

KAZAKHSTAN STOCK EXCHANGE

Approved

by a decision of the Board of Directors
of Kazakhstan Stock Exchange
(minutes No.25
dated May 20, 2019)

Effective as of

May 22, 2019

REGULATIONS **on the Foreign Exchange Market** **Committee**

Almaty
2019

This Regulation has been developed in accordance with the legislation of the Republic of Kazakhstan and internal documents of Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) and determines the procedure for formation and operation, as well as the powers of the Committee for the Foreign Currency Market (hereinafter referred to as the Committee).

Chapter 1. GENERAL PROVISIONS

1. The concepts used in these Regulations are applied in the meanings in which they are used in the internal documents of the Exchange governing the conditions and procedure for conducting trades in foreign currencies and settlements for such trades.
2. For the purposes of this Regulation:
 - 1) a member of the Exchange means a member of the Exchange of the "currency" category;
 - 2) deals are understood as deals concluded or expected to be concluded in foreign currencies traded by the Exchange;
 - 3) orders are understood as orders submitted by Exchange members to conclude deals specified in subparagraph 2) of this paragraph.
3. The Committee is a permanent non-structural body of the Exchange, whose function is to monitor the orders of the Exchange members.

Chapter 2. PROCEDURE FOR FORMING THE COMMITTEE

4. The committee consists of at least three members, which includes.
 - 1) representative (representatives) of the National Bank of the Republic of Kazakhstan (hereinafter - the National Bank);
 - 2) member (members) of the Management Board of the Exchange and (or) employee (employees) of the Exchange.
5. The number and composition of the Committee members from the National Bank and persons entitled to replace them, as well as their term of office are determined by the National Bank independently.

The number and personal composition of the Committee members from the Exchange and persons entitled to replace them, as well as their term of office are determined by a decision of the Exchange Board.
6. The Chairperson of the Committee is elected from among its members at the first meeting of the Committee.

The members of the Committee have the right to elect a member (members) of the Committee who has (have) the right to replace the Chairperson of the Committee in the event of his absence or a conflict of interest.

Decisions of the Committee on the election of the Chairman of the Committee, on the election of a member (members) of the Committee who have (have) the right to replace the Chairman of the Committee in the event of his absence or a conflict of interest, shall be adopted by a simple majority of the total number of votes of the Committee members.
7. For the purpose of preparing and holding Committee meetings, as well as drawing up the minutes of the Committee's meetings, the Committee has the right to elect from among its members or employees of the Exchange the Secretary of the Committee or the secretary of a separate meeting of the Committee.

In the absence of the Secretary of the Committee, determined by the Committee, the functions of the Secretary of the Committee shall be performed by a member of the Committee or another employee elected before the beginning of the meeting of the Committee as the secretary of this meeting.
8. The working body of the Committee is a structural division of the Exchange responsible for organizing and conducting trades (hereinafter referred to as the Responsible Division).

Chapter 3. WORKING PROCEDURE OF THE COMMITTEE

9. The main tasks of the Committee are:
- 1) collection of information on planned orders of the Exchange members, with the exception of the National Bank;
 - 2) consolidation of orders of the Exchange members and transfer of information to the members of the Committee;
 - 3) analysis of the correspondence of orders and concluded deals by the Exchange members, as well as analysis of speculative transactions in the foreign exchange market.
10. To implement its tasks, the Committee has the following powers:
- 1) take note of materials on issues within the competence of the Committee;
 - 2) make decisions on the issues under consideration that are advisory in nature;
 - 3) contact the National Bank and Exchange members with a request for additional information on issues within the competence of the Committee;
 - 4) bring to the notice of the National Bank and (or) the Board of the Exchange information on the decisions made.
- The powers of the Committee do not include the application of any measures in relation to the members of the Exchange.
11. The meetings of the Committee are held as needed, but at least once a month. Meetings of the Committee are held on the initiative of any member of the Committee.
- The time and place of the meeting are determined by agreement of the members of the Committee.
12. The Committee has the right to consider issues within its competence if at least two thirds of the total number of members of the Committee take part in such consideration, including at least one member of the Committee from the National Bank.
13. Materials submitted to the Committee on the issues included in the agenda of the meeting may be considered in absentia as follows:
- 1) the secretary of the Committee or a person replacing him sends the members of the Committee a notice of absentee consideration of issues on the agenda of the meeting;
 - 2) no later than the working day following the day of receipt of the notification specified in subparagraph 1) of this paragraph, any member of the Committee has the right to raise an objection regarding the method of considering issues; in this case, the Chairperson of the Committee or a person replacing him is obliged (obliged) to convene a meeting of the Committee in person. If, within the established period, none of the members of the Committee raised an objection to the form of consideration of issues, it is considered that all members of the Committee agree to the consideration of issues in correspondence course;
 - 3) consideration of materials on the agenda of the meeting by the members of the Committee is carried out within one working day after receiving such materials.
14. The results of the meetings of the Committee (the results of the absentee consideration of issues) are drawn up in the minutes of its meetings (minutes on the results of the absentee consideration of issues) in the form independently determined by the Committee.
- The minutes of the meeting of the Committee (minutes on the results of the absentee consideration of issues) shall be signed by the Chairman of the Committee or a member of the Committee who replaced the Chairperson of the Committee.
15. Members of the Committee, persons entitled to replace them, as well as employees of the Responsible Unit are obliged:
- 1) to comply with the requirements established by the legislation of the Republic of Kazakhstan, these Regulations and other internal documents of the Exchange for the procedure for carrying out the activities of the Committee;

- 2) to be independent and objective by participating in the activities of the Committee;
 - 3) to maintain the confidentiality of information received by them in connection with the exercise of the powers of the members of the Committee, including information constituting a commercial, official or other secret protected by law, and be liable in accordance with the legislation of the Republic of Kazakhstan for non-compliance with the confidentiality of such information;
 - 4) to perform other duties in accordance with the legislation of the Republic of Kazakhstan, these Regulations and other internal documents of the Exchange.
16. The responsible unit collects and prepares documents or information necessary for the implementation of the Committee's activities, and also forms the minutes of the meetings (results of the decisions of the members) of the Committee.

Chapter 5. COLLECTION OF ORDERS OF EXCHANGE MEMBERS

17. To perform the functions and tasks of the Committee, the members of the Committee collect the orders of the Exchange members for the purchase and sale of foreign currency and prepare summary information on such orders with the grouping of orders by the dates of the proposed purchase and sale of foreign currency, the names of the Exchange members and types of currency.
18. Members of the Exchange are obliged, no later than 10.10 am Almaty time of the working day, to send to the Exchange information on orders for the proposed purchase and sale of foreign currency on the Exchange in the form of Appendix 1 to these Regulations (taking into account the specifics established by clause 21 of this chapter).
19. In order to fulfill clause 18, the Exchange members send information about orders to the Exchange through the electronic document management system using an electronic digital signature.
20. Information on orders for the purchase and sale of foreign currency, formed by a member of the Exchange during the trading day of the Exchange (including client orders), is transmitted to the members of the Committee through the electronic document management system using electronic digital signatures, telephone communication or through the information terminal of the Bloomberg agency, as such applications (taking into account the specifics established by paragraph 21 of this chapter).
21. Orders, the volume of which does not exceed 10 (ten) million US dollars or the equivalent of the specified size in another currency, are not subject to submission to the Exchange and consideration by the Committee.

Chapter 6. FINAL PROVISIONS

22. This Regulation is subject to publication on the website of the Exchange.
23. Responsibility for the timely introduction of changes and / or additions (updating) to this Regulation rests with the Trading Department.
24. This Regulation is subject to updating as necessary, but at least once every five years.

Chairperson of the Board

A. Aldambergen

Appendix 1

to the Regulations on the
Committee on the Foreign
Currency Market

REGISTER OF APPLICATIONS
for the purchase and sale of foreign currency
[name of the Exchange member]
on [insert date]

No. p/p	Application type (client / own)	Currency type	Currency amount (+ purchase -sale)
1.			
2.			
3.			

Signature of an authorized employee of a member of the Exchange

Date of signing