

12 October 2020

Ulan Alipov  
Chairman of the Board  
Kazavtozhol National Joint Stock Company  
10 Kunayev Street, Nur-Sultan 010000  
Republic of Kazakhstan

Dear Mr. Alipov:

**Subject:** ADB Reference: Loan No. 3829-KAZ: Central Asia Regional Economic Cooperation Corridors 1 and 6 Connector Road (Aktobe-Kandyagash) Reconstruction Project; KAZ Reference: "Reconstruction of the road "Border of Russian Federation (to Orsk" -Aktobe-Atyrau-border of Russian Federation (to Astrakahn)" section "Makat-Aktobe" with a length of 459 km", including the section "Aktobe-Kakndyagash", km 11-100") -- Amendment to Loan Agreement

1. We refer to the Loan Agreement dated 17 September 2020 between Kazavtozhol National Joint Stock Company ("Borrower") and Asian Development Bank ("ADB") for the captioned project ("Loan Agreement"). All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement unless the context requires otherwise.

2. Following a request from the Republic of Kazakhstan ("Guarantor") to amend the Loan Agreement to provide further details of the ADB Funding Arrangements, ADB approved, on 7 October 2020, a change to the Project. To give effect to the change, ADB proposes that the Loan Agreement be amended as follows:

(a) Paragraph 2(a)(i) of Schedule 2 of the Loan Agreement shall be deleted and replaced by:

"(a) 'ADB Funding Rate' means the percentage per annum determined by ADB, calculated as the sum of:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

cc: Ministry of Finance

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(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 as illustrated in Attachment 1A to this Schedule 2);"

(b) Attachment 1A to Schedule 2 of the Loan Agreement is included as an attachment hereto.

**ASIAN DEVELOPMENT BANK**  
6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 632 4444  
Fax +63 2 636 2444

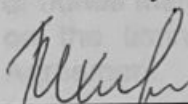
3. Save and except to the extent set out above and, in the attachment, hereto, the Loan Agreement remains unchanged.

4. The Guarantor confirms that its obligations under the Guarantee Agreement will continue with respect to the Loan Agreement, as amended hereby.

5. Pursuant to ADB's Access to Information Policy (2018) ("AIP"), the amendments to the Loan Agreement will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the AIP exceptions as specified by the Borrower.

6. Please indicate the Borrower's and Guarantor's concurrence to the amendments set out in paragraph 2 of this letter agreement and the attachment hereto and to the terms of this letter agreement by countersigning each of the two original of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

Yours sincerely,



Gulnar M. Khussainova  
OIC, KARM

A. Accepted and agreed.

B. Confirmed that the amendments to the Loan Agreement do not contain information falling within the AIP exceptions.

For and on behalf of Borrower  
KAZAVTOZHOL NATIONAL JOINT STOCK COMPANY

Name: Mr. Ulan Alipov

Designation: Chairman

Date: 12 October 2020

cc: Ministry of Finance  
8 Mangilik El Avenue, Entrance 4  
Nur-Sultan 010000  
Republic of Kazakhstan

**Loan No. 3829-KAZ: Central Asia Regional Economic Cooperation Corridors 1 and 6  
Connector Road (Aktobe-Kandyagash) Reconstruction Project**

**Attachment 1A to Schedule 2**

**Indicative Funding Arrangements**

Pursuant to Section 2.04 of the Loan Agreement, the Loan is to be disbursed in no more than 7 instalments, each with a minimum amount of \$10,000,000 equivalent, and with no more than 3 tranches/disbursements per year. Without limiting the generality of the provisions in Schedule 2 of the Loan Agreement, the following is provided to illustrate indicative funding arrangements for a Loan to be disbursed through KZT Drawdown Amounts:

- Each disbursement will be funded by ADB through the issuance of bonds with terms and conditions which seek to mirror the terms and conditions of the Loan, especially with regards to amortization and interest payment dates.
- Subject to market conditions, each disbursement will initially be funded until 15 September 2029. ADB will fund the disbursements through the issue of a series of fungible bonds sharing the same final maturity, amortization and interest payment dates. This means bonds issued in the first year will have a longer tenor than bonds issued in the second year, which will have a longer tenor than bonds issued in the third year, with each issue of bonds maturing at the same time. The exact tenor of each issue of bonds will depend on the timing of any Withdrawal Application made in accordance with this Loan Agreement.
- On 15 September 2029, all outstanding amounts of the Loan will be refinanced through a single ADB amortizing bond issue until the maturity of the Loan.
- Each disbursement will be priced at a different interest rate according to market conditions, until the refinancing on 15 September 2029 when all the outstanding amounts of the Loan will be priced at the same interest rate.
- Subject to investor demand, ADB will issue bonds to finance each disbursement at an interest rate per annum equal to the yield of the secondary market Kazakhstan government bond of a similar maturity at that time. The ADB Funding Rate for lending to the Borrower on each disbursement will be calculated as the sum of: (i) the fixed interest rate per annum paid by ADB in the issue of bonds; and (ii) ADB's bond issuance expenses, including but not limited to, underwriting and legal fees, expressed as an annualized percentage rate, which determination shall be final and binding upon the Borrower.
- ADB's bond issuance expenses include but are not limited to those estimated below:

Underwriting Fees	0.15% flat
Legal Fees	\$12,500
Kazakhstan Stock Exchange Fees	0.025% flat
Kazakhstan Central Securities Depository Fees	0.0025% flat