

KAZAKHSTAN STOCK EXCHANGE

A g r e e d o n

with the Committee of State Property
and Privatization of the Ministry of Finance
of the Republic of Kazakhstan

on July 15, 1999

A g r e e d o n

with JSC "Central Securities
Depository"

President of JSC "Central
Securities Depository"

A p p r o v e d

by resolution No. 353 of the Directorate
of the National Securities Commission
of the Republic of Kazakhstan

of June 24, 1999

A d o p t e d

by the decision of Kazakhstan Stock
Exchange members general meeting

(protocol No. 3 of June 7, 1999)

E f f e c t i v e

from July 5, 1999

B. KAPYSHEV

N O T I C E

Mentioned below Order 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 Order original version in Russian, the latter prevails.

State Blocks of Shares. ORDER of Admittance to Sale on Trades and Settlements Based on Trades Results

Almaty

1999

LIST OF AMENDMENTS

1. Changes and Additions No 1:

- agreed on with the Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan on November 9, 2001;
- agreed on with the National Bank of the Republic of Kazakhstan on November 12, 2001;
- agreed on with JSC "Central Securities Depository";
- approved by the decision of JSC "Kazakhstan Stock Exchange" categories "K", "P", "H" members general meeting (protocol No. 6 of November 13, 2001);
- effective from November 14, 2001.

2. Following a decision of the Board of Directors of JSC "Kazakhstan Stock Exchange" (minutes No. 1 (3) of January 15, 2004) the words "closed joint-stock company "Kazakhstan Stock Exchange"" were replaced by the words "joint-stock company "Kazakhstan Stock Exchange"" in appropriate cases and the words "CJSC "Kazakhstan Stock Exchange"" were replaced by the words "JSC "Kazakhstan Stock Exchange"" in all internal documents of the Exchange.

3. Changes No. 2:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on March 19, 2004;
- approved by the decision of Kazakhstan Stock Exchange Board of Directors (protocol No. 6 of March 10, 2004);
- effective from March 23, 2004.

4. Following a decision of the Board of Directors of JSC "Kazakhstan Stock Exchange" (minutes No. 6 of March 10, 2004) the words "National Bank of the Republic of Kazakhstan" were replaced by the term "body of government regulation of the securities market" in all internal documents of JSC "Kazakhstan Stock Exchange" where the National Bank of the Republic of Kazakhstan is mentioned as body of government regulation of the securities market, and where the National Bank of the Republic of Kazakhstan as body of government regulation of the securities market is mentioned in the reduced form "National Bank", the words "National Bank" were replaced by the term "Authorized body" and the words "National Bank of the Republic of Kazakhstan" – by the term "body of government regulation of the securities market".

5. Following a decision of the Board of Directors of JSC "Kazakhstan Stock Exchange" (minutes No. 7 of April 14, 2004) the symbols "Closed joint-stock company "Central Securities Depository"" (in any case) or "closed joint-stock company "Central Securities Depository"" (in any case) or "CJSC "Central Securities Depository"" were replaced by "JSC "Central Securities Depository"" in all internal documents of the Exchange where "JSC "Central Securities Depository"" is mentioned.

State Blocks of Shares.
Order of Admittance to Sale on Trades and Settlements based on Trades Results

Concepts used in this normative act mean the following:

"Exchange" – joint-stock company "Kazakhstan Stock Exchange" *(this paragraph was changed by the Exchange Board of Directors decision of January 15, 2004)*;

"Exchange trades, trades" – executed by the Exchange trades in state blocks of shares;

"State block of share (SBS) holder" – a government body which has the state block of shares;

"State block of shares, shares" – the state owned block of shares, being sold (sold) on the exchange trades;

"Depository" – JSC "Central Securities Depository" *(this paragraph was changed by the Exchange Board of Directors decision of April 14, 2005)*;

"Depository correspondent account" – the Depository bank account used for entering, in compliance with this normative act, amounts payable for purchased state blocks of shares, bank details of which are provided for these purposes by the Depository to the Exchange and by the Exchange to trades Participants *(this paragraph was changed by the Exchange Board of Directors decision of March 10, 2004)*;

"Exchange correspondent account" – the Exchange bank account used for entering, in compliance with this normative act, the guarantee fees payable for the assumed for purchasing of state blocks of shares, bank details of which are provided for these purposes by the Exchange to trades Participants *(this paragraph was changed by the Exchange Board of Directors decision of March 10, 2004)*;

"Buyer" – a trades participant who concluded on trades the deal of purchasing-selling of the state block of shares where he acts as its buyer;

"Seller" – a trades participant acting as the seller of state block of shares;

"Exchange settlement account" – the Exchange bank account used for entering, in compliance with this normative act, the Exchange commission fee, bank details of which are provided for these purposes by the Exchange to trades Participants *(this paragraph was changed by the Exchange Board of Directors decision of March 10, 2004)*;

"Depo" account" – an account of trades Participant in the Depository for registration of securities are in the nominal holding of this trades Participant and/or belong to him;

"Trading system" – the Exchange program and technical complex through which are executed trades in securities, admitted to circulation (trading) on the Exchange;

"Trades participants, participants" – the Exchange section "H" members, admitted to exchange trades;

"Authorized body" – a body of the securities market government regulation *(this paragraph was included by the Exchange members meeting decision of November 13, 2001 and changed by the Exchange Board of Directors decision of March 10, 2004)*.

Section I. GENERAL PROVISIONS

Chapter 1. Force of this Normative Act

1. This normative act regulates activities of the Exchange and its members only in relation to state blocks of shares, namely, defines the order of their admittance to sale on the exchange trades and settlements on deals in state blocks of shares.
2. *(This item was excluded by the Exchange members meeting decision of November 13, 2001)*.

Chapter 2. *(This article was excluded by the Exchange Board of Directors decision of March 10, 2004; previously, item 1 of this article was changed, and item 2 excluded by the Exchange members meeting decision of November 13, 2001)*.

Section II. PRETRADING PROCEDURES

Chapter 3. Admittance of State Blocks of Shares to Sale on Exchange Trades

1. State blocks of shares are admitted to sale at the exchange trades based on appropriate decision of the SBS Holder (*this item was changed by the Exchange Board of Directors decision of November 13, 2001*).
2. First trades in the state block of shares starts not earlier than in five calendar days after publication of an announcement on its sale. In certain cases other time frames of execution of first trades in one or more state blocks of shares can be established by the SBS Holder.
3. The state blocks of shares, being nominally held on the Depository depo accounts, are signed in the Exchange trading system by the trading code starting with symbols "NZ". Such shares sale on the exchange trades is admissible only given their preliminary blocking on such "depo" accounts.
4. The state blocks of shares not transferred to the Depository depo accounts are signed in the Exchange trading system by the trading code starting with symbol "Z". Such shares sale on the exchange trades is admissible without their preliminary blocking on such "depo" accounts.

Chapter 4. Seller's Obligations

Prior to the start of the first trades in the state block of shares, the Seller must provide the Exchange with the Depository extract (for shares with the trading code starting with symbols "NZ") or an independent registrar (for shares with the trading code starting with symbol "Z"), which confirms the existence of this state block of share.

Chapter 5. Guarantee Fee

1. The trades participant willing to purchase being sold state block of shares must, prior to the start of exchange trades in this state block of shares, enter to the Exchange correspondent account the guarantee fee in the amount of 10% from the face value of shares being purchased.

In certain cases the SBS Holder can make the decision to establish another amount and the order of the guarantee fee payment (*this paragraph was added in by the Exchange members meeting decision of November 13, 2001*).
2. At will of the trades Participant who transferred the guarantee fee, it can prior to the start of trades be credited as the guarantee fee for another state block of shares.
3. During trades the Exchange trading system checks existence of the guarantee fee. Responsibility for violation of terms of item 1 of this article is established by section IV of this normative act.
4. If the trades Participant, who transferred the guarantee fee, did not conclude the deal in state block of shares, the guarantee fee is returned to him in compliance with the written application of this trades Participant.

Section III. POSTTRADING PROCEDURES

Chapter 6. Exchange Certificates

The document, confirming conclusion on the exchange trades of the deal in the state block of shares, is the exchange certificate drawn based on this deal, containing:

- 1) the joint stock company name, whose state block of shares was sold;
- 2) the amount of deal (product of one share price per number of shares);
- 3) the Exchange commission fee.

Chapter 7. Settlements on Deals in State Blocks of Shares with the Trading Code Starting with Symbols "NZ"

1. On the following day after conclusion of the deal in the state block of shares, the Exchange transfers to the Depository correspondent account the guarantee fee, which is reckoned towards fulfillment of the Seller's obligations on payment of the purchased state block of shares.

The remaining amount of the deal (excluding the Exchange commission fee amount) must be reckoned to the Depository correspondent account during seven business days from the day of its conclusion.

In certain cases the SBS Holder can decide to establish another payment period exceeding seven business days (*this paragraph was included by the Exchange members meeting decision of November 13, 2001*).

The Exchange commission fee must be entered by the Buyer to the Exchange settlement account during seven days from the date of conclusion of the deal in state block of shares.

2. In the case of timely (in compliance with item 1 of this article) fulfillment by the Buyer of his obligations on the deal in purchased by him state block of shares, the Depository:
 - 1) transfers received from the Buyer money to the indicated by the Seller bank account;
 - 2) transfers purchased and paid by the Buyer shares to the Buyer's depo account within the period and in the order established by the Depository normative acts.
3. In case of untimely (in compliance with item 1 of this article) fulfillment by the Buyer of his obligations on the deal in state block of shares, the Depository does not have the right to transfer purchased by the Buyer shares to his "depo" account until the Exchange special instruction.

Chapter 8. Settlements on Deals in State Blocks of Shares with the Trading Code Starting with Symbol "Z"

1. On the following day after conclusion of the deal in the state block of shares the Exchange transfers to the Seller's bank account the commission fee, which is reckoned towards fulfillment of the Buyer's obligations on payment of the purchased state block of shares.

The remaining deal amount must be reckoned by the Buyer to the Exchange correspondent account during seven business days from the day of its conclusion.

In certain cases the SBS Holder can make the decision to establish another payment period exceeding seven business days (*this paragraph was included by the Exchange members meeting decision of November 13, 2001*).

2. Upon the receipt from the Buyer of money in compliance with item 1 of this article, the Exchange transfers the deal amount to the indicated by the Seller bank account.

Simultaneously with the money transfer, the Exchange provides the Seller with the Buyer's name and other possible details.
3. The Exchange commission fee must be entered by the Buyer to the Exchange settlement account during seven days from the date of conclusion of the deal in state block of shares.
4. After complete fulfillment by the Buyer of obligations on the deal in state block of shares and payment by the Buyer of penalties (if such was levied in compliance with section IV of this normative act), the Seller during five business days must

re-register paid shares to the Buyer's name or submit to the Buyer all documents, necessary for such re-registration.

Section IV. TRADES PARTICIPANTS RESPONSIBILITY

Chapter 9. Responsibility for Non-entering the Commission Fee

1. The deal in state block of shares, concluded by the Buyer without entering the commission fee in the full volume, in compliance with item 1 of article 5 of this normative act or with violation of the order of the commission fee payment, is considered invalid and is announced by the Exchange as annulled (*this item was supplemented by the Exchange members meeting decision of November 13, 2001*).
2. For conclusion of the deal in state block of shares without entering the guarantee fee in the full volume, the Buyer pays to the Exchange the penalty in the amount of 1% from such deal amount within the period, established in compliance with the decision of the Exchange Arbitrage Commission.

Chapter 10. Responsibility for Violation of Terms on Settlements on Deals

1. In case of violation by the Buyer of time frames, established by item 1 of article 7 and item 1 of article 8 of this normative act, the Buyer pays in favor of the aggrieved party (the Seller or the Exchange) a fine in compliance with the Exchange normative act "Regulations on Responsibility for Violation of Settlements Time Frames".
2. In case of violation by the Buyer of time frames, established by item 1 of article 7 and item 1 of article 8 of this normative act, the Seller, upon the agreement with the SBS Holder, has the right to unilaterally terminate the deal in the state block of shares. Given this, the Seller has the right to terminate the deal in the state block of shares as in the full volume, so only in the part of unpaid shares. In case of partial termination of the deal, the Buyer is exempted from the penalty payment. The day of the Seller's corresponding application registration by the Exchange is recognized as the deal termination day.
3. In case of the deal termination in compliance with item 2 of this article:
 - 1) the Buyer retains the obligation to pay the commission fee to the Exchange;
 - 2) the amount of transferred by the Buyer guarantee fee is retained by the Seller as the deal termination penalty payment. The amount transferred by the Buyer above the guarantee fee, after deduction of the Exchange commission fee, is returned by the Buyer to the Seller within established by the Seller period;
4. In case of violation by the Seller of time frames, established by item 4 of article 8 of these Rules, the Seller pays in favor of the Buyer a fine in compliance with the Exchange normative act "Regulations on Responsibility for Violation of Settlements Time Frames".
5. All relations of trades Participants with their clients, including allocation of amounts of levied penalties, are regulated by appropriate agreements between trades Participants and their clients.