

KAZAKHSTAN STOCK EXCHANGE JSC

Approved by

a decision of Management Board of
Kazakhstan Stock Exchange JSC

(minutes No. 49 of meeting on May 24, 2017)

Effective

as of December 13, 2017

NOTICE

The Regulations 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.

REGULATIONS **on the Committee on Indices** **and Securities Valuation**

Almaty

2017

These Regulations define the procedure of forming and operation, as well as functions and authorities of the Committee on Indices and Securities Valuation of Kazakhstan Stock Exchange (hereinafter – the Exchange).

1. The Committee on Indices and Securities Valuation of the Exchange (hereinafter – the Committee) is formed of the Exchange employees, one of which is the Committee Chairman and others are the Committee members.

The Committee on Indices and Securities Valuation staff and its number are determined by orders of the Chairman of Management Board of Exchange or the person replacing him. Given this one of the Exchange Management Board members shall be appointed as the Committee Chairman.

Orders of the Chairman of Management Board of Exchange or person replacing him may establish the replacement order of absent Chairman and/or the Committee members.

2. The Committee's main functions include:
 - 1) development of basic securities and other financial instruments valuation methods for purposes, stipulated by the Exchange's internal documents (hereinafter – the Valuation);
 - 2) setting parameters, used at automated Valuation, and whose setting, in compliance with the Exchange's internal documents, is attributed to the Committee's field of competence;
 - 3) forming of representative lists for calculation of the stock market indices in compliance with the Exchange's internal documents;
 - 4) determination of the number of free floating shares for the stock index calculation purposes;
 - 5) defining of risk parameters on the derivatives market and stock market;
 - 6) other functions stipulated by the Exchange's internal documents.

3. The Committee is entitled:

- 1) in cases, stipulated by the Exchange internal documents:
 - to exercise an extraordinary setting of parameters, used at automated Valuation;
 - to change parameters established by the Exchange's internal documents, and used at automated Valuation;
 - to independently carry out non-automated Valuation;
 - to exclude from the stock market indicators calculation parameters of particular deals, concluded during trades implemented by the Exchange, and orders for deals conclusion during trades implemented by the Exchange;
 - to approve changes of existing risk parameters on the derivatives market and stock market;
- 2) to exercise other authorities, stipulated by the Exchange's internal documents.

4. The Committee's meetings are held with the periodicity and according to the schedule, specified by the Exchange's internal documents, and at any time by order of the Chairman of the Exchange's Management Board or person substituting him or following an initiative of the Chairman of the Exchange's Management Board.

5. The Committee is authorized to make decisions, if no less than two thirds of the Committee members or individuals, entitled to replace them, participate in its meeting.

If orders of the Chairman of the Exchange's Management Board or person substituting him do not determine an individual entitled to replace the Committee Chairman, in his/her absence the Committee meeting shall be convened and conducted by one of members of the Exchange's Management Board by order of the Chairman of the Exchange's Management Board or person substituting him.

6. The Committee's decisions are documented by minutes, signed by persons that participated in its meeting.
7. These Regulations are subject to updating upon necessity, but at least once every three years.

Chairman of Management Board

A. Aldambergen