



“Astana LRT” LLP

(a Limited Liability Partnership company registered in the Republic of Kazakhstan)

**TERMS AND CONDITIONS OF THE
U.S.\$1,510,400,000 BOND PROGRAMME
NO. BP-1/2019**

in respect of Bonds issued by “Astana LRT” LLP unconditionally and irrevocably guaranteed by
the Ministry of Finance of the Republic of Kazakhstan on behalf
of the Government of the Republic of Kazakhstan

“Astana LRT” LLP (the “**Issuer**”) has established a U.S.\$ 1,510,400,000 Bond Programme (the “**Programme**”), pursuant to which the Issuer may from time-to-time issue bonds denominated in U.S. Dollar (“**Bonds**”). Each series of Bonds issued under the Programme is hereinafter referred to as “**Tranche**”. The Programme may be comprised of one or more Tranches of Bonds issued on the same or different issue dates.

The payment of all amounts including interest and (or) principal payments and (or) penalty owing by “Astana LRT” LLP in respect of the Bonds issued under the Programme will be unconditionally and irrevocably guaranteed by the Ministry of Finance of the Republic of Kazakhstan on behalf of the Government of the Republic of Kazakhstan (in such capacity, the “**Guarantor**”) pursuant to a State guarantee obligation to be issued under the Decrees of the Government of the Republic of Kazakhstan dated 04 June 2019 No.364 and dated 16 August 2019 No. 603 (the “**Guarantee**”).

Application has been made for Bonds issued under the Programme to be admitted to the Official List of the Astana International exchange (the “**AIX**”) and to be admitted to trading on the AIX. Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and the completion of certain other terms and conditions which are applicable to, each Tranche of Bonds will be set forth in the Terms and Conditions of the Bonds (the “**Bonds T&C**”). In order for Bonds to be admitted to the Official List of the AIX and to be admitted to trading by the AIX, these Terms and Conditions of the Programme (the “**Programme T&C**”) and the Bonds T&C under each such Tranche will be delivered to the AIX for approval on or before the date of issue of the Bonds of such Tranche. In addition, it is expected that all Tranches issued under the Programme will be admitted to trading on AIX as “Wholesale Bonds” in accordance with the section 16-1 of the AIX Markets Listing Rules.

Bonds may only be offered and sold to Accredited Investor(s) (as defined in section 16-1 of the AIX Markets Listing Rules). The denomination of any Bonds issued under the Programme shall be U.S.\$100,000.

All subsequent references in these Conditions to “Bonds” are to the Bonds which are the subject of the relevant Bonds T&C. All Capitalised terms that are not defined in these conditions will have the meanings given to them in the relevant Bond T&C.

The AIX does not accept responsibility for the content of the information included in this document including the accuracy or completeness of such information. Liability for this document lies with the issuer of the document and other persons such as experts whose opinions are included in the document with their consent. Nor has the AIX assessed the suitability of the securities to which the document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual circumstances, you should consult an authorized financial advisor. The AIX, its directors, officers or employees, do not accept responsibility for the content of the information included in these Terms and Conditions, including the accuracy or completeness of such information. Nor has the AIX, its directors, officers or employees, assessed the suitability of the securities to which the Terms and Conditions relates for any particular investor or type of investor.

Issuer	“Astana LRT” LLP
Guarantor	the Ministry of Finance of the Republic of Kazakhstan on behalf of the Government of the Republic of Kazakhstan
Registrar	Astana International Exchange Registrar Ltd. (“ AIX Registrar ”). The AIX Registrar shall keep securities of its clients and process and settle securities transactions by transferring electronic records between the respective holders thereof. The AIX Registrar provides various services, including storage, processing and settlements on securities.

Depository	Astana International Exchange Central Depository Ltd. ("AIX CSD"). AIX CSD holds securities for AIX Market Participants and their clients and facilitates the clearance and settlement of securities transactions between these participants through electronic book entry changes in accounts of such participants. AIX CSD provides, among other things, services for safekeeping, administration, clearance and settlement of traded securities and securities lending and borrowing.
Programme Size	U.S.\$1,510,400,000
Issuance	<p>The Bonds under Programme to be issued in Tranches. The Programme may be comprised of one or more Tranches issued on the same or different dates.</p> <p>Each Tranche will be the subject to the relevant Bonds T&C which, for the purposes of that Tranche only, completes this Programme T&C and which must be read in conjunction with this Programme T&C. For avoidance of doubt, the terms and conditions laid out in this Programme T&C shall be applicable to each Tranche of Bonds issued under the Programme and will be completed by the relevant Bonds T&C.</p>
Consents and approvals	State Commission Protocol dated May 4, 2019 No. 11-3/Н-201, Minutes of the meeting chaired by the Prime Minister of the Republic of Kazakhstan on certain matters of inner borrowing for financing the LRT project in Nur-Sultan dated September 18, 2019 No. 11-3/Н-392, Resolution of the sole member of "Astana LRT" LLP dated September 18, 2019 No. 32/19, Resolution of the sole member of "Astana LRT" LLP dated September 18, 2019 No. 33/19.
Issue Price	The Bonds may be issued at any price, as specified in the relevant Bonds T&C of each Tranche.
Maturity	All Tranches to be issued under the Programme will have maturity of 5 (five) years.
Forms of Bonds	Each Tranche of Bonds will be issued in registered form only under the Acting law of the AIFC and AIX Markets Listing Rules (section 16-1).
Currencies	U.S. Dollars
Denominations	The denomination of any Bonds issued under the Programme shall be U.S.\$100,000 (one hundred thousand U.S. Dollars). If admitted to trading on AIX, the Bonds shall be tradeable only in the minimum authorised denomination of U.S.\$100,000.
Interest	<p>Each Tranche of the Bonds bears interest on its outstanding principal amount from (and including) the relevant Issue Date at the rate of 3.25% (three point twenty five percent) per annum (the "Rate of Interest"), such interest being payable in arrear on each Interest Payment Date.</p> <p>The amount of interest payable per Calculation Amount in respect of any Bonds for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Bonds T&C and the Day Count Fraction for such Interest Accrual Period, rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards.</p>
Penalty	The Issuer shall pay a penalty to holders of the Bonds for each day, on which any amount payable under any Tranche remains due and unpaid (the " Unpaid Amount "), at the rate equal to the Rate of Interest. The amount of penalty payable per any Unpaid Amount in respect of any Bonds shall be equal to the product of the Rate of Interest, the Unpaid Amount and the number of calendar days on which any such Unpaid Amount remains due and unpaid divided by 360, rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards.

Non-business Days	If any date for payment in respect of any Bonds is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day on which banks and exchange markets are open for business in the Republic of Kazakhstan and the United States of America.
Status of the Bonds	The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank <i>pari passu</i> among themselves and rank <i>pari passu</i> , in terms of payment rights, with all other current or future unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.
Guarantee	<p>The payment of all amounts including interest and (or) principal payments and (or) penalty (as defined below) owing by “Astana LRT” LLP in respect of the Bonds issued under the Programme will be unconditionally and irrevocably guaranteed by the Ministry of Finance of the Republic of Kazakhstan on behalf of the Government of the Republic of Kazakhstan pursuant to a State guarantee obligation to be issued under the Decrees of the Government of the Republic of Kazakhstan dated 04 June 2019 No.364 and dated 16 August 2019 No. 603.</p> <p>A holder of the Bonds shall file a claim for payment of the amounts due under the Guarantee by sending a written claim to the Guarantor. The Guarantor shall within terms set by the Budget legislation of the Republic of Kazakhstan from the date of receipt of such claim from the holder of the Bonds shall make payment in favor of such holder of the Bonds to a designated bank account indicated in such claim. No holder of the Bonds is obliged to confirm the fact that a breach of the Issuer’s obligations has occurred and such holder’s claims for payment of the amounts under the Guarantee will be sufficient and binding on the Guarantor.</p>
Redemption	Bonds shall be redeemable at par. The redemption of the Bonds shall be made concurrently with the final payment of interest on the relevant Maturity Date.
Early Redemption	<p><i>Early redemption at the option of the Issuer</i></p> <p>The Bonds under any Tranche may be redeemed in whole at par before their stated maturity at the option of the Issuer only if the Issuer has secured prior written consent(s) of the holders of at least three-fourth in principal amount of the Bonds then outstanding under the relevant Tranche.</p> <p><i>Early redemption at the option of holders of the Bonds</i></p> <p>If at any time while any of the Bonds under any Tranche remains outstanding an Event of Default (as defined below) occurs, the Issuer shall, at the option of the holder of any such Bonds, upon the holder of such Bonds giving not less than 15 nor more than 30 days’ notice to the Issuer, redeem such Bonds on the day specified in such notice at 100% of its principal amount together with interest accrued to (but excluding) the date specified for redemption. For the avoidance of doubt, if such holder’s option is not honoured by the Issuer on the day specified in such notice, such holder of the Bonds is entitled to claim such due amounts under the Guarantee in accordance with Condition “Guarantee” above.</p> <p>Following the occurrence of any Event of Default the Issuer may arrange negotiations with the holders of the Bonds in respect of the early redemption at the option of the holders of the Bonds.</p>

Events of Default

If any of the following events (each an “**Event of Default**”) occurs, any holder of the Bonds then outstanding under any Tranche is entitled to give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest to the date of such notice:

- (a) **Non-payment:** the Issuer fails to pay the principal of any of the Bonds when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer is in default with respect to the payment of interest or penalty on any of the Bonds and such default continues for a period of at least ten business days; or
- (b) **Breach of other obligations:** the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under any Tranche issued by it under the Programme, including but not limited to, the breach of Condition “Other Obligations of the Issuer” below, and such default or breach is not remedied within 30 thirty calendar days after notice thereof has been given to the Issuer by any holder of the Bonds under such Tranche.

Other obligations of the Issuer So long as any of the Bonds remains outstanding:

- (i) the Issuer will not, and will not permit any subsidiary to, enter into a single transaction or in a series of transactions (whether related or not) with a view to sell, lease with transfer of ownership rights, transfer or otherwise dispose of its assets involving aggregate disposition exceeding 25% of the total assets of the Issuer, calculated by reference to the Issuer's most recent available financial statements as of a reporting date preceding such a disposal;
- (ii) the Issuer will not allow any default under its liabilities, including but not limited to, obligations evidenced by bonds, debentures, notes, loans or other similar instruments, for an aggregate amount exceeding 10% of the Issuer's total assets calculated by reference to the Issuer's most recent available financial statements as of a reporting date preceding such a default;
- (iii) the Issuer will not undertake or introduce any amendments into its charter documents, including the Issuer's charter, that would alter the Issuer's principal business activities unless such amendments aim at expansion of such activities;
- (iv) the Issuer will not undertake any reorganization as a legal entity without prior written consent of the Guarantor and holders of at least three-fourth in principal amount of the Bonds then outstanding under the relevant Tranche;
- (v) the Issuer will not amend the Program T&C and the Bonds T&C unless agreed upon in writing with the Guarantor and holders of at least three-fourth in principal amount of the Bonds then outstanding under the relevant Tranche;
- (vi) the Issuer will not allow the occurrence of any of the following events: initiation of bankruptcy proceedings or similar measures by any person in accordance with the legislation of the Republic of Kazakhstan, including any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, moratorium of payments or similar arrangements involving Issuer, or the appointment of a rehabilitation manager, interim manager, bankruptcy trustee or similar insolvency officer in relation to the Issuer or its assets;
- (vii) the Issuer will maintain the listing of the Bonds in the Official List of the AIX;
- (viii) the Issuer will not amend or substitute any entity in place of the Issuer as the principal debtor in respect of the Bonds, without prior written consent of the Guarantor and holders of at least three-fourth in principal amount of the Bonds then outstanding under the relevant Tranche;
- (ix) the Issuer will not initiate a termination of the activity;
- (x) the Issuer shall pay any penalty due to any holder of the Bonds in accordance with Condition "Penalty" above.

Payments	<p><i>Payments of Principal and Interest:</i></p> <p>Interest on the Bonds shall be paid to the Person shown on the register that the Issuer shall procure to be kept by AIX Registrar in accordance with AIX Registrar's regulations (the "Register") at the close of business on the fifth day before the due date for payment thereof (the "Record Date").</p> <p>Interest on Bonds shall be paid on the relevant Interest Payment Dates by money transfer (in U.S. Dollars) to current bank accounts of the holders of the Bonds specified in the Register of Bondholders as at the Record Date.</p> <p>The final payment of interest shall be made concurrently with payment of the principal of the Bonds on the relevant Maturity Date.</p> <p>All Payments in respect of the Bonds shall be made in U.S. Dollar.</p> <p>"Person" shall mean any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other legal entity, whether or not having separate legal personality.</p> <p><i>Payments to the Issuer:</i></p> <p>The proceeds from primary placements of the Bonds shall be paid to the Issuer in U.S. Dollar at the issue price in accordance with a purchase agreement to be entered into by the Issuer and each holder of the Bonds.</p>
Clearing Systems	<p>Recording of the Bonds shall be made by way of registration thereof with the AIX Registrar. In case of nominee holding, recording of the Bonds shall be made by way of registration thereof through a brokerage or direct accounts opened with AIX CSD. For purposes of this Program T&C, a holder of the Bonds shall mean any Person, in the name of whom a Bond is registered in the Register.</p>
Taxation	<p>The current Tax Code came into effect in Kazakhstan on 1 January 2018. Under the Tax Code, generally, all disposals and acquisitions of bonds are subject to income tax in Kazakhstan. However, according to the Constitutional Law "On Astana International Financial Centre", any interest or capital gain on the securities listed on the AIX are tax exempt until 1 January 2066. Accordingly, following the admission of the Bonds to the Official List of the AIX, any income derived from owning or selling such Bonds will be tax exempt as long as the Bonds are listed on the AIX.</p>
Listing	<p>Application has been made for Bonds issued under the Programme to be admitted to the Official List of the AIX and to be admitted to trading on the AIX. In addition, it is expected that all Tranches issued under the Programme will be admitted to trading on AIX as "Wholesale Bonds" in accordance with the section 16-1 of the AIX Markets Listing Rules". The Issuer, at its own discretion, may apply for listing of any Tranches issued under the Programme on any other stock exchange subject to the rules of such other stock exchange.</p>
Selling Restrictions	<p>The offering and sale of the Bonds is subject to applicable laws and regulation, including, the AIX Market Listing Rules (section 16-1).</p> <p>The Bonds may only be offered or sold to Accredited Investor(s) in accordance with section 16-1 of the AIX Markets Listing Rules.</p> <p>If admitted to trading on AIX, the Bonds shall be tradeable only in the minimum authorised denomination of U.S.\$100,000.</p>
Risk Factors	<p>Related to Securities: Default risk of the Issuer (which is mitigated by the Guarantee), default risk of the Government of the Republic of Kazakhstan, negative change in the value of the Bonds.</p>

Applicable law and jurisdiction:	The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC. The rights and obligations attaching to the Guarantee will be governed by the legislation of the Republic of Kazakhstan. The Issuer has agreed herein the conditions in favor of the holders of the Bonds that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) shall be brought to, and finally resolved by, the Court of the AIFC in accordance with the rules thereof, or the International Arbitration Center of the AIFC in accordance with the rules thereof, currently in effect, such rules shall be deemed incorporated herein.
Notices	Any notice to the holders of the Bonds shall be valid only if it is notified in writing to the holder of the Bonds by the Issuer, or if it is published on the official website of the AIX and is kept thereon as long as the Bonds are outstanding.
Time limit for claims:.....	Any claim against the Issuer in respect of the Bonds shall become invalid, unless it is filed within 1 year (in the case of principal and interest payments) from the date of the relevant payment in respect of such Bonds.
Miscellaneous:.....	For purposes of any calculation specified herein, a value shall be accurate to two decimal places. No stamp, registration or other tax arising out of the transfer of the Bonds exist in the Republic of Kazakhstan
Use of proceeds:	Raising funds to finance the project "New transport system of Astana. LRT"