

KAZAKHSTAN STOCK EXCHANGE

A p p r o v e d

by the decision of Kazakhstan
Stock Exchange Management Board
of September 17, 2007 No. 135/1

Effective from

January 1, 2008,
excluding norms concerning the shares
market capitalization and the shares
market index effective from
October 1, 2007

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 Market Indices Calculation

Almaty

2007

LIST OF AMENDMENTS

1. Changes and additions No. 1 (revised Methodology of Market Indices Calculation):

- approved by decision No. 107/0 of Kazakhstan Stock Exchange Board of August 14, 2008;
- effective from September 1, 2008.

2. Changes and additions No. 2:

- approved by decision No. 52/4 of Kazakhstan Stock Exchange Board of March 31, 2009;
- effective from April 1, 2009.

3. Changes and additions No. 3:

- approved by decision No. 131 of Kazakhstan Stock Exchange Board of June 30, 2009;
- effective from July 15, 2009.

4. Changes No. 4:

- approved by decision No. 156 of Kazakhstan Stock Exchange Board of April 30, 2010;
- effective from May 4, 2010.

5. Changes and addition No. 5:

- approved by decision of the Management Board of Kazakhstan Stock Exchange JSC (meeting minutes No. 73 of May 21, 2014);
- effective from June 3, 2014.

6. Changes and addition No. 6:

- approved by decision of the Management Board of Kazakhstan Stock Exchange JSC (meeting minutes No. 21 of March 1, 2017);
- effective from April 15, 2017.

This Methodology defines the list of market indices, calculated by Kazakhstan Stock Exchange (hereinafter – the Exchange) and the order of these indices calculation.

Chapter 1. GENERAL PROVISIONS

Article 1. General Provisions

1. In this Methodology concepts are used, defined by other Exchange internal documents, including the Methodology of Bonds Yield and Amounts of Deals in Bonds (hereinafter – the Methodology of Yield Calculation) (*this item was changed following a decision of the Exchange's Management Board dated May 21, 2014*).
2. For this Methodology purposes:
 - 1) corporate bonds mean any debt securities, excluding government securities (including foreign) and securities (bonds) of international financial organizations;
 - 2) deals mean deals concluded on the Exchange-operated trades;
 - 3) orders mean orders for conclusion of deals (*this sub-item was changed by a decision of the Exchange's Management Board dated March 1, 2017*);
 - 4) successful day for any financial instrument means a day during which at least one deal in that financial instrument was concluded in the Exchange's trading system (*this sub-item was included by a decision of the Exchange's Management Board dated March 1, 2017*).
3. The Exchange calculates the following market indices (hereinafter – indices):
 - 1) the shares market capitalization;
 - 2) the corporate bonds market capitalization;
 - 3) KASE Index is the shares market index¹ reflecting the change in the total market value of the most liquid shares of KASE market, issued and sold by major and financially stable companies (*this sub-item was changed following decisions of the Exchange's Management Board dated June 30, 2009, April 30, 2010 and March 1, 2017*);
 - 4) the corporate bond market indices:
 - corporate bonds yield index (KASE_BY² index);
 - corporate bonds prices, calculated at their flat prices (with no account of accrued but unpaid interest) (at "clean" prices) (KASE_BC index);
 - corporate bonds prices index, calculated inclusive the entire accrued interest on them, including unpaid interest (KASE_BP index) (*this sub-item was changed following a decision of the Exchange's Management Board dated March 1, 2017*);
 - 5) closing prices for securities (*this sub-item was changed following a decision of the Exchange's Board dated June 30, 2009*).
4. Used in this Methodology terms may also be used in other Exchange internal documents, official documents and the Exchange correspondence and exchange information.
5. Changes and/or additions to this Methodology are subject to publishing on the Exchange Internet site (www.kase.kz) not less than 15 days prior to the date of

¹ The same as the stock index.

² For designation of the corporate bonds market indices are used the following abbreviations of English words: "B" – "bond", "Y" – "yield", "P" – "performance", "C" – "clear".

putting these changes and/or additions into effect, except for changes and/or additions which are of editorial and/or adjusting nature and do not impact the procedure of *(this paragraph was changed following a decision of the Exchange's Management Board dated May 21, 2014)*:

calculation of indices;

composing the list of securities whose parameters are used for calculation of one or another index;

defining parameters of securities which are used for calculation of one or another index;

use by the Committee on Indices and Securities Valuation (hereinafter – the Committee) of its powers *(this paragraph was changed following a decision of the Exchange's Management Board dated May 21, 2014)*.

(This item was changed following a decision of the Exchange's Board dated April 30, 2010).

Article 2. General Terms of Indices Calculation

1. For calculation of one or another index, except for securities' closing prices, the Exchange forms the list of securities, parameters of which are used for such calculation (hereinafter – the representative list) *(this paragraph was supplemented following a decision of the Exchange's Board dated June 30, 2009)*.

Representative lists development order is described in articles 3–6 of this Methodology.

2. The impact of securities of one denomination on KASE Index value or corporate bonds markets index value is limited by using the restrictive coefficient (in compliance with item 1 of article 8 of this Methodology) when calculating this index *(this item was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

3. Indices (except the KASE Index) are calculated daily upon completion of the trading day on securities³ *(this paragraph was changed following decisions of the Exchange's Management Board dated June 30, 2009 and April 30, 2010)*.

The KASE Index is calculated during the trading day on shares, according to conclusion of deals in shares of those denominations, which are present in the representative list for the KASE Index calculation (regardless of these deals performance) *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

4. Indices value are published by the Exchange accurate within two decimal digits after comma rounded according to the mathematic rounding rules (digits to five are dropped to zero, and digits from five are increased to ten).
5. When calculating indices:
 - 1) repo transactions related deals parameters and parameters of deals for such deals conclusions are not used;
 - 2) parameters of only those deals are used, which were concluded by open trades methods, and only of those orders, submitted during trades, executed by open trades methods;
 - 3) parameters of securities, deals and orders, expressed in US dollars (USD) are converted into Kazakhstan tenge (KZT) only at the weighted average

³ Hereinafter the trading day on securities means the trading day on securities of those denominations, whose parameters are included into calculation of the corresponding index *(this footnote was changed following a decision of the Exchange's Management Board dated June 30, 2009)*.

USD rate, formed on the Exchange morning trading session of the index calculation day;

- 4) parameters of securities, deals and orders, expressed in another, other than USD, foreign currency are converted into KZT at the official rate of the National Bank of the Republic of Kazakhstan, fixed for accounting purposes, customs and tax payments on the index calculation date;
 - 5) indexed parameters of indexed corporate bonds, deals in such bonds and orders for conclusion of deals in such bonds are used;
 - 6) the number of placed securities of any denomination and the number of free floating shares of any denomination are determined by the Exchange based on the information received by it from these securities (shares) admittance initiator within his obligations towards the Exchange on the information disclosure or from another source, trustworthy in opinion of the Committee *(this paragraph was changed following a decision of Kazakhstan Stock Exchange Management Board dated May 21, 2014)*.
6. In case of absence during the trading day of deals or orders involving securities, parameters of which are necessary for calculation of one or another indicator, for such calculation purposes are used data of the last successful day, based on which it is possible to determine such parameters, if not stipulated otherwise by the procedure of that indicator calculation *(this item was changed following decisions of the Exchange's Management Board dated June 30, 2009 and March 1, 2017)*.
 7. In order to ensure the adequacy of indicators' values to the market fair characteristics these data may be adjusted by the Committee *(this paragraph was changed following a decision of Kazakhstan Stock Exchange Management Board dated May 21, 2014)*.

The order and terms of such adjustment are described in article 9 of this Methodology.

Chapter 2. INDICATORS CALCULATION

Article 3. Shares Market Capitalization Calculation

1. The representative list for the shares market capitalization calculation is formed by the Exchange without making any decisions by its bodies and officials out of shares of all denominations present in the Exchange's official list, as the following conditions are fulfilled in relation to shares of each particular denomination (considering the specifics, established by item 2 of this article) *(this paragraph was changed by a decision of the Exchange's Management Board dated March 1, 2017)*:
 - 1) the receipt by the Exchange of the information on the number of placed shares of this denomination;
 - 2) opening by the Exchange of regular trades in shares of this denomination;
 - 3) conclusion in shares of this denomination of at least one deal by any open trades methods.
2. Preferred shares of any issuer cannot be included into the representative list for calculation of the shares market capitalization, if common shares of this issuer are not present in it.
3. Shares of any denomination are excluded from the representative list for calculation of the shares market capitalization without making any decisions of the Exchange bodies and officials in the following cases:
 - 1) exclusion of shares of this denomination from the Exchange representative list;

- 2) (if shares of this denomination are preferred) exclusion of common shares of this denomination from the Exchange representative list.
4. The shares market capitalization is calculated by formula:

$$CAP_s = \sum_{i=1}^n (Q_i \times \bar{P}_i), \text{ where}$$

- CAP_s – the shares market capitalization, in KZT;
- n – the number of shares denominations, present in the representative list for calculation of the shares market capitalization;
- Q_i – the number of placed shares of i denomination (minus repurchased by the issuer), in units;
- \bar{P}_i – the weighted average price of one share of i denomination on deals concluded during the last completed trading day on shares, in KZT.
5. For information purposes the Exchange can publish the shares market capitalization values in a foreign currency; given this:
 - 1) if the shares market capitalization is expressed in USD, then the weighted average USD rate, formed on the Exchange morning trading session of the shares market capitalization calculation date, is used;
 - 2) if the shares market capitalization is expressed in another, other than USD, foreign currency, then the official rate of the National Bank of the Republic of Kazakhstan, fixed for accounting purposes, customs and tax payments on shares market capitalization calculation date, is used.

Article 4. Corporate Bonds Market Capitalization Calculation

1. The representative list for the corporate bonds market capitalization calculation is formed by the Exchange without making any decisions by its bodies and officials out of shares of all denominations present in the Exchange official list, as the Exchange receives the information on placement of corporate bonds of one or another denomination.
2. Corporate bonds of any denomination are excluded from the representative list for the corporate bonds market capitalization calculation without making decisions of any Exchange bodies and officials when excluding corporate bonds of this denomination from the Exchange official list.
3. The corporate bonds market capitalization is calculated by formula (considering specifics, established by item 4 of this article):

$$CAP_b = \sum_{i=1}^n (Q_i \times N_i), \text{ where}$$

- CAP_b – the corporate bonds market capitalization, in KZT;
- n – the number of corporate bonds denominations, present in the representative list for calculation of the corporate bonds market capitalization;
- Q_i – the number of placed corporate bonds of i denomination, in units;
- N_i – the face value of one corporate bond of i denomination, in KZT.
4. If corporate bonds of any denomination do not have the face value (as the concept "bond face value" is interpreted and used in the legislation of the Republic of Kazakhstan), the total debt value in the face value, certified by this denomination corporate bonds issue prospectus (the document similar to this denomination corporate bonds issue prospectus) is used as the value of product

of the number of this denomination corporate bonds to the face value of one corporate bond of this denomination.

5. For information purposes the Exchange can publish the corporate bonds capitalization values in a foreign currency; given this:
 - 1) if the corporate bonds market capitalization is expressed in USD, then the weighted average USD rate, formed on the Exchange morning trading session of the corporate bonds market capitalization calculation date, is used;
 - 2) if the corporate bonds market capitalization is expressed in another, other than USD, foreign currency, then the official rate of the National Bank of the Republic of Kazakhstan, fixed for accounting purposes, customs and tax payments on corporate bonds market capitalization calculation date, is used.

Article 5. KASE Index Calculation

(This article heading was changed following a decision of the Exchange's Management Board dated April 30, 2010).

1. The representative list for calculation of the KASE Index (hereinafter in this article – the representative list) is formed by the Committee out of shares present in the Exchange's official list based on the following selection criteria:
 - 1) the total number of shares denominations, present in the representative list, must make up not less than seven;
 - 2) shares of particular denomination can be included in the representative list only upon receipt by the Exchange of the information on the number of outstanding shares of this denomination and other data, necessary to determine the number of free floating shares of this denomination;
 - 3) the issuer whose shares are included in the representative list, must on the planned date of inclusion comply with the following requirements:

the issuer must be a legal entity recognized as organization – resident of the Republic of Kazakhstan in accordance with item 3 of article 22-1 of Kazakhstan's Act "On the Securities Market" dated July 2, 2003;

the issuer's capitalization must make up at least KZT23 bn and be calculated according to the formula:

$$CAP_i = \sum_{i=1}^n (Q_i \times P_i), \text{ where:}$$

CAP_i – capitalization of the issuer, in tenge;

Q_i – number of outstanding shares of the i-th title of that issuer (less those bought back by their issuer), in pieces;

P_i – weighted average price of one share of the i-th title in tenge on deals concluded in the Exchange's trading system over the last elapsed trading day successful for shares of that title;

the issuer's equity must be positive according to the most recent audited annual financial statements presented to the Exchange;

the issuer's operations must be profitable (in terms of net income) over the last two financial years, according to audited annual financial statements presented to the Exchange;
 - 4) share of particular title can be included in the representative list provided the following conditions were met as of the planned inclusion date:

the volume of trading in these shares for each of six months preceding the planned inclusion date must be at least KZT24 mln;

the number of successful days for these shares for each of six months preceding the planned inclusion date must be at least 70 % of all trading days of the respective month;

deals concluded in these shares within six months preceding the planned inclusion date must be concluded by at least six members of the Exchange;

5) The Committee has the right to make the decision on inclusion in the representative list of shares of particular denomination, violating terms, established by sub-item 4) of this item, given existence of other factors witnessing, in the Committee's opinion, of sufficient liquidity of shares of this denomination;

6) after the initial forming of the representative list it may change (shares of any denominations may be included and excluded from it) once a calendar quarter – from February 1, May 1, August 1, November 1; at that shares quoted in the representative list must comply with the following conditions as of the list change date:

in each of any four months out of six months preceding the change date, the minimum volume of trading in these shares must be equal to or exceed KZT12 mln; at that, if these shares are traded on a foreign exchange, the minimum volume of their trading in the Exchange's trading system must be more than or equal to KZT12 mln in each of any months out of six months preceding the list change date;

in each of any four months out of six months preceding the change date at least 50 % of trading days (of the total number of trading days in the month) must be successful for these shares;

in each of any four months out of six months preceding the list change date, deals in these shares must be concluded in the Exchange's trading system by at least six members of the Exchange;

7) the issuer whose shares are in the representative list, must on the list change date of inclusion comply with the following requirements:

the issuer's capitalization calculated according to the formula indicated in sub-item 3) of this item must make up at least KZT23 bn;

the issuer's equity must be positive according to the most recent audited annual financial statements presented to the Exchange;

the issuer's operations cannot be lossmaking (in terms of net income) for more than two years, preceding the list change date according to audited annual financial statements presented to the Exchange;

8) the Committee's decision on changing the representative list must be released on the Exchange's website until January 16, April 16, July 16, October 16, respectively (with exceptions specified in sub-item 11) of this item);

9) shares of particular denomination are removed from the representative list by a decision of the Committee for the reason of:

cease of circulation of shares of the denomination on the Exchange;

due to incompliance with terms specified in sub-items 6)-8) of this item with regard to them;

due to any other reason which the Committee will consider sufficient for taking such decision for purposes of ensuring the representativeness of the KASE Index (with exceptions specified in sub-item 10) of this item);

10) The Committee is entitled not to make the decision on exclusion of shares of any denomination from the representative list due to non-observance in

relation to them of terms, established by sub-item 6) of this item, at availability of factors witnessing, in the Committee's opinion, of the sufficient liquidity of shares of this denomination;

- 11) The Committee has the right to make the decision on exclusion from the representative list of shares of any denomination, violating terms, established by sub-item 6) of this item, if such exclusion, in the Committee's opinion, is necessary due to

exclusion of shares of this denomination from the Exchange official list;

suspension by the Exchange of trades in shares of this denomination

receipt of facts indicative of a sharp decline in the liquidity of shares of this denomination or sharp aggravation or disappearance of circumstances, ensuring fair pricing on shares of this denomination;

receipt of facts indicative of a sharp worsening of the financial position of the issuer of share of this denomination.

(This item was changed following decisions of the Exchange's Management Board dated April 30, 2010, May 21, 2014 and March 1, 2017).

2. The KASE Index is calculated by formula:

$$\text{KASE} = K \times \text{KASE}_b \times \frac{\text{MV}_t}{\text{MV}_b}, \text{ where}$$

KASE – the KASE Index, in points *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*;

K – the adjustment coefficient, calculated in compliance with article 7 of this Methodology;

KASE_b – the initial KASE Index value, indicated in item 3 of this article, in points *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*;

MV_t – the total market value of shares, included into the representative list, at the KASE Index calculation moment, calculated in compliance with item 4 of this article, in KZT *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*;

MV_b – the total market value of shares, included into the representative list, at the KASE Index initial calculation moment, calculated in compliance with item 3 of this article, in KZT *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

3. The initial KASE Index value is fixed in the size of 2,545.79 points as of 18.00 Almaty time (ALT) of September 28, 2007⁴ *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

The total market value of shares, included into the representative list, at the KASE Index initial calculation moment is fixed in the amount of KZT868,132,912,362.78 as of 18.00 ALT of September 28, 2007 *(this paragraph was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

⁴ This KASE index value is the last KASE_Shares value, which was calculated from July 12, 2000 to September 28, 2007 in compliance with the Methodology of Market Indices Calculation, approved by the Exchange Board decision No. 15/1 of February 21, 2001 (the initial KASE_Shares index value was fixed in the size of 100.00 points as of July 12, 2000). Accordingly, the numerical series of the KASE index values continue the numerical series of the KASE_Shares index values *(this footnote was changed following a decision of the Exchange's Management Board dated April 30, 2010)*.

4. The total market value of shares, included into the representative list is calculated by formula:

$$MV_t = \sum_{i=1}^n (P_i \times FF_i \times \bar{R}_i), \text{ where}$$

- n – the number of shares denominations, present in the representative list;
- P_i – the closing price of shares of i denomination, concluded at the moment of calculation of the total market value of shares, included into the representative list, in KZT;
- FF_i – the number of free floating shares of i denomination, determined in compliance with item 5 of this article, in units;
- \bar{R}_i – the restrictive coefficient for shares of i denomination, calculated in compliance with article 8 of this Methodology;
5. The number of free floating shares of any denomination is determined by the Committee at inclusion of shares of this denomination into the representative list and then simultaneously with calculation of the restrictive coefficient for shares of this denomination (*this paragraph was changed following a decision of Kazakhstan Stock Exchange Management Board dated May 21, 2014*):
- 1) as the number of placed shares of this denomination not belonging to:
the Republic of Kazakhstan (not the state property of the Republic of Kazakhstan);
officials of these shares issuer;
persons, each of whom owns common shares issued by these shares' issuer in the quantity of five and more percent from the total number of placed shares of this issuer (excluding persons who were not recognized by the Committee as these shares issuer's strategic shareholders, for example, excluding institutional investors) (*this sub-item was changed following a decision of Kazakhstan Stock Exchange Management Board dated May 21, 2014*)
 - 2) (in case of insufficient information for determination of the number of this denomination free floating shares in compliance with sub-item 1) of this item) based on the expertise.
6. For information purposes the Exchange calculates in compliance with item 7 of this article on shares of those denominations, which are present in the representative list, stakes of free floating shares of these denominations.
7. The stake of free floating shares of any denomination is calculated by formula:

$$F_i = \frac{FF_i}{Q_i} \times 100, \text{ where}$$

- F_i – the stake of free floating shares of i denomination, in percentage;
- FF_i – the number of free floating shares of i denomination, determined in compliance with item 5 of this article, in units;
- Q_i – the number of placed shares of i denomination (excluding repurchased by the issuer), in units.

Article 6. Corporate Bonds Market Indices Calculation

1. The representative list for the corporate bonds market indices calculation (hereinafter in this article – the representative list) is initially formed by the Committee out of corporate bonds of all denominations, issued in compliance

with the legislation of the Republic of Kazakhstan and present in the Exchange official list, as the following terms in relation to corporate bonds of each denomination are met:

- 1) bonds of this denomination must have a rating not lower than "BB-" on scale of Standard & Poor's, and/or Fitch, and/or Rating agency "KZ-rating", or not lower than "Ba3" on scale of agency Moody's, or not lower than "BB3" on scale of Rating agency of Regional Financial Center of Almaty, or not lower than "A" on scale of Rating agency Expert RA Kazakhstan;
- 2) bonds must have fixed (non-indexed) face value;
- 3) the Exchange has information on the number of outstanding bonds of this denomination;
- 4) a market-maker for bonds of this denomination operates on the Exchange;
- 5) the Exchange opened (has not suspended) regular trades in corporate bonds of this denomination; in doing so the Exchange Management Board determined that quotation of bonds of this denomination is carried out in "net" prices (without taking into account the calculated, but unpaid interest);
- 6) the issue of bonds on this denomination has no unsettled debts on payment of coupon interest and/or principal debt on bonds he issued.

(This item was changed by a decision of Exchange Management Board dated May 21, 2014).

2. After the representative list initial forming it may change (corporate bonds of any denomination may be included and excluded from it) following a decision of the Committee, once within two months – on the fifteenth date of the even calendar month; given this the Committee decision on such change in the representative list must be published on the Exchange Internet site not later than the date of such change.

The representative list may include bonds of any denomination at compliance with conditions specified by sub-items 1)-6) of item 1 of this article.

The Exchange Risk Committee has the right to make a decision on exclusion from the representative list of corporate bonds of any denomination, including violating the terms, established by the first paragraph of this item, in case of their failure to comply with one or several criteria specified in item 1 of article 6 for inclusion of bonds on the representative list, as well as at emergence of other factors witnessing of a sharp decline of these corporate bonds or sharp aggravation or disappearance of circumstances, ensuring fair pricing on corporate bonds of this denomination.

Corporate bonds of any denomination are excluded from the representative list without bodies or executives of the Exchange taking any decisions in case of their exclusion from the Exchange official list or quitting (by way of transfer) the highest category of the Exchange official list.

(This item was changed by a decision of Exchange Management Board dated May 21, 2014).

3. The KASE_BY index is calculated by formula:

$$K_{BY} = \frac{\sum Y_{i,t} \times (P_{i,t} + A_{i,t}) \times Q}{\sum (P_{i,t} + A_{i,t}) \times Q}, \text{ where}$$

- K_{BY} – the KASE_BY index, in percentage APR;
- $Y_{i,t}$ – the yield of a corporate bond of i^{th} denomination calculated based on the quotation price determined upon results of the expired trade day, in annual percentage;
- $P_{i,t}$ – quotation price of one corporate bond of i^{th} denomination upon results of the last expired trade day on corporate bonds determined

in accordance with item 7 of this article, in percentage of the face value of one corporate bond;

- $A_{i,t}$ – amount of accumulated interest on one corporate bond of i^{th} denomination for the current coupon period including the last expired trade date, in percent of the face value of one corporate bond (calculated in accordance with item 8 of this article);
- Q – number of corporate bonds quoted in the representative list.

(This item was changed by a decision of Exchange Management Board dated May 21, 2014).

4. *(This item was excluded by a decision of Exchange Management Board dated May 21, 2014).*
5. *(This item was excluded by a decision of Exchange Management Board dated May 21, 2014).*
6. KASE_BC and KASE_BP indices are calculated by formulas:

$$K_{BC} = K \times \left[K_{BCp} \times \frac{\sum_i \tilde{P}_i \times Q_i}{\sum_i \tilde{P}_{ip} \times Q_i} \right] \text{ and}$$

$$K_{BP} = K_{BC} \times (1 + IA_t), \text{ где } IA_t = \frac{\sum_i (A_{i,t} \times Q_i)}{\sum_i (\tilde{P}_i \times Q_i)}, \text{ where}$$

- K_{BC} – the KASE_BC index, in points;
- K_{BP} – the KASE_BP index, in points;
- K_{BCp} – the previous KASE_BC index value, in points;
- \tilde{P}_i – the quoting price of one corporate bond i denomination by results of the last trading day on corporate bonds, determined in compliance with item 7 of this article, in percentage from the face value of one corporate bond;
- \tilde{P}_{ip} – the quoting price of one corporate bond i denomination by results of the next to last trading day on corporate bonds, determined in compliance with item 7 of this article, in percentage from the face value of one corporate bond;
- Q – number of corporate bonds quoted in the representative list.
- $A_{i,t}$ – amount of accumulated interest on one corporate bond of i^{th} denomination for the current coupon period including the last expired trade date, in percent of the face value of one corporate bond (calculated in accordance with item 8 of this article);

(This item was changed by a decision of Exchange Management Board dated May 21, 2014).

7. As the quoting price of one corporate bond of i denomination is used:
- 1) the weighted average "net" price of one corporate bond of this denomination on deals, concluded during any trading day in corporate bonds; or
 - 2) (in case of absence of deals in corporate bonds of this denomination on the mentioned trading day) the arithmetical mean value between the highest "net" price of orders for purchasing of corporate bonds of this denomination

and the lowest "net" price of orders for their selling, submitted during the mentioned trading day); or

- 3) (in case of absence of orders for purchasing or selling of corporate bonds of this denomination, submitted during the mentioned trading day) the previous quoting price of one corporate bond of this denomination.
8. The accrued interest amount on one corporate bond of i denomination for the current coupon period, including or not including the last trading day on corporate bonds, is calculated by formula:

$$IA_{i/ip} = I \times \frac{T_{k/kp}}{T_0}, \text{ where}$$

- I – the coupon rate on the corporate bonds of i denomination for the current coupon period, in percentage APR;
 - $T_{k/kp}$ – the number of days between the expiry date of last coupon period on corporate bonds of i denomination and the last or the next to last expired trading day on corporate bonds;
 - T_0 – the duration of the settlement year for corporate bonds of i denomination, in days;
9. *(This item was excluded by a decision of Exchange Management Board dated May 21, 2014).*
 10. *(This item was excluded by a decision of Exchange Management Board dated May 21, 2014).*
 11. The initial value of KASE_BC and KASE_BP indices is fixed in the size of 100.00 points as of July 12, 2000.

Article 6-1. Closing Prices on Securities

1. The Exchange calculates closing prices on all securities admitted to circulation at the Exchange.
2. The closing price on a security of a certain denomination is calculated as the price of the last deal in that security concluded on the current trading day provided that deal was carried out or awaits its execution.
3. In case no deal in security of a certain denomination was concluded throughout the trading day, the closing price on that security shall not be calculated on that day.
4. The Exchange reserves the right to effect a re-calculation of the closing price on a security of a certain denomination for a certain trading day, if on that trading day the closing price on that security was calculated based on the price of a deal which later was not executed according to the procedure set by internal documents of the Exchange.

Re-calculation of the closing price on a particular security must be carried out not later than the working day following the day of occurrence of the condition specified in the previous paragraph.

For purposes of such re-calculation the closing price of a particular security is determined as the price of the last executed deal in this security, concluded on the same trade day for which the recalculation is carried out. If such deals are absent, the closing price of a particular security is annulled.

(This item was changed by a decision of Exchange Management Board dated June 30, 2009).

Article 7. Calculation of Adjustment Coefficients

1. The adjustment coefficient is used at calculation of the KASE Index to ensure comparability of this index values in case of a change in *(this paragraph was changed by a decision of Exchange Management Board dated April 30, 2010)*:
 - 1) the representative list for the KASE Index calculation *(this sub-item was changed by a decision of Exchange Management Board dated April 30, 2010)*;
 - 2) the number of placed shares of any denomination⁵, including resulted from occurrence of any corporate events, entailing the change in the number of placed shares (considering specifics, established by item 2 of this article);
 - 3) the number of free floating shares of any denomination;
 - 4) the restricting coefficient for shares of any denomination.
2. The adjustment coefficient at calculation of the KASE Index is not calculated in case of occurrence of such corporate event as split or consolidation of shares of any denomination⁶ *(this item was changed by a decision of Exchange Management Board dated April 30, 2010)*.
3. The adjustment coefficient is used at calculation of the corporate bonds market indices to ensure comparability of this index values in case of the change in:
 - 1) the representative list for the corporate bonds market indices calculation;
 - 2) the number of placed corporate bonds of any denomination.
4. The adjustment coefficient is calculated by formula:

$$K_{\text{new}} = K_{\text{old}} \times \frac{IND_{\text{old}}}{IND_{\text{new}}}, \text{ where}$$

- K_{new} – the new adjustment coefficient;
- K_{old} – the previous adjustment coefficient;
- IND_{old} – the index value, calculated based on the previous values of changed parameters, indicated in items 1 or 3 of this article;
- IND_{new} – the index value, calculated based on the new values of changed parameters, indicated in items 1 or 3 of this article.

Article 8. Calculation of Restrictive Coefficient

1. The restrictive coefficient, calculated in compliance with this article is used at the KASE Index calculation as the restrictive coefficient R_i for shares of any denomination (in compliance with item 4 of article 5 of this Methodology) *(this item was changed by decisions of Exchange Management Board dated April 30, 2010 and May 21, 2014)*.
2. The restrictive coefficient for securities of any denomination is calculated in one or several phases as follows:
 - 1) at the first phase:

is calculated the stake of total market value of securities of this denomination in the total market value of securities of all denominations, present in the corresponding representative list (in compliance with item 3

⁵ Hereinafter in this item shares (corporate bonds) of any denomination mean shares (corporate bonds) of that denomination, included into the representative list for the corresponding index calculation.

⁶ Considering that at the split announced shares number increase scales down their price, and at consolidation announced shares number decrease scales up their price.

of this article), given this the interim coefficient for securities of this denomination equals to one;

if the resulting stake of total market value of securities of this denomination in the total market value of securities of all denominations, present in the corresponding representative list, exceeds 0.15, then implemented transition to the second calculation phase of the restrictive coefficient for securities of this denomination

2) at the second phase:

is calculated the interim coefficient for securities of this denomination (in compliance with item 5 of this article);

3) at the third phase:

based on calculated at the second phase the interim coefficient value for securities of this denomination is again calculated the stake of their total market value in the total market value of securities of all denominations, present in the corresponding representative list (in compliance with item 3 of this article);

if the resulting stake of total market value of securities of this denomination in the total market value of securities of all denominations, present in the corresponding representative list, exceeds 0.15, then implemented transition to the second calculation phase of the restrictive coefficient for securities of this denomination;

4) the second and the third phases of calculation of the restrictive coefficient for securities of this denomination are repeated until the stake of total market value of securities of this denomination in the total market value of securities of all denominations, present in the corresponding representative list, discontinues exceeding 0.15;

5) the restrictive coefficient for shares of any denomination is the product of all interim coefficients for shares of this denomination;

6) the restrictive coefficient for corporate bonds of any denomination is the final value of the stake of total market value of corporate bonds of this denomination in the total market value of securities of all denominations, present in the representative list for calculation of the corporate bonds market indices.

3. The stake of total market value of securities of any denomination in the total market value of securities of all denominations, present in the corresponding representative list, is calculated by formula:

$$Z_i = \frac{A_i}{\sum_{i=1}^n A_i}, \text{ where}$$

Z_i – the stake of total market value of securities of i denomination in the total market value of securities of all denominations, present in the corresponding representative list;

A_i – the total market value of securities of i denomination, determined in compliance with item 4 of this article, in KZT;

n – the number of securities denomination, present in the corresponding representative list.

4. The total market value of securities of i denomination is determined by formula

$$P_i \times FF_i \times R_i, \text{ where:}$$

P_i, FF_i – indicators, determined in item 4 of article 5 of this Methodology;

- R_i – the interim coefficient for shares of *i* denomination, calculated in compliance with item 5 of this article (is accepted equal to one at the first phase of calculation of the restrictive coefficient for shares of this denomination).

(This item was changed by decisions of Exchange Management Board dated April 30, 2014 and May 21, 2014).

5. The interim coefficient for securities of *i* denomination is calculated by formula:

$$R_i = \frac{0,15}{0,85A_i} \times \left(\sum_{i=1}^n A_i - A_i \right), \text{ where}$$

- n – the number of securities denominations, present in the corresponding representative list;
- A_i – the total market value of securities of *i* denomination, determined in compliance with item 4 of this article using the previous interim coefficient for securities of this denomination, in KZT
6. Restrictive coefficients for shares are calculated once a calendar quarter as of February 1, May 1, August 1, November 1, for corporate bonds – once a calendar month as of the fifteenth date of this month (taking into account the detail specified by item 7 of this article) *(this item was changed by a decision of Exchange Management Board dated March 31, 2009).*
7. Restrictive coefficients for shares can be calculated outside of the periodicity specified in item 6 of this article, in case:
- 1) the number of shares of any denomination being in free circulation has changed by a value making up 10 or more percent of the total number of outstanding shares of this denomination;
 - 2) within at least fifteen trade days the stake of total market value of securities of any denomination in the total market value of securities of all denominations present in KASE Index representative list calculated in accordance with item 3 of this article exceeds 0.2 *(this item was changed by a decision of Exchange Management Board dated April 30, 2010).*

(This item was included by a decision of Exchange Management Board dated March 31, 2009).

Chapter 3. SPECIFIC AUTHORITIES OF THE COMMITTEE REGARDING INDICATORS

(This heading was changed by a decision of Exchange Management Board dated May 21, 2014).

Article 9. Specific Authorities of the Committee Regarding Indicators

(This heading was changed by a decision of Exchange Management Board dated May 21, 2014).

1. In addition to authorities, established by items 1 and 5 of article 5, items 1 and 2 of article 6 of this Methodology, the Committee is entitled to correct indicators values, excluding from their calculations parameters of those deals and/or orders, which, in the Committee opinion, unrepresentatively influence (influenced) on these values (for example, unexecuted deals, deals, at conclusion of which were made technical mistakes, deals or orders, prices of which evidently discord with the market status and/or market dynamics of corresponding securities prices) *(this paragraph was changed by a decision of Exchange Management Board dated May 21, 2014).*

If the Committee decides to exclude from calculation of one or another indicator parameters of any deal or order (any deals and/or orders) the corresponding re-

calculation of this indicator is implemented not later than the business day, following the day, when was received unrepresentative value of this indicator *(this paragraph was changed by a decision of Exchange Management Board dated May 21, 2014)*.

In case of technical fault of occurrence of an emergency situation not related to a change in market conditions and not provided for in this Methodology, but which has significantly affected the value of an indicator, the Committee may take a decision on a special calculation of restrictive or adjustment coefficients specified in items 1 and 3 of article 7, item 1 of article 8 of this Methodology *(this paragraph was included by a decision of Exchange Management Board dated May 21, 2014)*.

2. When the Committee exercises its specific authorities in compliance with item 1 of this article, the minutes of its meeting must describe the reason of these authorities exercising and actions, undertook by it in compliance with these authorities *(this item was changed by a decision of Exchange Management Board dated May 21, 2014)*.

President

A. Joldasbekov