

No. 54071*

**Republic of Korea
and
Kazakhstan**

Agreement between the Government of the Republic of Korea and the Government of the Republic of Kazakhstan in the field of development, finance, designing, construction, operation, and maintenance of the Balkhash Thermal Power Plant (with corrections). Astana, 25 August 2011

Entry into force: 27 May 2013 by notification, in accordance with article 11

Authentic texts: English, Kazakh, Korean and Russian

Registration with the Secretariat of the United Nations: Republic of Korea, 10 November 2016

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**République de Corée
et
Kazakhstan**

Accord entre le Gouvernement de la République de Corée et le Gouvernement de la République du Kazakhstan dans le domaine du développement, des finances, de la conception, de la construction, de l'exploitation et de l'entretien de la centrale thermique de Balkhash (avec corrections). Astana, 25 août 2011

Entrée en vigueur : 27 mai 2013 par notification, conformément à l'article 11

Textes authentiques : anglais, kazakh, coréen et russe

Enregistrement auprès du Secrétariat des Nations Unies : République de Corée, 10 novembre 2016

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**AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA
AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN
IN THE FIELD OF DEVELOPMENT, FINANCE, DESIGNING,
CONSTRUCTION, OPERATION, AND MAINTENANCE
OF THE BALKHASH THERMAL POWER PLANT**

The Government of the Republic of Korea and the Government of the Republic of Kazakhstan (hereinafter referred to as the "Parties"),

Expressing interest in implementation of the Balkhash Thermal Power Plant project (hereinafter referred to as the "Project"), based on the principles of equality and mutual benefit,

Taking into account the agreements to be concluded in line with the Project's framework –Contract for Power Plant Engineering, Procurement and Construction, Power Plant Operation and Maintenance Agreement, Fuel Supply Agreement, long-term Capacity Purchase Agreement or long-term Power Purchase Agreement (hereinafter referred to as the "Project Agreements"),

Recognizing that this Agreement is helpful for promoting the cooperation between the Parties for the successful implementation of the Project and indispensable to implementation, financing, design, construction, operation and maintenance of the Project,

Acknowledging that the Project will be designed, constructed, implemented, and financed to secure reliable supply of electricity, and also acknowledging the need to establish favourable environment for investments in the Republic of Kazakhstan,

Have agreed as follows:

Article 1

Balkhash Thermal Power Plant Joint Stock Company (hereinafter referred to as the "Project Company"), which is an independent power producer, shall implement the Project on a Build-Own-Operate-Transfer ("BOOT") scheme. The Project Company will be owned by the following companies after the appropriate procedure of defining and purchasing the shares:

From the Korean side – Korea Electric Power Corporation and Samsung C&T Corporation

From the Kazakhstan side – Joint-Stock Company Samruk-Energy

Article 2

For the purpose of Project implementation, the Government of the Republic of Kazakhstan shall appoint a single organization that shall purchase from the Project Company electrical capacity or electrical energy in accordance with a long-term Capacity Purchase Agreement or long-term Power Purchase Agreement, complying with the conditions for limited-recourse project financing.

Article 3

The Project Company is entitled to enjoy preferential treatment in accordance with the legislation of the Republic of Kazakhstan.

Article 4

For the period of Project construction and operation, the Government of the Republic of Kazakhstan shall take timely measures on review of documents and issue of permits and approvals (including work permit to engage foreign labour and visas) in accordance with the legislation of the Republic of Kazakhstan.

Article 5

Disputes and differences arising between the Parties in interpretation and implementation of this Agreement shall be settled through negotiations and consultations.

Disputes between the parties to the Project Agreements shall be reviewed by the commercial arbitration court in accordance with the Law of the Republic Kazakhstan "On International Commercial Arbitration" dated December 28, 2004 in the territory of the Republic of Kazakhstan and pursuant to terms and conditions stipulated in the relevant Project Agreement.

Decisions of such arbitration court shall be final, binding and enforceable.

Article 6

The Project shall be implemented, in compliance with the environmental requirements for the whole period of the Project, on the basis of the available commercially reasonable advanced technologies, modern design solutions and know-how and the legislation of the Republic of Kazakhstan. The Government of the Republic of Kazakhstan shall render assistance during expert assessment in compliance with the procedures established under the legislation of the Republic of Kazakhstan, and also in obtaining the required permits and approvals to use international codes and standards.

Article 7

Coordination and monitoring of this Agreement shall be executed by the following authorities:

From the Korean side, the Ministry of Knowledge Economy of the Republic of Korea.

From the Kazakhstan side, the Ministry of Industry and New Technologies of the Republic of Kazakhstan

Article 8

In the event of changes and/or amendments to investment, licensing, architectural, city planning and construction legislation of the Republic of Kazakhstan, if such changes and/or amendments result in worsening of the Project implementation conditions, the Project implementation shall be performed in accordance with the legislation of the Republic of Kazakhstan effective on the date of signing of this Agreement, apart from environment protection requirements.

In the event of new taxes introduced (determined) after the date of signing of this Agreement, provisions of the legislation of the Republic of Kazakhstan related to introduction (determination) of the new taxes shall not be applied to the Project Company and its subcontractor engaged in Project implementation.