

**Eurasian Development Bank**  
**International financial institution**

**TERMS AND CONDITIONS OF THE BONDS<sup>1</sup>**  
**prepared in respect of the issue of bonds in the aggregate amount of**  
**KZT 20 000 000 000 and due 05 November 2024**

**1. Information on the Issuer:**

|  |   |
|--|---|
| Full name of the Issuer                | Eurasian Development Bank                               |
| Issuer's registered address            | 220 Dostyk ave., Almaty, 050051, Republic of Kazakhstan |
| Country and date of incorporation      | Multilateral/Development Bank                           |
| Country of principal place of business | Within the countries/member states                      |
| Type of business activity              | Development banking                                     |
| Telephone number                       | +7 (727) 244-40-44                                      |
| E-mail                                 | info@eabr.org   |
| Postcode                               | 050051  |
| Website address                        | www.eabr.org  |

Financial Year-end (dd/mm)

|       |
|-------|
| 31/12 |
|-------|

Audit Information

|   |   |
|---|---|
| Auditing Standards                                | IFRS  |
| Name of the Issuer's auditor(s)                   | Deloitte LLP  |
| Contact details of the Issuer's auditor(s)        | 36 Al Farabi Ave, Almaty, 050059, The Republic of Kazakhstan  |
| Company website address with financial statements | <a href="https://eabr.org/investors/information-disclosure/financial-statements-ifs/">https://eabr.org/investors/information-disclosure/financial-statements-ifs/</a> |

**2. This Terms and Conditions ("T&C") is issued under third bond program**

T&C of the third bond program is available on [https://eabr.org/upload/iblock/280/Prospekt-3-OP-v-kaz.-tenge\\_rus\\_kaz.pdf](https://eabr.org/upload/iblock/280/Prospekt-3-OP-v-kaz.-tenge_rus_kaz.pdf).

This T&C has been published on the website of Astana International Exchange (**AIX**) at [www.aix.kz](http://www.aix.kz) before the start of offering and will be published on the Issuer's website at [www.eabr.org](http://www.eabr.org) and AIX website on the day of admission of Bonds to trading.

**3. Information on the bond issue:**

**1) Type of bonds:**

Unsecured coupon bonds (hereinafter, the " **Bonds** ")

**2) Issue:**

The Bonds are issued under the legislation of the Republic of Kazakhstan.

**3) Investor:**

The Bonds shall be offered on AIX to Accredited Investors as defined in 1.1.2(6) of the AIFC Market Rules.

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<sup>1</sup> AIX, its directors, officers or employees, do not accept responsibility for the content of the information included in these Terms & Conditions, including the accuracy or completeness of such information. Nor has AIX, its directors, officers or employees, assessed the suitability of the securities to which the Terms & Conditions relates for any particular investor or type of investor.

**4) The par value of one bond (if the par value of one bond is an indexed value, the procedure for calculating the par value of one bond shall be additionally indicated):**

1,000 (one thousand) tenge

**5) Number of bonds:**

20,000,000 (twenty million) pieces.

**6) Total volume of the bond issue:**

20,000,000,000 (twenty billion) tenge

**7) ISIN: KZ2D00008174**

**8) Risks associated with the acquisition of bonds placed by the Issuer:**

**1) Industry risks:**

Banking risk is generally characterized by the inherent possibility (probability) of liquidity losses and / or deterioration due to the occurrence of adverse events related to internal factors (the complexity of the organization chart, the level of qualification of employees, organizational changes, staff turnover, etc.) and / or external factors (changes in economic conditions of activity, applied technologies, etc.).

The Issuer is exposed in its activities to financial, market and credit risks associated with changes in interest rates and exchange rates, default on obligations by counterparties, depreciation of investments, operational risks and other risks. Notwithstanding any provisions of this clause on the considering risk factors, that above shall not be considered as giving grounds to believe that the Issuer will be unable to fulfill its obligations under the bonds in circulation.

**2) Financial risks:**

a) price risk:

The Issuer is potentially exposed to price risk due to adverse changes in market quotations for securities. To assess this risk, the Issuer uses the Value At Risk (VAR) methodology. In order to minimize price risk, a system of limits is applied, which includes restrictions on the list of Issuers, limits on the structure of the securities portfolio, limits on the volume of investments in securities of an individual issuer and issue, as well as limits on the maturity of financial instruments.

b) foreign exchange risk:

The Issuer is exposed to the effects of fluctuations in foreign exchange rates. The Issuer has limitations on open currency positions in accordance with its internal rules. Future changes in exchange rates and the volatility of foreign and / or national currencies of the Issuer's member states may adversely affect its position on foreign and / or national currencies.

c) interest rate risk:

The Issuer is exposed to interest rate risk due to unfavorable changes in interest rates. Despite the fact that the Issuer assesses the sensitivity to changes in interest rates by analyzing the structure of its assets and liabilities, as well as off-balance-sheet financial instruments, fluctuations in interest rates may have a negative impact on the Issuer's performance and financial condition.

**3) Legal risk:**

The legal status of the Issuer is governed by the Agreement on the Establishment of the Eurasian Development Bank dated January 12, 2006, and the Agreement between the Government of the Republic of Kazakhstan and the Eurasian Development Bank on the Conditions of Staying of the Eurasian Development Bank in the Republic of Kazakhstan dated June 17, 2006. The Issuer has

signed similar residence agreements with other member states. According to the said international agreements, the Issuer also accrues a number of privileges, benefits in the field of taxation of its property, income, assets and operations, in particular, exemption from any taxes, fees, duties and other payments, except for those that represent a fee for specific types of services. Moreover, the Issuer is exempt from the requirements for licensing, supervision and regulation by the central banking authorities of the member states, and it has been granted the status of a preferential creditor within the territory of the member states. No obligations or securities issued by the Issuer, as well as dividends and interest thereon, regardless of their holder, shall be subject to any additional taxes discriminating against the Eurasian Development Bank in the Issuer's member states.

In addition to the above, including as for the Issuer's non-compliance with the requirements of the civil legislation of the Republic of Kazakhstan and the terms of concluded agreements, legal errors in the implementation of activities (obtaining incorrect legal advice or incorrect drafting of documents, including when considering controversial issues in law enforcement agencies):

- The property and assets of the Issuer located in the territory of the Issuer's members shall be immune from search, requisition, seizure, confiscation, expropriation or any other form of seizure or alienation until a final court decision is delivered.
- To the extent necessary to achieve the goals and perform the functions of the Issuer and subject to the provisions of the Issuer's Articles of Association, all property and assets of the Issuer shall be free from any restrictions, regulations and moratoriums.
- The Issuer shall be immune from any legal prosecution, except in cases not related to the exercise of its powers or connected with it.
- The provisions of the current legislation of any member state, including the Republic of Kazakhstan, on insolvency (bankruptcy) are not applicable to the Issuer. The procedure for the final termination of operations and the liquidation of the Issuer is specified in the Agreement Establishing the Eurasian Development Bank dated January 12, 2006.

In connection with the foregoing, the Issuer considers the risk of the negative impact of legal risks related to changes in currency regulation, tax legislation, customs control rules, requirements for licensing activities in the financial markets and with changes in the caselaw of the member states of the Eurasian Development Bank, including the Republic of Kazakhstan, to be the results of its activities are minimal.

The Issuer has no information on any ongoing or upcoming legal proceedings that, in its opinion, may seriously affect the Issuer's financial position or its ability to make payments under the bonds. Despite its international status, the Issuer may be exposed to legal risks in cases when the Issuer has waived the established immunities and privileges under certain agreements, as well as in cases when the member states take actions that affect the Issuer 's access to international financial infrastructure. In such circumstances, the Issuer may face potential conflicts of interest, contradictions of legal rules, ethical issues, and anti-money laundering regulations, including a number of sanctions applied by states to combat money laundering. In order to avoid such risks, the Issuer conducts the necessary compliance procedures and maintains the internal control system. However, the Issuer cannot exclude the risk that these procedures will be insufficient to prevent legal risks that could potentially have a negative impact on the Issuer 's activities.

#### **4) Reputation risk (reputational risk):**

The Issuer classifies reputational risks as strategic risks, for the purpose of minimizing which it applies a unified system of internal control. As much as anything else, reputational risks are mitigated by compliance with high standards of professional ethics corresponding to the status of the Issuer as an international financial development institution, maintaining a high professional level

of employees of the Eurasian Development Bank, and avoiding conflicts of interest in operations and transactions.

#### **5) Strategic risk:**

Strategic risk represents the risk of incorrectly selected decisions or affects the ability to achieve medium and long-term goals and objectives. Force majeure and other circumstances, such as social and macroeconomic shocks, global natural disasters, are an integral part of strategic risks and, in turn, may adversely affect the achievement of the planned goals by the Issuer.

Prediction of such events is associated with a high level of uncertainty; therefore, the Issuer's management needs carefully calculated strategic and situational-alternative plans for such reasons. The Issuer manages strategic risks based on medium-term planning and implementation of business plans, regulation of the corporate governance system and investment activities, ensuring the transparency of the Eurasian Development Bank, and an established system of internal control and compliance control.

The Issuer has a high credit quality and pursues a balanced policy for managing the above risks, and therefore the Issuer assesses its strategic risks as minimal.

#### **6) Risks associated with the Issuer's activities:**

The Issuer began to issue loans to borrowers at the beginning of 2007, and as of the 30 June 2021, the amount of loans provided to customers amounted to \$ 2,988 million 289 thousand. The continuation of the Issuer's financing activities depends on the availability of a sufficient number of projects for financing. The lack of additional development projects of the Issuer that meet the Issuer's criteria and the requirements of its credit policy may affect the Issuer's ability to maintain the growth of its assets and have a significant negative impact on the results of its activities and financial state.

The Issuer intends to sponsor such projects, inter alia, by borrowing from banks and issuing securities in the international and capital markets of member states. Any volatility in the international and capital markets of member states, including an increase in interest rates, may lead to an increase in the cost of sponsorship for the Issuer, which, in turn, may adversely affect its operations, performance and financial state.

#### **7) Country risk:**

The founders of the Issuer are the Republic of Kazakhstan and the Russian Federation, and a significant part of the Issuer's loans is provided to customers located in the Republic of Kazakhstan and the Russian Federation, while it is assumed that a significant part of its assets is located in the territory of these two states. Accordingly, the financial position of the Issuer, the results of its activities and its ability to repay the funds provided to it under loans to a large extent depend on the economic and political conditions prevailing in the Republic of Kazakhstan and the Russian Federation.

It should be noted that after the accession of new member states to the Eurasian Development Bank - the Republic of Armenia, the Republic of Tajikistan, the Republic of Belarus and the Kyrgyz Republic - the geography of the Issuer's activities (including its active project sponsorship operations) was significantly diversified.

Investors contributing to emerging markets, such as the Republic of Kazakhstan, the Russian Federation, the Republic of Belarus, the Republic of Tajikistan, the Republic of Armenia, and the Kyrgyz Republic, should be aware that these markets are subject to a higher degree of risk compared to more developed markets, including, in some cases, significant legal, economic, social and political risks. Investors should also take into consideration that the developing economies of

such countries as the Republic of Kazakhstan, the Russian Federation, the Republic of Armenia, the Republic of Tajikistan, the Republic of Belarus and the Kyrgyz Republic are subject to rapid changes, including economic, political, and social changes. Furthermore, the currency of the monetary obligation may be unavailable to the counterparty due to the peculiarities of the legislation of the country of its residence (regardless of the financial position of the counterparty itself). Accordingly, investors should carefully assess the existing risks, and they should make independent decisions regarding the advisability of investing with regard to these risks.

#### **8) Operational risk:**

The Issuer is exposed to operational risks. Operational risk is the risk of financial losses as a result of inadequate or erroneous internal processes, actions of employees and systems, or external events. The Issuer has an operational risk management system designed to monitor and control this type of risk, which, in its opinion, is adequate to ensure proper protection. At the same time, the Issuer cannot exclude the possibility that this system will be unable to fully prevent the occurrence of operational risks that could potentially have a negative impact on the Issuer's activities.

#### **9) Currency of par value, currency of payment for principal debt and / or accrued interest on bonds:**

The par value of the Bonds is denominated in the national currency of the Republic of Kazakhstan, the Kazakhstani tenge.

All payments (remuneration and principal payments) shall be made by the Issuer in Kazakhstani tenge, except for the case specified in the fourth paragraph of this subclause.

If the Bondholder<sup>2</sup> is a non-resident of the Republic of Kazakhstan, payment of the principal debt and / or accrued interest on the Bonds will be made in Kazakhstan tenge if the Bondholder has a bank account in Kazakhstan tenge within the territory of the Republic of Kazakhstan.

In case a Bondholder of the Bonds who is a non-resident of the Republic of Kazakhstan does not have a bank account in Kazakhstani tenge within the territory of the Republic of Kazakhstan, it is allowed to convert Kazakhstani tenges into US dollars or Euros when paying the interest and / or the principal debt under the Bonds. The said conversion shall be carried out subject prior to the date of the respective payment from the holder of the Bonds - non-resident of the Republic of Kazakhstan, a written application containing the reference to the bank details of the holder of the Bonds - non-resident of the Republic of Kazakhstan and the currency in which the payment it is to be made. The conversion is carried out at the conversion rate established by the Issuer's servicing bank as of the payment date. The commission of the Issuer's servicing bank for conversion of Kazakhstani tenge into US dollar or Euro shall be paid at the expense of the Bond holder who is a non-resident of the Republic of Kazakhstan and will be withheld from the amount to be transferred to the holder of the Bonds who is a non-resident of the Republic of Kazakhstan.

#### **4. Method of payment for the bonds being offered:**

Bonds shall be paid via bank transfer to bank accounts of the Bondholders. The Bonds will be placed via AIX trading system. Payment for the Bonds on AIX will be made in accordance with the AIX CSD Business Rules.

#### **5. Receiving coupon on bonds:**

##### **1) Rate of return on bonds (if the rate of return on bonds is an indexed value, the procedure for calculating the rate of return on bonds shall be additionally specified):**

Rate of return on Bonds is [*will be determined in the Supplement to this T&C based on the results of the placement of the Bonds, as the rate at which the Issuer will satisfy at least one (1) bid of the buyer*].

The rate of return on Bonds is fixed for the entire circulation period of the Bonds.

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<sup>2</sup> The definition for "Bondholder" is provided in section 5 of this T&C.

**2) Frequency of payment of interest and / or dates of payment of interest on Bonds:**

Bonds shall be paid once a year every 12 (twelve) months from the date of commencement of the Bonds circulation during the entire circulation period of the Bonds. Every 12 (twelve) months from the date of commencement of the Bonds circulation during the whole period of their circulation shall be the coupon period for the Bonds.

The remuneration shall be paid to persons entitled to receive it and are registered in the system of registers of securities holders of the Issuer ("**Bondholders**") as of the beginning of the last day of the period for which the remuneration is paid (by time at the location of the central securities depository (KACD) maintaining the system of registers) of the Bondholders) (hereinafter, the "**Record Date**").

**3) The date from which the accrual of interest on Bonds begins:**

Bonds interest shall be accrued from the date of commencement of the Bonds circulation. Remuneration shall be accrued during the entire circulation period of the Bonds and shall end on the last day of the circulation period of the Bonds.

**4) Procedure and terms of payment of interest on Bonds, method of receiving interest on bonds:**

The remuneration shall be paid by the Issuer by transferring money to the bank accounts of the Bondholders registered in the register of Bondholders as of the beginning of the Record Date within ten (10) business days following the Record Date.

The remuneration as of the payment date is calculated as the product of the nominal value of the Bonds, the annual interest rate and the number of days in the period of interest accrual divided by the number of days in a year.

The number of decimal places and the rounding method are determined in accordance with the internal documents of Kazakhstan Stock Exchange JSC and AIX.

Payment of the coupon interest for the last coupon period shall be made simultaneously with the payment of the principal amount of the debt under the Bonds.

**5) The period of time used to calculate the interest on the bonds:**

Bonds will be paid on the basis of the time base of three hundred and sixty (360) days a year and thirty (30) days a month during the entire circulation period.

**6. Terms and conditions of bond placement:**

The Bonds shall be transferred from JSC Central Securities Depository (Kazakhstan) to the AIX Central Securities Depository Limited ("**AIX CSD**"), for further allocation to purchasing Bondholder(s) subject to instructions from AIX CSD.

**1) Starting date of Bond placement:**

the commencement date of the Bonds placement shall be the date of the commencement of the Bonds circulation.

**2) End date of Bond placement:**

the end date of the Bond placement is the date of the last Bond of the issue.

**3) Market in which the placement of Bonds is planned (organized and / or unorganized securities market):**

the Bonds will be placed on an organized market.

**7. Terms and conditions of bonds circulation:**

**1) Bond circulation commencement date:**

the date of commencement of the Bonds circulation shall be the date of placement of the Bonds..

**2) Bond maturity date:**

the end date of the Bond circulation shall be the last day of the Bond circulation period established by this T&C.

**3) Term of circulation:**

The term of circulation of the Bonds shall be 3 (three) years from the date of commencement of circulation of the Bonds.

**4) Market in which Bonds are planned to be traded (organized and / or unorganized securities market):**

The Bonds are planned to be traded both on the organized market and on the unorganized securities markets.

**8. Terms and conditions of Bond redemption:**

**1) Maturity date of Bonds:**

commencement date of the Bonds redemption period - the day following the last day of the Bonds circulation period, which is three (3) years from the date of the Bonds circulation commencement. The redemption period of the Bonds shall be ten (10) business days starting from the date of the commencement of the redemption of the Bonds.

**2) Method of Bond redemption:**

repayment of the principal amount and payment of interest for the last coupon period will be carried out simultaneously by transferring money to the bank accounts of the Bondholders registered in the register of Bondholders as of the beginning of the last day of the Bond circulation period. The principal and interest for the last coupon period shall be paid within ten (10) business days following the last day of the Bond circulation period.

**3) If the payment of interest and par value upon redemption of the bonds is made in accordance with the T&C of the issue of bonds by other property rights, descriptions of these rights, methods of their preservation, the procedure for assessment and persons authorized to assess these rights, as well as the procedure for exercising the transfer of these rights shall be provided:**

payment of interest and par value upon redemption of Bonds will not be made by other property rights.

**1) Procedure and conditions for exercising the right to redeem bonds:**

This clause contains a description of the procedure, conditions and time frames for the Issuer's exercise of the right to redeem the placed Bonds.

By decision of its authorized body, the Issuer shall have the right to fully or partially redeem the Bonds on the organized and unorganized markets during the entire period of their circulation.

The price of the redemption of bonds by the Issuer shall be determined by:

- in case of repurchase on the organized securities market, based on the market value of Kazakhstan Stock Exchange JSC, AIX as of the date of the transaction;
- in case of a buyout on the informal market - by agreement of the parties to the transaction.

The Issuer shall, within 3 (three) business days following the date of the decision on the redemption of the Bonds by the Issuer's authorized body, inform the Bondholders of the information on the adoption of such a decision by posting the relevant information notice on the official internet resources of Kazakhstan Stock Exchange JSC, ([www.kase.kz](http://www.kase.kz)), AIX ([www.aix.kz](http://www.aix.kz)) and the Financial Reporting Depository ([www.dfo.kz](http://www.dfo.kz)). The published information shall contain the following information:

- ✓ an indication of the market (organized or unorganized) where the Bonds will be redeemed;
- ✓ the number of redeemable Bonds;

- ✓ the date of the redemption of the Bonds, which shall be set for a day not earlier than ten (10) business days following the date of the first publication of the information notice on the adoption of the decision by the Issuer's authorized body on the redemption of the Bonds;
- ✓ settlement procedure, including:
  - for the unorganized market - (a) the procedure for submission of orders by the Bond holders to the central depository that maintains the register of Bondholders to write off the Bonds as a result of their redemption and (b) the procedure for transferring funds to the Bond holder in payment for the Bonds redeemed from him;
  - for the organized market - an indication of the method of bidding for the redemption of Bonds.

Information on the number of placed (less repurchased) Bonds shall be disclosed by the Issuer to Kazakhstan Stock Exchange JSC, AIX in accordance with the rules of Kazakhstan Stock Exchange JSC and AIX Business Rules.

The redemption of Bonds by the Issuer shall not entail a violation of the rights of the Bondholders.

Bonds repurchased in the organized and unorganized markets will not be considered redeemed, and the Issuer shall have the right to sell back its repurchased Bonds on the organized and unorganized securities markets during the entire period of their circulation.

## **2) Terms of exercising the right to repurchase the Bonds:**

The issued Bonds shall be redeemed by the Issuer on the date determined by the decision of the Issuer's authorized body.

In case of redemption of Bonds on the unorganized market, the Bondholders wishing to sell the Bonds owned by them in full or in part shall have the right to submit a corresponding written application to the Issuer within 10 (ten) business days following the date of the first publication of the information notice of acceptance by the Issuer's authorized body decisions on the redemption of the Bonds.

In case of redemption of the Bonds on the organized market, the Bondholders wishing to sell the Bonds belonging to them in full or in part shall have the right to submit the relevant order to the trading system of Kazakhstan Stock Exchange JSC and AIX as prescribed by the rules of Kazakhstan Stock Exchange JSC and AIX Business Rules on the day of redemption.

## **9. Information on the Issuer's property that is a full or partial security for obligations under the bonds issued:**

Bonds of this issue are not secured.

## **10. Purpose of using the money received from the placement of bonds:**

Proceeds from the placement of bonds will be used to finance the Issuer's social projects implemented in the Republic of Kazakhstan.

## **11. Rights granted to the Bondholder:**

- 1) the right to receive from the Issuer the par value of the Bonds within the period stipulated by this T&C or other property equivalent, as well as the right to receive a fixed percentage of the par value of the Bonds or other proprietary rights established by this T&C;
- 2) the right to demand redemption of the Bonds by the Issuer in cases stipulated by the legislation of the Republic of Kazakhstan and this T&C.

### **Conditions, procedure and terms for exercising the right of Bondholders to demand redemption of the Bonds owned by them:**

Bondholders shall have the right to demand the redemption of their Bonds if the Issuer has violated any of the conditions established by Clause 2 of Article 15 of the Law on the Securities Market and in the cases provided for by Subclauses 1 and 2 of Clause 2 of Article 18-4 of the Law on the Securities Market.

In case the Issuer violates any of the conditions established by Clause 2 of Article 15 of the Law on the Securities Market, the redemption shall be carried out at a price corresponding to the par value of the Bonds, taking into account the accumulated interest.

In any cases stipulated by Subclauses 1 and 2 of Clause 2 of Article 18-4 of the Law on the Securities Market, the Issuer shall redeem the placed Bonds at the highest of the following prices: (i) a price corresponding to the par value of the Bonds, taking into account the accumulated interest; (ii) the fair market price of the Bonds.

In case of any of the grounds for repurchase provided for by Clause 2 of Article 15 and Subclauses 1 and 2 of Clause 2 of Article 18-4 of the Law on the Securities Market, the Issuer shall, within 3 (three) business days following the day when the said grounds occur, shall notify the Bondholders on the occurrence of grounds for the redemption of the Bonds by posting the relevant information notice on the official Internet resources of Kazakhstan Stock Exchange JSC([www.kase.kz](http://www.kase.kz)), the Financial Reporting Depository ([www.dfo.kz](http://www.dfo.kz)), AIX ([www.aix.kz](http://www.aix.kz)). This information shall include a detailed description of the grounds for the redemption of the Bonds, as well as other information, if necessary.

Within fifteen (15) business days following the date of the first publication of the above informational notice, the Bondholders shall have the right to submit, and the Issuer shall be obliged to accept, written applications for redemption indicating the number of Bonds requested for redemption.

In case of receipt of at least one written application for redemption of the Bonds, the authorized body of the Issuer shall, within 10 (ten) business days following the last day of the period of acceptance of written requests for redemption, make a decision on:

- ✓ redemption of Bonds;
- ✓ the price at which the Bonds will be redeemed;
- ✓ the number of redeemable Bonds;
- ✓ the date of the Bonds redemption;
- ✓ settlement procedure, including:
  - for the unorganized market - (a) the procedure for submitting orders by the Bondholders to the central depository that maintains the register of Bondholders to write off the Bonds as a result of their redemption and (b) the procedure for transferring funds to the Bondholder as payment for the Bonds redeemed from it;
  - for the organized market - an indication of the method of bidding for the redemption of Bonds.
- ✓ other decisions required to arrange for the redemption of the Bonds by the Issuer.

The Issuer shall, within 3 (three) business days following the date of the decision on the redemption of the Bonds by the Issuer's authorized body, inform the Bondholders of the information on the adoption of such a decision by posting the relevant information notice on the official Internet resources of Kazakhstan Stock Exchange JSC ([www.kase.kz](http://www.kase.kz)), the Financial Reporting Depository ([www.dfo.kz](http://www.dfo.kz)) and AIX ([www.aix.kz](http://www.aix.kz)). The published information shall contain the following information:

- the price at which the Bonds will be redeemed, specifying the procedure for calculating this price;
- the number of redeemable Bonds;
- the date of the Bonds redemption;
- settlement procedure, including:
  - for the unorganized market - (a) the procedure for submitting orders by the Bondholders to the central depository that maintains the register of Bondholders to write off the Bonds as a result of their redemption and (b) the procedure for transferring funds to the Bondholder as payment for the Bonds redeemed from it;

- for the organized market - an indication of the method of bidding for the redemption of Bonds.

- other information required to arrange for the redemption of the Bonds by the Issuer.

The date of the redemption, determined by the Issuer's authorized body, shall be no later than the twentieth (20) business day following the date of publication of the information notice on the adoption by the Issuer's authorized body of a decision to redeem the Bonds.

- a) in case of a default event by the Issuer provided for by this T&C.

The procedure and time frames for the exercise by the Bondholders of their right to demand redemption of the Bonds belonging to them in case of a default event are specified in Clause 12 of this T&C.

- 3) the right to receive information on the Issuer's activities and its financial position in accordance with and as prescribed by the legislation of the Republic of Kazakhstan, the rules of Kazakhstan Stock Exchange JSC and AIX Business Rules;
  - 4) to satisfy its claims with respect to the Bonds in the cases and as prescribed by the legislation of the Republic of Kazakhstan;
  - 5) the right to declare all or part of the Bonds for redemption in the cases established by this T&C;
  - 6) the right to freely sell and otherwise dispose of the Bonds;
- 7) other rights arising out of the title to the Bonds in the cases and as prescribed by the legislation of the Republic of Kazakhstan.

## **12. Information on events that may lead to a declaration of default on the Issuer's bonds:**

### **1) The list of events, upon occurrence of which there is a probability of declaring default on the Issuer's bonds:**

Default is a failure to perform obligations related to equity securities and other financial instruments. An event that may result in a default on the Issuer's Bonds (hereinafter referred to as the "Event of Default") is a partial or complete failure to perform the Issuer's obligations to pay the principal and / or coupon interest on the Bonds within the time frames established by this T&C for payment of the principal debt and / or coupon interest.

### **2) Measures to be taken by the Issuer in the event of default on bonds, including procedures for protecting the rights of bondholders in the event of non-performance or improper performance of obligations to pay interest on bonds, including the procedure and conditions for restructuring of obligations:**

In the event of a default on the Bonds, the Issuer shall charge and pay to the Bondholders a forfeit based on the official refinancing rate of the National Bank of the Republic of Kazakhstan as of the day of fulfillment of the monetary obligation or its corresponding part, for each day of delay.

The Issuer shall be released from liability for partial or complete non-fulfillment of its obligations under this T&C, if such non-fulfillment was the result of force majeure circumstances. Force majeure means the occurrence of unforeseeable or unavoidable circumstances (natural disasters, military actions, acts of prohibitive or restrictive acts of authorized bodies, etc.). In case of force majeure circumstances, the period for the Issuer's fulfillment of its obligations under this T&C shall be postponed pro rata to the period of time during which such circumstances and their consequences are in effect.

In case of a Default Event, the Issuer shall convene and hold a general meeting of Bondholders. In this case, the General Meeting of Bondholders shall be held not later than thirty (30) business days following the date of the Default Event.

In addition to other issues, the agenda of the General Meeting of Bondholders shall include the approval of the action plan prepared by the Issuer to restore its solvency and (if necessary) the draft of possible amendments to this T&C.

The Issuer shall notify Bondholders on the information on the occurrence of the Event of Default within the time limits, as specified in subclause 3) of this clause.

Within twenty (20) business days following the date of the first publication of the information notice on the occurrence of the Default Event prior to the date of the general meeting of Bondholders (inclusive), the Issuer shall accept written applications from Bondholders for the redemption of the Bonds at a price corresponding to the par value of the Bonds, taking into account accumulated remuneration, indicating the amount declared for redemption.

If, based on the results of the General Meeting of Bondholders, the action plan for recovery of solvency is not approved and a decision is made that the Issuer cannot restore its solvency, as well as if the Issuer, within the time limits stipulated by the legislation governing public relations arising in case of the debtor's inability to satisfy creditors' claims in full, has not fulfilled its obligations to pay the principal debt and / or coupon interest on the Bonds and to repurchase the Bonds on the received written claims of the Bondholders, further actions of the Issuer and the Bondholders or the Bonds claims shall be governed by the legislation of the Republic of Kazakhstan in the field of rehabilitation and bankruptcy.

**3) The procedure, term and methods for the Issuer to inform the bondholders on information on the facts of default, including information on the amount of defaulted obligations, the reason for the default on obligations, the list of possible actions of the bondholders to satisfy their claims, the procedure for the bondholders to apply to the Issuer, persons bearing joint or subsidiary liability for the obligations of the Issuer in case of non-performance or improper performance of its bonds obligations:**

In case of an Event of Default for the Bonds, the Issuer will make every effort to eliminate the reasons that caused such an Event of Default and to ensure the rights of the Bondholders.

In case of an Event of Default, the Issuer shall, within 3 (three) business days following the day of occurrence of the relevant event, notify Bondholders by posting a relevant information notice on the official Internet resource of Kazakhstan Stock Exchange JSC ([www.kase.kz](http://www.kase.kz)), AIX ([www.aix.kz](http://www.aix.kz)) as prescribed by the rules of the exchange, and on the official Internet resource of the Financial Reporting Depository ([www.dfo.kz](http://www.dfo.kz)) as prescribed by the legislation of the Republic of Kazakhstan. The Issuer's Information Notice shall contain the following information:

- ✓ a detailed description of the reasons that caused the occurrence of the Event of Default;
- ✓ information on the amount of unfulfilled obligations;
- ✓ a list of possible actions of the Bondholders to satisfy their claims, including the procedure and terms for applying the Bondholders with a claim to the Issuer;
- ✓ measures taken or will be taken by the Issuer to eliminate the reasons that caused the occurrence of the Event of Default;
- ✓ the date of the General Meeting of Bondholders;
- ✓ other information as decided by the Issuer.

There is no provision for disclosure of the said information to any other legal entity.

**13. Information on the Issuer's consultants (if, in accordance with the Law on the Securities Market, an obligation is established to conclude an agreement for the provision of consulting services on the inclusion and placement of equity securities in the official list of the stock exchange):**

At the time of registration of the T&C, no consultant has been appointed.