

KAZAKHSTAN STOCK EXCHANGE

A g r e e d o n

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

September 17, 2010

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

A. ALDAMBERGEN

A p p r o v e d

by Kazakhstan Stock Exchange
Board of Directors decision

(meeting minutes No. 14 of June 25, 2010)

E f f e c t i v e

from January 17, 2011

N O T I C E

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

R U L E S

of Market-Makers Activities

LIST OF AMENDMENTS

1. Amendments and Addition No. 1:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 27, 2010;
- approved by Kazakhstan Stock Exchange Board of Directors decision (minutes No. 29 of the meeting of November 30, 2010);
- effective from January 17, 2011.

2. Amendments No. 2:

- 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, 2010;
- approved by Kazakhstan Stock Exchange Board of Directors decision (minutes No. 06 (3) of absentee voting of March 29, 2011);
- effective from July 1, 2011.

3. Amendment No. 3:

- 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 (minutes No. 28 of October 27, 2011);
- effective from February 1, 2012.

These Rules of Market-Makers Activities (hereinafter “the Rules”) define the procedure of assigning and loosing of the market-maker status by members of Kazakhstan Stock Exchange (hereinafter “the Exchange”) and regulate activities of market-makers at the Exchange.

Section I. GENERAL PROVISIONS

Article 1. Main Concepts:

1. Concepts used in these Rules mean the following:
 - 1) **"Market-maker's quotation", "mandatory quotation"** – an order to buy and/or sell financial instruments, submitted to the Exchange trading system by a market-maker in the exercise of his liabilities, and meaning his unconditional consent to conclude a deal according to the order;
 - 2) **"market-maker"** – an Exchange member acknowledged by the Exchange as such, who undertakes responsibility to continuously announce and maintain purchase and sell quotations for certain financial instruments as well as fulfills all obligations ensuing from holding such status;
 - 3) **"market-maker's best quotation"** – a market-maker's quotation for purchase or sale of financial instruments, which at the current moment has the most favorable price for a potential counteragent among all quotations of this market-maker active at the present moment;
 - 4) **"spread"** – the difference between prices of a market-maker's best quotations for purchase and sale;
 - 5) **"time-out"** – a time interval during a trading day provided to a market-maker for announcement of new mandatory quotation values, during which a market-maker is allowed not to fulfill his liabilities;
 - 6) **"trading day"** – a time period within a calendar day established by the Exchange, during which deals in financial instruments can be concluded in the Exchange trading system;
 - 7) **"authorized body"** – a body of the government regulation of the securities market.
2. Other concepts used in these Rules are defined by other internal documents of the Exchange.

Section II. MARKET-MAKERS INSTITUTE

Article 2. Market-Maker Categories and Requirements for Them

1. The market-maker status can be obtained only by Exchange members of a relevant category allowing an Exchange member to conclude deals in financial instruments, for which he intends to fulfill market-making functions.
2. The set of requirements, obligations and rights applied to market-makers, depending on the membership category, is established in specifications, which are an integral part of these Rules and which are drawn up as appendices hereof.
3. Assigning, refusal to assign and withdrawing¹ of the market-maker status is subject to the Exchange's Management Board decision.

Article 3. Specifics of Market-Makers' Activities in the Trading System

1. When announcing mandatory quotations, the market-maker is prohibited from using trading accounts controlled through the Confirmation System.

¹ Voluntary abandonment or compulsory withdrawal

2. The market-maker is prohibited from changing parameters of a quotation for purchase and/or sell submitted by himself or deleting it during the stand-by mode in case the price of this quotation met prices of cross-orders, submitted by Exchange members.
3. All quotations of a market-maker submitted to the Exchange trading system in the exercise of his liabilities, must have a special feature to be indicated by the market-maker in the order form when submitting an order to the trading system.

In case of absence of a feature mentioned in the preceding paragraph, if a market-maker submits an order to the Exchange trading system, such an order will not be acknowledged by the trading system as an order submitted by that market-maker in the exercise of his liabilities.
4. A market-maker can avail himself of time-out several times during a trading session, if other is not determined by specifications regarding certain financial instruments, whereas the total time used by the market-maker as time-out, in minutes, or as percentage of the trading session's entire duration (hereinafter – time-out duration), is set by the mentioned specifications.
5. During a trading session the time-out duration is counted each time a market-maker fails to meet requirements set by the specifications with regard to maintaining the spread and the minimum volume of his mandatory quotations, and is stopped once the breach is removed.

Section III. OBTAINING MARKET-MAKER STATUS

Article 4. Assigning of the Market-Maker Status

1. To obtain the market-maker status an Exchange member must submit to the Exchange an application in the form, specified by Appendix 1 to these Rules, signed by the first chief executive and stamped.
2. The status of a market-maker for a certain financial instrument is assigned by the Exchange's Management Board decision based on the application submitted by an Exchange member. Within three business days, the applicant is provided with a motivated refusal or notification about assignment of the market-maker status with regard to a certain financial instrument with the date of this status activation indicated.
3. For a separate financial instrument, if not stated otherwise in the specifications, the market-maker status can be assigned to several Exchange members.
4. Assigning of the market-maker status for a certain financial instrument does not grant any additional rights, neither does it set any restrictions for an Exchange member with regard to other financial instruments.
5. Within three business days from the day of the Exchange's Management Board making a decision on assigning the market-maker status, but not later than five business days before the trading day, from which an Exchange member starts fulfillment of market-maker's functions, the Exchange informs the authorized body about this by sending a relevant letter to it, as well as notifies its own members by publishing relevant information on its Internet site (www.kase.kz).
6. An application from an Exchange member for assigning him the market-maker status for a certain financial instrument in case this Exchange member earlier abandoned the market-maker status for this financial instrument voluntarily or had this status withdrawn, may be considered in not less than thirty business days from the day of the respective abandonment or withdrawal of the market-maker status.

7. A decision to refuse an Exchange member the market-maker status is taken by the Exchange's Management Board in case of non-compliance of that Exchange member with the established requirements.

Section IV. LOSS OF THE MARKET- MAKER STATUS

Article 5. Abandonment of the Market-Maker Status

1. An Exchange member has the right to voluntarily abandon the market-maker status with regard to a certain financial instrument.
2. The voluntary abandonment of the market-maker status is made by submitting to the Exchange's Management Board a respective application in any form, signed by the first chief executive of the Exchange member and stamped, with an indication of financial instruments, with regard to which the Exchange member abandons the market-maker status, and the date, from which the Exchange member plans to discontinue fulfillment of the market-maker obligations.

A market-maker may continue to fulfill his respective obligations for a minimum of ten trading days after the day of registering his application for voluntary abandonment of the market-maker status mentioned in the previous paragraph.

The total uninterrupted term of an Exchange member's acting as a market-maker from the day of assigning him this status must not be less than thirty trading days.

3. Not later than five trading days before the trading day, beginning from which an Exchange member discontinues fulfillment of the market-maker obligations, the Exchange must notify the authorized body about this by sending a respective letter to it, as well as inform its own members by publishing respective information on its Internet site (www.kase.kz).

Article 6. Compulsory Withdrawal of the Market-Maker Status

1. Compulsory withdrawal of the market-maker status has to be made due to the following reasons:
 - 1) non-compliance of an Exchange member with requirements established by the specifications;
 - 2) suspension of a market-maker's membership to the Exchange in the respective category or his exclusion from the respective category of Exchange members;
 - 3) changing of the legislation of the Republic of Kazakhstan or the Exchange internal documents, which makes it impossible for an Exchange member to act further as a market-maker.
2. Compulsory withdrawal of the market-maker status can be made due to the following reasons:
 - 1) violation by an Exchange member of the legislation of the Republic of Kazakhstan and/or requirements set by the Exchange's internal documents;
 - 2) unfounded refusal or unilateral refusal by an Exchange member to fulfill the market-maker obligations with regard to other financial instruments;
 - 3) negligent fulfillment by an Exchange member of the market-maker obligations with regard to this or other financial instruments, indicated in the specifications.
3. An Exchange member, compulsorily stripped of the market-maker status, has the right to appeal the Board's decision at a meeting of the Exchange's Board of Directors. Appealing of the decision on compulsory withdrawal of the market-maker status does not suspend its effect.

Section V. RESPONSIBILITY OF MARKET-MAKERS

Article 7. Responsibility for Untimely and Incomplete Fulfillment of Obligations

A market-maker bears the following responsibility for non-fulfillment of obligations set by the specifications, if they do not specify otherwise:

- 1) for each incident of non-fulfillment of obligations set by the specifications with regard to announcement and maintenance of mandatory quotations, the market-maker pays to the Exchange a penalty to the amount of 20 Monthly Calculation Indices (hereinafter – MCI);
- 2) for each incident of untimely fulfillment of obligations set by the specifications with regard to announcement and maintenance of mandatory quotations, depending upon the time of such untimely fulfillment², the market-maker pays to the Exchange a penalty to the amount as follows:

up to thirty minutes inclusive	–	20 MCI;
up to sixty minutes inclusive	–	100 MCI;
more than sixty minutes	–	200 MCI;
- 3) failure to announce mandatory quotations according to requirements set by the specifications for longer than sixty minutes is regarded as refusal to announce the mandatory quotations.

For refusal to announce mandatory quotations, apart from being charged a penalty, the market-maker may be stripped of his status by the Exchange’s Management Board decision;
- 4) for breaching prohibitions set by items 1 and 2 of article 3 of these Rules, a market-maker shall pay to the Exchange a penalty to the amount of 200 MCI;
- 5) for non-fulfillment by a market-maker of obligations on a deal which was concluded based on his quotation, set by himself under the specifications, he pays to the Exchange a penalty to the amount of 200 MCI.

President

K. Damitov

² The time counted after granting to a market-maker of time-out set by the specifications.

Appendix 1
to Rules of Market-Makers'
Activities

Kazakhstan Stock Exchange

APPLICATION
for the market-maker status

Herewith we kindly ask you to assign us [applicant's full name] the status of a market-maker for [name of financial instrument, NIN (ISIN) from [date].

We undertake obligations of a market-maker specified by Rules of Market-Makers Activities, approved by the decision of the Exchange's Board of Directors (minutes # 14 of the meeting held on June 25, 2010).

We confirm our being familiar with obligations of a market-maker, specified by the named Rules, as well as with the responsibility for untimely or incomplete fulfillment of obligations stipulated by Article 7 of the named Rules.

[position]

[signature]

[name, initials]

[position]

[signature]

[name, initials]

stamp

Appendix 2

to Rules of Market-Makers'
Activities

SPECIFICATION

of status of a market-maker for stock market members

Article 1. Market-Maker status

1. The status of a market-maker for securities is assigned to an Exchange member on each security separately.
2. One or several market-makers can be registered for one security.

Article 2. Market-Maker's Obligations

1. A market-maker for securities, for which he carries out market making functions, must:
 - 1) maintain mandatory quotations in the Exchange trading system throughout the trading day;
 - 2) must maintain a minimum volume of mandatory quotations compulsory for a market-maker and available for conclusion of a deal at any time throughout the trading day;
 - 3) maintain a spread between the best mandatory quotations in an amount not exceeding maximum values set by Appendix 1 to this Specification for any type or category of securities;
 - 4) maintain mandatory quotations in the Exchange trading system within fifteen minutes from the moment of opening of a securities trading session;
 - 5) maintain mandatory quotations in the Exchange trading system during stand-by mode and during a closing session in shares.
2. Maintenance of a market-maker's mandatory quotations during periods of stand-by mode or those of a closing auction in shares is considered fulfilled without breaching conditions set by sub-item 5) of item 1 of Article 2 of the present Specification, provided this market-maker displays his mandatory quotations at the moment of ending of stand-by mode periods or ending of a closing auction.

Article 3. Minimum Volume of Mandatory Quotations

1. The minimum volume of market-makers' mandatory quotation for bonds is set at an amount equivalent to 2,000 MCI, for shares and units – 3,000 MCI, if the Exchange's Board of Directors has not decided to set another value for a particular security.

(This article has been changed by a decision of the Exchange's Board of Directors of March 29, 2011).

Article 4. Market-Maker's Rights

A market-maker for securities, for which he carries out market making functions, has the right:

- 1) to change prices of previously announced quotations provided he keeps the spread set by this Specification;
- 2) to use time-out during a trading session taking into account the following specifics:

- the right to use time-out is granted depending on the time of maintenance of mandatory quotations and the liquidity of securities for which the market-maker carries out market making functions:

on shares present in the first class liquidity securities list – at any time during the entire time of a trading session, except for the time of fulfillment by the market-maker of his obligations, specified by sub-items 4) and 5) of item 1 of Article 2 of this Specification; during the time of fulfillment of those obligations, the market-maker is provided with time-out only after a mandatory quotation of this market-maker was satisfied partially or in full³ (*this paragraph was changed by the Exchange Board of Directors decision of October 27, 2011*);

on all securities, except for shares present in the first class liquidity securities list, the right to use time-out is provided only after a mandatory quotation of a market-maker was satisfied partially or in full (*this paragraph was changed by the Exchange Board of Directors decision of October 27, 2011*);

- the total duration of time-out makes up the following values out of the total duration of a trading session, depending on the type of security:

on shares present in the first class liquidity securities list, units and bonds – thirty minutes (*this paragraph was changed by the Exchange Board of Directors decision of October 27, 2011*);

on shares present in the second and third class liquidity securities list – fifteen minutes (*this paragraph was changed by the Exchange Board of Directors decision of October 27, 2011*);

- 3) to refuse to display mandatory quotations for purchase or sale, if the volume of deals in securities concluded by the market-maker within one trading day exceeds twice or more the minimum volume of mandatory quotation.

Article 5. Preferences for Market-Makers

1. An Exchange member with the status of a market-maker for a certain category of securities, pays on a monthly basis a commission fee on his purchase and sales deals involving these securities at a reduced rate making up 50 % of the established rate for the commission fee for such deals.
2. The preference stipulated by item 1 of this article, does not apply to:
 - 1) deals involving government stakes in organizations supposed to be privatized;
 - 2) deals relating to repo transactions in securities;
 - 3) securities purchase and sales deals concluded by direct deals method.
3. As a result of any failure to meet requirements set by the Specification with regard to fixing and maintaining mandatory quotations occurring during a month, the market-maker loses preferences for paying commission fees on the respective security for that month.

Article 6. Change of Conditions for Fulfillment of Market-Makers' Obligations

In case of occurrence of circumstances, which may provoke substantial financial losses for market-makers fulfilling their obligations, the Exchange's Management Board has the right to temporarily extend (increase) by not more than two times the maximum value for spreads set by this Specification for market-makers for a particular security, for a period not exceeding 10 business days.

³ Satisfying a market-maker's quotation in full or partially means that a deal has been concluded as a result of a market-maker's quotation price meeting prices of cross-orders submitted to the trading system by Exchange members, for the whole volume or with a part of this market-maker quotation's volume.

Appendix 1

to Specification of status of a market-maker for stock market members.

Maximum value of market-makers' spreads for securities

No.	Types and categories of securities	Spread ⁴
1.	Shares listed in the highest category of the official shares list	7 %
2.	Shares present in the first class liquidity securities list	7 %
3.	Shares present in the second and third class liquidity securities list and units	10 %
4.	Bonds	4 % ⁵
5.	Bonds traded at dirty prices ⁶	8 % ⁷

(Line 2 was changed by the Exchange Board of Directors decision of October 27, 2011).

(Line 3 was changed by the Exchange Board of Directors decision of October 27, 2011).

⁴ The maximum spread value which a market-maker can maintain between the best mandatory quotations.

⁵ Spread's value is expressed as the difference between yield rates of quotations for purchase and sale.

⁶ Bonds traded at dirty prices are bonds with a floating inflation-indexed coupon rate, as well as other compound bonds, whose yield is not calculated by the Exchange trading system.

⁷ A spread is calculated based on the difference between sale and purchase quotation prices relative to the purchase quotation price.

Appendix 3

to Rules of Market-Makers'
Activities

SPECIFICATION

of status of a currency futures market-maker

Article 1. Market-Maker Status

1. The status of a market-maker for a currency futures is assigned to an Exchange member separately for each series of futures contracts.
2. One or several market-makers can be registered for one series of currency futures contracts (*this item was changed by a decision the Exchange's Board of Directors of November 30, 2010*).

Article 2. Market-Maker's Obligations

1. A market-maker for a currency futures for which he carries out market-making functions, must throughout the trading day, except when time-out is being used:
 - 1) maintain mandatory quotations in the Exchange trading system;
 - 2) maintain a minimum volume of mandatory quotations compulsory for a market-maker and available for conclusion of a deal at any time throughout the trading day;
 - 3) maintain throughout the trading day a spread between the best mandatory quotations in an amount not exceeding:
 - for a 3-month currency futures: KZT0.8 and KZT1.6 in normal and volatile market conditions, respectively;
 - for a 6-month currency futures: KZT1.0 and 2.0 in normal and volatile market conditions, respectively.
2. The Exchange's Management Board independently identifies the market conditions as being normal or volatile depending on various parameters of this market, including the magnitude of price fluctuations for derivatives market instruments (*this paragraph was changed by a decision of the Exchange's Board of Directors of November 30, 2010*).

The Exchange's Management Board also has the right to identify the derivatives market's condition as being volatile based on applications in any form submitted by market-makers for currency futures requesting to consider the derivatives market's condition as being volatile.

3. Payment of penalties, set forth by article 7 of Rules of Market-Makers Activities does not apply to the currency futures market-maker.

If a market-maker for a currency futures breaches conditions set by this Specification with regard to maintenance of mandatory quotations, the market-maker for a currency futures shall be forfeited benefits on commission fees payment in compliance with terms set forth by item 2 of article 5 of this Specification.

Set forth by paragraph one hereof th exempt from paying penalties stipulated shall be effective until the Exchange's Board of Directors makes a separate decision on this issue, which may be made In case a certain liquidity level determined by the Exchange's Board of Directors is reached during currency futures trading.

(This item was amended by a decision of the Exchange's Board of Directors of November 30, 2010)

Article 3. Spread and Minimum Volume

1. The minimum volume for market-makers' mandatory quotation is set as follows:
 - 1) for 3-month currency futures – 100 futures contracts;
 - 2) for 6-month currency futures – 50 futures contracts.
2. Values of maximum spreads maintained for each series of currency futures are set by sub-item 3) of item 1 of this Specification.
3. The Exchange's Management Board has the right to change minimum volume values of mandatory quotations set by this Specification, as well as maximum spreads, for each series of currency futures.

In case of an increase in values of mandatory quotation minimum volumes, as well as a decrease in maximum spread values by the Exchange's Management Board decision, a notification on such Exchange's Management Board decision is presented to market-makers not less than 10 business days before this decision becomes effective, by way of publishing respective information on the Exchange's Internet-site (www.kase.kz).

Article 4. Market-Maker's Rights

A market-maker for a currency futures, for which he carries out market making functions, has the right:

- 1) to change prices of previously announced mandatory quotations provided he observes the spread set by this Specification;
- 2) to use time-out at any specific time during a trading session taking into account the following specifics:
 - the right to use time-out is granted an unlimited number of times during one trading session;
 - the total duration of time-out makes up thirty minutes during one trading session for the respective series of futures contracts *(this paragraph was amended by decision of the Exchange's Board of Directors of November 30, 2010)*;
- 3) to refuse to display mandatory quotations for purchase or sale, if the volume of futures deals concluded by the market-maker during one trading day, exceeds the minimum volume of mandatory quotation twice or more.

Article 5. Preferences for Market-Makers

1. An Exchange member with the status of a market-maker for a currency futures, pays a commission fee on futures contracts concluded by himself at a reduced rate, calculated by the method set by Appendix No. 1 to this Specification.
2. As a result of any failure to meet requirements set by the Specification with regard to fixing and maintaining mandatory quotations occurring during a month, the market-maker loses preferences for paying commission fees on the respective series of currency futures for that month.

Appendix 1

to Specification of status
of a currency futures
market-maker

Calculation of the reduced rate of commission fee for currency futures market-makers

(This Appendix headline was changed by a decision of the Exchange's Board of Directors of November 30, 2010).

For a market-maker who carries out market-making functions for USD/KZT exchange rate futures, the Exchange fixes the following discount rate⁸, applied when paying commission fees for the current month according to currency futures trading results:

Spread value (KZT per currency unit) not exceeded by the market-maker who maintained the spread during the relevant period ⁹				Discount
Normal market conditions		volatile market conditions		
3-month ¹⁰	6-month	3-month	6-month	
0.80	1.00	1.60	2.00	30 %
0.50	0.65	1.20	1.50	50 %
0.30	0.40	0.80	1.00	70 %

⁸ Discount is a reduction in payment of commission fees charged according to Regulations on Membership Fees and Exchange Dues, and it is expressed in per cent of the commission fees charged for the expired month according to the mentioned Regulations.

⁹ Without breaching conditions set by Specification of status of a currency futures market-maker.

¹⁰ 3-month (6-month): a USD/KZT exchange rate futures contract with a circulation term of three months (six months).

Appendix 3-1

to Rules of Market-Makers'
Activities

(This Appendix has been included by a decision of the Exchange's Board of Directors of November 30, 2010).

SPECIFICATION

of status of a KASE Index futures market-maker

Article 1. Market-Maker Status

1. The KASE Index futures market-maker status is assigned to an Exchange member separately for each series of futures contracts.
2. One or several market-makers can be registered for one series of KASE Index futures.

Article 2. Market-Maker's Obligations

1. The KASE Index futures market-maker for which he carries out market making functions, must throughout the trading day, except when time-out is used:
 - 1) maintain mandatory quotations in the Exchange trading system;
 - 2) maintain a minimum volume of mandatory quotations compulsory for a market-maker and available for conclusion of a deal at any time throughout the trading day;
 - 3) maintain throughout the trading day a spread between the best mandatory quotations in an amount not exceeding:
 - for a 3-month KASE Index futures: 6 % and 8 % in normal and volatile market conditions, respectively;
 - for a 6-month KASE Index futures: 8 % and 10 % in normal and volatile market conditions, respectively.
2. The Exchange independently identifies the market conditions as being normal or volatile depending on various parameters of this market, including magnitude of price fluctuations for derivatives market instruments.

The Exchange's Management Board also has the right to identify the derivatives market's condition as being volatile based on applications in any form submitted by market-makers for KASE Index futures requesting to consider the derivatives market's condition as being volatile.

3. Payment of penalties, set forth by article 7 of the Rules of Market-Makers' Activities, does not apply to a KASE Index futures market-maker.

If a KASE Index futures market-maker breaches conditions set by this Specification with regard to maintenance of mandatory quotations, the market-maker for KASE Index futures shall be forfeited benefits on commission fees payment in compliance with terms set forth by item 2 of article 5 of this Specification.

Exemption of KASE Index futures market-makers from paying penalties set forth by paragraph one hereof shall be effective until the Exchange's Board of Directors makes a separate decision on this issue, which may be made in case a certain liquidity level determined by the Exchange's Board of Directors is reached during KASE Index futures trading.

Article 3. Spread and Minimum Volume

1. The minimum volume for market-makers' mandatory quotation is set as follows:
 - 1) for 3-month currency futures – 100 futures contracts;
 - 2) for 6-month currency futures – 50 futures contracts.
2. Values of maximum spreads maintained for each series of KASE Index futures are set by sub-item 3) of item 1 of article 2 of this Specification.
3. The Exchange's Management Board has the right to change minimum volume values of mandatory quotations set by this Specification, as well as maximum spreads, for each series of KASE Index futures.

In case of an increase in values of mandatory quotation minimum volumes, as well as a decrease in maximum spread values effected by the Exchange's Management Board decision, a notification on such Exchange's Management Board decision shall be presented to KASE Index futures market-makers not less than 10 business days before this decision becomes effective.

Article 4. Market-Maker's Rights

The KASE Index futures market-maker for which he carries out market-making functions, has the right:

- 1) to change prices of mandatory quotations announced previously provided he observes the spread set by this Specification;
- 2) to use time-out at any moment during a trading session, taking into account the following specifics:
 - the right to use time-out is granted an unlimited number of times during one trading session;
 - the total duration of time-out makes up thirty minutes during one trading session for the respective series of futures contracts;
- 3) to refuse to display mandatory quotations for purchase or sale, if the volume of futures deals concluded by the market-maker during one trading day, exceeds the minimum volume of mandatory quotation twice or more.

Article 5. Preferences for Market-Makers

1. An Exchange member with the status of the KASE Index futures market-maker pays a commission fee on futures contracts concluded by him at a reduced rate, calculated by the method set by Appendix No. 1 to this Specification.
2. As a result of any failure to meet requirements set by the Specification with regard to fixing and maintaining mandatory quotations occurring during a month, such market-maker loses preferences for paying commission fees on the respective series of KASE Index futures for that month.

Appendix 1

to Specification of status of a KASE Index futures market-maker

Calculation of the reduced rate of commission fee for KASE Index futures market-makers

For a market-maker who carries out market-making functions for KASE Index futures, the Exchange fixes the following discount rate¹¹, applied when paying commission fees for the current month according to currency futures trading results:

Spread value not exceeded by the market-maker who maintained the spread during the relevant period ¹²				Discount
Normal market conditions		volatile market conditions		
3-month ¹³	6-month	3-month	6-month	
6%	8%	8%	10%	30%
3%	4%	5%	7%	50%
1%	2%	3%	5%	70%

¹¹ Discount is a reduction in payment of commission fees charged according to the Regulations on Membership Fees and Exchange Dues, and it is expressed in percent of the commission fees charged for the expired month according to the mentioned Regulations.

¹² Without breaching conditions set by the Specification of status of a KASE Index futures market-maker.

¹³ 3-month (6-month): KASE Index futures contract with a circulation term of three months (six months).

Appendix 4

to Rules of Market-Makers'
Activities

SPECIFICATION

of status of a market-maker for US dollar

Article 1. Market-Maker Status

One or several market-makers can be registered for US dollar.

Article 2. Requirements for Market-Makers

An Exchange member applying for the status of a US dollar market-maker or holding such status already, must have own capital in tenge totaling to not less than an equivalent of ten million US dollars.

Article 3. Market-Maker's Obligations

1. During the day session except for time-out a market-maker for US dollar for which he carries out market making functions, must:
 - 1) maintain mandatory quotations in the Exchange trading system;
 - 2) if correspondent banks keeping the Exchange's USD accounts for some reasons (due to holidays, force major, or for some other possible reasons) do not carry out US dollar settlements on a trading day, a US dollar market-maker is obliged to maintain in the trading system mandatory US dollar quotations with settlements on day T+n, where T – US dollar trading day, n – duration (in days) of a break in US dollar settlements carried out by correspondent banks keeping the Exchange's USD accounts.
2. During the whole trading day except for time-out a market-maker for US dollar, for which he carries out market-making functions, must maintain a spread between the best mandatory quotations to an amount not exceeding KZT0.1 under a net position of up to 2 million US dollars. At the same time, the minimum volume of a mandatory quotation available at any moment for conclusion of a deal, must not be less than 500 thousand US dollars. The volume of a mandatory quotation may be less than 500 thousand US dollars, if satisfaction of a mandatory quotation may lead to the market-maker's net position exceeding 2 million US dollars in the course of a trading day (*this item was changed by a decision of the Exchange's Board of Directors of March 29, 2011*).

Article 4. Market-Maker's Rights

A market-maker for US dollar has the right:

- 1) not to fulfill his obligations during an entire morning trading session as well as from 12.30 to 14.00 o'clock (Almaty time) during a day session;
- 2) to change prices of previously announced quotations provided he observes the spread set by this Specification;
- 3) to refuse to display mandatory quotations, if the volume of his net position reached 2 million US dollars within the trading day (*this sub-item was changed by a decision of the Exchange's Board of Directors of March 29, 2011*).

Article 5. Change of Conditions for Fulfillment of Market-Makers' Obligations

In case of occurrence of circumstances, which may provoke substantial financial losses for market-makers fulfilling their obligations, the Exchange's Management Board has the right to temporarily extend (increase) by not more than two times the maximum value of

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spreads set by this Specification for market-makers for US dollar, for a period not exceeding ten business days.

Appendix 5

to Rules of Market-Makers'
Activities

SPECIFICATION

of status of a market-maker for Russian Federation Ruble

Article 1. Market-Maker Status

One or several market-makers can be registered for Russian Federation Ruble (hereinafter – RF ruble).

Article 2. Requirements for Market-Makers

An Exchange member applying for the status of an RF ruble market-maker or holding such status already, must have own capital totaling to not less than one million MCI.

Article 3. Market-Maker's Obligations

1. During a day session except for time-out a market-maker for RF ruble for which he carries out market making functions, must:
 - 1) maintain mandatory quotations in the Exchange trading system;
 - 2) maintain a spread between the best mandatory quotations to an amount not exceeding KZT0.01 under the market-maker's net position of up to 30 million RF rubles during the trading day. At the same time the minimum volume of mandatory quotations for purchase and sale must not be less than 3 million RF rubles for each quotation, and this volume must be available for conclusion of a deal at any time during a trading session (*this sub-item was changed by a decision of the Exchange's Board of Directors of March 29, 2011*).
2. A market-maker must maintain a spread not exceeding the spread for quotations set by himself on the interbank market.

Article 4. Market-Maker's Rights

A market-maker for RF ruble has the right:

- 1) not to fulfill his obligations during a whole morning trading session as well as from 12.30 to 14.00 (Almaty time) during a day session;
- 2) to change prices of previously announced quotations provided he observes the spread set by this Specification;
- 3) (*this sub-item was removed by a decision of the Exchange's Board of Directors of March 29, 2011*);
- 4) to refuse to display mandatory quotations if the volume of his net position on RF ruble deals reached 30 million rubles within a trading day (*this sub-item was changed by a decision of the Exchange's Board of Directors of March 29, 2011*);
- 5) to use time-out at any time during a trading day, whereas the total duration of the time-out does not exceed fifteen minutes out of the total duration of the trading session in Russian Federation ruble, except for conditions defined by sub-item 1) of this item;
- 6) not to pay commission fees on deals concluded during exchange trading in RF ruble.

Article 5. Preferences for a Market-Maker

1. If there is an RF ruble market-maker available, then only the market-maker has the right to announce fixed quotations in the Exchange trading system. Exchange members who are not market-makers may conclude deals in RF ruble using only quotations announced by a market-maker.
2. If there is no RF ruble market-maker available, then Exchange members have the right to display fixed quotations and conclude deals during trading in RF ruble.

Article 6. Change of Conditions for Fulfillment of Market-Makers' Obligations

In case of occurrence of circumstances, which may provoke substantial financial losses for market-makers fulfilling their obligations, the Exchange's Management Board has the right to temporarily extend (increase) by not more than two times the maximum value of spreads set by this Specification for market-makers for RF ruble, for a period not exceeding ten business days