

KAZAKHSTAN STOCK EXCHANGE

Agreed on

with Committee on Regulation and
Supervision of Financial Market and Financial
Organizations of the National Bank of the
Republic of Kazakhstan

on July 30, 2012

Chairman of Committee on Regulation and
Supervision of Financial Market and Financial
Organizations of the National Bank of the
Republic of Kazakhstan

Approved

by Kazakhstan Stock Exchange
Board of Directors decision
(meeting minutes No. 10 of May 28, 2012)

Effective from

August 20, 2012

K. KOZHAKHMETOV

NOTICE

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

RULES

of Internal Control of Insider Information Use

Almaty

2012

Section 1. General Provisions

1. These Rules of Kazakhstan Stock Exchange Internal Control of Insider Information Use (hereinafter – the Rules) have been developed in compliance with the legislation of the Republic of Kazakhstan and Kazakhstan Stock Exchange (hereinafter – the Exchange) internal documents.
2. The Rules regulate the order of exercising the internal control of insider information use and contain:
 - 1) the order of development, approval, maintenance in an actual state and disclosure of the Exchange insider information list;
 - 2) the order of keeping the list of insiders and notification of persons on inclusion (exclusion) to (out of) the lists (list) of the Exchange insiders, as well as the order of informing of the mentioned persons on these Rules requirements and a corresponding legislation of the Republic of Kazakhstan and the order of provision of the information on employees that by virtue of their official position and job performance have an access to the Exchange insider information;
 - 3) the order of the Exchange insider information confidentiality security;
 - 4) the order of differentiation and monitoring of the rights of access to the Exchange insider information;
 - 5) the order of prevention of access of illegal use of the Exchange insider information and/or manipulation of the securities market of the Republic of Kazakhstan;
 - 6) the order of exercising control of observance by the Exchange, its officials and employees of requirements of the legislation of the Republic of Kazakhstan and internal control rules.
3. These Rules cover all types of activities of the Exchange. The rules are mandatory for familiarization and use by all Exchange structural divisions and all Exchange employees.
4. The following definitions are used in these Rules:
 - 1) an insider information – the reliable information on securities (derivatives), deals in them, and an issuer, who issued (provided) securities (derivatives), this issuer activities that constitutes the commercial secret, and other information not known by the third parties, disclosure of which may affect the securities (derivatives) price change and their issuer activities.
 - 2) an insider – a person that has an access to the insider information;
 - 3) an open access information – the information provided or disseminated by its owner with not specified terms of its use, including an access to which is open and does not depend on the form of its provision or was of dissemination;
 - 4) an authorized body – a government body of the Republic of Kazakhstan on regulation and supervision of financial market;
 - 5) the Exchange authorized division – the Exchange structural division responsible for:
 - maintenance of an actual list of insider information;
 - keeping an internal control of insider information use;
 - differentiation of the rights of access to the insider information and prevention of possible illegal use of such information;
 - ensuring the order and terms of the insider information disclosure;
 - keeping, maintenance updated list of persons that have an access to the insider information, and exclusion them from these lists;
 - ensuring the order and terms of notification of persons in case of their admission to the list (removal from the list), defined by the legislation of the Republic of Kazakhstan;

- ensuring the order and terms of provision of the information to the Exchange by legal entities - insiders on their employees that by virtue of their official position and job performance have an access to the Exchange insider information.
- 6) a financial instrument – money, securities, including derivatives and other financial instruments as a result of operation in which simultaneously occur a financial asset in one organization and financial liability or shares and other equities in another.

Section 2. Order of Development, Approval, Maintenance in an Actual State and Disclosure of the Exchange Insider Information List

5. According to the legislation of the Republic of Kazakhstan the Exchange develops and maintains in an actual state the Exchange insider information list (hereinafter – the list).
6. The list, appendices and changes to it are set forth by the Exchange division based on the information, submitted by the Exchange structural division that uses in its activities the insider information.
7. The list is developed as the Exchange separate internal document. The list, appendices and changes to it shall be agreed on with the Exchange Management Board and approved by the Exchange Board of Directors.
9. The list, appendices and changes to it shall be published on the Exchange Internet site on both Kazakh and Russian.

Section 3. Order of Keeping the Insiders List and Notification of Persons on Inclusion (Exclusion) to (out of) the Lists (List) of the Exchange Insiders, Including the Order of Informing of the these Persons on these Rules Requirements and Corresponding Legislation of the Republic of Kazakhstan and the Order of Provision of the Information on Employees that by Virtue of their Official Position and Job Performance have an Access to the Exchange Insider Information

9. According to requirements of the legislation of the Republic of Kazakhstan insiders are:
- 1) the Exchange Board of Directors members;
 - 2) the Exchange Listing Commission members;
 - 3) the Exchange Expert Committee members;
 - 4) the Exchange that by virtue of their official position and job performance have an access to the Exchange insider information;
 - 5) persons that have an access to insider information лица due to possession, use and/or disposal directly or indirectly of ten or more percent of voting shares (participation in the charter capital) of the Exchange;
 - 6) an auditing organization, appraiser, professional participants of the securities market and other persons providing services to the Exchange under a signed agreement;
 - 7) government officials that have an access to the insider information by virtue of their function on government control and supervision of the securities market parties;
 - 8) associations and self-regulated organizations, the members of which are the Exchange, issuers and organizations, specified in sub-item 5) and 6) of this item by virtue of granted to them authorities of an access to the insider information;
 - 9) employees of organizations, specified in sub-item 5), 6) and 8) of this item that have an access to the insider information by virtue of their official position and job performance;
 - 10) persons, who received the insider information from persons, specified in sub-items 1)-9) of this item.

10. According to requirements of the legislation of the Republic of Kazakhstan insiders have the right to:
 - 1) use the insider information when making deals in securities (derivatives);
 - 2) hand over to the third parties or make accessible for the their parties of the insider information, excluding cases, stipulated by the legislation of the Republic of Kazakhstan;
 - 3) hand over to the third parties recommendations on making deals in securities, based on the insider information.
11. The Exchange keeps the list of insiders based on the category persons, specified in item 9 of these Rules, regardless of the fact has such person an access to the Exchange insider information on a regular or temporary basis.
12. The Exchange list of insiders contains the following information:
 - 1) last name, first name, patronymic (if available) of an individual, date of his/her birth, individual identification number (if available) (hereinafter – IIN);
 - 2) name of a legal entity, requisites of a document confirming this legal entity government registration (re-registration);
 - 3) the basis for admission to the Exchange list of insiders;
 - 4) a date of occurrence of basis for admission to the Exchange list of insiders;
 - 5) a date of removal from the Exchange list of insiders.
13. The Exchange list of insiders, appendices and changes to it are developed by the Exchange authorized division as a separate internal document and approved by the Exchange Management Board.
14. The notice on inclusion to thee Exchange list of insiders or removal from this list is developed in compliance with the sample specified in Appendix 1 to the Rules and is sent to the person, who is the Exchange insider, not less than the working day following the date of this person inclusion to the Exchange list of insiders or exclusion of such person from this list.
15. If the notice sent by the Exchange to a person known address, specified in the Exchange list of insiders, was not received by this person on circumstances not depending on the Exchange, the Exchange sends the notice on such fact to an authorized body during five working days, following the day when the Exchange found out the fact on failure to receive such notice.
16. The use of insider information is prohibited:
 - 1) for execution of transactions in a foreign currency or financial instruments, which is considered the insider information, at the self-expense or expense of the a third, excluding cases of execution transactions under implementation of obligations at buying or selling a foreign currency or financial instruments, the term of execution of which occurred, if such obligations occurred as a result of a transaction made before this person received the insider information;
 - 2) through transfer of the insider information to another person, excluding cases of transfer of such information to a person, admitted to the Exchange list of insider, due to fulfillment of obligations on such information transfer set forth by the legislation of the Republic of Kazakhstan or due to job performance or implementation of an agreement;
 - 3) through provision of recommendations to the third parties obliging or encouraging then to acquire or sale of a foreign currency or financial instruments.
17. Persons, included to the Exchange list of insiders, must notify the Exchange on all executed transactions in securities, to the insider information¹ on which they have an access to, and on execution of transactions in the Exchange shares on the form, specified in Appendix 2 to these Rules.

¹ according to the Exchange list of insiders.

18. A legal entity – insider must during 5 (five) working days provide to the Exchange the information on its employees that by virtue of their official position and job performance have an access to the Exchange insider information.
19. The Exchange authorized division keeps record on all sent and received in compliance with the Rules notices. The full information on sent and received notices is kept on the Exchange during at least three years from the day of a person exclusion from the Exchange list of insider, unless other period is set by the effective legislation of the Republic of Kazakhstan.

Section 4. Order of Differentiation and Monitoring of the Rights of Access to the Exchange Insider Information

20. The Exchange authorized division controls observance by the Exchange and its official and employees of requirements of the legislation of the Republic of Kazakhstan on differentiation access right to the insider information and prevention of possibility of illegal use of such information by insiders.
21. An access to the Exchange insider information is exercised by insiders, including the Exchange employees based on signed labor and/or civil agreements, which stipulate provision on the Exchange insider information confidentiality protection.
22. In case of absence of such labor and/or civil agreement with a person that must receive an access to the insider information, the issue of possibility of provision of such access is considered based on this person request to the Exchange authorized division, developed in writing on paper or using an electronic-digital signature with indication of a reason for such information receipt, and the need in its copying using technical means and/or disclosure of the information to the third persons, who plans to disclose such information.
23. The application must be preliminary signed by the structural division head and his/her supervisor, an access to the information of which is requested by an applicant and submitted by the Exchange authorized division for consideration of the Exchange Management Board.
24. Based on consideration results of the Exchange Management Board (during five working days, following the day of acceptance) an applicant is informed on either access or rejection of access to the insider information. In case of making decision on access an applicant must sign an application on confidentiality.
25. After signing of mentioned documents by an applicant the Exchange sends a notice on admission of an applicant to the Exchange list of insider in compliance with item 14 of these Rules.

Section 5. Order of Ensuring of the Exchange Insider Information Confidentiality

26. The persons, included to the Exchange list of insiders (temporarily including), must use the insider information only in compliance with the Rules, and effective legislation of the Republic of Kazakhstan, and independently track changes and additions to the Exchange list of insiders, released on the Exchange Internet site.
27. The Exchange insiders and persons, who received the temporary access to the insider information must:
 - 1) ensure the Exchange insider information confidentiality and observe obligations of insiders, set forth by the legislation of the Republic of Kazakhstan and the Rules, and prohibitions for the insider information use;
 - 2) in case of the loss of the status of a person that has an access to the insider information, transfer to the Exchange all available in that person disposal information carriers that contain the insider information;

- 3) the Exchange employees must immediately inform his/her supervisor or replacing him/her person on the loss or shortfall of documents, files that contain the insider information, keys from the safes (storages), passes, passwords or in case of detection of unauthorized access to the insider information and similar facts and circumstances.
28. The Exchange division that uses in its activities the insider information must keep the insider information in the conditions ensuring an appropriate confidentiality of the insider information.
29. The Exchange ensures necessary organizational and technical conditions to observe by the Exchange divisions of an appropriate confidentiality of the insider information that:
 - 1) comply with labor and civil agreements requirements;
 - 2) availability of information and technical systems and instruments of confidentiality security of the insider information, protecting from the loss of information and unauthorized access to it, including communication channels;
 - 3) other appropriate measures.
30. The persons, who do not have the right of access to the insider information, but actually received an access to it, must:
 - 1) discontinue familiarization with it;
 - 2) undertake measures to ensure confidentiality of the insider information;
 - 3) exclude the possibility of dissemination or provision of the insider information;
 - 5) act in compliance with the Exchange authorized division instructions.

**Section 6. Order of Prevention and Detection of Illegal Use
of Insider Information and/or Manipulation of the Securities Market**

31. In order to prevent an unauthorized use of the insider information and/or manipulation on the securities market the Exchange uses:
 - 1) the earlier disclosed information in compliance with the order, specified in the Exchange internal documents, regulating forming or provision to the Exchange of this information;
 - 2) the procedure of timely notification of insiders on made on the Exchange transactions in financial instruments of an authorized body and the Exchange authorized division.
32. The order of prevention and detection of cases of illegal use of the insider information and/or at trades organization are regulated by a corresponding Exchange internal document.
33. The Exchange employees, who have the basis to suspect that a transaction on the Exchange trades, is being executed with illegal use of the insider information, must immediately notify about this fact the Exchange authorized division.

**Section 7. Order of Exercising Control of Observance by the Exchange,
its Officials and Employees of Requirements of the Legislation of the Republic
of Kazakhstan and Internal Control Rules**

34. The Exchange authorized division exercises control of observance of these Rules and the legislation of the Republic of Kazakhstan.
35. For purposes of timely detection and control of possible use of the insider information, the Exchange authorized division systematically checks implementation of the Rules by persons, who has an access to the insider information, and other Exchange employees to exclude possible illegal use of the insider information.
36. The Exchange authorized division is entitled at own initiative at any time to check up an appropriate implementation of requirements of the Rules, the legislation of the Republic of Kazakhstan, as well as request explanations of the Exchange employees, familiarize with

documents and get an access to technical means aimed at storage, processing and protection of the Exchange insider information.

37. For efficient fulfillment of functions the Exchange authorized division employees has an unimpeded access to any Exchange room, where may be stored the Exchange insider information. At this all Exchange officials and employees must provide to Exchange authorized division employees all needed assistance when they implement their functions.
38. In case of detection of possibilities for illegal access and use of the insider information the Exchange authorized division employees immediately initiate to the Exchange President the issue on measures related to their elimination.
39. In case of detection of possibilities for illegal access and use of the insider information the Exchange authorized division employees immediately submit this information and initiate to the management Board the issue on application of disciplinary or civil responsibility measures to the violator.
40. The Exchange authorized division provides quarterly reports on activities related to observance of requirements of these Rules to the Exchange authorized division supervisor.
41. The Exchange employees must immediately bring to notice of the Exchange authorized division supervisor and employees any known facts:
 - 1) on the Exchange insider information, which must not be disclosed by him/her in compliance with job responsibilities, but became known, including from clients or other persons;
 - 2) on existence of access to the insider information of persons, who do not have the right for it;
 - 3) on unauthorized use of the Exchange insider information, including use of the Exchange insider information in own interests of the Exchange employees, the Exchange insiders, the Exchange clients and partners, and in interests of any above mentioned relatives.

Section 8. Responsibility

42. For illegal access, use and transfer of the Exchange insider information, the corresponding persons may be brought to disciplinary and/or civil and/or administrative and/or criminal responsibility in compliance with the effective legislation of the Republic of Kazakhstan, the Exchange internal documents and agreements terms.
43. The Exchange is entitled to request the persons guilty in unauthorized use of the Exchange insider information, to reimburse damages caused to the Exchange by mentioned illegal actions.

Section 9. Final Provisions

44. The Rules and all changes and additions to it shall be approved by the Exchange Board of Directors and shall be published on the Exchange Internet site on Kazakh and Russian not later than 15 working days, following the day of approval by an authorized body.
45. In case of incompliance of the Rules provisions with the requirements of the legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan shall always prevail.

President

K. Damitov

Appendix 1

to Rules of Internal Control
of Insider Information Use

Date _____

NOTICE

**on Inclusion of a Person to Kazakhstan Stock Exchange List of Insiders
(Exclusion of a Person from the List of Insiders)**

#	1. Information on Organization	
1.1	Organization full name	
1.2	Organization location	
1.3	Other address to receive mail	
1.4	Organization telephone number	
1.5	Organization fax number	
1.6	Organization e-mail	

#	2. Information on a person, included to the Exchange list of insiders	
	<i>For an insider – legal entity</i>	
2.1	Legal entity full name	
2.2	Details of a document, confirming a legal entity government registration (re-registration)	
	<i>For an insider – individual</i>	
2.1	Insider last name, first name, patronymic	
2.2	Insider date of birth	
2.3	Insider place of birth	
2.4	IIN	

Appendix 2

to Rules of Internal Control
of Insider Information Use

Date _____

NOTICE

on Making by an Insider of Transaction in Financial Instrument, Foreign Currency

#	Questions	Answers
1.	Name of insider - individual / Full name of insider - legal entity	
2.	Type and requisites of a document, attesting insider - individual / Details of a document, confirming an insider - legal entity government registration (re-registration)	
3.	Place of residence of insider - individual / Place of location of insider - legal entity	
4.	Full name of a person, include to the list of insiders	
5.	Transaction (deal) date	
6.	Transaction (deal) type	
7.	Transaction (deal) amount	
8.	Type, category, series of a security (for transactions in securities)	
9.	Full name of security issuer (for transactions in securities)	
10.	Security registration number (for transactions in securities)	
11.	Price per security (for transactions in securities, except repo deals)	
12.	Price per security on repo agreement	
13.	Number of securities (for transactions in securities)	
14.	Type of agreement - derivative (for transactions in derivatives)	
15.	Number of agreement - derivative (for transactions in derivatives)	
16.	Price of agreement - derivative (for transactions in derivatives)	
17.	Number of agreements - derivatives (for transactions in derivatives)	
18.	Price of execution of agreement - derivative (for transactions in derivatives)	
19.	Currency type (for transaction in currency)	
20.	Deal rate	

Rules of Internal Control of Insider Information Use

For insiders – individuals:

Signature_____ Name_____

For insiders – legal entities:

Position_____ Signature_____ Name_____