

"KTZ — Freight Transportation" JSC

(Joint Stock Company registered in the Republic of Kazakhstan)

TERMS AND CONDITIONS OF THE KZT 96 777 500 000 BONDS DUE 2034 under the

KZT 210 000 000 000 Bond Programme No. 1

The Bonds will be constituted by and have the benefit of KZT 210 000 000 000 Bonds Programme No. 1 (the "Programme") established by "KTZ — Freight Transportation" JSC (the "Issuer"). The Bonds of this Tranche have been issued under the Programme and in accordance with the Acting law of the Astana International Financial Center (the "AIFC") (the "Bonds"). Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Terms and Conditions of the Programme (the "Programme T&C"). This document constitutes the Terms and Conditions of the Bonds (the "Bond T&C") described herein. This document is prepared for the purposes of AIFC rules and must be read in conjunction with such T&C Programme. Full information on the Issuer and the offer of the Bonds is only available on the basis of combination of this Bonds T&C and the Programme T&C.

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Issuer:	"KTZ — Freight Transportation" JSC
Contact details of the Issuer:	Kazakhstan, 010000 Nur-Sultan, D. Kunaev str., building 10. Website: www.ktzh-gp.kz . Nurgaliyev Tastemir – general manager tel.+7 701 990 4004 email: Nurgaliyev_T@Railways.kz
Tranche Number:	1
Type and Name:	Unsecured Coupon Bonds
ISIN:	_____
Currency of the Bonds:	“KZT” or “Tenge”, means the official currency of the Republic of Kazakhstan
Issue Size:	KZT 96 777 500 000
Issue Price:	100 per cent
Nominal value per unit:	KZT 1 000
Quantity of the Bonds:	96 777 500
Issue Date:	Circulation commencement date.
Circulation Commencement Date:	Commencing from the date when the Bonds are credited to the account(s) of the holder(s) of the Bonds under a purchase agreement entered by the Issuer and the holder(s) of the Bonds.
Maturity Date:	3 October 2034
Interest rate:	14.58 per cent per annum. The interest rate may be reduced in proportion to the received subsidies based on the decision of the holder(s) of the Bonds.
Interest Payment Dates:	Payabale semi-annually on 03 April and 03 October in each year.
Interest Accrual:	The interest on the Bonds shall commence being accrued starting from the circulation date. The interest shall be accrued during the entire period of the circulation of the Bonds and shall end on 03 October 2034.
Payments of Principal and Interest:	Paid by transferring money (in KZT) to the current bank accounts of the Bonds holders registered in the register of Bonds holders on the Record Date within 15 (fifteen) calendar days from the date following the

	Record Date
Record date:	Each payment in respect of the Bonds will be made to the person shown in the Register at the close of business on the first day before the due date for the relevant payment
Business Day:	A day on which commercial banks settle payments and are open for general business in Kazakhstan
Day Count Fraction:	It will be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.
Calculation of Interest for an Interest Period:	<p>The amount of interest payable for any period shall be equal to 14.58% of the nominal value of the Bonds to which such interest is related, and the day-count fraction for the relevant period.</p> <p>Interest accrued on Bonds shall be calculated as follows:</p> <p>Interest accrued on the Bonds = $k \cdot n \cdot c / 360 \cdot d$, where</p> <p>k – number of Bonds, total amount n – nominal value of each Bond, total amount c – interest rate, % d – the number of days in the relevant period</p>
Redemption:	<p>The Bonds shall be redeemed at their nominal value together with the payment of the last coupon accrued within 15 (fifteen) calendar days, from the date following the last day of the Bond circulation, by transferring money (in KZT) to the current bank accounts of the Bond holders registered in the register of the Bond holders on the last day of the Bond circulation period.</p> <p>Partial redemption of up to KZT 13 780 259 000 in the first year of the Bonds circulation with the payment of first coupon accrued.</p>
Form of Bonds:	Registered Bonds issued under the Acting law of AIFC, including AIX Market Listing Rules
Financial Centre(s):	AIFC
Listing:	Astana International Exchange (AIX)
Estimated general expenses associated with the listing:	All fees shall be paid in accordance with the AIX official fees schedule published on the AIX website

Potential investors:

The Bonds may be offered or sold to only Accredited investor(s) in accordance with 1.1.2(2)(a) of the AIFC Market Rules (MAR Rules).

Clearing System:

AIX Registrar/AIX CSD

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 the purposes of this Bond T&C, a holder of the Bonds shall mean any Person, in the name of whom a Bond is registered in the Registrar.

Delivery:

Over the counter. The primary placement of the Bonds with the holders of the Bonds shall be done through a purchase agreement to be entered by the Issuer and each holder of the Bonds. The proceeds from primary placements of the Bonds shall be paid to the Issuer at the issue price in accordance with such purchase agreement. The delivery of the Bonds to holders shall be done through the AIX Registrar system.

Use of Proceeds:.....

The net proceeds of the issue of the Bonds will be used by the Issuer for refinancing, retiring or otherwise restructuring existing indebtedness.

Rights of the Bondholders

- enter into transactions with the Bonds;
- right to receive the nominal value of the Bonds in order and within the terms set forth hereby;
- right to receive fixed income in order and in terms specified hereby;
- right to obtain the required information on the Issuer and its activity, its financial standing and results of operations subject to the applicable legislation of the Republic of Kazakhstan and laws of Astana International Financial Center (AIFC);
- the right to demand redemption of the Bonds in cases provided for by the legislation of the Republic of Kazakhstan, AIFC laws including in case of violation of covenants stipulated by the Bonds T&C;

- other rights arising from the right of owning the Bonds in cases and in order subject to the applicable law.

Covenants:

- the issuer shall not enter into a single transaction or in a series of transactions (whether related or not) with a view to 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;
- the issuer shall not allow any default under its liabilities, not related with the Issuer's Bonds, for an aggregate amount exceeding 10% of the Issuer's total assets at the date of Bond's registration;
- the issuer shall not undertake or introduce any amendments into its charter documents, including the Issuer's charter, that would alter the Issuer's principal business activities;
- the issuer shall not undertake any reorganization as a legal entity.

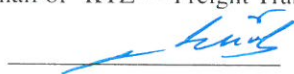
Schedule to the Terms and Conditions of the Bonds

Schedule of Payment of Interest on Bonds

Coupon period	Interest payment commencement date	Coupon rate, per annum	Record date	Interest payment expiry date
1	03.10.2020	14,58%	02.10.2020	18.10.2020
2	03.04.2021	14,58%	02.04.2021	18.04.2021
3	03.10.2021	14,58%	02.10.2021	18.10.2021
4	03.04.2022	14,58%	02.04.2022	18.04.2022
5	03.10.2022	14,58%	02.10.2022	18.10.2022
6	03.04.2023	14,58%	02.04.2023	18.04.2023
7	03.10.2023	14,58%	02.10.2023	18.10.2023
8	03.04.2024	14,58%	02.04.2024	18.04.2024
9	03.10.2024	14,58%	02.10.2024	18.10.2024
10	03.04.2025	14,58%	02.04.2025	18.04.2025
11	03.10.2025	14,58%	02.10.2025	18.10.2025
12	03.04.2026	14,58%	02.04.2026	18.04.2026
13	03.10.2026	14,58%	02.10.2026	18.10.2026
14	03.04.2027	14,58%	02.04.2027	18.04.2027
15	03.10.2027	14,58%	02.10.2027	18.10.2027
16	03.04.2028	14,58%	02.04.2028	18.04.2028
17	03.10.2028	14,58%	02.10.2028	18.10.2028
18	03.04.2029	14,58%	02.04.2029	18.04.2029
19	03.10.2029	14,58%	02.10.2029	18.10.2029
20	03.04.2030	14,58%	02.04.2030	18.04.2030
21	03.10.2030	14,58%	02.10.2030	18.10.2030
22	03.04.2031	14,58%	02.04.2031	18.04.2031
23	03.10.2031	14,58%	02.10.2031	18.10.2031
24	03.04.2032	14,58%	02.04.2032	18.04.2032
25	03.10.2032	14,58%	02.10.2032	18.10.2032
26	03.04.2033	14,58%	02.04.2033	18.04.2033
27	03.10.2033	14,58%	02.10.2033	18.10.2033
28	03.04.2034	14,58%	02.04.2034	18.04.2034
29	03.10.2034	14,58%	02.10.2034	18.10.2034

Signed on behalf of "KTZ — Freight Transportation" JSC

Signature



Name of the individual

authorized by the Applicant: Maxutov Askar

