

Approved

by a decision of the general meeting of
Kazakhstan Stock Exchange JSC
shareholders

(minutes No. 26 of May 15, 2015)

Effective

as of May 18, 2015

NOTICE

The Charter has 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 Charter in Russian, the Russian version shall always prevail.

CHARTER
of Joint-Stock Company
"Kazakhstan Stock Exchange"

Almaty

2015

LIST OF AMENDMENTS

1. Amendment No. 1:

- approved by the decision of the Board of Directors of Kazakhstan Stock Exchange JSC (Minutes No. 14 of a meeting of April 28, 2016);
- approved by the decision of the Annual General Meeting of Shareholders of Kazakhstan Stock Exchange JSC (Minutes No. 28 of May 25, 2016);
- registered by the Department of Justice of Almaty on July 19, 2016.

2. Amendments No. 2:

- approved by the decision of the Board of Directors of Kazakhstan Stock Exchange JSC (Minutes No. 15 of a meeting on April 27, 2017);
- approved by the decision of the Annual General Meeting of Shareholders of Kazakhstan Stock Exchange JSC (Minutes No. 29 of May 25, 2017);
- registered by the Department of Justice of Almaty as of XX month of 2017.

This Charter has been developed in a new edition in compliance with the Civil Code of the Republic of Kazakhstan, the acts of the Republic of Kazakhstan "On joint-stock companies", "On the securities market" and other normative legal acts of the Republic of Kazakhstan, and defines the legal status of the joint-stock company "Kazakhstan Stock Exchange" (hereinafter – the Exchange) as of the legal entity, the name and location of the Exchange, the procedure of establishment and competence of its bodies, conditions of reorganization and liquidation of the Exchange and other provisions no contradicting the legislation of the Republic of Kazakhstan.

Chapter 1. GENERAL PROVISIONS

Article 1. Name of the Exchange

1. Full name of the Exchange:
 - in Kazakh: **"Қазақстан қор биржасы" акционерлік қоғамы;**
 - in Russian: **акционерное общество "Казахстанская фондовая биржа";**
 - in English: **Kazakhstan Stock Exchange Joint-Stock Company.**
2. Shortened name of the Exchange:
 - in Kazakh: **"Қазақстан қор биржасы" АҚ**
or
Қазақстан қор биржасы;
 - in Russian: **АО "Казахстанская фондовая биржа"**
or
Казахстанская фондовая биржа;
 - in English: **Kazakhstan Stock Exchange JSC**
or
Kazakhstan Stock Exchange.
3. Name of the Exchange as abbreviation (in all languages) – **KASE**.
4. Any name of the Exchange out of those indicated in items 1–3 of this article is its corporate name.

Article 2. Legal status and responsibility of the Exchange

1. The Exchange is a legal entity in the legal form of a joint-stock company in compliance with the legislation of the Republic of Kazakhstan.

The Exchange acquired the status of a legal entity on December 30, 1993 since the moment of its primary state registration.
2. The Exchange is a commercial organization in compliance with the legislation of the Republic of Kazakhstan.
3. The Exchange owns separate property and is answerable with that property on its obligations, can in its own name acquire and execute proprietary and personal non-proprietary rights, carry civic obligations, be a claimant and defendant in the court, as well as perform other actions not contradicting the legislation of the Republic of Kazakhstan.

The Exchange has an independent balance sheet.

4. The Exchange, based on respective licenses, is a stock exchange, an organization carrying out clearing activities involving transactions in financial instruments, and an organization carrying out particular types of banking operations.
5. The Exchange may open accounts in banks and other financial organizations located in the territory of Republic of Kazakhstan and outside, in the national, as well as in foreign currencies.
6. The Exchange may establish subsidiaries and affiliated joint-stock companies, as well as purchase shares and hold stakes in shareholders capital of other legal entities in the territory of Republic of Kazakhstan and outside according to the procedure specified by the legislation of the Republic of Kazakhstan, the legislation of states other than the Republic of Kazakhstan, and this Charter.
7. The Exchange may join unions of legal entities in the form of associations (unions) in the territory of the Republic of Kazakhstan, as well as outside according to the procedure applicable by the effective legislation and this Charter.
8. Apart from rights and obligations indicated in items 4–7 of this article, the Exchange may have other rights and carry other obligations not contradicting the legislation of the Republic of Kazakhstan.

Article 3. Responsibility of the Exchange and its shareholders

1. The Exchange is responsible for its obligations with its property.
2. The Exchange carries no responsibility for obligations of its shareholders. Shareholders shall carry no responsibility for obligations of the Exchange and shall carry the risk of losses related to its activities up to the amount of the value of shares of the Exchange they hold, except for cases stipulated by legislative acts of the Republic of Kazakhstan.
3. The Exchange is not responsible for obligations of the state, as well as the state is not responsible for obligations of the Exchange.

Article 4. Location of the Exchange

The location of the Exchange is the location of its executive body – 280 Baizakov str., Northern Tower of Multifunctional Complex "Almaty Towers", the 8th floor, Almaty 050040, Republic of Kazakhstan.

Article 5. Life cycle of the Exchange

The life cycle of the Exchange is unlimited.

Article 6. Means of individualization of the Exchange

1. The Exchange has a seal with indication of its corporate name in Kazakh and Russian, or in Kazakh, Russian and English.

In cases provided for in the legislation of the Republic of Kazakhstan the Exchange may carry out its activities without using the mentioned seal.
2. The Exchange may have own trademarks (service marks) and other symbols, as well as stamps, letterheads and other means of individualization of the Exchange and its activities.

Chapter 2. PURPOSES AND ACTIVITIES OF THE EXCHANGE

Article 7. Purposes of the Exchange's activities

1. The main purpose of the Exchange's activities is earning an income.
2. The main goal of the Exchange as a licensee is continuous provision of high-quality services as part of activities carried out by the Exchange.
3. Other purposes, apart from those indicated in items 1 and 2 of this article, are determined by the Exchange's bodies according to their competence.

Article 8. Activities of the Exchange

1. The main activity of the Exchange is operation of trade in securities and other financial instruments in compliance with the legislation of the Republic of Kazakhstan.

Accompanying activities of the Exchange include clearing on deals in financial instruments and activity involving carrying out particular types of banking operations.
2. The Exchange may carry out types of activities other than those indicated in item 1 of this article not prohibited by the legislation of the Republic of Kazakhstan.
3. In cases when licenses or other permits are necessary for carrying out some types of activities, the Exchange carries out those activities only after receiving such licenses (permits) and in compliance with them.

Article 9. Members of the Exchange

1. The Exchange being a stock exchange is based on the membership system meaning that with exceptions specified on the legislation of the Republic of Kazakhstan, only members of the Exchange may use its services.
2. Members of the Exchange include professional participants of the securities market of the Republic of Kazakhstan and other legal persons having the right to carry out transactions in securities and/or other financial instruments in compliance with the legislation of the Republic of Kazakhstan.

Foreign legal entities meeting requirements specified in the legislation of the Republic of Kazakhstan and internal documents of the Exchange may be members of the Exchange.
3. Categories of the Exchange membership, terms and procedure of becoming a member of the Exchange, rights and obligations of members of the Exchange, terms and procedure of suspension and discontinuation of Exchange membership are determined in its internal documents.
4. Amounts, procedure and terms of payment by members of the Exchange of entrance and periodic membership fees, as well as fees and other amounts payable by members of the Exchange are determined by internal documents of the Exchange.

Chapter 3. SHAREHOLDER CAPITAL, SHARES AND SHAREHOLDERS OF THE EXCHANGE

Article 10. Shareholder capital of the Exchange

1. The Exchange's shareholder capital is designated for ensuring its operations and is formed by way of payment for shares of the Exchange at their offering.

2. The requirement for the minimum size of the Exchange's shareholder capital is set by the legislation of the Republic of Kazakhstan.
3. An increase in the shareholder capital of the Exchange is carried out by way of placing its authorized shares according to the procedure set by the legislation of the Republic of Kazakhstan.

Article 11. Shares of the Exchange

1. The Exchange issues only ordinary shares entitling their holders to take part in the general meeting of shareholders of the Exchange with the voting right at taking decision on all issues put up for voting, the right to receiving dividends if the Exchange earns net income, as well as the right to receiving part of the Exchange's assets at its liquidation according to the procedure set by the legislation of the Republic of Kazakhstan.
2. Data on the number of authorized shares of the Exchange are contained in the issue prospectus of its shares and stated in the certificate of state registration of the Exchange shares issue.
3. With exceptions specified by the legislation of the Republic of Kazakhstan, payment for shares of the Exchange at their offering or selling by the Exchange of shares earlier bought back is carried out exclusively in cash in Kazakhstan tenge.
4. The Exchange has the "golden share" not participating in the formation of the shareholder capital of the Exchange and not entitling to receipt of dividends.

The owner of the "golden share" of the Exchange is the National Bank of Republic of Kazakhstan (hereinafter – the National Bank), having the right of imposing a veto on decisions of the general meeting of shareholders, Board of Directors and Management Board of the Exchange on issues of currency regulation and regulation of the market of government securities of the Republic of Kazakhstan and other issues in compliance with the legislation of the Republic of Kazakhstan.

The right to impose veto certified by the "golden share" of the Exchange cannot be transferred.

Article 12. Dividends on shares of the Exchange

1. The Exchange calculates and pays out dividends on its shares when it has net income provided such calculation and payout are not prohibited by the legislation of the Republic of Kazakhstan.
2. Dividends on shares of the Exchange are calculated and paid out only based on results of the financial year. Dividends on shares of the Exchange based on results of other periods are not calculated and not paid out.
3. A decision on payout of dividends on shares of the Exchange is taken by the annual general meeting of shareholders of the Exchange.

The annual general meeting of shareholders of the Exchange may take a decision on non-payment of dividends on shares of the Exchange.

4. The size of dividend per share of the Exchange is approved by the annual general meeting of shareholders of the Exchange upon recommendation of its Board of Directors.

Article 13. Shareholders of the Exchange

1. If not otherwise stated by the legislation of the Republic of Kazakhstan, any persons, including individuals, can be shareholders of the Exchange.

2. The legislation of the Republic of Kazakhstan may set restrictions with regard to the portion in the total number of the Exchange's outstanding shares held by its shareholder or a group of its shareholders.
3. Shareholders of the Exchange enjoy rights and carry responsibilities of shareholders of the Exchange in accordance with the legislation of the Republic of Kazakhstan on joint-stock companies, whereas:
 - 1) shareholders of the Exchange take part in its administration according to the procedure set by the legislation of the Republic of Kazakhstan on joint-stock companies and this Charter;
 - 2) shareholders of the Exchange receive information about operations of the Exchange; also get acquainted with financial statements of the Exchange, according to the procedure specified in this Charter;
 - 3) an offer to shareholders of the Exchange to exercise their preemptive right to purchase shares of the Exchange (own authorized shares being offered by the Exchange or own bought back shares being sold by the Exchange) is brought to knowledge of shareholders of the Exchange according to the procedure specified in article 21 of this Charter;
 - 4) shareholders of the Exchange being its affiliated persons according to the legislation of the Republic of Kazakhstan must provide to the Exchange data on their affiliated persons in compliance with the procedure specified in article 22 of this Charter.

Chapter 4. MANAGEMENT OF THE EXCHANGE. RELATIONS OF THE EXCHANGE WITH ITS SHAREHOLDERS

Article 14. Bodies of the Exchange

1. Bodies of the Exchange are as follows:
 - 1) the supreme body – general meeting of shareholders of the Exchange (hereinafter – general meeting of shareholders);
 - 2) governing body – Board of Directors of the Exchange (hereinafter – the Board of Directors);
 - 3) executive body – Management Board of the Exchange (hereinafter – Management Board);
 - 4) other bodies in compliance with the legislation of the Republic of Kazakhstan.
2. Designation "Exchange Council" may be used as the second, equally applicable title of the Board of Directors in internal documents of the Exchange, in its internal documentation, correspondence and publications.

Article 15. General meeting of shareholders

1. The Exchange annually holds the annual general meeting of shareholders.

Issues subject to mandatory inclusion in the agenda of the annual general meeting of shareholders are determined based on norms of the legislation of the Republic of Kazakhstan.

Apart from the annual general meeting of shareholders the Exchange can conduct other, special general meetings of shareholders.
2. The exclusive competence of the annual general meeting of shareholders includes taking decisions on the following issues:

- 1) approval of changes and/or additions to this Charter or charter of the Exchange in the new edition;
- 2) approval of the Exchange's corporate governance code, as well as changes and/or additions to that code;
- 3) voluntary reorganization or liquidation of the Exchange;
- 4) an increase in the number of authorized shares of the Exchange or change of the type of unplaced authorized shares of the Exchange;
- 5) determining the terms and procedure of converting securities of the Exchange, as well as changing such terms and procedure;
- 6) issue by the Exchange of securities convertible into ordinary shares of the Exchange;
- 7) defining the qualitative composition and term of office of the auditing commission of the Exchange, electing its members and early termination of their powers;
- 8) determining the composition, term of office of the Board of Directors, electing its members and early termination of their powers, as well as determining the amounts and terms of payment of interest and compensation of expenses to members of the Board of Directors for carrying out duties;
- 9) defining the auditing organization for purposes of auditing financial statements of the Exchange;
- 10) approval of annual financial statements of the Exchange;
- 11) approval of the procedure of distribution of the Exchange's net income for the reporting financial year, taking a decision of payout of dividends on ordinary shares of the Exchange and approval of the dividend size per ordinary share of the Exchange;
- 12) non-payment of dividends on ordinary shares of the Exchange;
- 13) voluntary delisting of the Exchange's shares;
- 14) participation of the Exchange in founding or operation of other legal entities or exit from the participants (shareholders) of other legal entities by way of transfer (receipt) of part or several parts of assets whose value (total value) makes up 25 or more percent of the total value of all assets belonging to the Exchange;
- 15) defining the form of notification by the Exchange of its shareholders on convening the general meeting of shareholders and taking a decision on placing such information in mass media;
- 16) approval of the methodology of defining the value of the Exchange's shares at their buyback by the Exchange on the over-the-counter securities market, as well as changes and additions to this methodology;
- 17) approval of the agenda of the general meeting of shareholders;
- 18) introduction and annulment of the "golden share";
- 18-1) conclusion by the Exchange of major transaction leading to alienation (possible alienation) of the Exchange's property worth 50 percent or more of the total book value of the Exchange assets as of the date of the decision to conclude this transaction, resulting in alienation (possible alienation) of the Exchange property worth 50 percent or more (*this sub-clause was included by the decision of the General Meeting of Shareholders of the Exchange of May 25, 2016 and changed by a decision of the General Meeting of Shareholders of the Exchange of May 25, 2017*);

- 19) other issues, taking decisions on which is assigned by the legislation of the Republic of Kazakhstan and/or this Charter to the exclusive competence of the general meeting of shareholders.
3. Decisions of the general meeting of shareholders on issues indicated in sub-items 2)–4) and 16) of item 2 of this article, are taken by the qualified majority (to the amount of at least three fourths) of the total number of voting shares of the Exchange.

Decisions of the general meeting of shareholders on other issues are taken by the simple majority of votes from the total number of voting shares of the Exchange, participating in the voting, if not otherwise specified in legislative acts of the Republic of Kazakhstan.
4. The general meeting of shareholders may cancel those decisions of the Exchange's bodies relating to the Exchange's internal activities which were taken by those bodies in excess of their competence.
5. Issues taking decisions on which is assigned to the exclusive competence of the general meeting of shareholders cannot be transferred to the competence of other bodies of the Exchange, if not otherwise specified in legislative acts of the Republic of Kazakhstan.
6. General meeting of shareholders are convened, prepared and conducted in compliance with the laws of the Republic of Kazakhstan on joint-stock companies; whereas:
 - 1) shareholders of the Exchange and owner of the "golden share" of the Exchange are notified on a general meeting of shareholders according to the procedure specified in article 21 of this Charter;
 - 2) other persons, except for representatives of shareholders of the Exchange, members of Management Board and employees of the Exchange, necessary for organization of the general meeting of shareholders and provision of clarifications regarding issues on the agenda, may be present without invitation at the general meeting of shareholders only upon its consent; the right of such persons to hold speeches at the general meeting of shareholders is granted following its decision;
 - 3) taking decisions by absentee voting is prohibited on issues mentioned in sub-items 2)–4) and 16) of item 1 of this article;
 - 4) shareholders of the Exchange and the owner of the "golden share" of the Exchange are notified about results of voting of the general meeting of shareholders according to the procedure specified in article 21 of this Charter.

Article 16. Board of Directors and its competence

1. The Board of Directors carries out general management of activities of the Exchange, except for solving issues assigned by the legislation of the Republic of Kazakhstan and/or this Charter to exclusive competence of the general meeting of shareholders.
2. If not otherwise specified by the legislation of the Republic of Kazakhstan on joint-stock companies and securities market, taking decision on the following issues relates to the exclusive competence of the Board of Directors:
 - 1) defining top priority lines of the Exchange activities and its development strategy or – in cases provided for in legal acts of the Republic of Kazakhstan – approval of development plans of the Exchange;

- 2) convening the general meeting of shareholders, drawing up its agenda, defining the form of conducting the general meeting of shareholders (with conducting a general meeting of shareholders by way of absentee voting or mixed voting), setting the date, time and place of conducting the general meeting of shareholders, defining the date of composition of the list of shareholders of the Exchange entitled to take part in the repeated general meeting of shareholders, setting the date, time and place of conducting the general meeting of shareholders instead of the failed one;
- 3) offering of the Exchange's shares or sale by the Exchange of bought back shares, including defining the number of the Exchange's shares being offered (sold), the method and price of their offering (sale);
- 4) buyback by the Exchange of shares it placed earlier, or other securities, defining their buyback price;
- 5) preliminary approval of the Exchange's annual financial statements;
- 6) approval of the regulation(s) on committees of the Board of Directors, as well as approval of changes and/or additions to that regulation(s);
- 7) issue by the Exchange of bonds or derivative securities, defining their issue terms;
- 8) defining the composition and term of office of the Management Board, electing the Chairman of Management Board and other members of Management Board, as well as early termination of their powers; defining the amounts of salaries and terms of remuneration and bonuses for the Chairman of Management Board and other members of Management Board;
- 9) defining the composition and term of office of the Exchange's internal auditing service, appointing the head and members of the Exchange's internal auditing service, as well as early termination of their powers; defining the operation procedure for the Exchange's internal auditing service, amounts and terms of payment of salary and bonuses for employees of the Exchange's internal auditing service;
- 10) appointment and defining the term of office of the Exchange's corporate secretary, as well as early termination of his/her powers; defining the amount of salary and terms of remuneration of the Exchange's corporate secretary;
- 11) defining the amount of payment for services of the auditing organization for the auditing of the Exchange's financial statements and services of the appraiser on determining the price (market value) of the assets handed over as payment for shares of the Exchange or being a subject of a major transaction;
- 12) approval of internal documents of the Exchange (except for documents subject to approval by the Management Board for purposes of administering the operation of structural units and employees of the Exchange being under the authority of the Management Board), including the Exchange's internal document specifying the terms and procedure of conducting auctions for offering of securities of the Exchange and subscription to securities of the Exchange, as well as changes and/or additions to those documents;
- 13) establishment and closure of branches and representative offices of the Exchange, approval of regulations on branches and representative offices of the Exchange, as well as changes and/or additions to those regulations;
- 14) purchase (alienation) by the Exchange of shares (stakes in the shareholder capital) of another legal entity in the number making up 10 or more percent of the total number of outstanding shares (stakes in the shareholder capital) of that entity;

- 15) issues related to the competence of the general meeting of shareholders (participants) of a legal entity, whose shares (stakes in the shareholder capital) belong to the Exchange entity in the number making up 10 or more percent of the total number of outstanding shares (stakes in the shareholder capital) of that entity;
 - 16) an increase in the liabilities of the Exchange by an amount making up 10 or more percent of its equity;
 - 17) defining information about the Exchange or its activities constituting an official secret, business secret or another secret protected by the law;
 - 18) conclusion of major transactions and interested party transactions, except for major transactions the decision on whose conclusion is taken by the general meeting of the company's shareholders in accordance with sub-item 18-1) of item 2 of article 15 of this Charter (*this sub-item was changed by a decision of the general meeting of the Exchange's shareholders of May 25, 2017*);
 - 19) approval of annual budgets of the Exchange, as well as changes and/or additions to those budgets;
 - 20) approval of the work schedule of the Board of Directors, as well as changes and/or additions to that schedule;
 - 21) acceptance to the Exchange membership and exclusion from the Exchange membership;
 - 22) defining the amounts, procedure and deadlines for payment of fees, charges and other amounts charged by the Exchange as part of its activities (except for amounts, procedure and deadlines for payment of fees and other amounts in payment for one-off or additional, non-common-use services of the Exchange determined by the Management Board);
 - 23) other issues, taking decisions on which is assigned by the legislation of the Republic of Kazakhstan and/or internal documents of the Exchange to the exclusive competence of the Board of Directors.
3. The Board of Directors may consider any other, apart from those listed in item 2 of this article, issues put up for its consideration, and take decisions thereon (except for issues taking decisions on which is assigned by the legislation of the Republic of Kazakhstan and/or this Charter and/or internal documents of the Exchange to the competence of the general meeting of shareholders, Management Board and Chairman of Management Board).
 4. Issues, taking decisions on which is assigned to the exclusive competence of the Board of Directors, cannot be handed over to the competence of other bodies of the Exchange, if not otherwise specified by the legal acts of the Republic of Kazakhstan.
 5. The Board of Directors may not take decisions on issues, taking decisions on which is assigned by this Charter to the competence of the Management Board, and may not take decisions contradicting decisions of the general meeting of shareholders.
 6. Decisions taken by the Board of Directors on issues, with regard to which this charter has set the right of veto, are subject to agreeing upon with the National Bank as owner of the "golden share" of the Exchange.

Article 17. Board of Directors composition

1. Only an individual may serve as a member of the Board of Directors.
2. Except in cases provided in clause 4 of this article, a person, being a member of the Board of Directors, cannot transfer to other persons performance of functions

and use of powers imposed on him/her as a member of the Board of Directors (provided to him/her as a member of the Board of Directors) in accordance with the laws of the Republic of Kazakhstan and/or this Charter.

3. On an ongoing basis with the right to vote the Board of Directors shall include:
 - 1) a representative(s) of the National Bank as the authorized state body (pursuant to the legal acts of the Republic of Kazakhstan) and the owner of the "golden share" of the Exchange;
 - 2) the Chairman of the Management Board (ex officio).
4. The National Bank, independently, in accordance with the established procedure shall appoint a member(s) of the Board of Directors to represent the National Bank as the authorized state body (by virtue of the legislative acts of the Republic of Kazakhstan) and the owner of the "golden share" of the Exchange, as well as (if necessary) a person who has (persons who have) the right to substitute such a member (s) of the Board of Directors in the case of his/her (their) absence.

The National Bank shall provide the Exchange with information arising from the first paragraph of this clause.

5. Other Board of Directors members, besides ones indicated in paragraph 3 of this Article, shall be elected from:
 - 1) the Exchange shareholders – individuals;
 - 2) persons proposed (recommended) to be elected as members of the Board of Directors as representatives of the shareholders of the Exchange;
 - 3) persons who are not shareholders of the Exchange proposed (recommended) to be elected as members of the Board of Directors as independent directors of the Exchange.

6. The Management Board members other than the Chairman of the Management Board may not be elected as members of the Board of Directors.

The Chairman of the Management Board may not be elected as the Chairman of the Board of Directors.

7. Persons proposed (recommended) to be elected as members of the Board of Directors, and persons elected as members of the Board of Directors shall comply with the requirements established by the laws of the Republic of Kazakhstan, and have adequate (in the opinion of the general meeting of shareholders) knowledge of the laws of the Republic of Kazakhstan on joint-stock companies and securities market, other matters applicable to the activities of the Exchange, laws of the Republic of Kazakhstan and internal documents of the Exchange.
8. The quantitative composition and term of office of the Board of Directors shall be determined by the decision (s) of the General Meeting of Shareholders taking into account requirements of the laws of the Republic of Kazakhstan.
9. The election of members of the Board of Directors shall be carried out in accordance with the laws of the Republic of Kazakhstan on joint stock companies.
10. Persons elected as members of the Board of Directors may be reelected unlimited number of times.
11. The early termination of powers of all or individual members of the Board of Directors and election of new members Board of Directors to replace those whose powers have been prematurely terminated shall be carried out in accordance with the laws of the Republic of Kazakhstan.

Article 18. Organizational management of the Board of Directors

1. Activities of the Board of Directors shall be organized in accordance with laws of the Republic of Kazakhstan on Joint-Stock Companies and the securities market given specifications set forth in clauses 2-14 of this article.

2. The Board of Directors shall elect its chairman and persons entitled to substitute the Chairman of the Board in case of his/her absence.

The Chairman of the Board of Directors and persons entitled to substitute the Chairman of the Board of Directors in his/her absence shall be elected from members of the Board of Directors by a majority of the total number of their votes by open ballot.

The Chairman of the Board of Directors shall organize the work of the Board of Directors, head its meetings and perform other functions as defined by the present Charter according to the operating procedure of the Board of Directors.

3. A written notice of the meeting of the Board of Directors with the meeting agenda materials attached shall be sent to members of the Board of Directors and National Bank as the owner of the "golden share" of the Exchange not later than five business days before the date of this meeting, except in cases when other terms of the Board of Directors meeting notice are set forth by the Exchange internal documents, and cases requiring immediate consideration of issues the Board of Directors, in the event of which the period of notice of a meeting of the Board of Directors may be reduced and be less than five business days.

The Board of Directors Chairman, Management Board or members of the Board of Directors representing not less than one third of members of the Board of Directors shall determine the matters requiring immediate consideration by the Board of Directors.

4. The Board of Directors shall have the right to consider issues put before it and take the relevant decisions in case the Board of Directors meeting and absentee voting of members of the Board of Directors are attended by at least half of members of the Board of Directors (including as provided in clause 8 and/or clause 9 of this article), except in cases when the Exchange internal documents stipulate tighter requirements for a quorum of the Board of Directors or absentee voting of its members.

5. The Board of Directors meeting shall be chaired by:

1) the Chairman of the Board of Directors;

2) (in case of absence of the Chairman of the Board of Directors), one of the persons entitled to substitute the Chairman of the Board of Directors in his/her absence;

3) (in case of absence of the Chairman of the Board of Directors and persons entitled to substitute the Chairman of the Board of Directors in his/her absence), any member of the Board of Directors elected for that purpose by the Board of Directors.

6. At the meeting of the Board of Directors its decisions shall be made by an open ballot, except in case of voting by members of the Board of Directors using individual ballots in accordance with the Exchange internal documents and decisions of the Board of Directors.

7. At the meeting of the Board of Directors its decisions shall be made by a simple majority of the total votes of members of the Board of Directors participating in the meeting (including in the manner prescribed by clause 8 and/or clause 9 of this article) and having the right to vote on those decisions in accordance with laws of the Republic of Kazakhstan and internal documents of the Exchange, except for the cases when the Exchange's internal documents set forth special conditions to make certain decisions on specific issues and/or tight requirements for the number of votes of members of the Board of Directors.

In case of an equality of votes, the Chairman at the Board of Directors meeting shall have a casting vote.

8. Members of the Board of Directors shall have the right to remotely take part in the Board of Directors meeting (through the use of telecommunication or information technology to ensure the interlocutor identification and simultaneous bidirectional transmission, processing, conversion and presentation of information real-time) provided that the validity of this participation raises no doubts in the rest of the members of the Board of Directors participating in the meeting.

Members of the Board of Directors remotely taking part in the Board of Directors meeting shall be taken into account when determining the quorum of the meeting and their votes shall be taken into account when counting votes of the Board of Directors members participating in the meeting. In this case, the Minutes of the meeting must specify this method of participation.

9. Members of the Board of Directors with no possibility to take part in presentia or remotely to vote on all or some of the item on the agenda of the Board of Directors shall be entitled to vote on these items in advance.

Members of the Board of Directors who voted on the Board of Directors meeting agenda items in advance shall be taken into account when determining the quorum of the meeting and their preliminary votes cast shall be taken into account when counting the votes of the Board of Directors members participating in the meeting provided that these votes are cast clearly and demonstrably according to the remaining members of the Board of Directors participating in the meeting. In this case, the Minutes of the meeting must specify this method of participation.

10. The Board of Directors shall have the right to take decisions by absentee voting of members of the Board of Directors wherein:
 - 1) the Board of Directors members receive a notice of absentee voting and bulletins for this voting (based on "a separate sheet for each item put to an absentee voting of the Board of Directors");
 - 2) a procedure for absentee voting of members of the Board of Directors is determined by the operating procedure of the Board of Directors;
 - 3) a decision worded in the ballots for absentee voting is legally binding provided that within three business days after the date of receipt by members of the Board of Directors of the notice of the absentee voting and these ballots more than half of the members of the Board of Directors voted for it, except in cases where internal documents of the Exchange set special conditions with regards to making decisions on specific matters and/or stricter requirements for the number of votes of the members of the Board of Directors; in the case of an equality of votes, the Chairman at the Board of Directors meeting shall have a casting vote;
 - 4) a decision of the Board of Directors adopted by an absentee ballot of its members shall be formalized in writing and signed by the Chairman of the Board of Directors (in the case of his/her absence – by one of the persons entitled to substitute the Chairman of the Board of Directors in his/her absence) and the Corporate Secretary of the Exchange (in the case of his/her absence – by one of the persons entitled to substitute the Exchange Corporate Secretary in his/her absence);
 - 5) the Exchange shall notify the members of the Board of Directors on the results of the absentee voting in the manner and within the timeframe established by the laws of the Republic of Kazakhstan on joint stock companies.
11. If a member of the Board of Directors does not agree with the decision taken by the Board of Directors, he/she may request that his/her dissenting opinion is

included in the corresponding minutes of the meeting of the Board of Directors (decision of the Board of Directors adopted by the absentee voting of members of the Board of Directors). The dissenting opinion of a member of the Board of Directors may also be formulated by him/her in writing; in this case the document is a mandatory appendix to the minutes of the meeting of the Board of Directors (the Board of Directors decision adopted by the absentee voting of members of the Board of Directors).

12. The Board of Directors shall appoint the Corporate Secretary of the Exchange, as well as persons entitled to substitute the Exchange Corporate Secretary in case of his/her absence.

Requirements to candidates for the position of the Corporate Secretary of the Exchange and the Corporate Secretary of the Exchange shall be regulated by the Regulations on the Exchange Corporate Secretary approved by the Board of Directors. These Regulations shall also specify the main tasks and functions of the Corporate Secretary of the Exchange, his/her rights and responsibilities.

13. The Board of Directors shall set up its committees on the basis of provisions of laws of the Republic of Kazakhstan. The procedure for the establishment and operation of the committees of the Board of Directors, as well as their tasks and competences shall be defined by the Regulations on the Board of Directors approved by the Board of Directors.

In order to study the items put to vote of the Board of Directors, prepare recommendations or opinions on these items and for other purposes the Board of Directors shall be entitled to set up its own both permanent and temporary bodies in addition to the committees. Operational procedure of these bodies shall be determined by the Board of Directors.

14. In order to organize its work, the Board of Directors approves its rules and regulations, which define the procedures of the Board of Directors, including:
 - 1) conditions and procedure of the preparation of materials for meetings of the Board of Directors;
 - 2) conditions and procedure of the meetings of the Board of Directors and absentee voting of its members;
 - 3) procedure and terms of fulfillment by members of the Board of Directors of their functions, as well as their rights and obligations.

Article 19. Management Board

1. The Management Board shall be a collegial executive body of the Exchange managing the current operations of the Exchange.
2. The Management Board shall have the right to make decisions on any issues related to Exchange activities not referred by the laws of the Republic of Kazakhstan and this Charter to the exclusive competence of the general meeting of shareholders, Board of Directors and the Chairman of the Management Board. The Management Board shall also make decisions on issues the decision-making on which is related by the laws of the Republic of Kazakhstan and/or the internal documents to the competence of the Management Board of the Exchange.
3. The Management Board shall be obliged to execute the decisions of the general meeting of shareholders and the Board of Directors.
4. The Management Board shall consist of the Chairman of the Management Board, the Deputy Chairmen of the Management Board and other Exchange employees based on the decision of the Board of Directors. Persons being in the composition of the Management Board shall be deemed to be its members.

The quantitative composition and term of powers of the Management Board shall be defined by the Board of Directors.

5. Persons proposed to be elected as the Management Board members and persons elected as the Management Board members shall comply with the requirements established by the laws of the Republic of Kazakhstan and internal documents of the Exchange.
6. Powers of all or individual members of the Management Board may be early terminated by the decision(s) of the Board of Directors.
7. The Management Board meetings shall be convened as necessary.

The Management Board meeting may be convened on the initiative of the Chairman of the Management Board, the Member of the Management Board, the Acting Chairman of the Management Board or any other two Management Board members.

The Management Board meeting shall be chaired by the Chairman of the Management Board or the Member of the Management Board, the Acting Chairman of the Management Board.

8. The Management Board shall be entitled to consider the issues put before it and decide upon them provided that the Management Board meeting is attended by at least half of the total number of members of the Management Board (including in the manner prescribed by clause 9 of this article).

Decisions of the Management Board shall be adopted by a simple majority of the total votes of members of the Management Board having the right to vote on those decisions in accordance with the laws of the Republic of Kazakhstan and the Exchange internal documents.

The vote transfer by a member of the Management Board to another person including another member of the Management Board shall not be allowed.

In case of an equality of votes, the Chairman of the Management Board meeting shall have a casting vote.

9. A member of the Management Board shall have the right to remotely take part in the Management Board meeting (through the use of telecommunication or information technology to ensure the interlocutor identification and simultaneous bidirectional transmission, processing, conversion and presentation of information real-time) provided that the validity of this participation raises no doubts in the rest of the members of the Management Board participating in the meeting.

The number of Management Board members taking part in the remote meeting of the Management Board shall not exceed one third of the total number of Management Board members participating in the meeting.

Management Board members who remotely take part in the Management Board meeting shall be taken into account when determining the quorum of the meeting, and their voices shall be taken into account when counting the votes of the Management Board members participating in the meeting. In this case, the minutes of the meeting shall specify this method of participation.

10. Decisions taken by the Management Board on matters in respect of which this Charter establishes the right of veto shall be agreed upon with the National Bank as the owner of the "golden share" of the Exchange.
11. Decisions of the Management Board shall be formalized in writing in compliance with laws of the Republic of Kazakhstan.
12. If the Chairman of the Management Board is absent or otherwise unable to perform his/her duties, they shall be executed by one of the Deputy Chairmen of the Management Board, the duties on whom are imposed by the order of Chairman of the Management Board.

If any other member of the Management Board is absent or otherwise unable to perform his/her duties, they shall be executed by another member of the Management Board in accordance with the substitution schedule approved by the Management Board.

Article 20. Chairman of the Management Board. Other members of the Management Board

1. The Chairman of the Management Board of the Exchange shall be its officer responsible for current management of the Management Board activities and enforcement of decisions of the general meeting of shareholders and the Board of Directors.
2. The Chairman of the Management Board shall:
 - 1) organize enforcement of decisions of the General Meeting of Shareholders and the Board of Directors;
 - 2) without a power of attorney act on behalf of the Exchange in its relations with third parties;
 - 3) issue a power of attorney to represent the Exchange in its relations with third parties;
 - 4) be responsible for appointment, transfer and dismissal of employees of the Exchange (except for members of the Management Board and other employees of the Exchange under the authority of the Board of Directors), apply incentives and impose disciplinary sanctions, set the size of salaries of employees of the Exchange and allowances to official salaries in accordance with the staffing table of the Exchange, determine the size of bonuses payable to the Exchange employees (excluding the Management Board members and other employees of the Exchange under the authority of the Board of Directors);
 - 5) in case of his/her absence delegate performance of his/her duties to one of the Deputy Chairmen of the Management Board;
 - 6) allocate duties, authority and responsibility between the members of the Management Board;
 - 7) dispose of the Exchange property in accordance with laws of the Republic of Kazakhstan and internal documents of the Exchange;
 - 8) take decisions on matters within its competence pursuant to internal documents of the Exchange;
 - 9) perform other functions based on the decisions of the general meeting of shareholders and the Board of Directors.
3. Decisions of the Chairman of the Management Board shall be formalized as orders and instructions.
4. Deputy Chairmen of the Management Board and other members of the Management Board shall act in accordance with the approved schedule of distribution of powers, duties and responsibility between the Management Board members by the Chairman of the Management Board.

Article 21. Information delivery to Exchange shareholders

1. The media used by the Exchange to disclose information on its activities, to be published in the media in accordance with the laws of the Republic of Kazakhstan on joint stock companies, shall be the Exchange Internet resource www.kase.kz.

2. The notice of the General Meeting of Shareholders shall be published by the Exchange on the Internet resource www.kase.kz within the deadline established by the laws of the Republic of Kazakhstan.

In cases established by the laws of the Republic of Kazakhstan on joint stock companies, the Exchange shall notify its shareholders and the National Bank (as the owner of the "golden share" of the Exchange) of the general meeting of shareholders to be convened by individual written messages sent to them.

3. Voting results of the general meeting of shareholders and the Exchange shareholders absentee voting results shall be brought to their attention by publishing them on the Internet resource www.kase.kz within the deadline established by the laws of the Republic of Kazakhstan and available for the visitors of the resource for at least 15 days after the date of publication.
4. The Exchange annual financial statements shall be made available to the Exchange shareholders as part of the annual general meeting of shareholders agenda materials, and after the agenda is approved by the decision of this meeting they shall be published by the Exchange on the Internet resource www.kase.kz within the deadline established by the laws of the Republic of Kazakhstan.
5. Other information about the Exchange activities in addition to the one specified in paragraphs 2–4 of this Article to be provided to shareholders of the Exchange under the laws of the Republic of Kazakhstan on joint stock companies shall be brought to the attention of the shareholders of the Exchange by publishing such information on the Internet resource www.kase.kz, as well as in the preparation of general meetings of shareholders (as part of the annual general meeting of shareholders agenda materials).

The Exchange may further communicate this information to the attention of its major shareholders, the Exchange shareholders who are its members and the National Bank (as the owner of the "golden share" of the Exchange) by individual written messages sent to them.

6. If any information recognized in accordance with the laws of the Republic of Kazakhstan on joint stock companies as the information on corporate events of the Exchange or the events that affect the interests of shareholders of the Exchange was announced at the general meeting of shareholders no further delivery of such information to the shareholders of the Exchange is required.
7. If the Exchange sends to its shareholders hard copies of the annual general meeting of shareholders agenda materials or using other media upon its own initiative, the cost of production of such materials and their delivery to the shareholders of the Exchange shall rest with the Exchange.

If the Exchange sends to some of its shareholders hard copies of the annual general meeting of shareholders agenda materials or using other media at the request of these shareholders, the cost of production of such materials and their delivery to the shareholders of the Exchange shall rest with the Exchange (except as provided in clause 11 of this article).

8. The Exchange at the request of its shareholder shall provide the latter in the manner prescribed by clause 10 of this article with the copies of documents to be delivered under the law of the Republic of Kazakhstan On Joint-Stock Companies. Expenses related to issuance of such copies and their delivery to this shareholder shall rest with the Exchange (except as set forth in clause 11 of this article).

The Management Board shall have the right by its decision to impose a restriction on the provision of copies of documents to the shareholders of the Exchange and/or parts of copies of documents containing information that constitutes official, commercial or other secret protected by laws.

9. The Exchange at the request of its shareholder shall provide the latter for review in the manner prescribed by clause 10 of this Article with the documents governing individual matters related to issue, offering, circulation and conversion of securities of the Exchange and containing information that constitutes official, commercial or other secret protected by laws.
10. Inquiries of the Exchange shareholders specified in clauses 8 and 9 of this Article, shall be presented to the Exchange in writing addressed to the Chairman of the Management Board and must contain information on the names of the documents (copies of documents) required and purpose of their use.

Unless otherwise established by the laws of the Republic of Kazakhstan on joint stock companies the Exchange within 10 calendar days after the receipt by it of the shareholder inquiry sent to the Exchange to deliver the documents (copies of documents) shall consider this inquiry and provide the shareholder with the requested documents (copies of documents requested by them) or reject in their provision on the grounds provided by the second paragraph of clause 8 of this article.
11. If the production of materials (copies of documents) on demand (pursuant to inquiries) of the shareholders of the Exchange and delivery to these shareholders under the second paragraph of clause 7 and/or clause 8 of this article entails the excess of allowable values for the relevant articles of the annual budget of the Exchange the Management Board shall be entitled by its decision to introduce a fee for the production of such materials (copies of documents) and their delivery to these shareholders. The amount of the said fee shall not exceed the amount of expenses of the Exchange for the manufacture of such materials (copies of documents) and their delivery to these shareholders.

Article 22. Providing the Exchange with information on affiliates of major shareholders and officers of the Exchange, interested party status of the Exchange transaction

1. The Exchange shall keep a record of its affiliates on the basis of information submitted by these affiliates and the registrar of the Exchange.
2. The major shareholder or the officer of the Exchange shall provide it with information about their affiliates.

This information should be provided to the Exchange within seven days after the date of approval of this Charter in the form prescribed by the laws of the Republic of Kazakhstan to provide the National Bank with the list of affiliates of joint-stock companies.

In the event of amendments and/or additions to the information provided, a major shareholder or the officer of the Exchange shall notify it about it within seven days after the date of occurrence of these amendments and/or additions.

3. In case the Board of Directors considers concluding the Exchange interested party transaction, the Exchange affiliates recognized in accordance with the law of the Republic of Kazakhstan "On Joint Stock Companies" as the transaction interested parties, shall provide the Board of Directors with the information to be submitted under the law of the Republic of Kazakhstan "On Joint Stock Companies".

This information shall be provided in writing to the Corporate Secretary of the Exchange or the Acting Corporate Secretary of the Exchange, and shall be included in the materials on the mentioned item (except as established by the third paragraph of this clause).

If the Exchange transaction interested party is a member of the Board of Directors or the Management Board, he/she may announce this information

immediately in the course of the meeting of the Board of Directors. The Minutes of the meeting shall record this announcement.

Chapter 5. FINAL PROVISIONS

Article 23. Reorganization and liquidation of the Exchange

1. The Exchange reorganization (merger, acquisition, division, spin-off and reformation) shall be carried out in accordance with the Civil Code of the Republic of Kazakhstan with the specifications established by the legislative acts of the Republic of Kazakhstan.
2. The Exchange voluntary liquidation shall be carried out on the basis of the decision of the general meeting of shareholders. The Exchange forced liquidation shall be carried out through the court in the cases stipulated by legislative acts of the Republic of Kazakhstan.

The procedure to liquidate the Exchange and meet its creditors requirements shall be governed by the laws of the Republic of Kazakhstan.

3. Any assets of the liquidated Exchange remaining after creditors requirements are met shall be distributed among its shareholders in the manner prescribed by the law of the Republic of Kazakhstan.

Article 24. Final Provisions

1. The Exchange in its operations shall be guided by the laws of the Republic of Kazakhstan, this Charter, internal documents of the Exchange and decisions of bodies and officers of the Exchange adopted in the prescribed manner within their jurisdiction.
2. This Charter shall be valid insofar as it does not contradict the laws of the Republic of Kazakhstan.

If any provision of this Charter becomes invalid, this shall not affect other provisions of this Charter. The invalid provision of this Charter shall be replaced by the legally permissible and appropriate provision.

3. All issues the settlement procedure regarding which is not defined by this Charter and the decisions of bodies and officers of the Exchange adopted in the prescribed manner within their jurisdiction shall be settled in accordance with the laws of the Republic of Kazakhstan.

Authorized person – Chairman of the Management Board
of Kazakhstan Stock Exchange JSC

Maksat Kabashev