Contract Agreement

THIS AGREEMENT made on November 05, 2018 between the **Republican State Enterprise "Committee of Water Resources of the Ministry of Agriculture of the Republic of Kazakhstan"**, represented by Mr. Islam Abishev, Chairman, acting on the basis of the Regulations approved by the Decree of the Minister of Agriculture of the Republic of Kazakhstan No. 475 dated November 11, 2016 (hereinafter "the Employer"), of the one part, and **TUNNEL SADD ARIANA,** having its branch office in the Republic of Kazakhstan (Branch of Engineering Company "TUNNEL SADD ARIANA" CJSC in the Republic of Kazakhstan), registered at the address: Republic of Kazakhstan, Astana, Saryarka raion, Republic avenue, building 3/2, represented by Mr. Babak Nourozikhiabani, Deputy Managing Director, acting on the basis of Power of Attorney No.113871 dated November 01, 2018, (hereinafter "the Contractor"), of the other part:

WHEREAS the Employer desires that the **Works on Improvement of Irrigation and Drainage System of Arys-Turkestan-1 under Second Irrigation and Drainage Improvement Project (IDIP-2) as per Loan Agreement No. 8277-KZ** should be executed by the Contractor, and has accepted a Bid by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Condition of Contract hereinafter referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.
   (i) the Letter of Acceptance
   (ii) the Letter of Bid and Appendix to Bid
   (iii) the Particular Conditions of Contract
   (iv) the General Conditions of Contract;
   (v) the Specifications
   (vi) the Drawings; and
   (vii) the Priced Bill of Quantities,
   (viii) the Minutes of Contract Negotiations, and
   (ix) the Environmental and Social Management Plan
   (x) the completed Schedules and any other documents forming part of the contract

3. In consideration of the payments to be made by the Employer to the Contractor as specified in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Accepted Contract Amount or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

Now this agreement incorporates and confirms the modifications to the Bid resulting from contract negotiations, and clarification of Bid during the evaluation process in accordance with the **Clause 27 of the Instruction to Bidders**, any clarification issued by the Employer during the bidding procedure in accordance with the **Clause 7 of the Instruction to Bidders**, namely that:

i) The Accepted Contract Amount shall be **Kazakh Tenge (KZT) 8,913,016,757 (eight billion nine hundred thirteen million sixteen thousand seven hundred fifty seven)** 81 tiyn, including VAT in the amount of KZT 954,966,081 (nine hundred fifty four million nine hundred sixty six thousand eighty one) 19 tiyn.
As stated in the Letter of Bid, all payments under the contract shall be in local currency namely Kazakh Tenge.

ii) The Contractor has agreed and accepted that the maximum Advance Payment payable shall be in accordance with **Clause 14.2 of the Conditions of Contract** and which amount shall not exceed 10 percent of the Accepted Contract Amount and which amount is equivalent to **KZT 891,301,675 (eight hundred ninety one million three hundred one thousand six hundred seventy five) 78 tiyn**. The Advance Payment shall be payable in the local currency as stated in the Appendix to Bid.

iii) The Contractor will furnish the Performance Security and the Advance Payment Guarantee in a form and manner satisfactory to the Employer;

iv) The Contractor has confirmed that the inputs for local currency requirements are as stated in the Appendix to Bid.

5. The Employer will make the payment as follows: from the share of Loan (30%) KZT 2,673,905,027 (two billion six hundred seventy three million nine hundred five thousand twenty seven) 34 tiyn including VAT in the amount of KZT 286,489,824 (two hundred eighty six million four hundred eighty nine thousand eight hundred twenty four) 36 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 004 "By external loans", specifics 431 "Construction of new facilities and reconstruction of existing facilities"; from the share of co-financing of external loans from the republican budget (70%) KZT 6,239,111,730 (six billion two hundred thirty nine million one hundred eleven thousand seven hundred thirty) 47 tiyn including VAT in the amount of KZT 668,476,256 (six hundred sixty eight million four hundred seventy six thousand two hundred fifty six) 83 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 016 "By co-financing of external loans from the republican budget", specifics 431 "Construction of new facilities and reconstruction of existing facilities".

In 2018 upon receipt of Bank Guarantee the Advance payment is to be paid in the amount of 10% of Accepted Contract Amount with VAT.
Advance Payment Amount is KZT 891,301,675 (eight hundred ninety one million three hundred one thousand six hundred seventy five) 78 tiyn including VAT in the amount of KZT 95,496,608 (ninety five million four hundred ninety six thousand six hundred eight) 12 tiyn.
The Advance payment is to be made: from the share of Loan (30%) KZT 267,390,502 (two hundred sixty seven million three hundred ninety thousand five hundred two) 73 tiyn including VAT in the amount of KZT 28,648,982 (twenty eight million six hundred forty eight thousand nine hundred eighty two) 44 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 004 "By external loans", specifics 431 "Construction of new facilities and reconstruction of existing facilities"; from the share of co-financing of external loans from the republican budget (70%) KZT 623,911,173 (six hundred twenty three million nine hundred eleven thousand one hundred seventy three) 05 tiyn including VAT in the amount of KZT 66,847,625 (sixty six million eight hundred forty seven thousand six hundred twenty five) 68 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 016 "By co-financing of external loans from the republican budget", specifics 431 "Construction of new facilities and reconstruction of existing facilities".

In 2019, the payment in the amount of KZT 3,565,206,703 (three billion five hundred sixty five million two hundred six thousand seven hundred three) 13 tiyn including VAT of KZT 381,986,432 (three hundred eighty one million nine hundred eighty six thousand four hundred thirty two) 48 tiyn is to be made.
The payment is to be made: from the share of Loan (30%) KZT 1,069,562,010 (one billion sixty nine million five hundred sixty two thousand ten) 94 tiyn including VAT in the amount of KZT 114,595,929 (one hundred fourteen million five hundred ninety five thousand nine hundred twenty nine) 74 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 004 "By external loans", specifics 431 "Construction of new facilities and reconstruction of existing facilities"; from the share of co-financing of external loans from the republican budget (70%) KZT 2,495,644,692 (two billion four hundred ninety five million six hundred forty four thousand six hundred ninety two) 19 tiyn including VAT in the amount of KZT 267,390,502 (two hundred sixty seven million three hundred ninety thousand five hundred two) 74 tiyn under the program 268 "Improvement of irrigation and drainage systems", sub-program 016 "By co-financing of external loans from the republican budget", specifics 431 "Construction of new facilities and reconstruction of existing facilities".

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loans from the republican budget", specifics 431 "Construction of new facilities and reconstruction of existing facilities".

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Republic of Kazakhstan on the day, month and year specified above.

Contractor:
Branch of Engineering Company "TUNNEL SADD ARIANA" CJSC in the Republic of Kazakhstan

Address: 010000, Republic avenue, building 3/2, Saryarka raion, Astana, Republic of Kazakhstan.
BIN:180341002883
Bank: ATF Bank JSC
BIC: ALMINKZKA
IIC: KZ89826Z0KZTD2999850

Deputy Managing Director

Babak Nourozikhiabani

Seal

Employer:
RSE «Committee of Water Resources of the Ministry of Agriculture of the Republic of Kazakhstan»

Address: 010000, Administrative building "House of Ministries", block No. 1, 8, Mangilic el str., Esil raion, Astana
BIC: KKMFKZ2A
IIC: KZ92070101KSN0000000
RSE "Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan"
BIN: 910640000040

Chairman

Islam Abishev

Seal