the right to satisfy accepted by the Exchange counter orders as within indicated in the application quantity of the being placed (sold, repurchased, purchased) financial instrument, so exceeding such quantity (but not more than the financial instrument total amount feasible for placement (selling, re-purchasing, purchasing) in compliance with the applicable legislation and terms of this financial instrument issue);

if the seller (buyer) decides to satisfy accepted by the Exchange counter orders (on selection of the cut-off price), the volume of information for inclusion into the mentioned information message must allow the Exchange the explicit distribution of the being placed (sold, repurchased, purchased) financial instrument between trades' participants, who submitted counter orders liable to satisfaction in compliance with terms of issue of the being placed (sold, repurchased, purchased) financial instrument, the application parameters and this decision;

if the seller (buyer) decides to refuse placement (selling, re-purchasing, purchasing) of the financial instrument, the mentioned information message should contain description of such refusal reason.

- 19-1. When executing the auction for offering (sale, buyback, purchase) by the National Bank of government securities, the Exchange includes into the summary of counter orders it accepted data on trade participants who submitted these orders (*this item was included by the Exchange Council decisions of February 11, 2013*).
20. If the seller (buyer) decides to satisfy the Exchange accepted counter orders (on selection of the cut-off price):
- 1) first of all are satisfied the market counter orders, in compliance with items 21 and 22 of this article (if the application stipulates satisfaction of market counter orders);
 - 2) secondly, the limited counter orders are satisfied, in compliance with item 23 of this article.
21. When satisfying market counter orders accepted by the Exchange:
- 1) the market counter orders are satisfied within the degree of market counter orders satisfaction;
 - 2) the market counter orders are satisfied by the method, determined in the application (at the cut-off price or weighted average price of limited counter orders, prices of which equal to the cut-off price or more profitable for the seller (buyer));
 - 3) if full satisfaction of all market counter orders is impossible due to the excess of market counter orders satisfaction degree, they shall be satisfied in proportion to their amounts within allowed degree of market counter orders satisfaction (considering specifics, established by item 22 of this article).
22. If strictly proportional satisfaction of market counter orders is impossible in compliance with item 21 of this article:
- 1) the amount of deal, based on the separate market counter orders, is determined as follows:

this order amount is multiplied by the ratio of maximum possible total amount of deals, based on market counter orders (within allowed degree of market counter orders satisfaction), to the total amount of market counter orders;

the value, received in compliance with the second paragraph of this sub-item, is rounded down to the nearest integral number and shall be the amount of this order based deal;
 - 2) deals are concluded based on market counter orders in amounts, specified in compliance with sub-item 1) of this item; if the amount of deal based on the market counter order determined in compliance with sub-item 1) of this item equals zero, this order is not liable to satisfaction;
 - 3) is determined the difference between the maximum possible total amount of deals based of market counter orders (within allowed degree of market counter orders satisfaction) and the total amount of deals concluded in compliance with sub-item 2) of this item;
 - 4) the difference determined in compliance with sub-item 3) of this item is distributed between market counter orders, satisfied in compliance with sub-item 2) of this item, as follows:

the amounts of deals based on market counter orders are increased by one unit of the financial instrument (each); given this the preference is given to market counter orders, submitted earlier in compliance with the time of their acceptance by the Exchange;

the increase of amounts of deals, in compliance with the second paragraph of this item, continues till exhaustion of the mentioned difference or till occurrence of the event, mentioned in the fourth paragraph of this sub-item (depending on what of mentioned events occurs earlier) *(this paragraph was changed by the Exchange Council decision of September 26, 2013)*;

an increase in the amount of a deal based on the market counter order, in compliance with the second paragraph of this sub-item, is not carried out, if such increase leads to the excess of this order's amount *this paragraph was changed by the Exchange Council decision of September 26, 2013*).

23. When executing limited counter orders accepted by the Exchange, using the execution method according to the time of acceptance of counter orders by the Exchange *(this paragraph was changed by the Exchange's Board of Directors decision of December 9, 2016)*:

- 1) the total amount of limited counter orders liable to satisfaction cannot exceed the difference between the amount of the seller's (buyer's) order for selling (purchasing) and the total amount of deals based on market counter orders, concluded in compliance with sub-items 21 and 22 of this article;
- 2) limited counter orders are satisfied by the application determined method (at the cut-off price or at prices of limited counter orders equal to the cut-off price or being more profitable for the seller (buyer));
- 3) limited counter orders are satisfied beginning that order, which indicates the price more profitable for the seller (buyer);
- 4) at equality of prices of limited counter orders, the preference is given to earlier submitted orders, according to the time of acceptance by the Exchange *(this sub-item was changed by the Exchange Council decisions of October 6, 2011 and September 26, 2013 and by a decision of the Exchange's Board of Directors of December 9, 2016)*;
- 5) the limited counter order can be satisfied only partially (based on the order of limited counter orders satisfaction, defined by sub-items 1)–4) of this item).

23-1. When executing limited counter orders accepted by the Exchange by the method of executing pro rata to their sizes *(this paragraph was changed by the Exchange Council decision of September 26, 2013 and by a decision of the Exchange's Board of Directors of December 9, 2016)*:

- 1) the size of a deal based on a particular limited counter order is defined as follows:

the size of the given deal is multiplied by the ratio of the largest total amount of deals based on limited counter orders possible to the total amount of limited counter orders *(this paragraph was changed by the Exchange Council decision of September 26, 2013)*;

the amount obtained in accordance with paragraph two of this sub-item is rounded down to the next whole figure and is the amount of the deal based on this order *(this paragraph was changed by the Exchange Council decision of September 26, 2013)*;

- 2) deals are concluded based on limited counter orders to the amounts determined in accordance with sub-item 1) of this item; if the size of the deal based on a limited counter order determined in accordance with sub-item 1) of this item is equal to zero, that order is not subject to satisfaction;

3) the difference between the largest total amount of deals based on limited counter orders possible and the total amount of deals concluded in accordance with sub-item 2) of this item (*this paragraph was changed by the Exchange Council decision of September 26, 2013*);

4) the difference found out in accordance with sub-item 3) of this item is distributed between limited counter orders satisfied in accordance with sub-item 2) of this item, as follows:

amounts of deals based on limited counter orders are increased by one unit of financial instrument (each); at that those limited counter orders are preferred which were submitted earlier, in accordance with the time of their acceptance by the Exchange;

increasing of the amount of deals in accordance with paragraph two of this item carries on until the exhausting of the specified difference or until the occurrence of the event specified in paragraph four of this sub-item (depending upon which of the mentioned events occurs earlier);

increasing of the amount of a deal based on a limited counter order in accordance with paragraph two of this sub-item is not carried out, if such increasing leads to exceeding of the size of that order.

(This sub-item was changed by the Exchange Council decision of September 26, 2013).

5) *(this sub-item was changed by the Exchange Council decision of September 26, 2013);*

6) *(this sub-item was changed by the Exchange Council decision of September 26, 2013).*

(This item was included by the Exchange Council decision of October 6, 2011).

23-2. Settlements on deals concluded at special trades are carried out by the Central Depository according to its rules.

Interaction between the Exchange and Central Depository during settlements on deals concluded at special trading sessions is regulated by agreements between the Exchange and Central Depository.

(This item was included by the Exchange Council decision of October 6, 2011 and changed by the Exchange Council decision of September 26, 2013).

24. Upon completion of the auction (upon completion of satisfaction of counter orders in compliance with items 20–23-1 of this article), the Exchange delivers to the seller (buyer) the summary list of deals, concluded at this auction, including the information about trades' participants, who concluded these deals (*this paragraph was changed by the Exchange Council decision of September 26, 2013*).

The mentioned information is confidential and is intended only for the seller (buyer), who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

25. The decision of the seller (buyer) on satisfaction of the Exchange accepted counter orders (on selection of the cut-off price) or on refusal of placement (selling, re-purchasing, purchasing) of the financial instrument, must be received by the Exchange not later than in two hours after the delivery by the Exchange to the seller (buyer) of the summary list of the Exchange accepted orders (excluding the exception established by item 26 of this article).

26. Violation of the term established by item 25 of this article is admissible, if settlements on being placed (sold, repurchased, purchased) financial instrument are made after the auction day and:

- 1) when making these settlements on the first business day, following the auction day, – the seller's (buyer's) decision on satisfaction of the Exchange accepted counter orders (on selection of the cut-off price) or on refusal of placement (selling, re-purchasing, purchasing) of the financial instrument, was received by the Exchange prior to 11.00 ALT of the first business day following the auction day; or
- 2) when making these settlements on the second or any other business day following the auction day, – the seller's (buyer's) decision on satisfaction of the Exchange accepted counter orders (on selection of the cut-off price) or on refusal of placement (selling, re-purchasing, purchasing) of the financial instrument, was received by the Exchange not later than one business day before making these settlements.

(This item was changed by the Exchange Council decision of July 18, 2005).

27. If the seller (buyer) violates obligations established by item 25 of this article (considering admissible deviation established by item 26 of this article), the Exchange has the right to announce the auction abandoned and impose on the seller (buyer) the full responsibility for such violation and any other consequences of such violation.

Article 10. Specifics of Executing Trades on Additional Placement of Securities on Specialized Trades

1. Trades on additional placement of securities on specialized trades (hereinafter in this article – trades on additional placement) can be executed only on the auction day.
2. When executing trades on additional placement:
 - 1) securities are offered for purchasing by trades' participants at the price, determined by the sole seller of securities being additionally placed (hereinafter in this article – the seller¹²) based on the auction results;
 - 2) trades' participants can submit only market counter orders.
3. For execution of trades on additional placement, the seller must submit to the Exchange the application in the free form (hereinafter in this article – the application), which must contain the information on:
 - 1) the quantity of being additionally placed securities;
 - 2) the price of being additionally placed securities;
 - 3) the opening and the closing time of the period of counter orders acceptance by the Exchange;
 - 4) the counter orders submission method (open or closed);
 - 5) the settlements on additionally placed securities;
 - 6) other possible information necessary, in the seller's opinion, for organization and execution of these trades.
4. The Exchange has the right to demand, and the seller (buyer) must include into the application other, aside from specified in item 3 of this article, information and obligations necessary, in the Exchange's opinion, for organization and execution of trades on additional placement.
5. The application must be received by the Exchange simultaneously with the seller's decision to satisfy counter orders (on selection of the cut-off price) accepted by the Exchange during the auction.

¹² Hereinafter in this article the seller is not included into the number of trades' participants (*numbering of this reference was changed by the Exchange Council decisions of June 21, 2005 and October 6, 2011*).

6. The time of trades on additional placement must comply with the trades' execution time, defined by the Regulations of Trades for the group of financial instruments to which belong additionally placed securities.
7. The Exchange accepted application is considered as submitted by the seller order for selling.
8. During thirty minutes after acceptance of the application, the Exchange delivers to potential trades' participants (via e-mail or the trading system) and publishes on its website the information message on execution of trades on additional placement.
9. Before opening of execution of trades on additional placement the seller has the right to refuse their execution, in this case:
 - 1) the seller's order is recognized annulled;
 - 2) the Exchange delivers to potential trades' participants (via e-mail or the trading system), and publishes on its website the information message about cancellation of these trades.
10. With the opening of trades on additional placement:
 - 1) trades' participants acquire the right to submit counter orders;
 - 2) trades on additional placement are recognized and announced abandoned, if the Exchange accepted none of the counter orders;
 - 3) the Confirmation System participants must deliver to the Exchange confirmations or refusal of confirmation of those counter orders, during satisfaction of which will be used trading accounts, controlled by the Confirmation System participants; if the Exchange does not receive conformations of these orders during the time, specified by the Regulations of Trades, they are recognized unaccepted by the Exchange and shall be annulled by the Exchange.
11. Upon completion of the period of counter orders acceptance by the Exchange:
 - 1) counter orders can be annulled, as well as their terms can be changed;
 - 2) the Exchange forms and delivers to the seller the information about the total amount of counter orders, accepted by the Exchange;
 - 3) the seller informs the Exchange in compliance with item 14 of this article about his decision either to satisfy accepted by the Exchange counter orders or to refuse securities additional placement; given this:

The seller's decision to satisfy accepted by the Exchange counter orders means his agreement to conclude deals in being additionally placed securities, determined by the seller based on the auction results and in the amounts in compliance with terms of issue of being additionally placed securities, the application parameters and this decision;

When the seller decides to satisfy accepted by the Exchange counter orders, the seller has the right to satisfy accepted by the Exchange counter orders as within indicated in the application quantity of being additionally placed securities, so exceeding such quantity (but not more than the total quantity of securities possible for placement in compliance with the legislation and these securities terms of issue);

If the seller decides to refuse additional placement of securities, this notification must have description of such refusal reason.
12. If the seller decides to satisfy accepted by the Exchange counter orders, then during their satisfaction the preference will be given to those, which were submitted earlier in compliance with the time of their acceptance by the Exchange.

13. Upon completion of trades on additional placement (upon completion of counter orders satisfaction in compliance with item 12 of this article) the Exchange delivers to the seller the summary list of deals concluded at these trades, including the information about trades' participants, who concluded these deals.

The mentioned information is confidential and intended only for the seller, who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

14. The seller's decision on satisfaction of accepted by the Exchange counter orders or refusal of such additional placement of securities must be received by the Exchange not later than 30 minutes after delivery by the Exchange to the seller of information on the total amount of accepted by the Exchange orders (excluding the exception, established by item 15 of this article).
15. Violation of the term, established by item 14 of this article, is admissible, if settlements on being additionally placed securities, are made after the day of trades on additional placement, and:
 - 1) when making these settlements on the first business day, following the trades on additional placement, – the seller's decision on satisfaction of the Exchange accepted counter orders or on refusal of additional placement of securities, received by the Exchange prior to 11.00 ALT of the first business day, following the day of execution of trades on additional placement; or
 - 2) when making these settlements on the second or any other business day, following the day of execution of trades on additional placement, – the seller's decision on satisfaction of the Exchange accepted counter orders or on refusal of additional placement of securities received by the Exchange not later than one business day before making these settlements.

(This item was changed by the Exchange Council decision of July 18, 2005).

16. If the seller violates obligations established by item 14 of this article (considering admissible deviation established by item 15 of this article), the Exchange has the right to announce the trades on additional placement abandoned and impose on the seller the full responsibility for such violation and any other consequences of such violation.

Article 10-1. Consequences of non-fulfillment of liabilities on a deal concluded at special trades

The fine is paid by the party which failed to fulfill liabilities on a deal concluded and terminated at special trades, in the size of 5.0 % of that deal's amount.

(This article was included by the Exchange Council decision of October 6, 2011).

Article 11. English and Dutch Trades Methods

1. English and Dutch trades methods are used only in the case of existence of the only sole seller of the financial instrument, being sold at English or Dutch Trades.

Only the Exchange member of that category, which complies with the financial instrument type assumed for selling at the English (Dutch) trades, has the right to act as such seller.
2. The financial instrument is sold at English (Dutch) trades as the integral, with conclusion of the only single deal in these financial instruments (excluding the case when during the Dutch trades the single deal in being sold financial

instrument is not concluded due to refusal of the seller of further participation in these trades in compliance with sub-item 3) of item 12 of this article).

3. The English (Dutch) trades can be executed at one or more iterations in compliance with preferences of the seller and giving him the possibility for repeated submission of the order for selling in the same amount as during the previous iteration or changing this amount (considering prohibition, established by the second paragraph of this item).

The repeated submission of the order for selling, satisfied based on the previous iteration results, is not allowed.

4. When using the English trades method each iteration starts with the seller determined initial (start), as a rule intentionally underestimated, price of the financial instrument and continues towards the increase of his price by potential buyers of this financial instrument till conclusion of the deal in this financial instrument.

When using the Dutch trades method each iteration starts with the seller determined initial (start), as a rule intentionally overestimated, price of the financial instrument and continues towards the decrease of his price by potential buyers of this financial instrument till conclusion of the deal in this financial instrument or refusal of the seller of further participation in trades (depending on which of the mentioned events occurs earlier).

5. For execution of the English (Dutch) trades, the seller must submit to the Exchange the application in the free form (hereinafter in this article – the application), which must contain the information on:

- 1) the type of trades, selected by the seller (English or Dutch);
- 2) preferable for the seller day of these trades execution¹³;
- 3) the opening and the closing time of the period of acceptance by the Exchange of orders for selling;
- 4) the financial instrument being sold;
- 5) the quantity of being sold financial instrument¹⁴;
- 6) the initial (start) price of being sold financial instrument;
- 7) possible guarantee fees payable by potential trades' participants¹⁵;
- 8) terms of settlements on being sold financial instrument;
- 9) other possible information necessary, in the seller's opinion, for organization and execution of these trades.

6. The application must be received by the Exchange not later than two days before the preferable for the seller day of execution of the English (Dutch) trades.

7. The English (Dutch) trades are executed on the day determined by the Exchange based on the indicated in the application preferable for the seller day of these trades execution.

¹³ The English (Dutch) auction can last several days; accordingly, the seller has the right to indicate in the application several preferable days of trades or the day, from which the seller prefers to start execution of English (Dutch) auction, possible for execution during several days (*numbering of this reference was changed by the Exchange Council decisions of June 21, 2005 and October 6, 2011*).

¹⁴ The seller has the right to divide the financial instrument being sold into several lots of free (at the seller's choice) amounts; given this each such lot is due to be sold as an independent financial instrument (*numbering of this reference was changed by the Exchange Council decisions of June 21, 2005 and October 6, 2011*).

¹⁵ Hereinafter in this article the seller is not included into the number of trades' participants (*numbering of this reference was changed by the Exchange Council decisions of June 21, 2005 and October 6, 2011*).

The time of execution of English (Dutch) trades must comply with the time of trades execution defined by the Regulations of Trades for the group of financial instruments to which belongs the financial instrument, assumed for selling at English (Dutch) trades.

When executing English (Dutch) trades in several iterations, the seller has the right to announce breaks between them with the free, at the seller's will, duration of such breaks.

8. The Exchange accepted application is considered as submitted by the seller order for selling.
9. Not later than the following business day after the Exchange determines the day of English (Dutch) trades, the Exchange delivers to these trades' potential participants (via e-mail or the trading system), and publishes on its website the information message about these trades.
10. In the case of inclusion into the application of information about guarantee fees payable by potential trades' participants:
 - 1) the amount of such guarantee fee is determined by the seller (if only the amount of such guarantee fee is not determined in compliance with the Exchange internal documents);
 - 2) such guarantee fee is due to be entered to the Exchange bank account, details of which are included into the information message, described in item 9 of this article, before opening of these trades;
 - 3) in these trades only those potential trades' participants can participate, who fulfilled guarantee fees payment terms in compliance with sub-items 1) and 2) of this item;
 - 4) the Exchange announces the number of potential trades' participants, who fulfilled guarantee fees payment terms in compliance with sub-items 1) and 2) of this item.
11. Prior to each separate iteration of English (Dutch) trades, the seller has the right to refuse execution of these trades; in this case:
 - 1) the order for selling is recognized annulled;
 - 2) the Exchange delivers to these trades' potential participants ((via e-mail or the trading system), and publishes on its website the information message about these trades cancellation.
12. With the beginning of each separate iteration of English (Dutch) trades:
 - 1) can be established the price changing step of the being sold financial instrument;
 - 2) trades' participants acquire the right to submit order for purchasing at independently determined by them prices of the being sold financial instrument; given this:

when executing English trades – the order price must be higher than the initial (start) price of the being sold financial instrument;

when executing Dutch trades – the order price must be lower than the initial (start) price of the being sold financial instrument;

Dutch trades are recognized and declared as failed if the number of participants of the trades makes up less than two (*this paragraph was included by the Exchange Council decision of October 6, 2011*);

the amount of order must equal to the quantity of the being sold financial instrument (the amount of order for selling);
 - 3) when executing Dutch trades the seller acquires the right to:

- refuse further participation in trades (to annul unsatisfied order for selling);
- decrease the selling price of the financial instrument (the price of order for selling);
- 4) the English trades iteration is recognized and announced abandoned:
- if the number of trades' participants is less than two;
- if during the time period¹⁶, used for acceptance by the Exchange of orders for purchasing it accepted none of orders for purchasing;
- 5) when executing English trades:
- the seller does not have the right to refuse further participation in trades (to annul unsatisfied order for selling);
- orders for purchasing can be submitted only towards the increase of the being sold financial instrument price;
- that order for purchasing is due to satisfaction from the moment of acceptance of which by the Exchange expired the period, used by the Exchange for acceptance of orders for purchasing, given that during this time period the Exchange did not accepted another order for purchasing;
- the deal is concluded at the price of the order for purchasing liable to satisfaction in compliance with the third paragraph of this item, in this order amount (in the amount of order for purchasing);
- 6) when executing Dutch trades:
- in the case of orders for purchasing the seller depresses the financial instrument selling price (the price of order for selling) or refuses further participation in trades;
- the first accepted by the Exchange order for purchasing is liable to satisfaction (considering specifics established by article 12 of these Regulations);
- the deal is concluded at the price of the order for purchasing liable to satisfaction in compliance with the third paragraph of this item in the amount of this order (in the amount of the order for selling).
13. Upon completion of each separate iteration of English (Dutch) trades (after satisfaction of orders for purchasing in compliance with item 12 of this article), the Exchange delivers to the seller information about concluded at these trades deal, including the information about trades' participant, who concluded this deal.
- The mentioned information is confidential and intended only for the seller, who is fully responsible for disclosure of this information and any other possible consequences of such disclosure.

Article 12. Specifics of Dutch Trades Execution by voice

¹⁶ The time period used for acceptance by the Exchange of orders for purchasing when executing English trades is determined by the Exchange independently, based on the business behavior of trades' participants, by principle of counting to three. Given this it considered that at "three" English trades are recognized and announced abandoned (if given the initial (start) price of the financial instrument being sold during this time period, the Exchange accepted none of the orders for purchasing) or the Exchange announces that this financial instrument was sold to that trades' participant, whose order for purchasing was accepted by the Exchange the last given, that during this time period the Exchange did not accept another order for purchasing (*numbering of this reference was changed by the Exchange Council decisions of June 21, 2005 and October 6, 2011*).

1. When executing the Dutch trades by voice, disputable situations concerning the sequence of submission of orders for purchasing are solved based on the Exchange administrator (administrators) opinion, which is considered final and cannot be appealed; in addition, in order to ensure fair solution of disputable situations on the sequence of additional orders submission, the Exchange administrator (administrators) has the right to request opinions of other trades' participants, and his/her assistant (assistants).
2. If in compliance with item 1 of this article orders for purchasing, submitted by several trades' participants, were recognized as simultaneously submitted and accepted by the Exchange:
 - 1) the seller does not have the right to annul the order for selling or change its terms;
 - 2) the financial instrument, sold at the Dutch trades, is divided in equal quantity between these trades' participants, and deals are concluded at the last price of the order for selling in amounts of such equal quantity;
 - 3) if the financial instrument being sold at the Dutch trades cannot be divided in equal quantity between these trades' participants, trades are continued by replacing their execution method to the English trades' method; given this:

these trades' participants have the right to refuse participation in such English trades;

trades' participant, who did not refuse participation in such English trades, must submit the order for purchasing towards the increase of the being sold financial instrument price;

if such English trades are recognized and announced abandoned, in compliance with sub-item 4) of item 12 of article 11 of these Regulations, the Dutch trades are also recognized and announced abandoned in consequence of which were executed such English trades.

Article 13. Subscription Method

Conducting trades by the subscription method is described by a separate internal document of the Exchange.

(This article was included by the Exchange Council decision of October 6, 2011).

President

A. Joldasbekov