



On the Approval of the Standard Agreement on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone

Invalidated Unofficial translation

Order of the acting Minister for Investments and Development of the Republic of Kazakhstan No. 1291, dated 31 December 2015. Registered in the Ministry of Justice of the Republic of Kazakhstan on February 1, 2016 No. 12960. Expired by Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated July 19, 2019 No. 522

Footnote. Expired by Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated July 19, 2019 No. 522 (effective after ten calendar days after the date of its first official publication).

In accordance with subparagraph 8-5) of Article 5 of the Law of the Republic of Kazakhstan dated July 21, 2011 "On Special Economic Zones in the Republic of Kazakhstan" **I hereby ORDER:**

1. To approve the enclosed On the Approval of the Standard Agreement on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone.

2. The Investment Committee of the Ministry for Investments and Development of the Republic of Kazakhstan (Ye. K. Khairov) to provide:

1) state registration of this Order in the Ministry of Justice of the Republic of Kazakhstan;

2) transfer of a copy of this Order, within ten calendar days after its state registration in the Ministry of Justice of the Republic of Kazakhstan, in printed and electronic form for official publication in periodicals and Adilet information legal system, as well as to the Republican Center of Legal information for inclusion in the Reference Bank of Regulatory Legal Acts of the Republic of Kazakhstan, within ten calendar days from the date of receipt of the registered Order ;

3) placement of this Order on Internet resource of the Ministry for Investments and Development of Republic of Kazakhstan and the Intranet portal of state bodies;

4) the Legal Department of the Ministry for Investments and Development of the Republic of Kazakhstan with information on implementation of measures, stipulated by subparagraphs 1), 2) and 3) of paragraph 2 of this Order, within ten working days after the state registration in the Ministry of Justice of the Republic of Kazakhstan.

3. Control over the execution of this order shall be assigned to the supervising Vice-Minister for Investment and Development of the Republic of Kazakhstan.

4. This order shall be put into effect after ten calendar days after the date of its first official publication.

*Acting Minister for Investments
and Development
of the Republic of Kazakhstan*

Zh. Kasymbek

Approved
by Order of the acting
Minister for Investments and
Development
of the Republic of Kazakhstan
No. 1291,
dated 31 December 2015

On the Approval of the Standard Agreement on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone

city _____
(place of agreement)

"__" _____ 20__
(date of agreement)

—,

(name of the managing company/autonomous cluster fund)

represented by _____, acting under

_____,
(charter, provision)

hereinafter referred to as the "Lessor" on the one hand and

—

represented by _____, acting
under

_____,
(charter, provision, certificate No. __)

hereinafter referred to as the "Sub-lessee" on the other hand, collectively referred to as the "Parties", have concluded the present Agreement on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone, (hereinafter – The Agreement), as follows:

1. Scope of the Agreement

1. Under the Agreement No. __ dated ____ 20__ on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone , the Lessor rents a land plot / part of the land plot (hereinafter - Land Plot) for

temporary paid land use (sublease) for purposes of priority and secondary land use (sublease) to the Sub-lessee for priority or secondary activities on the territory of the Special Economic Zone (hereinafter - SEZ) _____

2. The location of the land plot and its data:

address: region _____

district _____

city _____, street _____

cadastral number: _____

area _____

designation purpose: _____

restrictions on use and encumbrances: _____

the divisibility of the land plot _____.

3. The land plot has (no) immovable property

(specify the properties and their characteristics in the case of their location on the land plot or make a record of the absence thereof).

A detailed list of immovable properties with technical characteristics shall be attached to this Agreement (in the case if such are located on the land plot).

Transfer of the land plot shall be carried out through the acceptance and transfer certificate (with indication of the actual status of the land plot) which shall be prepared and signed by the Parties in two copies (one for each Party). The acceptance and transfer certificate shall be attached to this Agreement and form an integral part of it.

2. General definitions

4. The present Agreement contains following general definitions:

1) permanent improvements – improvements made by the Sub-lessee with the Lessor's consent (structures, not inconsistent with the intended purpose of the land plot), inseparable without harm for the property;

2) Agreement of the SEZ participant – the agreement on carrying out activities as a participant of the SEZ;

3) the Lessor - is a management company established in accordance with the Law of the Republic of Kazakhstan dated July 21, 2011 “On Special Economic Zones in the Republic of Kazakhstan” (hereinafter - the Law) in the legal form of a joint stock company to ensure the functioning of SEZ, a standalone cluster fund;

4) Land Plot – a land plot located on the territory of SEZ;

5) Sub-lessee - is a SEZ participant, and (or) a person engaged in secondary activities;

6) Sublease Agreement – an agreement on Temporary Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone entered into between the Lessor and Sub-lessee in accordance with the Civil Code of

the Republic of Kazakhstan, in written form, signed by the Parties, with all amendments and supplements thereto.

3. Rights and obligations of the Parties

5. The Sub-lessee has the right to:

- 1) use the land plot for the implementation of priority (secondary) activities on the territory of the SEZ;
- 2) build structures and building that do not contradict the purpose of the land plot;
- 3) demand reimbursement of costs associated with the inseparable improvements of the land plot;
- 4) exercise other rights provided by the Laws of the Republic of Kazakhstan.

6. The Sub-lessee is obliged:

- 1) to comply fully with all the terms of this Agreement;
- 2) to use the land plot in accordance with its main target purpose and in the manner provided by this Agreement;
- 3) to pay a fee for the use of the land plot in the amount and on the terms set forth herein;
- 4) to provide the Lessor (or his legal representatives), representatives of the competent authorities access to the land plot;
- 5) not later than 3 (three) months to give written notice to the Lessor of early termination of this Agreement;
- 6) to observe requirements of the town planning regulations, construction, ecological, sanitary-hygienic, fire safety and other rules and regulations, to avoid pollution, littering, prevent environmental degradation on the land and adjacent areas, and provide improvements in order to comply with other requirements stipulated by the Laws of the Republic of Kazakhstan;
- 7) to notify the Lessor, within ten working days, about changes in his details;
- 8) in the event of termination of this Agreement - to return the land plot to the Lessor in proper condition, on the basis of the acceptance and transfer certificate, within 5 (five) working days from the date of termination of this Agreement;
- 9) in the event of unilateral termination of the Agreement of the SEZ participant by the Lessor, to return the land plot in proper condition on the basis of the acceptance and transfer certificate within 15 (fifteen) working days from the date of termination, in accordance with the Law;
- 10) bear other responsibilities established by the laws of the Republic of Kazakhstan.

7. The Lessor has the right:

- 1) to demand early termination of the Agreement in the following cases:
if the Sub-lessee uses the land plot not for the intended purpose;

if the Sub-lessee fails to provide payment for the use of the land plot for more than 2 (two) consecutive quarters;

to unilaterally terminate the Agreement of the SEZ participant in accordance with the Law;

in other cases provided by the laws of the Republic of Kazakhstan;

2) to access the land plot for the purpose of its inspection for compliance with the terms of the Agreement with preliminary coordination with the Sub-lessee;

3) to demand compensation for damages caused by the deterioration of the properties in the land plot and the environmental situation as a result of the economic activity of the Sub-lessee, as well as on other grounds, provided by the Legislation of the Republic of Kazakhstan and this Agreement;

4) exercise other rights provided by the laws of the Republic of Kazakhstan.

8. The Lessor is obliged:

1) to comply fully all the terms and conditions of this Agreement;

2) to transfer the land plot to the Sub-lessee under the acceptance and transfer certificate within 10 (ten) working days from the date of state registration of this Agreement;

3) within ten working days to provide the Sub-lessee with a written notice of the change in the account number for the transfer of payment for the use of the land plot;

4) to reimburse the Sub-lessee the costs associated with the inseparable improvements of the land plot;

5) in case of unilateral termination of the Agreement of SEZ participant in accordance with the Law, to withdraw the land plot in proper condition on the basis of the acceptance and transfer certificate within 15 (fifteen) working days from the date of termination;

6) to bear other responsibilities established by the laws of the Republic of Kazakhstan.

4. Term of the Agreement

9. This Agreement shall come into effect at the moment its conclusion by the Parties.

10. This Agreement is concluded for a period of _____ years, but not more than the term of creation and operation of SEZ _____, as well as the term of the Agreement No. __ from _____ 20__. on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of a Special Economic Zone.

11. Upon expiration of this Agreement and on the condition that Sub-lessee complies with of all obligations under this Agreement, the Agreement may be concluded for a new period on further agreed terms. The Sub-lessee shall notify the Lessor in writing of the intention to conclude the Agreement for a new term not later

than 1 (one) calendar month before the expiration of this Agreement. In this case, the Sub-lessee has a preferential right over third parties to conclude an Agreement for a new term.

5. Payment for the use of land plot

12. The amount of payment for the use of land plot shall be _____ per month / quarter, excluding VAT, in accordance with the calculation of fees, which is an integral part of this Agreement.

13. The lease payment shall be established in KZT and shall be payable by the Sub-lessee by transferring to the bank account of the Lessor no later than ____ (_____) of the month of payment.

14. The amount of payment for the use of land plot under this Agreement may be changed through written consent of the Parties.

6. Liability of the Parties

15. In the event violation of the terms of this Agreement, Parties shall be liable in accordance with the current Legislation of the Republic of Kazakhstan.

16. In the event of violation of order and terms of payment for the use of the land plot under this Agreement the Sub-lessee shall be obliged to pay a penalty to the Lessor in the amount of _____ KZT.

17. Liability of the Parties for breach of obligations under this Agreement caused by force-majeure shall be governed by the current Legislation of the Republic of Kazakhstan.

18. In case of non-performance or improper performance of the terms of this Agreement by the Lessor, the Lessor shall compensate all losses incurred by the Sub-lessee.

7. Terms of changes, additions or termination of this Agreement

19. Modification of the terms of this Agreement and its unilateral termination before the expiration of the term, subject to performance of obligations by the Parties under this Agreement shall not be permitted, except in cases provided for under this Agreement.

20. All changes and additions to this Agreement shall be valid only when they are made in writing and signed by authorized representatives of the Parties.

21. This Agreement shall be terminated upon:

- 1) abolishment of the SEZ;
- 2) expiration of the Agreement No. __ from _____ 20__ on the Compensated Secondary Use of State-Owned Land (Sublease) for the Development of SEZ;

- 3) early termination of this Agreement in court.
- 4) unilateral termination of the Agreement of SEZ participant in accordance with the Law.

8. Procedure for consideration of disputes

22. Disputes and disagreements that may arise in the performance of the obligations of this Agreement shall be resolved through negotiations between the Parties.

23. In case there is no possibility to resolve disputes through negotiations within 3 (three) months, the Parties shall submit matters to the court of the Republic of Kazakhstan.

24. The parties shall not be released from fulfillment of the obligations set forth in this Agreement until the disputes and disagreements have been fully resolved.

9. Force majeure

25. The Party, failing to perform or properly perform obligations under this Agreement shall be materially liable, if it does not prove that proper performance was impossible due to force majeure, whether extraordinary and unavoidable circumstances under these conditions (natural phenomena, military actions).

10. Final provisions

26. Legal relations of the Parties not stipulated by this Agreement shall be regulated by the current Legislation of the Republic of Kazakhstan.

27. The Sub-lessee shall not be entitled to transfer its rights and obligations under this sub-lease agreement to a third party or transfer the land plot to a secondary sublease, as a pledge, to make them as a contribution to the authorized capital of a business partnership or a company, or a share contribution to a production cooperative, as well as to provide it for fixed-term use without consideration.

28. All annexes to this Agreement form an integral part of it.

29. All changes and additions to this Agreement shall be valid only when they are made in writing and signed by authorized representatives of the Parties.

30. This Agreement is made in two copies, each having equal legal force, one copy is kept by the Lessor, and the other copy is kept by the Sub-lessee.

31 This Agreement is signed on ____ _ (day), ____ (month) 20__ in _____
_____ Republic of Kazakhstan by authorized representatives of the Parties.

32. Legal addresses and signatures of the Parties:

Sub-lessee:
Name _____
Legal address _____

Lessor:
Name _____
Legal adress _____

Current account _____

IIN/BIN _____

Bank _____ Telephone / Fax _____

Seal (if available)

Signature _____

Current account _____

IIN/BIN _____

Bank _____ Telephone / Fax _____

Seal (if available)IIN

Signature _____

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Justice of the Republic of Kazakhstan