



Appendix 1 to Changes and amendments No.2 to
the Regulations of conducting documentary operations
and servicing bank guarantees in the Head office of
Subsidiary organization of Joint Stock Company VTB Bank (Kazakhstan)

Appendix 1.1 to
the Regulations of conducting documentary operations
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Subsidiary organization of Joint Stock Company VTB Bank (Kazakhstan)

Application for providing covered bank guarantee

Subsidiary JSC VTB Bank (Kazakhstan), Almaty city (hereinafter referred to as Bank)	Date _____, 20__
Applicant: name, address, BIN	Beneficiary: name, address (must be completed in the language of beneficiary)
Pledger*** (name, address, BIN): <i>(in case when pledge is provided by third party for the Applicant)</i>	Beneficiary's Bank name and Beneficiary's account number (if it is known)
Please, provide a bank guarantee: <input type="checkbox"/> for participation in competition <input type="checkbox"/> of execution of obligations <input type="checkbox"/> of payment <input type="checkbox"/> of return of advanced payment <input type="checkbox"/> of loan repayment <input type="checkbox"/> counter-guarantee	Amount and currency of Guarantee (in figures and in words)
	Bank Guarantee No. _____, (hereinafter referred to as Guarantee)
	Validity period of Guarantee (specify one of following): <input type="checkbox"/> from _____, 20__ to _____, 20__ <input type="checkbox"/> from _____, 20__ till the moment of returning original of Guarantee to Subsidiary JSC VTB Bank (Kazakhstan) or providing Beneficiary's official letter about exemption of liabilities under Guarantee* Validity period of counter-guarantee of Subsidiary JSC VTB Bank (Kazakhstan):** from _____, 20__ to _____, 20__ (hereinafter also referred to as Guarantee)
Guarantor bank: name of a bank, address, S.W.I.F.T. (in case of issuing counter-guarantee)	Validity period of competitive application:* from _____, 20__ to _____, 20__



Contract: No. and date	Total amount of application:
Subject of contract:	Full name of competition:
	Competitive documentation: No. and date
To issue guarantee: <input type="checkbox"/> in the S.W.I.F.T system <input type="checkbox"/> purposely and transfer it to contact person of the Applicant for transferring to Beneficiary <input type="checkbox"/> purposely and transfer it to Beneficiary at the following address _____	
Special terms*: _____	
Guarantee is subject to: <input type="checkbox"/> Legislation of the Republic of Kazakhstan <input type="checkbox"/> Legislation of Guarantor bank <input type="checkbox"/> Uniform Rules for Demanded Guarantees (URDG 758) (ICC publication No. 758, 2010 revision)	
Bank commissions and expenses under guarantee of Subsidiary JSC VTB Bank (Kazakhstan): <input type="checkbox"/> at the expense of Applicant <input type="checkbox"/> at the expense of Beneficiary Bank commissions and expenses under guarantee of Guarantor bank: <input type="checkbox"/> at the expense of Applicant <input type="checkbox"/> at the expense of Beneficiary Other commissions and expenses under guarantee: <input type="checkbox"/> at the expense of Applicant (<i>specify type of commission</i>) _____ <input type="checkbox"/> at the expense of Beneficiary (<i>specify type of commission</i>) _____	
Client's contact person (Full name, telephone): 	
<p>All payments under the Guarantee must be made by the Applicant in such a way that the Bank has received the amount due in full, without deducting commissions and other fees from it afterwards, which were not paid by the Applicant in due time.</p> <p>The Applicant hereby assumes the liability on payment (reimbursement) to the Bank of all bank commissions, forfeits (fines, penalties), other amounts, expenses and charges paid by the Bank and/or payable to third parties in connection with the provision (issuance) and/or payment of claim under the Guarantee in accordance with the Bank's tariffs, and also undertakes to calculate and pay to the budget the income tax deducted at source payable on the territory of the Republic of Kazakhstan, which is related to paying commission income to non-resident bank, in connection with that the Applicant and the Pledger*** give to the Bank their irrevocable and unconditional consent and authorize the Bank to write off any amounts, including past due debt payable by the Applicant under the Guarantee, from all bank accounts of the Applicant and/or the Pledger***, which are opened in any bank and/or any other banks (organizations engaged in certain types of banking operations) in the territory of the Republic of Kazakhstan and abroad, without acceptance and in indisputable order in any currency, including, but not</p>	

limited to: (i) amount of the Guarantee, commissions (including those provided by tariffs of the Bank, foreign banks, which are effective at the time of conducting relevant operation), forfeits (fines, penalties), losses and expenses associated with the Applicant's violation of the obligations under the Guarantee, including other payments to be paid in connection with the provision (issuance) and/or payment of claim under the Guarantee, and also (ii) amounts of money which are necessary to form the coverage (reserve) under the Bank's obligations to Beneficiary under the Guarantee.

Withdrawal (write-off) without acceptance and in indisputable order is conducted by the Bank:

- by direct debit of bank accounts of the Applicant and/or Pledger*** in the Bank and/or in any other banks (organizations engaged in certain types of banking operations and other credit organizations) in the territory of the Republic of Kazakhstan and abroad, on the basis of decisions of the Bank and/or other documents provided by the current legislation of the Republic of Kazakhstan and/or internal regulatory documents of the Bank and/or
- by presenting payment request-orders and other documents, which are necessary for conducting direct and/or indisputable withdrawal (write-off) of money, to the Applicant's bank accounts opened in the Bank and/or any other banks (organizations engaged in certain types of banking operations and other credit organizations) in the territory of the Republic of Kazakhstan and abroad, executed without acceptance.

If there is enough money in the bank account of the Applicant, payment document of the Bank (including the payment request-order) to be executed on the amount of money specified in it, and for the withdrawal (write-off) of the entire amount of money specified in the payment document of the Bank - in case of lack of money - to be stored in the Card-file to the Applicant's bank account. If there is no money in the bank account of the Applicant, payment is made from the Coverage account.

Regarding the payment of commissions of foreign banks hereby the Applicant gives irrevocable and unconditional consent to the Bank for direct withdrawal of money from the bank account of the Applicant in the amount specified in the invoice, bill or statement of foreign bank (hereinafter referred to as «foreign bank»), which provided the Applicant with financial services related to opening, confirmation, payment of the claim or other actions with Guarantee, through direct debiting the bank account in case when foreign bank provides the Bank with confirming document, such as copy of the invoice, bill or statement of a foreign bank about payment of its commissions and expenses.

The money withdrawn from the bank account of the Applicant is transferred by the Bank to the bank account specified by foreign bank on the basis of payment documents prepared by the Bank. After withdrawal of money from the Applicant's bank account the Bank provides the Applicant with account statement.

In case when the Bank returns to the Applicant or the Pledger**** all or portion of the money placed by the Applicant or the Pledger**** to the Bank in tenge as a security under Guarantee, payment under which must be made in foreign currency, such return is made by the Bank in tenge within the limits of amounts of money actually paid by the Applicant or the Pledger**** to the Bank without taking into account their equivalent in foreign currency at any date.

Terms of Guarantee issuance and provision of cash-coverage (hereinafter referred to as Terms):

1. The Bank makes payment under the Guarantee in case of presenting relevant claim of the Beneficiary in the amount and order provided by the terms of the Guarantee.

2. The Applicant or the Pledger**** transfers money in the amount of _____ (_____) (*specify currency*), for a period of placement till _____ (hereinafter referred to as «Pledge subject») as a pledge to the Bank for providing partial and/or complete execution of obligations under the Guarantee.

The interest is accrued on the daily balance of the Pledge subject at the beginning of the day without applying capitalization conditions in the amount of _____% per annum during the validity period of the Guarantee, the annual effective interest rate as of the date of the Guarantee issuance is _____% and it is calculated in accordance with requirements of the current legislation of the Republic of Kazakhstan.

Remuneration is accrued at the rate of 365/366 (three hundred sixty five/three hundred sixty six) days of

the year for the actual number of days of finding the Pledge subject on the Coverage account (excluding the first and including the last day of finding the money on the Coverage account). In case of return (withdrawal of pledge amount, as well as payment of remuneration on it at the weekend (Saturday and Sunday) and/or red-letter days, the date of return (withdrawal of pledge amount), and also payment of remuneration shall be the first working day following the weekend (Saturday and Sunday) and/or red-letter day, at the same time remuneration for weekend (Saturday and Sunday) and/or red-letter days of finding the pledge on the account in the Bank is accrued at the same rate as for working days. At the same time remuneration on Pledge subject in the month of non-execution or improper execution of obligations under the Guarantee shall not be paid. The bank makes recalculation of accrued remuneration on the pledge amount withdrawn by the Bank at the interest rate 0% per annum.

For the purposes of accrual of remuneration, day of admission and return of the Pledge subject is considered as one day.

The amount of remuneration on Pledge subject is paid at the end of the validity period of the pledge, after deduction of all taxes and fees provided by the current legislation of the Republic of Kazakhstan and execution of obligations under the Guarantee by the Applicant to the current account of the Applicant or the Pledger, which is opened in Subsidiary JSC VTB Bank (Kazakhstan) or by account details provided by the Applicant or the Pledger.

3. The Pledge subject belongs to the Applicant or the Pledger according to property right and its transfer to pledge does not contradict the legislation of the Republic of Kazakhstan and does not violate the rights and interests of other persons protected by the law.

4. The Pledge subject covers obligations of the Applicant under the Guarantee, expenses, commissions, other amounts and fees paid by the Bank and/or payable to third parties in connection with the provision (issuance) and/or payment of claim under the Guarantee, reimbursement of damages caused by the delay of execution, forfeits (fines, penalties), the necessary costs for maintenance of the Pledge subject, reimbursement expenses for foreclosure, as well as all liabilities that may arise at the Applicant under the Guarantee in the future (in the period from the date of signing the present application till complete execution of all obligations to the Bank under the Guarantee by the Applicant), including in case of any change and/or amendment to the terms of the Guarantee. Legal costs and expenses on transferring the Pledge subject to the property of the Bank are also subject to reimbursement at the expense of the Pledge subject.

5. During the entire validity period of the Guarantee the Pledge subject will be located and stored on the personal account of the Bank No. _____, which is not bank account of the Applicant or the Pledger (hereinafter referred to as «Coverage account»). The Pledger or the Applicant has no rights to use, dispose the Pledge subject (use it) during validity period of the Guarantee.

6. The pledge right for the Pledge subject arises at the Bank from the date of transferring money to the Coverage account.

7. Issuance of the Guarantee is made only after transferring the Pledge subject to the Coverage account by the Applicant or the Pledger**** not later than day of Guarantee issuance.

8. The amount which has remained on the Coverage account after meeting the claims under the Guarantee, taking into account deductions of payment amounts made by the Bank to the Beneficiary or which are subject to payment to the Bank/by the Bank to the third parties in connection with provision (issuance) and/or payment of the claim under the Guarantee, returns to the Applicant or the Pledger****.

9. The Applicant or the Pledger** undertakes:**

9.1. To form the coverage (reserve) for the Bank's obligations to the Beneficiary under the Guarantee and the Applicant's obligations to the Bank in the amount, order and period specified by the Bank or to recover it up to the amount specified by the Bank upon first request of the Bank during 1 (one) working day by means of transferring to the Bank relevant amounts of money;

9.2. To pay to the Bank all amounts of money paid by it under the Guarantee on the same dates on which the payments under the Guarantee will be made, without presenting to the Bank any objections that the Applicant and/or the Third person has to Beneficiary;

9.3. Not to prolong the validity period of competitive application without the written consent of the Bank - in case of issue of the bank guarantee by the Bank in order to secure the competitive application of the Applicant - potential supplier participating in public procurement, competition;

9.4. Promptly, within 1 (one) working day to provide the Bank with all documents requested by it, related to the Guarantee, the Pledge subject and documents necessary for foreclosure on it;

9.5. To notify the Bank promptly in the written form of the occurrence of the circumstances (including those related to relevant claims applied by third parties), posing a threat: (i) the loss of rights on the Pledge subject by the Applicant or the Pledger**** and/or (ii) the availability and preservation of the Pledge subject;

9.6. Promptly, within 1 (one) working day to notify the Bank in the written form of any changes to the information contained in the founding documents, postal and bank details, addresses of residence, phone number, change of managers and other data, with reporting new details and provision of confirming documents;

9.7. To recover the money to the amount specified in the paragraph 2 of the present Guarantee within 3 (three) working days from the date of write-off of the Pledge subject/its part from the Coverage account;

9.8. To return wrongly accrued remuneration amounts to the Bank within 3 (three) working days from the date of sending the Bank's claim.

10. The Applicant or the Pledger** has the right:**

- in case of expiry of the Guarantee to require the Bank to return the Pledge subject by its transferring according to details specified by the Applicant or the Pledger**** in the written instruction to the Bank, or in case of their absence, to the current account of the Applicant or the Pledger****, which is opened in the Bank.

11. The Bank undertakes:

- upon the written request of the Applicant and/or the Pledger*** to take measures to return the Pledge subject within 10 (ten) working days, in case of full execution of obligation to the Bank by the Applicant and/or at the expense of the Coverage account of the Pledger***, which is secured by the Pledge subject.

12. The Bank has the right:

12.1. Not to comply with the requirements of the Applicant and/or the Pledger*** on the return of the Pledge subject till full execution of obligations to the Bank under the Guarantee;

12.2. To require any person to stop encroachment on the Pledge subject;

12.3. To assume execution of the obligation secured by the Pledge subject, from third party without the consent of the Applicant and/or the Pledger***;

12.4. The Bank has the right for foreclosure on the Pledge subject, including ahead of schedule (prior to the date of execution of obligation secured by the Pledge subject), as in full amount determined at the moment of actual execution, so as in part, the Guarantee amount, together with accrued commissions, forfeits, other amounts and payments due in connection with the Guarantee in the following cases:

- when the Applicant has no money to repay the next payment;

- in the case of non-execution of any obligations to the Bank by the Applicant in connection with the issuance of the Guarantee,

- in case of provision of false information by the Applicant and/or the Pledger*** while registering the Guarantee and/or the Pledge subject.

12.5. Foreclosure on the Pledge subject is made without additional consent of the Applicant or the Pledger**** in extrajudicial order by indisputable withdrawal (write-off) by the Bank to its property of the Pledge subject or any part of it from the Coverage account on the basis of decisions of the Bank and/or other documents in the order established in accordance with the legislation of the Republic of Kazakhstan and/or internal documents of the Bank. By signing the present Contract the Applicant and the Pledger**** give their consent to the Bank to take actions under the present paragraph. The Bank has the right to immediate foreclosure on the Pledge subject in any day, including day of cases specified in the paragraph 12.4 of the present Application.

13. LIABILITY OF THE PARTIES

13.1. In case of non-execution and/or improper execution of obligations under the Guarantee by the Applicant and/or the Pledger*** on providing the Pledge subject, the Applicant and/or the Pledger*** reimburses to the Bank any losses incurred thereby, including loss of profits, in accordance with the legislation of the Republic of Kazakhstan.

13.2. In case of violation by the Applicant of the obligation to pay to the Bank the amount paid under

the Guarantee in the day of conducting such payment or to recover commissions, losses, costs and expenses incurred by the Bank mentioned in connection with the provision (issuance) or the payment of claim under the Guarantee, each amount of money that was not paid to the Bank by the Applicant is transformed into the Applicant's debt to the Bank on short-term (up to 7 (seven) days) bank loan (Loan) with paying the (type of rate) Remuneration at the rate of 42% (forty two percent) per annum of the amount of money unpaid by the Applicant to the Bank (annual effective rate of Remuneration (real value) _____ (_____) percent per annum as of the filing date of the present Application. At the same time, the Applicant concludes with the Bank the relevant Bank loan agreement and submit the documents necessary for the formation of the loan file within one working day from the date of the debt formation.

13.3. In case of violation of the obligation on obtaining the written consent of the Bank for prolongation of competitive application, the Applicant shall pay the Bank a penalty equal to 25% of the Guarantee amount.

14. CONFIDENTIALITY

14.1. Transmission of information under the Guarantee to third parties, publication or disclosure are possible only with the written consent of the Bank and/or the Applicant and/or the Pledger*** (collectively, the «Parties» and each individually the «Party»), as well as in cases when it can become necessary in accordance with the requirements of the legislation, the effective rules of financial statements or in connection with the acceptance of relevant decisions of the state bodies authorized to receive such information.

14.2. Confidential information in connection with the provision (issuance) of the Guarantee does not include information:

a) which is publicly available at the time of its use or disclosure;

b) provided to the Parties by person for whom it has become available legally and who has a legal right to disseminate such information.

14.3. Confidentiality provisions (and Bank secrecy provisions) in connection with the provision (issuance) of the Guarantee are no applied to the cases:

- of non-execution or improper execution of obligations under the Guarantee by the Applicant or by the Pledger in respect to the Pledge subject;
- of direct withdrawal of past due debt from all accounts of the Applicant by the Bank (and, in connection with this, providing other banks with necessary information);
- when the Bank informs third parties about specific guarantee terms, with which the Applicant intends to conclude transactions;
- transmission of information to organizations engaged in collection activities for the purpose of collection of past due debt from the Applicant;
- transmission of information to organizations engaged auditing for the purpose of conducting external audit of the Bank's activity;
- transmission of information to rating agencies in order to assign the relevant rating to the Bank;
- transmission of information to the Head organization of the Bank;
- transmission of information to insurance companies for the purpose of insurance;
- transmission of information to third parties (foreign banks and other financial institutions) for the purpose of attraction of additional financial funds by the Bank in order to carry out its activity;
- assignment of rights and obligations (assignment of claim and debt transfer) under the Guarantee.

15. FINAL PROVISIONS

15.1. The Applicant and/or the Pledger*** shall not be entitled to assign its rights and obligations under the Guarantee without prior written consent of the Bank.

15.2. Changing conditions, termination or prolongation of validity period of the Guarantee are registered by additional agreement which is signed by the Parties and sealed (if available).

15.3. All disputes under the Guarantee are resolved with the use of substantive law of the Republic of Kazakhstan in the order, provided by the legislation of the Republic of Kazakhstan, in the court in the place of the Bank's or its affiliate's residence (at the discretion of the Bank).

15.4. The pledge right is terminated:

- in case of execution of all obligations to the Bank under the Guarantee in full (including all changes and amendments);
- in case when the Bank meets its claims secured by the Pledge subject under the Guarantee, either by withdrawal (write-off) by the Bank without acceptance and in indisputable order of the Applicant's money from his bank accounts and/or the Pledger's*** money from the **coverage account**;
- in other cases provided by the current legislation of the Republic of Kazakhstan.

15.5. The present Application is an offer of the Applicant and the Pledger*** (an offer to conclude a contract for the provision of the guarantee and pledge agreement), which in the case of accepting it (accepting conditions) by the Bank, has the power of a contract for the Parties concluded in the written form, in the date of its acceptance by the Bank, under the No. _____ and which will be valid until the Parties execute all obligations under it. To the part not covered by the terms of the contract the Parties shall be governed by the current legislation of the Republic of Kazakhstan.

15.6. By signing the present Application the Applicant and the Pledger*** confirm that:

- they got acquainted with the terms of provision (issuance) of the Guaranty and provision of the Pledge subject, which are clear to them;
- they are informed about consequences, responsibility and risks which may occur in case of their violation;
- they got acquainted and they agree with the Bank's tariffs, interest rates;
- they will pay commission for the issue of the guarantee in accordance with the Bank's tariffs and other expenses before the issuance of the Guarantee;
- they got acquainted, they agree with the form, text and content of the Guarantee and they will not present any claims in respect of it.

To be filled by Client

Please, write off the amount of the coverage under guarantee from our bank account No. _____

Please, write off commissions and expenses under guarantee from our bank account No. _____

The First Head (*according to the card with samples of signatures*)

Chief Accountant _____

Seal

To be filled by Pledger***

Please, write off the amount of the coverage under guarantee from our bank account No. _____

The first head (*according to the card with samples of signatures*)

Chief accountant _____

Seal

Notes of the Bank

Transaction passport No. _____ is issued in full accordance with effective Regulations of conducting export-import currency control in the Republic of Kazakhstan.

Currency controller _____

Accepted by the Bank:

Chairman of the Board / Director of the Branch

Date ___/___/___

Seal



* filling the **«Validity period of competitive application»** field and choosing the **«Till the moment of returning original of Guarantee to Subsidiary JSC VTB Bank (Kazakhstan) or providing Beneficiary's official letter about exemption of liabilities under Guarantee»** validity period of guarantee is carried out in case of appeal to Subsidiary JSC VTB Bank (Kazakhstan) for issuing guarantee containing condition that validity period of guarantee is prolonged if validity period of competitive application was prolonged. In this case the form of guarantee must be attached to Application and in the **«Special conditions»** field it is necessary to specify that guarantee must be issued in accordance with attached form. Release of the Pledge subject is made at the moment of returning original of guarantee to Subsidiary JSC VTB Bank (Kazakhstan) or providing Beneficiary's official letter about exemption of liabilities under guarantee.

** validity period of counter-guarantee is always 15-45 calendar days longer than validity period of guarantee due to mailing time of documents (time which can be necessary to the Guarantor bank for sending Beneficiary's claim for payment and documents accompanying the claim to the Counter-guarantor bank).

*** is applicable in case when the person other than Applicant acts as a Pledger; in case of absence of necessity DELETE

**** specify ONLY the person who provides the Pledge subject as a security under guarantee