

KAZAKHSTAN STOCK EXCHANGE

Approved

by a decision of Management Board of
Kazakhstan Stock Exchange JSC
(meeting minutes No. 125 of November 10,
2015)

Effective as of

November 10, 2015

NOTICE

Mentioned below Methodology 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 Methodology original version in Russian, the latter prevails.

METHODOLOGY of Foreign Currencies Market Indicators Calculation

Almaty

2015

This Methodology defines the list of indicators of the foreign currencies market of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange), and these indicators calculation procedure.

CHAPTER 1. GENERAL PROVISIONS

1. Concepts used in this Methodology are defined by other internal documents of the Exchange.
2. For this Methodology purposes:
 - 1) foreign currencies mean foreign currencies traded on the Exchange in compliance with its internal documents;
 - 2) deals mean deals made during trades executed by the Exchange.
3. The Exchange calculates the following indicators of the foreign currencies market:
 - 1) weighted average US dollar rate to Kazakhstan tenge based on results of the morning session;
 - 2) weighted average US dollar rate to Kazakhstan tenge based on results of the morning and day sessions.
4. Terms used in this Methodology can also be used in other Exchange internal documents, office documents, the Exchange correspondence and Exchange information.
5. Changes and/or additions to this Methodology are the subject to placement (publishing) on the Exchange official website not less than seven days prior to these changes and/or additions become effective.

CHAPTER 2. PROCEDURE OF CALCULATION OF FOREIGN CURRENCIES MARKET INDICATORS

6. Indicators of the foreign currencies market are calculated daily on working days¹ in accordance with items 10–13 of this Methodology.
7. When calculating indicators of the foreign currencies market:
 - 1) deals parameters related to (based on the Exchange information) currency swap transactions are not used;
 - 2) only parameters of deals, made by open trades methods, are used.
8. In case of absence of deals in foreign currencies, parameters of which are necessary for calculation of an indicator of the foreign currencies market, this indicator is not calculated on that day, and the last calculated indicator value is considered to be effective.
9. In order to ensure the indicator values adequacy to the foreign currencies market's unbiased characteristics these values can be adjusted by the Committee on Indexes and Securities Valuation. The terms and procedure of such adjustment are defined in chapter 3 of this Methodology.
10. Calculation of indicators of the foreign currencies market stated in item 3 of this Methodology is carried out after the end of the morning and day trade sessions, respectively.
11. When calculating the weighted average US dollar rate to Kazakhstan tenge as an indicator of the foreign currencies market only parameters of deals are used, which were concluded in the US dollar in respective trading session irrespective of the settlement date according to which the US dollar was traded in those sessions, and taking into account restrictions specified in item 7 of this Methodology.

¹ Working days mean working days in the Republic of Kazakhstan.

12. The value of the weighted average rate of US dollar to Kazakhstan tenge as an indicator of the foreign currencies market is calculated according to the following formula:

$$R_d = \sum_{i=1}^n (V_i \times R_i) / \sum_{i=1}^n V_i, \text{ where}$$

- R_d – the weighted average rate of US dollar to Kazakhstan tenge in Kazakhstan tenge per US dollar;
- n – the number of deals of purchase-sale of the US dollar concluded during the morning trading session (for calculation of the weighted average US dollar rate based upon results of the morning session) or during the morning and day trading sessions (for calculation of the weighted average US dollar rate based upon results of the morning and day sessions);
- V_i – the volume of the i -th deal in US dollars;
- R_i – the price of the i -th deal in tenge per US dollar.
13. Rounding up of values of the indicators for releasing purposes is made up to two decimals according to rules of the mathematical rounding-up (digits up to five are reduced to zero, and digits from five and up are increased to ten).

CHAPTER 3. SPECIAL AUTHORITIES OF THE COMMITTEE ON INDEXES AND SECURITIES VALUATION REGARDING INDICATORS OF THE FOREIGN CURRENCIES MARKET

14. The Committee on indexes and securities valuation is entitled to adjust values of the foreign currencies market indicators, excluding from their calculation parameters of deals, which, in opinion of the Committee on indexes and securities valuation, unreasonably have an influence (influenced) on these values (e.g., unexecuted deals; deals, at conclusion of which trades participants made technical mistakes; deals, prices of which are obviously discord with the market status and/or market dynamics of respective foreign currencies prices, which allows assuming their manipulative nature).

If the Committee on indexes and securities valuation decides to exclude from calculation of one or another indicator of the foreign currencies market the parameters of any deal(s), then this indicator is immediately recalculated.

15. When the Committee on indexes and securities valuation exercises its special authorities in compliance with item 14 of this Methodology, then its meeting minutes must contain reasons for use of such authorities and actions, undertaken by the Committee on indexes and securities valuation in compliance with these authorities.

Acting Chairman of Management Board

N. Khoroshevskaya