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LOAN NUMBER 3829-KAZ

LOAN AGREEMENT  
(Ordinary Operations)

(ADB Reference: CAREC Corridors 1 and 6 Connector Road [Aktobe-Kandyagash] Reconstruction Project; KAZ Reference: Reconstruction of the road "Border of the Russian Federation (to Orsk) - Aktobe - Atyrau - border of the Russian Federation (to Astrakhan)" section "Makat – Aktobe" with a length of 459 km", including the section "Aktobe – Kandyagash", km 11-100")

between

KAZAVTOZHOL NATIONAL JOINT STOCK COMPANY

and

ASIAN DEVELOPMENT BANK

DATED 17 September 2020

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KAZ 52286

**LOAN AGREEMENT  
(Ordinary Operations)**

LOAN AGREEMENT dated 17 September 2020 between KAZAVTOZHOL NATIONAL JOINT STOCK COMPANY ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

**WHEREAS**

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the loan is to be guaranteed by the Republic of Kazakhstan ("Guarantor") under the terms of the Guarantee Agreement to be entered into between the Guarantor and ADB; and

(C) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties hereto agree as follows:

**ARTICLE I**

**Loan Regulations; Definitions**

Section 1.01. All the provisions of ADB's Ordinary Operations Loan Regulations, dated 1 January 2017 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

- (a) Paragraph (a) of Section 7.10 (Negative Pledge) is deleted and the following is substituted therefor:
  - (a) If the Borrower shall create or permit the creation of any lien on any of its assets as security for any debt, the Borrower undertakes to expressly provide that such lien will ipso facto equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan. If any statutory lien shall be created on any assets of the Borrower, the Borrower shall grant to ADB an equivalent lien satisfactory to ADB.
- (b) Paragraph (c) of Section 7.10 (Negative Pledge) is deleted.
- (c) For a KZT Drawdown Amount, the modifications in paragraphs 1 and 2 of Schedule 2 shall apply.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified

herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

- (a) "ADB Book Rate" means ADB foreign exchange book rate available at [https://forex.adb.org/fx\\_rate/](https://forex.adb.org/fx_rate/);
- (b) "Consulting Services" means consulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (c) "Drawdown Amount" means the principal amount of the Loan disbursed by ADB to the Borrower from the Loan Account in respect of a Withdrawal Application;
- (d) "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the IEE;
- (e) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (f) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Borrower and ADB;
- (g) "Goods" means equipment and materials as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;
- (h) "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (i) "Kazakhstan" means the Republic of Kazakhstan;
- (j) "KZT" means Tenge, the lawful currency of Kazakhstan;
- (k) "KZT Drawdown Amount" means a Drawdown Amount withdrawn in KZT;
- (l) "KZT Interest Rate" means the interest rate payable on a KZT Drawdown Amount, calculated according to paragraph 3(c) of Schedule 2 to this Loan Agreement;
- (m) "KZT Interest Rate Reset Date" means, in respect of a KZT Drawdown Amount, the date on which the Funding Arrangement (as defined in paragraph 2(c) of Schedule 2 to this Loan Agreement) matures;
- (n) "KZT Pricing Notice" means a pricing notice provided pursuant to paragraph 6 of Schedule 2 to this Loan Agreement, for a KZT Drawdown Amount;

- (o) "KZT Repayment Dates" means each Principal Payment Date on which all or any portion of a KZT Drawdown Amount shall be repayable to ADB, in accordance with the provisions of the amortization schedule set forth in Attachment 1 to Schedule 2 to this Loan Agreement;
- (p) "KZT Withdrawal Application" means a Withdrawal Application for a KZT Drawdown Amount;
- (q) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (r) "Nonconsulting Services" means nonconsulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (s) "PAM" means the project administration manual for the Project dated 22 August 2019 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;
- (t) "Procurement Plan" means the procurement plan for the Project dated 22 August 2019 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Regulations, and other arrangements agreed with ADB;
- (u) "Procurement Policy" means ADB's Procurement Policy – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (v) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (w) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means the Borrower or any legal successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;
- (x) "Project facilities" means the facilities to be improved, constructed or provided under the Project;
- (y) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of and compliance with the EMP, including any corrective and preventative actions;
- (z) "Services" means Consulting Services and Nonconsulting Services;
- (aa) "SPS" means ADB's Safeguard Policy Statement (2009);
- (bb) "USD Drawdown Amount" means a Drawdown Amount withdrawn in Dollars;

- (cc) "USD Withdrawal Application" means a Withdrawal Application for a USD Drawdown Amount;
- (dd) "Withdrawal Application" means a withdrawal application by the Borrower to ADB to withdraw a tranche under the Loan, submitted by the Borrower in form and substance acceptable to ADB; and
- (ee) "Works" means construction or civil works to be financed out of the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services and project related services that are provided as part of a single responsibility or turnkey contract.

## ARTICLE II

### The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount not exceeding sixty-four billion twenty-five million eight hundred fifty-four thousand four hundred Tenge (KZT64,025,854,400) to be disbursed, except as otherwise agreed by ADB, in no more than 7 tranches with a maximum of 3 tranches per year, through KZT Drawdown Amounts or USD Drawdown Amounts, each no less than \$10,000,000 equivalent, subject to Section 2.05 hereof.

Section 2.02. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less all Drawdown Amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.03. Interest and other charges on the Loan shall be payable semiannually on 15 March and 15 September in each year.

Section 2.04. (a) Each KZT Drawdown Amount shall be subject to the additional terms and conditions set out in Schedule 2 to this Loan Agreement.

(b) Each USD Drawdown Amount shall be subject to the additional terms and conditions set out in Attachment 2 of Schedule 2 to this Loan Agreement.

Section 2.05. (a) Each Withdrawal Application may request disbursement of a KZT Drawdown Amount or a USD Drawdown Amount, in accordance with the provisions of Schedule 2 to this Loan Agreement.

(b) Without prejudice to any other provision under this Loan Agreement, if ADB shall have reasonably determined that a situation has arisen such that ADB is unable to fund a particular KZT Drawdown Amount, whether in full or in part, ADB shall promptly notify the Borrower of the situation and the related KZT Withdrawal Application shall be canceled henceforth.

(c) If any KZT Withdrawal Application results in ADB notifying the Borrower that it is unable to fund the related KZT Drawdown Amount, then upon consultation with ADB, the Borrower may, at its own discretion, request a USD Drawdown Amount instead, subject to applicable laws and relevant approvals.

### **ARTICLE III**

#### **Use of Proceeds of the Loan**

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 June 2025 or such other date as may from time to time be agreed between the Borrower and ADB.

### **ARTICLE IV**

#### **Particular Covenants**

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.

Section 4.02. (a) The Borrower shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.



(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) In addition to annual audited financial statements referred to in subsection (a) hereinabove, the Borrower shall (i) provide its annual financial statements prepared in accordance with financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iii) as part of each such audit, have the auditors prepare the auditors' opinion(s) on the financial statements and compliance with the financial covenants of the Loan Agreement; and (iv) furnish to ADB, no later than 1 month after approval by the relevant authority, copies of such audited financial statements and auditors' opinion(s), all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(d) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsections (a)(iii) and (c) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the Project, the Goods, Works and Services, and any relevant records and documents.

Section 4.04. (a) The Borrower shall, promptly as required, take all action within its powers to maintain its corporate existence, to carry on its operations and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of its business.

(b) The Borrower shall at all times conduct its business in accordance with sound technical, financial, business and development practices, and under the supervision of competent and experienced management and personnel.

(c) The Borrower shall at all times operate and maintain its plants, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.

Section 4.05. Except as ADB may otherwise agree, the Borrower shall not sell, lease or otherwise dispose of any of its assets which shall be required for the efficient carrying on of its operations or the disposal of which may prejudice the ability of the Borrower to perform satisfactorily any of its obligations under this Loan Agreement.

**ARTICLE V****Effectiveness**

Section 5.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

**ARTICLE VI****Miscellaneous**

Section 6.01. The General Director of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

**For the Borrower**

Kazavtozhol National Joint Stock Company  
10, Kunayev Street, Nur-Sultan  
Republic of Kazakhstan

Facsimile Number:

(7-7172) 648-700

**For ADB**

Asian Development Bank  
6 ADB Avenue  
Mandaluyong City  
1550 Metro Manila  
Philippines

Facsimile Numbers:

(632) 8636-2444  
(632) 8636-2017.

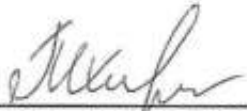


IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

KAZAVTOZHOL NATIONAL JOINT  
STOCK COMPANY

By   
ULAN ALIPOV  
Chairman of the Board

ASIAN DEVELOPMENT BANK

By   
GULNAR M. KHUSSAINOVA  
Authorized Representative

**SCHEDULE 1****Description of the Project**

1. The objective of the Project is to increase efficiency, reliability and safety of transportation in the western region of the Borrower.
2. The Project shall comprise:
  - (a) reconstruction of approximately 89-km highway between Aktobe and Kandyagash, including widening of the road to meet the Category I standard, constructing roadside service areas with sanitary facilities for women, reconstructing bridges, building two bypasses in villages and towns, and some road safety improvements; and
  - (b) strengthening institutional capacity of the Borrower in financial management, procurement, project management, gender, and social and safeguards management.
3. The Project is expected to be completed by 31 December 2024.

## SCHEDULE 2

### Additional Terms Applicable to KZT Drawdown Amounts

1. Pursuant to Section 1.01(c) of this Loan Agreement, the following modifications to the Loan Regulations shall apply to a KZT Drawdown Amount:

- (a) The following terms as defined under Section 2.01 (Definitions) are deleted:

"Approved Currency", "Conversion", "Conversion Date", "Conversion Guidelines", "Conversion Period", "convertible currency", "Counterparty", "Currency Conversion", "Currency Hedge Transaction", "Euribor", "Execution Date", "Financial Center", "Fixed Rate", "Fixed Spread", "Floating Rate", "Funding Cost Margin", "Interest Hedge Transaction", "Interest Rate Cap", "Interest Rate Collar", "Interest Rate Conversion", "LIBOR", "London Banking Day", "Rebate", "Reference Rate", "Reference Rate Reset Date", "Relevant Telerate Page", "Screen Rate", "Semester", "Substitute Loan Currency", "Surcharge", "Target Settlement Day" and "Unwinding Amount".

- (b) The term "Banking Day" as defined under Section 2.01(d) is deleted and the following is substituted therefor:

(d) "Banking Day" means a day (other than a Saturday or Sunday) in relation to:

- (i) any date for disbursement or payment of KZT, on which banks are open for general business in Nur-Sultan and London or at any other location specified in the Funding Arrangement for such withdrawal;
- (ii) any date for any notice, request or other document to be given by ADB to the Borrower, on which banks are open for general business in Kazakhstan; and
- (iii) any date for the submission of a Withdrawal Application or any notice, request or other document to ADB, and any disbursement date, ADB is open for general business in Manila (as notified by ADB from time to time on the ADB website).

- (c) Section 3.02 (Interest) is deleted and the following is substituted therefor:

**Section 3.02. Interest.** Interest shall be payable on each KZT Drawdown Amount outstanding from time to time. For each Interest Period, interest in respect of a KZT Drawdown Amount shall be calculated at the applicable rate notified by ADB pursuant to the provisions of the Loan Agreement. Interest shall accrue from the respective date(s) on which the relevant KZT Drawdown Amount(s) shall be disbursed from the Loan Account to the Borrower.

- (d) Paragraph (d) of Section 3.05 (Repayment and Prepayment) is deleted and the following is substituted therefor:

(d) In respect of any portion of a KZT Drawdown Amount to be prepaid, the Borrower shall pay ADB the relevant Break Costs (as provided in paragraph 10 of Schedule 2). Prepayments shall be for the full amount of each withdrawal and be made on the next Interest Payment Date.

- (e) Section 3.06 (Rebate) is deleted.
- (f) Section 3.07 (Surcharge) is deleted.
- (g) Section 4.02. (Currency of Payment) is deleted and the following is substituted therefor:

**Section 4.02. Currency of Payment.** Unless otherwise agreed to and subject to such terms and conditions as may be stipulated by ADB, all amounts payable by the Borrower in respect of a KZT Drawdown Amount shall be paid in Tenge.

- (h) Section 4.04. (Temporary Currency Substitution) is deleted.
- (i) Article V (Conversion of Loan Terms) is deleted.
- (j) Paragraph (b) of Section 9.07 (Acceleration of Maturity) is deleted and the following is substituted therefor:

(b) In respect of each KZT Drawdown Amount, if any notice of acceleration is made pursuant to paragraph (a) of this Section, the Borrower shall pay ADB the relevant Break Costs.

2. Additional terms used in this Schedule 2 have the following meanings:

- (a) "ADB Funding Rate" means the percentage per annum determined by ADB, calculated as the sum of:
- (i) the interest rate paid by ADB under the relevant Funding Arrangements for the relevant Interest Period (including ADB's costs of implementing those Funding Arrangements, including, but not limited to, underwriting and legal fees); and

- (ii) any new or increased costs associated with keeping those Funding Arrangements outstanding, which are not payable by ADB as at the date of this Agreement (and notified by ADB to the Borrower).
- (b) "Break Costs" means:
  - (i) any loss, costs or expenses incurred or suffered by ADB as a result of ADB initiating, terminating, liquidating, modifying, or maintaining any Funding Arrangement; and
  - (ii) any loss, premium, penalty, liability or expense incurred in liquidating or employing deposits and investments; or borrowing from third parties in order to make, maintain or fund all or any part of the Loan.
- (c) "Funding Arrangement" means a financial transaction or arrangement entered into by ADB on terms and conditions satisfactory to ADB, in connection with the provision by ADB to the Borrower of a KZT Drawdown Amount; and
- (d) "Unpaid Sum" means any sum due and payable but unpaid by the Borrower under this Loan Agreement.

3. Pursuant to Section 2.04 of this Loan Agreement, the following terms shall apply to each KZT Drawdown Amount:

- (a) Each KZT Drawdown Amount may have a principal repayment period of up to 10 years, subject to market conditions, or as otherwise agreed between the parties, and a grace period as defined in subparagraph (b) below.
- (b) The term "grace period" as used in subparagraph (a) above means the period prior to the first KZT Repayment Date in accordance with the amortization schedule set forth in Attachment 1 of this Schedule 2 hereof.
- (c) The Borrower shall pay to ADB interest, in KZT, on each KZT Drawdown Amount outstanding from time to time at a rate equal to the sum of: (i) the ADB Funding Rate; and (ii) 0.60% per annum as provided by Section 3.02 of the Loan Regulations, less a credit of 0.10% per annum as provided by Section 3.03 of the Loan Regulations.
- (d) The Borrower shall repay, in KZT, each KZT Drawdown Amount by 10:00 a.m. (Almaty time) on the applicable KZT Repayment Dates in accordance with the provisions of the amortization schedule set forth in Attachment 1 of this Schedule 2 hereof, subject to refinancing as provided in paragraph 8 below.

- (e) Interest and other charges on each KZT Drawdown Amount shall be payable to ADB by 10:00 a.m. (Almaty time) on the Interest Payment Dates provided in Section 2.03 of this Loan Agreement.
- 4. The Borrower may request preliminary market indications from ADB at any time prior to submitting a KZT Withdrawal Application. Any preliminary market indications provided by ADB, prior to its issuance of the KZT Pricing Notice, shall be non-binding.
- 5. The Borrower shall submit a KZT Withdrawal Application at least 32 Banking Days prior to the requested disbursement date (or as otherwise agreed between the Borrower and ADB). The KZT Withdrawal Application shall be irrevocable by the Borrower until the expiry date set forth therein.
- 6. Subject to Sections 2.04(b) and (c) of this Loan Agreement, and as soon as practicable following the receipt and acceptance of a KZT Withdrawal Application, ADB shall disburse the KZT Drawdown Amount to the Borrower and send to the Borrower a KZT Pricing Notice specifying, with respect to each KZT Drawdown Amount:
  - (a) the principal amount of the KZT Drawdown Amount;
  - (b) the KZT Interest Rate;
  - (c) the KZT Interest Rate Reset Date, if applicable; and
  - (d) any other information that ADB deems necessary.
- 7. In the absence of manifest error, the KZT Pricing Notice shall be final and binding upon the Borrower and constitute an integral part of this Loan Agreement.
- 8. In the event of the need for refinancing the Funding Arrangement, ADB shall inform the Borrower of this requirement at least 60 calendar days prior to the KZT Interest Rate Reset Date. If Borrower agrees to explore the refinancing, ADB then shall inform the Borrower no later than 30 Banking Days prior to the KZT Interest Rate Reset Date of the indicative pricing. Notwithstanding this, if ADB determines, at any time in its sole discretion and within a reasonable period prior to the KZT Interest Rate Reset Date, that it is unable to refinance the Funding Arrangement, it will promptly inform the Borrower and the Borrower then shall have the right to convert all outstanding amounts of the said KZT Drawdown Amount into USD on the KZT Interest Rate Reset Date at the KZT/USD exchange rate prevailing in the spot exchange market in Kazakhstan on such date and time that ADB carries out the currency exchange transaction, as reasonably determined by ADB. On such conversion of the outstanding amounts of the KZT Drawdown Amount to USD, with effect from the relevant KZT Interest Rate Reset Date, the repayment of such outstanding loan amount in USD, and interest and charges thereon will be governed by the "Additional Terms Applicable to USD Drawdown Amounts" as in Attachment 2 of Schedule 2 of this Loan Agreement.
- 9. If, following ADB's notification to the Borrower that it is unable to refinance the Funding Arrangement, at least 20 Banking Days prior to the KZT Interest Rate Reset Date, ADB has not received a written confirmation from the Borrower of its acceptance of the indicative refinancing interest rate or of the conversion of all outstanding amounts of the related KZT Drawdown Amount into a USD Drawdown Amount, the Borrower shall prepay, without

any Break Costs, all outstanding amounts of the KZT Drawdown Amount on the relevant KZT Interest Rate Reset Date.

10. The Borrower shall, within five Banking Days of demand by ADB, pay to ADB the Break Costs attributable to all or any part of the prepayment, acceleration or Unpaid Sum of a KZT Drawdown Amount. In case of prepayment or acceleration of all or any part of a KZT Drawdown Amount, the Borrower shall pay to ADB any accrued interest related to the amount being prepaid simultaneously with the prepayment together with Break Costs.



**KZT Amortization Schedule**

1. The following table sets forth the KZT Repayment Dates of the KZT Drawdown Amounts and the percentage of the total KZT Drawdown Amounts payable on each KZT Repayment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first KZT Repayment Date, the share of KZT Drawdown Amounts repayable by the Borrower on each KZT Repayment Date shall be determined by ADB by multiplying: (a) the total amount of KZT Drawdown Amounts outstanding as of the first KZT Repayment Date; by (b) the Installment Share for each KZT Repayment Date.

<u>Date Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
15 March 2025	3.333333
15 September 2025	3.333333
15 March 2026	3.333333
15 September 2026	3.333333
15 March 2027	3.333333
15 September 2027	3.333333
15 March 2028	3.333333
15 September 2028	3.333333
15 March 2029	3.333333
15 September 2029	3.333333
15 March 2030	3.333333
15 September 2030	3.333333
15 March 2031	3.333333
15 September 2031	3.333333
15 March 2032	3.333333
15 September 2032	3.333333
15 March 2033	3.333333
15 September 2033	3.333333
15 March 2034	3.333333
15 September 2034	3.333333
15 March 2035	3.333333
15 September 2035	3.333333
15 March 2036	3.333333
15 September 2036	3.333333
15 March 2037	3.333333
15 September 2037	3.333333
15 March 2038	3.333333
15 September 2038	3.333333
15 March 2039	3.333333
15 September 2039	3.333343
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first KZT Repayment Date, the share of KZT Drawdown Amounts repayable by the Borrower on each KZT Repayment Date shall be determined as follows:

- (a) To the extent that any KZT Drawdown Amounts are outstanding as of the first KZT Repayment Date, the Borrower shall repay the amounts withdrawn and outstanding as of such date in accordance with paragraph 1 of this amortization schedule; and
- (b) Any withdrawal of KZT Drawdown Amounts after the first KZT Repayment Date shall be repaid on each KZT Repayment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this amortization schedule for said KZT Repayment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for KZT Repayment Dates falling on or after such date.

3. Withdrawals of KZT Drawdown Amounts made within two calendar months prior to any KZT Repayment Date shall, for the purposes solely of calculating the principal amounts payable on any KZT Repayment Date, be treated as withdrawn and outstanding on the second KZT Repayment Date following the date of withdrawal and shall be repayable on each KZT Repayment Date commencing with the second KZT Repayment Date following the date of withdrawal.

**Additional Terms Applicable to USD Drawdown Amounts**

1. Pursuant to Section 2.04 of this Loan Agreement, the following terms shall apply to each USD Drawdown Amount:

- (a) A USD Drawdown Amount has a principal repayment period of 15 years, or as otherwise agreed between the parties, and a grace period as defined in subparagraph (b) below.
- (b) The term "grace period" as used in subparagraph (a) above means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Attachment 3 to this Schedule 2 hereof.
- (c) The Borrower shall pay to ADB interest, in USD, on each USD Drawdown Amount outstanding from time to time at a rate for each Interest Period equal to the sum of: (i) LIBOR; and (ii) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations.
- (d) Interest and other charges on each USD Drawdown Amount shall be payable to ADB on the Interest Payment Dates provided in Section 2.03 of this Loan Agreement.
- (e) ADB shall notify the Borrower and the Guarantor of the KZT equivalent of the USD Drawdown Amount.
- (f) The exchange rate used to convert or translate Dollars into KZT (or vice versa) for a USD Drawdown Amount shall be the ADB Book Rate as of the date of the USD Withdrawal Application.
- (g) The Borrower may at any time request any of the following Conversions of the terms of portion of the Loan that is the USD Drawdown Amount in order to facilitate prudent debt management:
  - (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding, to an Approved Currency;
  - (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and
  - (iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

- (h) Any conversion requested pursuant to subparagraph (g) above that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(f) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

**USD Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the USD Drawdown Amounts and the percentage of the total USD Drawdown Amounts payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the share of USD Drawdown Amounts repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total amount of USD Drawdown Amounts outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this amortization schedule, to which a Currency Conversion applies.

<u>Date Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
15 March 2025	3.333333
15 September 2025	3.333333
15 March 2026	3.333333
15 September 2026	3.333333
15 March 2027	3.333333
15 September 2027	3.333333
15 March 2028	3.333333
15 September 2028	3.333333
15 March 2029	3.333333
15 September 2029	3.333333
15 March 2030	3.333333
15 September 2030	3.333333
15 March 2031	3.333333
15 September 2031	3.333333
15 March 2032	3.333333
15 September 2032	3.333333
15 March 2033	3.333333
15 September 2033	3.333333
15 March 2034	3.333333
15 September 2034	3.333333
15 March 2035	3.333333
15 September 2035	3.333333
15 March 2036	3.333333
15 September 2036	3.333333
15 March 2037	3.333333
15 September 2037	3.333333
15 March 2038	3.333333
15 September 2038	3.333333
15 March 2039	3.333333
15 September 2039	3.333343
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the share of USD Drawdown Amounts repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) to the extent that any USD Drawdown Amounts are outstanding as of the first Principal Payment Date, the Borrower shall repay the amounts withdrawn and outstanding as of such date in accordance with paragraph 1 of this amortization schedule; and
- (b) any withdrawal of USD Drawdown Amounts after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this amortization schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this amortization schedule, to which a Currency Conversion applies.

3. Withdrawals of USD Drawdown Amounts made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this amortization schedule, upon a Currency Conversion of all or any portion of the USD Drawdown Amounts to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (a) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (b) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the USD Drawdown Amounts outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this amortization schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

**SCHEDULE 3****Allocation and Withdrawal of Loan Proceeds**General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table.)

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.



TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (KZT)	Basis for Withdrawal from the Loan Account
		Category	
1	Consulting Services, Goods and Works	58,204,000,000	88% of total expenditure claimed
2	Unallocated	5,821,854,400	
	<b>TOTAL</b>	64,025,854,400	

**SCHEDULE 4****Execution of Project; Financial Matters**Implementation Arrangements

1. The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Procurement

2. The Borrower shall ensure that:

- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Borrower may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
- (c) (i) all Goods and Works procured and Services obtained (including all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

3. The Borrower shall not award any Works contract until Kazakhstan's environment authority has granted the final approval of the IEE.

Environment

4. The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of Kazakhstan relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

5. The Borrower shall further ensure that no construction works or otherwise harmful activities under the Project are undertaken in protected areas as determined by applicable laws and regulations of the Republic of Kazakhstan.

#### Involuntary Resettlement and Indigenous Peoples

6. The Borrower shall ensure that the Project does not have any indigenous peoples or involuntary resettlement impacts, all within the meaning of the SPS. Throughout project implementation, the Borrower shall monitor project implementation, and if due to unforeseen circumstances, any involuntary resettlement or indigenous people's impacts arise, the Borrower shall inform ADB of the occurrence of such risks or impacts with detailed description of the event, and proposed corrective action plan, and ensure that the Project complies with Kazakhstan's applicable laws and regulations and with the SPS. To that end, the Borrower shall, prior to commencement of works, (a) deploy a dedicated social safeguards team; and (b) conduct due diligence of detailed design and ensure implementation of mitigation measures.

#### Human and Financial Resources to Implement Safeguards Requirements

7. The Borrower shall make available necessary budgetary and human resources to fully implement the EMP.

#### Safeguards – Related Provisions in Bidding Documents and Works Contracts

8. The Borrower shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures relevant to the contractor set forth in the IEE and the EMP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP;
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and
- (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

#### Safeguards Monitoring and Reporting

9. The Borrower shall do the following:

- (a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.

#### Prohibited List of Investments

10. The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

#### Labor Standards, Health and Safety

11. The Borrower shall ensure that the core labor standards and Kazakhstan's applicable laws and regulations are complied with during Project implementation. The Borrower shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with Kazakhstan's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.

12. The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 11 above and provide ADB with regular reports.

#### Gender and Development

13. The Borrower shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Counterpart Support

14. The Borrower shall ensure that all counterpart support is sought for and provided in a timely manner for the carrying out of the Project. In addition to the foregoing, the Borrower shall, in a timely manner, obtain from Kazakhstan's authorized body sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Consulting Services contract.

Financial Covenants

15. The Borrower beginning with the FY2023 shall achieve and maintain (a) the Debt Service Coverage Ratio at no less than 1, and (b) the ratio of total operating expenses to total operating revenues less than 1. For purposes of this paragraph:

- (i) the term "Debt Service Coverage Ratio" means, in respect of a fiscal year of the Borrower, free cash flow divided by debt service requirements as at the end of such fiscal year;
- (ii) the term "free cash flow" means the difference between:
  - (A) the sum of revenues from all sources related to operations, after making adequate provisions for uncollectible debts, and net non-operating income; and
  - (B) the sum of all expenses related to operations, including administration, maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges, and interest and other charges on debt.
- (iii) the term "net non-operating income" means the difference between:
  - (A) revenues from all sources, including extraordinary gains, other than those related to operations, and receipts relating to the disposal of physical assets; and
  - (B) expenses including taxes and payments in lieu of taxes, and including extraordinary losses, incurred in the generation of revenues referred to in subparagraph (ii)(A) above; and payments for the purchase of physical assets.
- (iv) the term "debt" means any indebtedness maturing by its term more than 1 year from the date on which it was originally incurred;
- (v) the term "debt service requirements" means the aggregate amount of principal, interest and other charges due and payable on debt, whether or not actually paid, provided that interest and other charges on debt that are incurred in financing capital expenditure that will be capitalized are excluded;

- (vi) the term "total operating expenses" means all expenses related to operations, including administration, adequate maintenance, taxes, and depreciation;
- (vii) the term "total operating revenues" means revenues from all sources related to operations, after making adequate provisions for uncollectible debts; and
- (viii) the term "fiscal year" means the 12-month period commencing 1 January and ending on 31 December each year.

16. In the event the Borrower shall become subject to more stringent national requirements of Kazakhstan, the latter shall apply.

17. The Borrower shall provide to ADB, with each set of audited financial statements, a compliance certificate setting out computations as to compliance with the financial covenants described above signed by the financial director of the Borrower and reviewed by auditors as part of each audit referred to in Section 4.02(c) of this Loan Agreement.

18. The Borrower shall further ensure that two financial management consultants are engaged within six months after the Effective Date.

#### Grievance Redress Mechanism

19. The Borrower shall ensure that a safeguards grievance redress mechanism acceptable to ADB is established at the project management office (PMO), in accordance with the provisions of the IEE and EMP, to consider safeguards complaints.

#### Governance and Anticorruption

20. The Borrower shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

21. The Borrower shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.