

KAZAKHSTAN STOCK EXCHANGE

Approved

by Kazakhstan Stock Exchange
Management Board decision

(protocol No. 395 of November 10, 2010)

Effective from

November 11, 2010

NOTICE

The Specification below 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 Specification original version in Russian, the latter prevails.

S P E C I F I C A T I O N OF KASE INDEX FUTURES

Almaty

2010

LIST OF AMENDMENTS

1. Amendments and additions No. 1:

- approved by Kazakhstan Stock Exchange Management Board decision of December 2, 2010 No. 444;
- effective from December 3, 2010.

2. Addition and Amendment No. 2:

- approved by Kazakhstan Stock Exchange Management Board decision (minutes No. 20, of January 31, 2012);
- effective from February 1, 2012.

3. Change No. 1:

- approved by Kazakhstan Stock Exchange Management Board decision (meeting minutes No. 38 of March 19, 2013);
- effective from April 15, 2013.

SPECIFICATION OF KASE INDEX FUTURES

Instrument:	futures contract
Type:	futures
Basic asset:	KASE Index
Number of a basic asset in futures contract:	KASE Index one value
Price:	number KASE Index points that make up KASE Index accurate within the first decimal
Cost per point:	KZT50
Date of satisfaction:	15th date of a satisfaction month ¹
Term of satisfaction ² :	1) three months – for a three month futures; 2) six months – for a six month futures

Theoretical price
(this line is included by the Exchange Management Board decision of January 31, 2012 and changed by the Exchange Management Board decision of April 19, 2013)

$$F_{\text{index}} = S_{\text{index}} \times \left(1 + \frac{r_{\text{kzt}}}{100} \times \frac{T}{360}\right) - \sum_i \sum_j K \times \text{KASE}_b \times \frac{\text{DIV}_i^j \times \left(1 + \frac{r_{\text{kzt}}}{365} \times N_i^j\right) \times \text{FF}_i \times \bar{R}_i}{\text{MV}_b \times \left(1 + \frac{r_{\text{kzt}}}{365} \times M_i^j\right)}$$

where:

- F_{index} - theoretical price of KASE Index futures;
- S_{index} - weighted average price of KASE Index value on volume of deals as of 03.30 p.m. Almaty time (in case of no deals, the last KASE Index value on the previous trading day);
- r_{kzt} - Kazakhstan inter-bank deposits market KazPrime – 3 months in percentage;
- T - number of calendar days from the current date till the date of a corresponding futures satisfaction (actual/360);
- DIV_i^j - j size of dividend per i common share of KASE Index, approved by shareholders general meeting;
- K - an adjustment coefficient, calculated in compliance with article 7 of the Methodology of Stock Market Indices Calculation;
- KASE_b - Initial KASE index value equal to 2,545.79 points;
- FF_i - number of KASE Index i denomination free floating shares, defined by item 5 of article 5 of the Methodology of Stock Market Indices Calculation,

¹ The month of satisfaction is one of the months that fall on the quarter end: March, June, September, and December.

If 15th date of a satisfaction month falls on a holiday or weekend, then the day of satisfaction shall be considered the nearest after it working day, when futures contracts are traded.

² The term of satisfaction of futures contracts series makes up specified in this Specification number of months, excluding exchange trades initial period, when opening futures contracts with the shorter satisfaction term is allowed.

On a three month futures contracts satisfaction day, previously opened six month futures contracts series turn into three month futures contracts series.

On futures contracts satisfaction day begin trades in three and six month futures contracts that were not traded before.

in units;

- \bar{R}_i - a restrictive coefficient for KASE Index i shares, calculated in compliance with article 8 of the Methodology of Stock Market Indices Calculation;
- MV_b - total market value of shares, included to the representative list at the moment of KASE Index calculation, equal to KZT868,132,912,362.78;
- N_i^j - number of calendar days from the shareholders register fixing date on j dividend on i share till the date of a corresponding futures execution (actual/360);
- M_i - number of calendar days from the shareholders register fixing date on j dividend on i share till the date of j dividend payment (actual/360)"

Final settlement price
(this line was changed by the Exchange Management Board decision of December 2, 2010)

KASE Index weighted average value on deals volume³, calculated by the following formula:

$$SP_{index} = \frac{\sum_{i=1}^n (V_i' * Index_i)}{\sum_{i=1}^n V_i'}, \text{ where:}$$

- SP_{index} - final settlement price on KASE Index Futures;
- n - number of deals;
- V_i' - limited volume in tenge of an i-ой deal⁴;
- $Index_i$ - KASE Index value, calculated as a result of an i deal making

Satisfaction:

without a basic asset delivery with payment/receipt of an equivalent in tenge of a difference between a futures contract making price (in case of deals absence during a term of satisfaction) or a settlement price defined during the last market adjustment and the final settlement price

Exchange trades last day:

the last working day, preceding this contract satisfaction day

Tick:

0.1

³ When defining a futures contract final settlement price shall be considered only parameters of satisfied deals made in the KASE trading system in shares from the KASE Index representative list by one of the open trades methods on the last day of exchange trades for this futures contract *(this footnote was included by the Exchange Management Board decision of December 2, 2010)*.

⁴ Calculated by formula:

$$V_i' = \min\{V_i; Ave + 1.65 * Stdev\}, \text{ where:}$$

- V_i' - limited volume in tenge of an i deal;
- V_i - volume in tenge of an i deal, parameters of which are taken into account at calculation;
- Ave - weighted average volume in tenge on all deals, parameters of which are taken into account at calculation;
- Stdev - standard deviation on deals volume array, parameters of which are taken into account at calculation;
- 1.65 - normal distribution quantile that complies with 95% confidence level.

(This footnote was included by the Exchange Management Board decision of December 2, 2010).

Specification of KASE Index Futures

Tick cost estimate	KZT5
Maintenance margin rate:	80 % from liability initial margin
Term of net liability satisfaction to the Exchange:	before 10.00 a.m. of a working day following the day, by results of which occurred net liabilities