

## **"Kaztemirtrans" JSC**

*(Joint Stock Company registered in the Republic of Kazakhstan)*

### **TERMS AND CONDITIONS OF THE KZT 615 000 000 000**

#### **BONDS PROGRAMME**

NO. 1

in respect of Bonds to be issued by "Kaztemirtrans" JSC

"Kaztemirtrans" JSC (the "Issuer") has established KZT 615 000 000 000 (six hundred and fifteen billion) Bond Programme (the "Programme", pursuant to which the Issuer may from time-to-time issue bonds denominated in KZT ("Bonds")). Each series of Bonds issued under the Programme is hereinafter referred to as "Tranche".

Application has been made for Bonds issued under the Programme to be admitted to the Official List of the Astana International Exchange (the "AIX"). Notice of the aggregate nominal amount of, interest 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, 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 on or before the date of issue of the Bonds of such Tranche.

All subsequent references in these Conditions to "Bonds" are to the Bonds which are 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 the 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 authorised financial advisor.**

<b>Issuer:</b> .....	"Kaztemirtrans" JSC
<b>Registrar:</b> .....	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.
<b>Depository:</b> .....	Astana International Exchange Central Securities 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.
<b>Programme Size:</b> .....	KZT 615 000 000 000 (six hundred and fifteen billion)
<b>Issuance:</b> .....	<p>The Bonds under the Programme to be issued in Tranches.</p> <p>Each Tranche will be the subject to the relevant Bonds T&amp;C which, for the purposes of that Tranche only, completes this Programme T&amp;C and which must be read in conjunction with this Programme T&amp;C. For avoidance of doubt, the terms and conditions laid out in this Programme T&amp;C shall be applicable to each Tranche of Bonds issued under the Programme and will be completed by the relevant Bonds T&amp;C.</p>
<b>Issue Price:</b> .....	The Bonds may be issued at any price, as specified in the relevant Bonds T&C of each Tranche.
<b>Maturity:</b> .....	Tranches issued under the Programme will have the maturity, as specified in the relevant Bonds T&C of each Tranche.
<b>Form of Bonds:</b> .....	Each Tranche of Bonds will be issued in registered form only under the Acting Law of the AIFC and AIX Business Rules.
<b>Currencies:</b> .....	"KZT" or "Tenge", means the official currency of the Republic of Kazakhstan.

<b>Interest:</b> .....	Each tranche of the Bonds bears interest on its principal amount as specified in the relevant Bonds T&C of each Tranche.
<b>Non-business Days:</b> .....	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.
<b>Status of the Bonds:</b> .....	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.
<b>Redemption:</b> .....	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.
<b>Obligations of the Issuer:</b> .....	<ul style="list-style-type: none"> <li>• the Issuer will 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;</li> <li>• the Issuer will 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;</li> <li>• 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;</li> <li>• the Issuer will not undertake any reorganization as a legal entity.</li> </ul>
<b>Issue restrictions:</b> .....	No amendment shall be made by the Issuer to the Bonds T&C unless agreed upon in writing with the Bondholder(s).

By a decision of the authorized body, the Issuer shall, at its own initiative, have the right to repurchase its Bonds within the entire period of circulation, provided that a written consent is obtained from Bondholder(s).

**Payments:** .....

*Payments of Principal and Interest:*

Interest on the Bonds shall be paid to the Person shown in the register that the Issuer shall procure to be kept by AIX Registrar in accordance with AIX Registrar's Register (the "Register") at the close of business on the first day before the due date for the relevant payment (the "Record date").

Interest on Bonds shall be paid on the relevant Interest Payment Dates by money transfer (in KZT) to current bank accounts of the holders of the Bonds specified in the Register of Bondholders as at the Record Date.

The final payment of interest shall be made concurrently with payment of the principal of the Bonds on the relevant Maturity Date.

All payments in respect of the Bonds shall be made in KZT.

"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.

*Payment to the Issuer:*

The proceeds from primary placements of the Bonds shall be paid to the Issuer in KZT at the issue price in accordance with the purchase agreement to be entered into by the Issuer and each holder of the Bonds.

**Clearing Systems:** .....

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

**Taxation:** .....

According to the Constitutional Law "On Astana International Financial Centre", any interest on



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.

**Listing:** .....

Application has been made for Bonds issued under the Programme to be admitted to the Official List of the AIX. 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.

**Selling Restrictions:** .....

The offering and sale of the Bonds is subject to applicable laws and regulations, including, the AIX Business Rules.

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

**Risk Factors:**.....

The Issuer may be exposed to the following key risks:

Decrease in the level of cargo transportation (market risk) due to the resumption of crisis in the global economy and lower commodity prices. Deteriorating economic conditions may lead to decrease in the volume of services provided for the carriage of goods by rail, to decrease labour productivity, increasing the cost of sales and services rendered and negatively affects the performance of planned indicators.

Operational risks (risks of road safety, labour protection and the environment). The issuer is the largest operator of the freight car fleet in the Republic of Kazakhstan. In this regard, the Issuer may be exposed to traffic safety risks, including collisions, gatherings of rolling stock in freight trains on main, station and access roads and / or during shunting operations with rolling stock at stations, natural disasters.

Risk related to Bonds include risks related to market liquidity, interest rate risk, volatility and currency risk.

**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 Issuer has agreed herein the conditions in favour 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, disputed 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 AIFC in accordance with the rules thereof, or the International Arbitration Center of 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.

**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 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 refinance, retire or otherwise restructure existing indebtedness.

Signed on behalf of "Kaztemirtrans" JSC

By **Bekbauov Kaiser**

Duly authorised



**Deputy General Director for Economics and Finance**