

KAZAKHSTAN STOCK EXCHANGE

Approved

by a decision of Management Board of
Kazakhstan Stock Exchange JSC
(meeting minutes No. 125 of November 10,
2015)

Effective as of

November 10, 2015

NOTICE

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

METHODOLOGY of Foreign Currencies Market Indicators Calculation

Almaty

2015

LIST OF AMENDMENTS

1. Changes and addition No. 1:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 86 of the meeting on August 17, 2018);
- effective from September 10, 2018.

2. Changes No. 2:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 66 of the meeting on June 6, 2019);
- effective from July 1, 2019.

3. Changes No. 3:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 86 of the meeting on August 12, 2021);
- effective from August 18, 2021.

This Methodology defines the list of indicators of the foreign currencies market of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange), and these indicators calculation procedure.

CHAPTER 1. GENERAL PROVISIONS

1. Concepts used in this Methodology are defined by other internal documents of the Exchange.
2. For this Methodology purposes:
 - 1) foreign currencies mean foreign currencies traded on the Exchange in compliance with its internal documents;
 - 2) deals mean deals concluded during trades in the instrument USDKZT_TOM conducted by the Exchange (*this sub-item was changed by a decision of the Exchange's Management Board dated June 6, 2019*).
3. The Exchange calculates the following indicators of the foreign currencies market (*this item was changed by a decision of the Exchange's Management Board dated June 6, 2019*):
 - 1) the weighted average rate of the US dollar to the Kazakh tenge as at 11:00 o'clock, Nur-Sultan time;
 - 2) the weighted average rate of the US dollar to the Kazakh tenge as at 15:30 o'clock, Nur-Sultan time;
 - 3) the weighted average rate of the US dollar against the Kazakh tenge at the end of the trading day.
4. Terms used in this Methodology can also be used in other Exchange internal documents, office documents, the Exchange correspondence and Exchange information.
5. Changes and/or additions to this Methodology are the subject to placement (publishing) on the Exchange official website not less than seven days prior to these changes and/or additions become effective.

CHAPTER 2. PROCEDURE OF CALCULATION OF FOREIGN CURRENCIES MARKET INDICATORS

6. Indicators of the foreign currencies market are calculated daily on working days¹ in accordance with items 10–13 of this Methodology.
7. When calculating indicators of the foreign currencies market:
 - 1) deals parameters related to (based on the Exchange information) currency swap transactions are not used;
 - 2) only parameters of deals, made by open trades methods, are used.
8. (*This item was excluded by a decision of the Exchange's Management Board dated August 17, 2018*).
9. In order to ensure that the values of foreign exchange market indicators are adequate to the objective characteristics of the relevant market, these values may be adjusted by the Committee on Indices and Indicators. The conditions and procedure for such adjustment are defined in Chapter 3 of this Methodology (*this item was changed by a decision of the Exchange's Management Board dated August 12, 2021*).
10. (*This item was excluded by a decision of the Exchange's Management Board dated June 6, 2019*).

¹ Working days mean working days in the Republic of Kazakhstan.

11. To calculate the weighted average rate of the US dollar against the Kazakh tenge as at 11:00 o'clock, Nur-Sultan time, the parameters of deals concluded on the day of calculation of this indicator in the period from the beginning of the trading day to 11:00 o'clock, Nur-Sultan time, are used.

To calculate the weighted average rate of the US dollar against the Kazakh tenge as at 15:30 o'clock, Nur-Sultan time, the parameters of deals concluded on the day of calculation of this indicator in the period from the beginning of the trading day to 15:30 o'clock, Nur-Sultan time, are used.

To calculate the weighted average rate of the US dollar against the Kazakh tenge based on the results of the trading day, the parameters of deals concluded on the day of calculation of this indicator in the period from the beginning of the trading day to 17:00 o'clock, Nur-Sultan time, are used.

The calculation of indicators of the foreign currency market is carried out according to the formula established by item 12 of this Methodology.

If no deals were made with the USDKZT_TOM instrument on a particular working day during the period specified in paragraphs one, two or three, then the respective indicator of the foreign currency market is not calculated on that day.

(This item was excluded by a decision of the Exchange's Management Board dated August 17, 2018).

12. The value of the weighted average rate of US dollar to Kazakhstan tenge as an indicator of the foreign currencies market is calculated according to the following formula:

$$R_d = \sum_{i=1}^n (V_i \times R_i) / \sum_{i=1}^n V_i, \text{ where}$$

R_d – the weighted average rate of US dollar to Kazakhstan tenge in Kazakhstan tenge per US dollar;

n – the number of deals of purchase-sale of the US dollar concluded during the period specified in item 11 hereof *(this paragraph was changed by a decision of the Exchange's Management Board dated June 6, 2019)*;

V_i – the volume of the i -th deal in US dollars;

R_i – the price of the i -th deal in tenge per US dollar.

13. Rounding up of values of the indicators for releasing purposes is made up to two decimals according to rules of the mathematical rounding-up (digits up to five are reduced to zero, and digits from five and up are increased to ten).

CHAPTER 3. SPECIAL AUTHORITIES OF THE COMMITTEE ON INDEXES AND INDICATORS REGARDING INDICATORS OF THE FOREIGN CURRENCIES MARKET

(This heading was changed by a decision of the Exchange's Management Board dated August 12, 2021)

14. The Committee on indexes and indicators is entitled to adjust values of the foreign currencies market indicators, excluding from their calculation parameters of deals, which, in opinion of the Committee on indexes and indicators, unreasonably have an influence (influenced) on these values (e.g., unexecuted deals; deals, at conclusion of which trading participants made technical mistakes; deals, prices of which are obviously discord with the market status and/or market dynamics of respective foreign currencies prices, which allows assuming their manipulative nature).

If the Committee decides to exclude from calculation of one or another indicator of the foreign currencies market the parameters of any deal(s), then this indicator is immediately recalculated accordingly.

(This item was changed by a decision of the Exchange's Management Board dated August 12, 2021)

15. When the Committee exercises its special authorities in compliance with item 14 of this Methodology, then its meeting minutes must contain reasons for the use of such authorities and actions, undertaken by the Committee in compliance with these authorities (*this item was changed by a decision of the Exchange's Management Board dated August 12, 2021*).

Chapter 4. FINAL PROVISIONS

(This chapter was included a decision of the Exchange's Management Board dated August 17, 2018)

16. The Department of Information and Statistics is responsible for the implementation of this Methodology and making changes and/or additions (updating) to it.
17. This Methodology is subject to updating as necessary, but at least once every three years.

Acting Chairman of Management Board

N. Khoroshevskaya