

# BOND, PERFORMANCE BOND

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An auction winner submits an application to sign a power purchase agreement ("PPA") to the Financial Settlement Centre of Renewable Energy Sources LLP ("FSC") within 60 calendar days from the date of its inclusion in the list of energy-producing organisations using renewable energy source ("RES").

The applicant issues a performance bond ("PB") within 30 calendar days after signing PPA. The applicant chooses one of the following types of PB:

- a guarantee cash contribution paid to the specified bank account of FSC;
- a bank guarantee or a standby letter of credit ("BG/SLC") issued by a bank through the SWIFT system.



If the applicant chose BG/SLC as PB, the applicant needs to appoint a bank which will issue PB. BG/SLC must be issued by:

- the resident banks of the Republic of Kazakhstan with the long-term credit rating in foreign currency not lower than "B" by Standard & Poor's or "B-" by Fitch or "B3" by Moody's Investors Service or with the rating of the parent organisation (which owns more than 50% of the shares of the resident bank of the Republic of Kazakhstan) not lower than the "BBB" level by Standard&Poor's or "BBB" by Fitch or "Baa2" by Moody's Investors Service;
- the non-resident banks in the Republic of Kazakhstan with the long-term credit rating in foreign currency not lower than "BBB" by Standard&Poor's, "BBB" by Fitch, "Baa2" by Moody's Investors Service.

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The amount of PB is 10,000 KZT per 1 kW. BG/SLC is irrevocable and valid:

- for solar – not less than 25 months;
- for wind and biogas – not less than 37 months;
- for hydro – not less than 49 months.

If the contractor fulfils its obligations PB is fully compensated.

30% of PB is retained if the contractor fails to notify FSC on the commencement of the construction and installation works within the following time limits from the date of signing PPA:

- for solar – 12 months;
- for wind and biogas – 18 months;
- for hydro – 24 months.



70% (if 30% of PB was previously retained) or 100% of PB is retained if the contractor fails to provide a copy of the facility commissioning certificate within the following time limits from the date of signing PPA:

- for solar – 24 months;
- for wind and biogas – 36 months;
- for hydro – 48 months.