



Operation Number (Serapis N°) 20200882

Contract Number (FI N°) 93102

CMZRB LOAN FOR MUNICIPAL & REGIONAL DEVELOPMENT

Finance Contract

between the

European Investment Bank

and

Českomoravská záruční a rozvojová banka, a.s.

Prague 13 July 2021
Luxembourg, 13 July 2021



| | |
|--|----|
| ARTICLE 1..... | 15 |
| 1.1 AMOUNT OF CREDIT..... | 15 |
| 1.2 DISBURSEMENT PROCEDURE..... | 15 |
| 1.2.A TRANCHES..... | 15 |
| 1.2.B DISBURSEMENT OFFER..... | 15 |
| 1.2.C DISBURSEMENT ACCEPTANCE..... | 15 |
| 1.2.D DISBURSEMENT ACCOUNT..... | 16 |
| 1.3 CURRENCY OF DISBURSEMENT..... | 16 |
| 1.4 CONDITIONS OF DISBURSEMENT..... | 16 |
| 1.4.A CONDITION PRECEDENT TO THE FIRST REQUEST FOR DISBURSEMENT OFFER..... | 16 |
| 1.4.B FIRST TRANCHE..... | 16 |
| 1.4.C ALL TRANCHES..... | 17 |
| 1.5 DEFERMENT OF DISBURSEMENT..... | 17 |
| 1.5.A GROUNDS FOR DEFERMENT..... | 17 |
| 1.5.B CANCELLATION OF A DISBURSEMENT DEFERRED BY 6 (SIX) MONTHS..... | 18 |
| 1.6 CANCELLATION AND SUSPENSION..... | 18 |
| 1.6.A BORROWER'S RIGHT TO CANCEL..... | 18 |
| 1.6.B BANK'S RIGHT TO SUSPEND AND CANCEL..... | 19 |
| 1.6.C INDEMNITY FOR SUSPENSION AND CANCELLATION OF A TRANCHE..... | 19 |
| 1.7 CANCELLATION AFTER EXPIRY OF THE CREDIT..... | 20 |
| 1.8 SUMS DUE UNDER ARTICLES 1.5 AND 1.6..... | 20 |
| 1.9 ALLOCATION PROCEDURE..... | 20 |
| 1.9.A SUBMISSION OF ALLOCATION PROPOSALS..... | 20 |
| 1.9.B ALLOCATION APPROVAL PROCESS..... | 20 |
| 1.10 REALLOCATION..... | 20 |
| 1.11 REEMPLOYMENT..... | 21 |
| 1.12 DEADLINE FOR DISBURSEMENT TO FINAL BENEFICIARIES..... | 21 |
| 1.13 REPORTING SYSTEM..... | 22 |
| ARTICLE 2..... | 22 |
| 2.1 AMOUNT OF LOAN..... | 22 |
| 2.2 CURRENCY OF PAYMENTS..... | 22 |
| 2.3 CONFIRMATION BY THE BANK..... | 22 |
| ARTICLE 3..... | 22 |
| 3.1 RATE OF INTEREST..... | 22 |
| 3.1.A FIXED RATE TRANCHES..... | 22 |
| 3.1.B FLOATING RATE TRANCHES..... | 22 |
| 3.1.C REVISION OR CONVERSION OF TRANCHES..... | 23 |
| 3.2 INTEREST ON OVERDUE SUMS..... | 23 |
| 3.3 MARKET DISRUPTION EVENT..... | 23 |
| ARTICLE 4..... | 24 |
| 4.1 NORMAL REPAYMENT..... | 24 |
| 4.1.A REPAYMENT BY INSTALMENTS..... | 24 |
| 4.2 VOLUNTARY PREPAYMENT..... | 24 |
| 4.2.A PREPAYMENT OPTION..... | 24 |
| 4.2.B PREPAYMENT INDEMNITY..... | 25 |



| | | |
|-------|---|----|
| 4.2.C | PREPAYMENT MECHANICS | 25 |
| 4.2.D | ADMINISTRATIVE FEE | 25 |
| 4.3 | COMPULSORY PREPAYMENT AND CANCELLATION..... | 25 |
| 4.3.A | PREPAYMENT EVENTS..... | 25 |
| 4.3.B | PREPAYMENT MECHANICS | 29 |
| 4.3.C | PREPAYMENT INDEMNITY..... | 29 |
| 4.4 | GENERAL..... | 29 |
| 4.4.A | NO PREJUDICE TO ARTICLE 10..... | 29 |
| 4.4.B | NO REBORROWING..... | 29 |
| | ARTICLE 5..... | 29 |
| 5.1 | DAY COUNT CONVENTION | 29 |
| 5.2 | TIME AND PLACE OF PAYMENT | 29 |
| 5.3 | NO SET-OFF BY THE BORROWER | 30 |
| 5.4 | DISRUPTION TO PAYMENT SYSTEMS..... | 30 |
| 5.5 | APPLICATION OF SUMS RECEIVED | 30 |
| 5.5.A | GENERAL..... | 30 |
| 5.5.B | PARTIAL PAYMENTS..... | 30 |
| 5.5.C | ALLOCATION OF SUMS RELATED TO TRANCHES..... | 30 |
| | ARTICLE 6..... | 31 |
| 6.1 | USE OF LOAN AND AVAILABILITY OF OTHER FUNDS..... | 31 |
| 6.2 | SUB-FINANCING DOCUMENT | 31 |
| 6.3 | OTHER UNDERTAKINGS | 33 |
| 6.4 | COMPLIANCE WITH LAWS | 35 |
| 6.5 | CHANGE IN BUSINESS | 35 |
| 6.6 | MERGER..... | 35 |
| 6.7 | FINANCIAL COVENANTS | 35 |
| 6.8 | BOOKS AND RECORDS | 35 |
| 6.9 | DATA PROTECTION | 36 |
| 6.10 | SANCTIONS..... | 36 |
| 6.11 | GENERAL REPRESENTATIONS AND WARRANTIES..... | 36 |
| | ARTICLE 7..... | 38 |
| 7.1 | NEGATIVE PLEDGE | 38 |
| 7.2 | <i>PARI PASSU</i> RANKING..... | 38 |
| 7.3 | CLAUSES BY INCLUSION | 38 |
| | ARTICLE 8..... | 38 |
| 8.1 | INFORMATION CONCERNING SUB-PROJECTS AND FINAL BENEFICIARIES | 38 |
| 8.2 | INFORMATION CONCERNING THE BORROWER..... | 39 |
| 8.3 | VISITS BY THE BANK | 40 |
| | ARTICLE 9..... | 41 |
| 9.1 | TAXES, DUTIES AND FEES | 41 |
| 9.2 | OTHER CHARGES | 41 |
| 9.3 | INCREASED COSTS, INDEMNITY AND SET-OFF | 41 |
| | ARTICLE 10..... | 42 |



| | | |
|--------|---|----|
| 10.1 | RIGHT TO DEMAND REPAYMENT | 42 |
| 10.1.A | IMMEDIATE DEMAND | 42 |
| 10.1.B | DEMAND AFTER NOTICE TO REMEDY | 43 |
| 10.2 | OTHER RIGHTS AT LAW | 43 |
| 10.3 | INDEMNITY | 43 |
| 10.3.A | FIXED RATE TRANCHES | 43 |
| 10.3.B | FLOATING RATE TRANCHES | 44 |
| 10.3.C | GENERAL | 44 |
| 10.4 | NON-WAIVER | 44 |
| | ARTICLE 11 | 44 |
| 11.1 | GOVERNING LAW | 44 |
| 11.2 | JURISDICTION | 44 |
| 11.3 | PLACE OF PERFORMANCE | 44 |
| 11.4 | EVIDENCE OF SUMS DUE | 44 |
| 11.5 | ENTIRE AGREEMENT | 44 |
| 11.6 | INVALIDITY | 45 |
| 11.7 | AMENDMENTS | 45 |
| 11.8 | COUNTERPARTS | 45 |
| 11.9 | EFFECTIVENESS OF THIS CONTRACT | 45 |
| | ARTICLE 12 | 45 |
| 12.1 | NOTICES | 45 |
| 12.1.A | FORM OF NOTICE | 45 |
| 12.1.B | ADDRESSES | 46 |
| 12.1.C | NOTIFICATION OF COMMUNICATION DETAILS | 46 |
| 12.2 | ENGLISH LANGUAGE | 46 |
| 12.3 | RECITALS, SCHEDULES AND ANNEXES | 47 |
| | SCHEDULE A | 49 |
| | DEFINITIONS OF RELEVANT INTERBANK RATES | 49 |
| | SCHEDULE B | 51 |
| | FORM OF DISBURSEMENT OFFER/ACCEPTANCE (ARTICLES 1.2.B AND 1.2.C) | 51 |
| | SCHEDULE C | 53 |
| | INTEREST RATE REVISION AND CONVERSION | 53 |
| | SCHEDULE D | 54 |
| | CERTIFICATES TO BE PROVIDED BY THE BORROWER | 54 |
| | ANNEX I | 56 |
| | RESOLUTION OF BOARD OF DIRECTORS OF BORROWER AND AUTHORISATION OF SIGNATORY | 56 |

**THIS CONTRACT IS MADE BETWEEN:**

The European Investment Bank having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Lilyana Pavlova, Vice President,

(the “**Bank**”)

of the first part, and

(the “**Borrower**”)

Českomoravská záruční a rozvojová banka, a.s., a joint-stock company founded and duly existing in accordance with the laws of the Czech Republic, registered in the Company Register administrated by the Municipal Court in Prague, File No. B 1329, Identification Number: 448 48 943, having its registered office at Jeruzalémská 964/4, Postal Code 11000, Prague 1, Czech Republic, represented by Jiří Jirásek, Chairman of the Board of Directors, and Pavel Křivonožka, Member of the Board of Directors,

of the second part.

The Bank and the Borrower together are referred to as the “**Parties**” and any of them is a “**Party**”.

**WHEREAS:**

- (a) The Borrower is a joint-stock company (“*akciová společnost*”) fully owned and controlled by the Czech Republic (the “**Shareholder**”), holding a valid banking licence in accordance with Czech laws and regulations.
- (b) The Borrower has requested the Bank to establish in its favour a credit in an amount equivalent to CZK 5,000,000,000.00 (five billions Czech crowns) for the purpose of financing Sub-Projects (as defined below) promoted by Public Sector Entities (as defined below) (each a “**Final Beneficiary**”) in the Czech Republic, which meet the eligibility criteria set out in the Side Letter (as defined below).
- (c) The Bank, considering that the purpose of the credit falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount equivalent to CZK 5,000,000,000.00 (five billions Czech crowns) under this finance contract (the “**Contract**”).
- (d) Each Sub-Project is required to be eligible for financing by the Bank having regard to the Statutes of the Bank and to the provisions of Article 309 of the Treaty on the Functioning of the European Union and the provisions of this Contract. The eligibility criteria and details of allocation procedures for the Sub-Projects are established in the Side Letter.
- (e) The provision of finance from the proceeds of the Loan by the Borrower by means of loans (each a “**Sub-Financing**”) shall be subject of separate loan agreements (each “**Sub-Financing Document**”) contracted between the Borrower and a Final Beneficiary.
- (f) The Board of Directors of the Borrower has authorised the borrowing of the sum equivalent to CZK 5,000,000,000.00 (five billions Czech crowns) represented by this credit on the terms and conditions set out in this Contract in the form set out in Annex I.
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (h) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.
- (i) The processing of personal data shall be carried out by the Bank in accordance with applicable EU Law on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.
- (j) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties.



NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) references to “Articles”, “Recitals”, “Schedules” and “Annexes” are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) references to “law” or “laws” mean:
 - (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
 - (ii) EU Law;
- (c) references to “applicable law”, “applicable laws” or “applicable jurisdiction” mean:
 - (i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets, as applicable; or
 - (ii) a law or jurisdiction (including in each case the Bank’s Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
- (d) references to a provision of law or a treaty are references to that provision as amended or re-enacted;
- (e) references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;
- (f) words and expressions in plural shall include singular and vice versa;
- (g) terms defined in the GDPR (as defined below), including the terms “controller”, “data subject”, “personal data”, “processing” and “processor”, have the same meanings when used in Recital (i) or Article 6.9 of this Contract; and
- (h) references to “month” mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule B and unless provided otherwise in this Contract:
 - (i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
 - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

Definitions

In this Contract:

“**Accepted Tranche**” means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

“**Agreed Deferred Disbursement Date**” has the meaning given to it in Article 1.5.A(2)(b).

“**Allocation Period**” has the meaning given to it in Article 1.9.A.

“**Allocation Proposal**” has the meaning given to it in Article 1.9.A.

“**AML Directive**” means the Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.



“**Authorisation**” means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Authorised Signatory**” means a person authorised to sign individually or jointly (as the case may be) Disbursement Acceptances on behalf of the Borrower and named in the most recent List of Authorised Signatories and Accounts received by the Bank prior to the receipt of the relevant Disbursement Acceptance.

“**Business Day**” means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

“**Cancelled Tranche**” has the meaning given to it in Article 1.6.C(2).

“**Centre of Main Interests**” shall have the meaning as used in Article 3(1) of the Regulation.

“**Change in the Beneficial Ownership**” means a change in the ultimate ownership or control of an entity according to the definition of “beneficial owner” set out in article 3(6) of the AML Directive.

“**Change-of-Control Event**” has the meaning given to it in Article 4.3.A(2).

“**Change-of-Law Event**” has the meaning given to it in Article 4.3.A(3).

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule D.2.

“**Contract**” has the meaning given to it in Recital (c).

“**Contract Number**” means the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters “FI N°”.

“**Credit**” has the meaning given to it in Article 1.1.

“**Credit Rating**” means any of the following ratings assigned by a Rating Agency to the Shareholder or the Borrower (as applicable):

- (a) the Long Term Issuer Credit Rating (or equivalent) defined as such by Standard and Poor's Financial Services LLC or its successor;
- (b) the Long Term Issuer Default Rating (or equivalent) defined as such by Fitch Ratings Inc. or its successor;
- (c) the Long Term (Issuer) Rating (or equivalent) defined as such by Moody's Investors Service, Inc. or its successor; or if none of the above ratings are available,
- (d) the rating assigned to the Borrower's or the Shareholder's (as applicable) most recent unsecured and unsubordinated medium or long term debt, or, if none of the above ratings are available;
- (e) the Long Term Foreign Currency Deposit Rating (or equivalent) defined as such by Moody's Investors Service, Inc. or its successor,

provided that in each of the cases (a), (b), (c) and (e) above the terms defined shall be deemed to refer to any equivalent term irrespective of the definition given to it and excludes any rating qualified by the terms “*National Scale*”, “*NSR*”.

“**Criminal Offence**” means any of the following criminal offences as applicable: tax crimes (as referred to in the AML Directive), fraud, corruption, coercion, collusion, obstruction, money laundering or financing of terrorism.

“**CZK**” means Czech crown(s), the lawful currency of the Czech Republic.

“**Date of Effectiveness**” has the meaning given to it in Article 11.9.

“**Deferment Fee**” means a fee calculated on the amount of an Accepted Tranche deferred or suspended at the rate of the higher of:

- (a) 0.125% (12.5 basis points), per annum; and
- (b) the percentage rate by which:
 - (i) the interest rate net of the Margin that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds



- (ii) the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless such rate is less than zero in which case it shall be set at zero.

Such fee shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Accepted Tranche in accordance with this Contract.

“Disbursement Acceptance” means a copy of the Disbursement Offer duly countersigned by the Borrower in accordance with the List of Authorised Signatories and Accounts.

“Disbursement Acceptance Deadline” means the date and time of expiry of a Disbursement Offer, as specified therein.

“Disbursement Account” means, in respect of each Tranche, the bank account to which disbursements may be made under this Contract, as set out in the most recent List of Authorised Signatories and Accounts.

“Disbursement Date” means the date on which disbursement of a Tranche is made by the Bank.

“Disbursement Offer” means a letter substantially in the form set out in Schedule B.

“Dispute” has the meaning given to it in Article 11.2.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that Party from:
 - (i) performing its payment obligations under this Contract; or
 - (ii) communicating with the other Party,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“EIB Allocation” has the meaning given to it in Article 1.9.B.

“EIB Convergence Priority Regions” means all regions in the Czech Republic except for the Capital City of Prague.

“Environment” means the following, in so far as they affect human health or social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape; and
- (c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety.

“Environmental Law” means:

- (a) EU Law, including principles and standards;
- (b) laws and regulations of a jurisdiction where the Sub-Project is located or where it is carried out; and
- (c) applicable international treaties,

in each case of which a principal objective is the preservation, protection or improvement of the Environment.

“Establishment” shall have the meaning as used in Article 2(10) of the Regulation.

“EU Law” means the *acquis communautaire* of the European Union as expressed through the Treaties of the European Union, the regulations, directives, delegated acts, implementing acts, and the case law of the Court of Justice of the European Union.



“**EUR**” or “**euro**” means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union.

“**EURIBOR**” has the meaning given to it in Schedule A.

“**Event of Default**” means any of the circumstances, events or occurrences specified in Article 10.1.

“**Exclusion Policy**” means the European Investment Bank Exclusion Policy as published on the Bank’s website.

“**Final Availability Date**” means the day falling 36 (thirty-six) months after the Date of Effectiveness.

“**Final Beneficiary**” has the meaning given to it in Recital (b).

“**Financial Advantage**” means a financial advantage for a Final Beneficiary at the level indicated by the Bank to the Borrower in the Disbursement Offer effected by the Borrower by reducing the interest rate charged on the Sub-Financing (compared with the Borrower’s annual rate applicable to a comparable sub-financing of the same amount).

“**Financial Year**” means the annual accounting period of the Borrower ending on or about 31 December in each year.

“**Fixed Rate**” means an annual interest rate including the Margin determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Such rate shall not be of negative value.

“**Fixed Rate Tranche**” means a Tranche on which the Fixed Rate is applied.

“**Floating Rate**” means a fixed-spread floating annual interest rate, determined by the Bank for each successive Floating Rate Reference Period equal to the Relevant Interbank Rate plus the Spread. If the Floating Rate for any Floating Rate Reference Period is calculated to be below zero, it will be set at zero.

“**Floating Rate Reference Period**” means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

“**Floating Rate Tranche**” means a Tranche on which the Floating Rate is applied.

“**GAAP**” means generally accepted accounting principles in the Czech Republic, including IFRS.

“**GDPR**” means General Data Protection Regulation (EU) 2016/679.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Illegality Event**” has the meaning given to it in Article 4.3.A(4).

“**Indemnifiable Prepayment Event**” means a Prepayment Event other than those specified in paragraphs 4.3.A(1) (*Non-EIB Financing prepayment event*) or 4.3.A(4) (*Illegality event*).

“**Initial Credit Rating**” means, upon the Borrower becoming externally rated by at least one Rating Agency, a Credit Rating of the Borrower initially assigned by a Rating Agency.

“**Interest Revision/Conversion**” means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis (“**revision**”) or a different interest rate basis (“**conversion**”) which can be offered for the remaining term of a Tranche or until the next Interest Revision/Conversion Date, if any.

“**Interest Revision/Conversion Date**” means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.2.B in the Disbursement Offer.

“**Interest Revision/Conversion Proposal**” means a proposal made by the Bank under Schedule C.



“Interest Revision/Conversion Request” means a written notice from the Borrower, delivered at least 75 (seventy-five) days before an Interest Revision/Conversion Date, requesting the Bank to submit to it an Interest Revision/Conversion Proposal. The Interest Revision/Conversion Request shall also specify:

- (a) the Payment Dates chosen in accordance with the provisions of Article 3.1;
- (b) the amount of the Tranche for which the Interest Revision/Conversion shall apply; and
- (c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

“Letter of Allocation” has the meaning given to it in Article 1.9.B.

“List of Authorised Signatories and Accounts” means a list, in form and substance satisfactory to the Bank, setting out:

- (a) the Authorised Signatories, accompanied by evidence of signing authority of the persons named on the list and specifying if they have individual or joint signing authority;
- (b) the specimen signatures of such persons;
- (c) the bank account(s) to which disbursements may be made under this Contract (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary; and
- (d) the bank account(s) from which payments under this Contract will be made by the Borrower (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary.

“Loan” means the aggregate of the amounts disbursed from time to time by the Bank under this Contract.

“Loan Outstanding” means the aggregate of the amounts disbursed from time to time by the Bank under this Contract that remains outstanding.

“Loss-of-Rating Event” has the meaning given to it in and shall be determined in accordance with Article 4.3.A(5).

“Margin” means the component of the rate of interest quantified in Article 3.1.

“Market Disruption Event” means any of the following circumstances:

- (a) there are, in the opinion of the Bank, events or circumstances adversely affecting the Bank’s access to its sources of funding;
- (b) in the opinion of the Bank, funds are not available from the Bank’s ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche; or
- (c) in relation to a Tranche in respect of which interest would be payable at Floating Rate:
 - (i) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of the applicable Relevant Interbank Rate; or
 - (ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable Relevant Interbank Rate for the relevant currency of such Tranche.

“Material Adverse Change” means, any event or change of condition, which, in the opinion of the Bank has a material adverse effect on:

- (a) the ability of the Borrower to perform its obligations under this Contract;
- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or



- (c) the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank in relation with this Contract, or the rights or remedies of the Bank under this Contract or any agreement creating Security in favour of the Bank in relation with this Contract.

“Maturity Date” means the last Repayment Date of a Tranche specified pursuant to Article 4.1.A(b)(iv).

“Measurement Period” means a period of 6 months ending 30 June each year and a period of 12 months ending 31 December each year.

“Non-EIB Financing” has the meaning given to it in Article 4.3.A(1).

“Non-EIB Financing Prepayment Event” has the meaning given to it in Article 4.3.A(1).

“Payment Account” means the bank account from which payments under this Contract will be made by the Borrower, as set out in the most recent List of Authorised Signatories and Accounts.

“Payment Date” means the annual, semi-annual or quarterly dates specified in the Disbursement Offer until and including the Interest Revision/Conversion Date, if any, or the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

- (a) for a Fixed Rate Tranche either:
- (i) the following Relevant Business Day, without adjustment to the interest due under Article 3.1; or
 - (ii) the preceding Relevant Business Day with adjustment (but only to the amount of interest due under Article 3.1 that accrued over the last interest period), in case repayment of principal is made in a single instalment in accordance with Schedule C point C; and
- (b) for a Floating Rate Tranche, the following Relevant Business Day in that month, or, failing that, the nearest preceding Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

“Prepayment Amount” means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A or Article 4.3.A, as applicable.

“Prepayment Date” means the date, as requested by the Borrower and agreed by the Bank or indicated by the Bank (as applicable) on which the Borrower shall effect prepayment of a Prepayment Amount.

“Prepayment Event” means any of the events described in Article 4.3.A.

“Prepayment Indemnity” means in respect of any principal amount to be prepaid, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date) of the excess, if any, of:

- (a) the interest net of the Margin that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date, to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

“Prepayment Notice” means a written notice from the Bank to the Borrower in accordance with Article 4.2.C.

“Prepayment Request” means a written request from the Borrower to the Bank to prepay all or part of the Loan Outstanding, in accordance with Article 4.2.A.

“PRIBOR” has the meaning given to it in Schedule A.

“Public Sector Entity” has the meaning given to it in the Side Letter.

“Rating Agency” means any of:

- (a) Standard and Poor's Financial Services LLC;



- (b) Fitch Ratings Inc.; and
- (c) Moody's Investors Service, Inc.,

or their respective successors.

"Reallocation" means, during the Allocation Period, a re-assignment of the EIB Allocation by the Borrower from a Sub-Project already approved by the Bank on the terms of the Letter of Allocation towards financing of another Sub-Project(s), which satisfy the eligibility criteria set out in the Side Letter and on the terms and conditions of the allocation procedures set out in Article 1.9 and **"Reallocate"** shall be construed accordingly.

"Recovery and Crisis Resolution Act" means the Czech Act No. 374/2015 Coll., on recovery and crisis resolution on the financial market, as amended.

"Redeployment Rate" means the fixed annual rate determined by the Bank, being a rate which the Bank would apply on the day of the indemnity calculation to a loan that has the same currency, the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect of which a prepayment or cancellation is proposed or requested to be made. Such rate shall not be of negative value.

"Reemployment" means, after the end of the Allocation Period, the re-assignment of the EIB Allocation by the Borrower from a Sub-Project (either already approved by the Bank on the terms of the Letter of Allocation, Reallocated pursuant to Article 1.10 or previously Reemployed pursuant to Article 1.11) towards financing of another Sub-Project(s) in accordance with Article 1.11, and **"Reemploy"** shall be construed accordingly.

"Regulation" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"Relevant Business Day" means:

- (a) for EUR, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR; and
- (b) for CZK, a day on which banks are open for general business in Prague.

"Relevant Interbank Rate" means:

- (a) EURIBOR for a Tranche denominated in EUR; and
- (b) PRIBOR for a Tranche denominated in CZK.

"Relevant Person" means, with respect to the Borrower, any member of its management bodies, or any of its employees or any other person acting on its behalf or under its control.

"Repayment Date" shall mean each of the Payment Dates specified for the repayment of the principal of a Tranche in the Disbursement Offer, in accordance with Article 4.1.

"Requested Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(1)(a)(ii).

"Sanctioned Person" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled, directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

"Sanctions" means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented and/or enforced from time to time by any of the following:

- (a) the United Nations, and any agency or person which is duly appointed, empowered or authorised by the United Nations to enact, administer, implement and/or enforce such measures; and



- (b) the European Union, and any agency or person which is duly appointed, empowered or authorised by the European Union to enact, administer, implement and/or enforce such measures.

“Scheduled Disbursement Date” means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.B.

“Security” means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Shareholder” has the meaning given to it in Recital (a).

“Side Letter” means a side letter issued by the Bank on or around the date of this Contract that can be modified at the Bank’s sole discretion from time to time and delivered by the Bank to the Borrower on or around the date hereof, setting out the eligibility criteria as well as certain restrictions in relation to Sub-Projects.

“Spread” means the fixed spread (being of either positive or negative value) to the Relevant Interbank Rate, as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer, or in the Interest Revision/Conversion Proposal. The Spread shall include the Margin.

“Sub-Credit A” has the meaning given to it in Article 1.1.

“Sub-Credit B” has the meaning given to it in Article 1.1.

“Sub-Financing” has the meaning given to it in Recital (e).

“Sub-Financing Document” has the meaning given to it in Recital (e).

“Sub-Project” has the meaning given to it in the Side Letter and by reference to the type of Final Beneficiary, and for as long as the financing made available by the Borrower to a Final Beneficiary with respect to such Sub-Project has not been Reallocated or Reemployed by the Borrower on the terms and conditions hereunder.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Tranche” means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article 1.2.B.

“US Sanctioned Person” means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, US Sanctions.

“US Sanctions” means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented and/or enforced from time to time by the United States Government, and any department, division, agency, or office thereof, including the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce.

ARTICLE 1

Credit and Disbursements

1.1 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount equivalent to CZK 5,000,000,000.00 (five billions Czech crowns) for the financing of Sub-Financings (the “**Credit**”), which shall comprise of:

- (a) a sub-credit in an amount equivalent to CZK 1,300,000,000.00 (one billion and three hundred millions Czech crowns) (the “**Sub-Credit A**”); and
- (b) a sub-credit in an amount equivalent to CZK 3,700,000,000.00 (three billions and seven hundred millions Czech crowns) (the “**Sub-Credit B**”).

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 15 (fifteen) Tranches. The amount of each Tranche shall be in a minimum amount of the equivalent to CZK 250,000,000.00 (two hundred fifty million Czech crowns) or (if less) the entire undrawn balance of the Credit.

1.2.B Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower within 5 (five) Business Days after the receipt of such request a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Bank of such Borrower's request is 15 (fifteen) Business Days before the Final Availability Date. The Disbursement Offer shall specify:

- (a) the currency, amount and CZK equivalent of the Tranche;
- (b) the Scheduled Disbursement Date, which shall be a Relevant Business Day, falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date;
- (c) the interest rate basis of the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche, in each case, pursuant to the relevant provisions of Article 3.1;
- (d) the Payment Dates and the first interest Payment Date for the Tranche;
- (e) the terms for repayment of principal for the Tranche, in accordance with the provisions of Article 4.1;
- (f) the Repayment Dates and the first and the last Repayment Date for the Tranche;
- (g) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche;
- (h) for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche the Spread, applicable to the Tranche until the Interest Revision/Conversion Date, if any or until the Maturity Date;
- (i) the Disbursement Acceptance Deadline; and
- (j) the level of Financial Advantage to be transferred in respect of each Sub-Financing by the Borrower to a Final Beneficiary.

1.2.C Disbursement Acceptance

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline. The Disbursement Acceptance shall be signed by an Authorised Signatory with individual representation right or two or more Authorised Signatories with joint representation right and shall specify the Disbursement Account to which the disbursement of the Tranche should be made in accordance with Article 1.2.D.



If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

1.2.D Disbursement Account

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance, provided that such Disbursement Account is acceptable to the Bank.

Notwithstanding Article 5.2(e), the Borrower acknowledges that payments to a Disbursement Account notified by the Borrower shall constitute disbursements under this Contract as if they had been made to the Borrower's own bank account.

Only one Disbursement Account may be specified for each Tranche.

1.3 Currency of disbursement

The disbursement of each Tranche shall be made in EUR or, subject to availability, in CZK.

For the calculation of the sums available to be disbursed in currencies other than CZK, and to determine their equivalent in CZK, the Bank shall apply the rate published by the European Central Bank in Frankfurt am Main, available on or shortly before the date of the Disbursement Offer as the Bank shall decide.

1.4 Conditions of disbursement

1.4.A Condition precedent to the first request for Disbursement Offer

The Bank shall have received from the Borrower in form and substance satisfactory to the Bank:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) at least 2 (two) originals of this Contract duly executed by all Parties; and
- (c) the List of Authorised Signatories and Accounts,

prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank and to its satisfaction shall be deemed not made.

1.4.B First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:

- (a) evidence that the Borrower has obtained all necessary Authorisations, required in connection with this Contract;



- (b) a legal opinion on the due execution of this Contract and the relevant documentation by the Borrower and on the legal, valid, binding and enforceable character of the Borrower's obligations under this Contract and the relevant documentation in form and substance satisfactory to the Bank;
- (c) a Compliance Certificate signed by the Borrower's auditors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.7 in respect of the last available Measurement Period and with evidence of such compliance and related calculations;
- (d) the Side Letter duly acknowledged by the Borrower; and
- (e) a template of communication (accepted by the Bank) by which the Borrower intends to inform each Final Beneficiary about its partnership with the Bank pursuant to Article 6.3(d) and the Financial Advantage transferred to the Final Beneficiaries, as required pursuant to Article 6.3(b).

1.4.C All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule D.1 signed by an authorised representative of the Borrower and dated no earlier than the date falling 10 (ten) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);
 - (ii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or the Security provided in respect of this Contract or the legality, validity, binding effect or enforceability of the same; and
- (b) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6 are correct in all respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (1) an Event of Default; or
 - (2) a Prepayment Event
 has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.5 Deferment of disbursement

1.5.A Grounds for deferment

1.5.A(1) BORROWER'S REQUEST

- (a) The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:



- (i) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
- (ii) the date until which the Borrower would like to defer a disbursement of the above amount (the “**Requested Deferred Disbursement Date**”), which must be a date falling not later than:
 - (1) 6 (six) months from its Scheduled Disbursement Date;
 - (2) 30 (thirty) days prior to the first Repayment Date; and
 - (3) the Final Availability Date.
- (b) Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

1.5.A(2) FAILURE TO SATISFY CONDITIONS TO DISBURSEMENT

- (a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such Accepted Tranche referred to in Article 1.4 is not fulfilled both:
 - (i) at the date specified for fulfilment of such condition in Article 1.4; and
 - (ii) at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).
- (b) The Bank and the Borrower shall agree the date until which the disbursement of such Accepted Tranche shall be deferred (the “**Agreed Deferred Disbursement Date**”), which must be a date falling:
 - (i) not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement; and
 - (ii) not later than the Final Availability Date.
- (c) Without prejudice to the Bank’s right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5.A(3) DEFERMENT FEE

If disbursement of an Accepted Tranche is deferred pursuant to paragraphs 1.5.A(1) or 1.5.A(2) above, the Borrower shall pay the Deferral Fee.

1.5.B Cancellation of a disbursement deferred by 6 (six) months

If a disbursement has been deferred by more than 6 (six) months in aggregate pursuant to Article 1.5.A, the Bank may notify the Borrower in writing that such disbursement shall be cancelled and such cancellation shall take effect on the date of such written notification. The amount of the disbursement which is cancelled by the Bank pursuant to this Article 1.5.B shall remain available for disbursement under Article 1.2.

1.6 Cancellation and suspension

1.6.A Borrower’s right to cancel

- (a) The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.
- (b) In its written notice, the Borrower:
 - (i) must specify whether the Credit shall be cancelled in whole or in part and, if in part, the amount of the Credit to be cancelled; and
 - (ii) must not request any cancellation of an Accepted Tranche, which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of such written notice.
- (c) Upon receipt of such written notice, the Bank shall cancel the requested portion of the Credit with immediate effect.



1.6.B Bank's right to suspend and cancel

- (a) At any time upon the occurrence of the following events, the Bank may notify the Borrower in writing that the undisbursed portion of the Credit shall be suspended and/or (except upon the occurrence of a Market Disruption Event) cancelled in whole or in part:
- (i) a Prepayment Event;
 - (ii) an Event of Default;
 - (iii) an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default; or
 - (iv) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.
- (b) On the date of such written notification from the Bank the relevant portion of the Credit shall be suspended and/or cancelled with immediate effect. Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.6.C Indemnity for suspension and cancellation of a Tranche

1.6.C(1) SUSPENSION

If the Bank suspends an Accepted Tranche upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default or of an event or circumstance which would (with the passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferral Fee calculated on the amount of such Accepted Tranche.

1.6.C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche (the "**Cancelled Tranche**") is cancelled:
- (i) by the Borrower pursuant to Article 1.6.A; or
 - (ii) by the Bank upon an Indemnifiable Prepayment Event or an event or circumstance which would (with the passage of time or the giving of notice or the making of any determination under this Contract or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or pursuant to Article 1.5.B,

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

- (b) Such indemnity shall be:
- (i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
 - (ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:
 - (1) the interest net of the Margin that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over
 - (2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date of the applicable Tranche.

- (c) If the Bank cancels any Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.



1.7 Cancellation after expiry of the Credit

On the day following the Final Availability Date, unless otherwise specifically notified in writing by the Bank to the Borrower, any part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any further notice from the Bank to the Borrower and without any liability arising on the part of either Party.

1.8 Sums due under Articles 1.5 and 1.6

Sums due under Articles 1.5 and 1.6 shall be payable:

- (a) in the currency of the Tranche concerned; and
- (b) within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

1.9 Allocation procedure

1.9.A Submission of Allocation Proposals

Between the date of this Contract and the date falling 36 (thirty-six) months thereafter (the "**Allocation Period**") the Borrower shall submit to the Bank one or more allocation proposals prepared by it (each, an "**Allocation Proposal**"), in respect of which the Borrower seeks financing under this Contract. Each Allocation Proposal shall be made in accordance with the terms of the Side Letter.

1.9.B Allocation Approval Process

The Bank will verify compliance of the Sub-Projects with the criteria set out in the Side Letter.

If an Allocation Proposal for a Sub-Project submitted to the Bank pursuant to Article 1.9.A is approved by the Bank, the Bank shall notify the Borrower to that effect by sending a letter of allocation (hereafter a "**Letter of Allocation**") in which the Bank confirms:

- (a) which Sub-Projects have been approved; and
- (b) the portion of the Credit (or the Loan, as the case be), which the Bank has allocated to any so approved Sub-Project (each such portion being hereafter called an "**EIB Allocation**", which term shall include any such portion as may be Reallocated or Reemployed).

1.10 Reallocation

If, during the Allocation Period, any of the following events occurs:

- (a) a Sub-Financing has not, or will have not, been disbursed within a disbursement period set out in the corresponding Sub-Financing Document, or has or will have been disbursed only in part, to a Final Beneficiary; or
- (b) a Sub-Financing is voluntarily prepaid (or redeemed, as the case may be) by a Final Beneficiary; or
- (c) a Sub-Financing is prepaid (or redeemed, as the case may be) by a Final Beneficiary following a demand for prepayment (or a call for early redemption, as the case may be) from the Borrower, or it is cancelled for any reason; or
- (d) a Sub-Financing is repaid by a Final Beneficiary on its scheduled maturity date, however, prior to the Maturity Date of the Tranche allocated to such Sub-Financing; or
- (e) the eligible costs of any Sub-Project (as such costs are defined in the Side Letter) have been reduced to the extent that the amount of the EIB Allocation made to any such Sub-Project exceeds the amount eligible under the Side Letter; or
- (f) any Sub-Project is cancelled, abandoned or terminated; or
- (g) a Final Beneficiary is not in compliance with the provisions of the relevant Sub-Financing Document, implementing Article 6.2; or



- (h) it is ascertained, after relevant Letter of Allocation has been issued by the Bank, that any piece of information or document made available or delivered to the Bank as part of the Allocation Proposal, or any representation or statement made therein, is or proves to have been incorrect or misleading such that the Bank is of the opinion that it has had an impact on the Bank's assessment of eligibility of the respective Sub-Project or Final Beneficiary and, should the correct information or document be made available or delivered, such Sub-Project or Final Beneficiary would have not been approved by the Bank under the terms of the Letter of Allocation; or
- (i) the Borrower has notified the Bank of, or the Bank has notified the Borrower after it has become aware of, any fact, which in the judgement of the Borrower, or the Bank, as the case may be, may substantially prejudice or affect the conditions of execution or operation of a Sub-Project; or
- (j) the Borrower has notified the Bank, and the Bank has agreed thereto, that it wishes to Reallocate any part of the EIB Allocation within a reasonable timeframe agreed with the Bank; or
- (k) one or more Sub-Financing Documents or receivables and rights thereunder are transferred/novated or assigned by the Borrower to another entity; or
- (l) a Sub-Financing is no longer eligible according to the provisions of this Contract and/or of the Side Letter; or
- (m) the Final Beneficiary is a Sanctioned Person or a US Sanctioned Person, or it is in breach of any Sanctions or any US Sanctions,

then a corresponding part of the original EIB Allocation shall be promptly Reallocated by the Borrower, save to the extent that the Borrower voluntarily prepays any corresponding part of the Loan Outstanding pursuant to Article 4.2. The Borrower shall ensure that all such new Sub-Project(s), Sub-Financing Documents and Final Beneficiaries conform to the eligibility criteria set out in the Side Letter and to the terms and conditions of this Contract applicable to them.

Such new Allocation Proposal(s) shall be presented to the Bank for approval and shall satisfy the conditions set out in Article 1.9.

1.11 Reemployment

- (a) If any of the events set out in Article 1.10 (other than 1.10(j)) occurs after the end of the Allocation Period a corresponding part of the EIB Allocation shall be promptly Reemployed by the Borrower, save to the extent that the Borrower voluntarily prepays any corresponding part of the Loan Outstanding pursuant to Article 4.2.
- (b) In case of Reemployment the procedure set out in Article 1.9 does not apply and no new Allocation Proposal(s) is required to be presented to the Bank for approval. The Borrower shall ensure that all such new Sub-Project(s), Sub-Financing Documents and Final Beneficiaries conform to the eligibility criteria set out in the Side Letter and to the terms and conditions of this Contract applicable to them.
- (c) The Bank may request the Borrower to promptly deliver to the Bank a list of any such Reemployments and in such form and manner as the Bank shall specify for this purpose to the Borrower and to the Bank's satisfaction.

1.12 Deadline for disbursement to Final Beneficiaries

The Borrower shall not later than:

- (a) 12 (twelve) months after the end of the Allocation Period, in case the EIB Allocation has been made pursuant to Article 1.9 or Article 1.10; or
- (b) 180 (one hundred and eighty) days from the date of any Reemployment(s) pursuant to Article 1.11,

disburse to respective Final Beneficiaries all amounts committed by it under the relevant Sub-Financing(s), save to the extent the Borrower voluntarily prepays pursuant to Article 4.2 any part of the Loan Outstanding corresponding to the amount of the EIB Allocation that has failed to be disbursed.



In case the Borrower fails to disburse the Sub-Financing(s) in the amount required under this Article 1.12, Article 4.3.A(7) shall apply.

1.13 Reporting system

The Borrower shall establish and maintain an internal reporting system for the monitoring of all EIB Allocations, Reallocations and Reemployments.

ARTICLE 2

The Loan

2.1 Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

2.2 Currency of payments

The Borrower shall pay interest, principal and other charges payable in respect of each Tranche in the currency in which such Tranche was disbursed.

Other payments, if any, shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.3 Confirmation by the Bank

The Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if any, showing the Disbursement Date, the currency, the amount disbursed, the repayment terms and the interest rate for each Tranche, not later than 10 (ten) calendar days after the Scheduled Disbursement Date for such Tranche.

ARTICLE 3

Interest

3.1 Rate of interest

For the purposes of this Contract “**Margin**” means 4 (four) basis points (0.04%).

3.1.A Fixed Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrear on the relevant Payment Dates as specified in the Disbursement Offer, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.1(a).

3.1.B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly or semi-annually in arrear on the relevant Payment Dates, as specified in the Disbursement Offer commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

The Bank shall notify the Borrower of the Floating Rate within 10 (ten) days following the commencement of each Floating Rate Reference Period.



If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the Relevant Interbank Rate applicable to the first Floating Rate Reference Period shall apply as though the disbursement had been made on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.1(b).

3.1.C Revision or Conversion of Tranches

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the procedure set out in Schedule C) pay interest at a rate determined in accordance with the provisions of Schedule C.

3.2 Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

- (a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
- (b) for overdue sums related to Fixed Rate Tranches, the higher of:
 - (i) the applicable Fixed Rate plus 2% (200 basis points); or
 - (ii) the Relevant Interbank Rate plus 2% (200 basis points); and
- (c) for overdue sums other than under (a) or (b) above, the Relevant Interbank Rate plus 2% (200 basis points),

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.2, the relevant periods within the meaning of Schedule A shall be successive periods of one (1) month commencing on the due date. Any unpaid but due interest may be capitalised in conformity with article 1154 of the Luxembourg Civil Code. For the avoidance of doubt, capitalisation of interest shall occur only for interest due but unpaid for a period of more than one year. The Borrower hereby agrees in advance to have the unpaid interest due for a period of more than one year compounded and that as of the capitalisation, such unpaid interest will in turn produce interest at the interest rate set out in this Article 3.2.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.3 Market Disruption Event

If at any time:

- (a) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche; and
- (b) until the date falling either:
 - (i) 30 (thirty) calendar days prior to the Scheduled Disbursement Date for Tranches to be disbursed in EUR; or
 - (ii) 2 (two) Business Days prior to the Scheduled Disbursement Date for Tranches to be disbursed in a currency other than EUR,

a Market Disruption Event occurs, the Bank may notify the Borrower that this Article 3.3 has come into effect.

Irrespective of the currency of disbursement accepted by the Borrower originally for the Tranche, the Bank shall notify to the Borrower the EUR equivalent to be disbursed on the



Scheduled Disbursement Date. The rate of interest applicable to such Accepted Tranche until the Maturity Date or the Interest Revision/Conversion Date if any, shall be the percentage rate per annum which is the sum of the Margin and the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding portion of the Credit shall remain available for disbursement under Article 1.2. If the Borrower does not refuse the disbursement in time, the Parties agree that the disbursement in EUR and the conditions thereof shall be fully binding for all Parties.

The Spread or Fixed Rate previously accepted by the Borrower shall no longer be applicable.

ARTICLE 4

Repayment

4.1 Normal repayment

4.1.A Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made quarterly, semi-annually or annually by equal instalments of principal or constant instalments of principal and interest;
 - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal quarterly, semi-annual or annual instalments of principal;
 - (iii) the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following:
 - (1) in respect of each Tranche of the Sub-Credit A, the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (2) in respect of each Tranche of the Sub-Credit B, the 3rd (third) anniversary of the Scheduled Disbursement Date of the Tranche, and
 - (iv) the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than:
 - (1) in respect of each Tranche of the Sub-Credit A, 20 (twenty) years from the Scheduled Disbursement Date of the Tranche; and
 - (2) in respect of each Tranche of the Sub-Credit B, 12 (twelve) years from the Scheduled Disbursement Date of the Tranche.

4.2 Voluntary prepayment

4.2.A Prepayment option

Subject to Articles 4.2.B, 4.2.C and 4.4, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 30 (thirty) calendar days' prior notice specifying:

- (a) the Prepayment Amount;
- (b) the Prepayment Date, which shall be a Payment Date;



- (c) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and
- (d) the Contract Number.

The Prepayment Request shall be irrevocable.

4.2.B Prepayment indemnity

4.2.B(1) FIXED RATE TRANCHE

Subject to Article 4.2.B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

4.2.B(2) FLOATING RATE TRANCHE

Subject to Article 4.2.B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity.

4.2.B(3) REVISION/CONVERSION

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity except if the Borrower has accepted pursuant to Schedule C a Fixed Rate under an Interest Revision/Conversion Proposal.

4.2.C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and, if a Prepayment Indemnity is applicable, the deadline by which the Borrower may accept the Prepayment Notice.

If the Borrower accepts the Prepayment Notice no later than by the deadline (if any) specified in the Prepayment Notice, the Borrower shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the payment of the Prepayment Amount by the payment of accrued interest, the Prepayment Indemnity due on the Prepayment Amount, as specified in the Prepayment Notice, and the fee under Article 4.2.D, if any.

4.2.D Administrative Fee

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, or if the Bank exceptionally accepts, solely upon the Bank's discretion, a Prepayment Request with prior notice of less than 30 (thirty) calendar days, the Borrower shall pay to the Bank an administrative fee in such amount as the Bank shall notify to the Borrower.

4.3 Compulsory prepayment and cancellation

4.3.A Prepayment Events

4.3.A(1) NON-EIB FINANCING PREPAYMENT EVENT

- (a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.



- (c) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.
- (d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:
 - (i) made with a prior written consent of the Bank;
 - (ii) made within a revolving credit facility; or
 - (iii) made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid.
- (e) For the purposes of this Article:
 - (i) **“Non-EIB Financing Prepayment Event”** means any case where the Borrower voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
 - (ii) **“Non-EIB Financing”** means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 3 (three) years..

4.3.A(2) CHANGE OF CONTROL EVENT

- (a) The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur in respect of itself. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request.

After the earlier of:

- (i) the lapse of 30 (thirty) days from the date of such request for consultation; or
- (ii) the occurrence of the anticipated Change-of-Control Event,

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

- (b) For the purposes of this Article:
 - (i) a **“Change-of-Control Event”** occurs if:
 - (1) any person or group of persons acting in concert gains control of the Borrower; or
 - (2) the Shareholder ceases to be the beneficial owner, directly or indirectly, of 100% (one hundred per cent) of the issued share capital of the Borrower;
 - (ii) **“acting in concert”** means acting together pursuant to an agreement or understanding (whether formal or informal); and
 - (iii) **“control”** means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.



4.3.A(3) CHANGE OF LAW EVENT

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that:

- (a) such Change-of-Law Event would materially impair the Borrower's ability to perform its obligations under this Contract or any Security provided in respect of this Contract, and
 - (b) the effects of such Change-of-Law Event cannot be mitigated to its satisfaction,
- the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article "**Change-of-Law Event**" means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) that occurs after the date of this Contract and which, could impair the Borrower's ability to perform its obligations under this Contract or any Security provided in respect of this Contract.

4.3.A(4) ILLEGALITY EVENT

- (a) Upon becoming aware of an Illegality Event:
 - (i) the Bank shall promptly notify the Borrower, and
 - (ii) the Bank may immediately (A) suspend or cancel the undisbursed portion of the Credit, and/or (B) demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.
- (b) For the purposes of this Article, "**Illegality Event**" means that it becomes unlawful in any applicable jurisdiction, or if it becomes contrary to any Sanctions or any US Sanctions, for the Bank to:
 - (i) perform any of its obligations as contemplated in this Contract; or
 - (ii) fund or maintain the Loan.

4.3.A(5) LOSS-OF-RATING EVENT

For the purposes of this Contract, a "**Loss-of-Rating Event**" means:

- (a) prior to the Borrower being externally rated,
 - (i) any case where any Credit Rating of the Shareholder:
 - (1) as assigned by Standard and Poor's Financial Services LLC or its successor is A- or below;
 - (2) as assigned by Fitch Ratings Inc. or its successor is A- or below; or
 - (3) as assigned by Moody's Investors Service, Inc. or its successor is A3 or below; or
 - (ii) all of the Credit Ratings of the Shareholder of two or more Rating Agencies, assigned under paragraph (i) above cease to be published; and
- (b) upon the Borrower becoming externally rated,
 - (i) any case where any Credit Rating of the Borrower assigned by any Rating Agency falls 2 notches below the Initial Credit Rating assigned by such Rating Agency; or
 - (ii) any Credit Rating assigned under paragraph (i) above ceases to be published.



If a Loss-of-Rating Event occurs, the Borrower shall provide Security for the Loan Outstanding in the form of a guarantee on terms satisfactory to the Bank and from a bank acceptable to the Bank, cash collateral or other Security on terms acceptable to the Bank.

If within a period of 10 (ten) days following the Loss-of-Rating Event the Security has not been executed in manner, form and substance satisfactory to the Bank, the Bank may by notice to the Borrower, forthwith cancel the undisbursed portion of the Credit and demand immediate prepayment of the Loan Outstanding together with accrued interest and all other amounts accrued and outstanding under this Contract.

4.3.A(6) NON-PERFORMANCE BY FINAL BENEFICIARY

- (a) If the Bank, either following information provided under Article 8.1 or otherwise, determines that a Final Beneficiary has failed to comply with any obligation envisaged under Article 6.2 in respect of a Sub-Project, the Bank may give notice to the Borrower in that respect.
- (b) If, within a period of 30 (thirty) days following the giving of such notice, the Borrower fails to:
 - (i) procure that such Final Beneficiary takes steps to remedy the breach in a manner acceptable to the Bank; or alternatively
 - (ii) apply any corresponding part of the EIB Allocation made to such Sub-Project to another Sub-Project pursuant to respectively Article 1.10 or Article 1.11 and disburse it pursuant to Article 1.12;

the Borrower shall prepay to the Bank part of the Loan Outstanding corresponding to the EIB Allocation made to any such Sub-Project together with accrued interest and all other amounts accrued or outstanding under this Contract within 60 (sixty) days following the giving by the Bank of the notice referred to in paragraph (a) above).

4.3.A(7) FAILURE TO ALLOCATE, REALLOCATE, REEMPLOY OR DISBURSE TO FINAL BENEFICIARY

Upon the Bank's written demand to the Borrower, the Borrower shall prepay to the Bank on the date indicated by the Bank in its notice to the Borrower, any part of the Loan Outstanding that corresponds to:

- (a) any part of the Loan that has been disbursed by the Bank to the Borrower at any time hereunder but has failed to be allocated, Reallocated or Reemployed, as the case may be, pursuant to respectively Article 1.9, Article 1.10 or Article 1.11; or
- (b) the amount of the EIB Allocation that has failed to be disbursed by the Borrower to the Final Beneficiaries pursuant to Article 1.12.

The Borrower shall effect payment of the amount demanded together with accrued interest and all other amounts accrued or outstanding under this Contract on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.3.A(8) FAILURE TO INFORM OR TRANSFER FINANCIAL ADVANTAGE

If the Bank determines that the Borrower has failed to inform any Final Beneficiary about the Bank's contribution in accordance with Article 6.3(d) and/or has failed to transfer in full the Financial Advantage to any Final Beneficiary in accordance with Article 6.3(b), the Bank may by notice to the Borrower demand prepayment of part of the Loan Outstanding in the amount that corresponds to the amount of the EIB Allocation disbursed by the Borrower under any Sub-Financing Document to such Final Beneficiary:

- (a) without relevant information about the Bank's contribution; and/or
- (b) on which no or insufficient Financial Advantage has been transferred to a Final Beneficiary.

The Borrower shall effect payment of the amount demanded by the Bank together with accrued interest and all other amounts accrued or outstanding under this Contract on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.



4.3.B Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C, shall be paid on the Prepayment Date indicated by the Bank in its notice of demand.

4.3.C Prepayment indemnity

4.3.C(1) FIXED RATE TRANCHE

If the Borrower prepays a Fixed Rate Tranche in case of an Indemnifiable Prepayment Event, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche that is being prepaid.

4.3.C(2) FLOATING RATE TRANCHE

The Borrower may prepay the Floating Rate Tranches without the Prepayment Indemnity.

4.4 General

4.4.A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4.B No reborrowing

A repaid or prepaid amount may not be reborrowed.

ARTICLE 5

Payments

5.1 Day count convention

Any amount due by way of interest, indemnity or the Deferment Fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

- (a) under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and
- (b) under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.2 Time and place of payment

- (a) Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.
- (b) Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.
- (c) The Borrower shall indicate the Contract Number in the payment details for each payment made hereunder.
- (d) A sum due from the Borrower shall be deemed paid when the Bank receives it.
- (e) Any disbursements by and payments to the Bank under this Contract shall be made using the Disbursement Account (for disbursements by the Bank) and the Payment Account (for payments to the Bank).



5.3 No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.4 Disruption to Payment Systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

5.5.A General

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

5.5.B Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment in the order set out below, in or towards:

- (a) *pro rata* to each of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) any accrued interest due but unpaid under this Contract;
- (c) any principal due but unpaid under this Contract; and
- (d) any other sum due but unpaid under this Contract.

5.5.C Allocation of sums related to Tranches

- (a) In case of:
 - (i) a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied *pro rata* to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity; or
 - (ii) a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.
- (b) Sums received by the Bank following a demand under Article 10.1 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.
- (c) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.



ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

6.1 Use of Loan and availability of other funds

- (a) The Borrower shall use the proceeds of the Loan solely for the purpose of funding the Sub-Financings dedicated to Sub-Projects subject to the Letter(s) of Allocation, or for the purpose of funding any Sub-Financings dedicated to Sub-Projects following any Reemployment of funds in accordance with Article 1.11, respectively.
- (b) The Borrower shall ensure that at least 30% (thirty per cent) of the Loan shall be allocated to Sub-Financings dedicated to *Climate Action Sub-Projects* (as such term is defined in the Side Letter).
- (c) The Borrower shall ensure that at least 90% of the Loan shall be allocated to Sub-Financing dedicated to Sub-Projects located in the regions supported under the EIB Convergence Priority Regions.

6.2 Sub-Financing Document

The Borrower shall ensure that in each Sub-Financing Document each Final Beneficiary:

- (a) undertakes to use the Sub-Financing for the financing and/or implementation of the Sub-Project concerned;
- (b) undertakes to complete the Sub-Project within a period of time specified in the Sub-Financing Document;
- (c) undertakes to procure works, services or goods for the Sub-Project:
 - (i) in accordance with EU Law in general and in particular with the relevant European Union Procurement Directives, if the latter are applicable; and
 - (ii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and the principles of transparency, equal treatment and non-discrimination on the basis of nationality, in case of public contracts not subject to the European Union Procurement Directives; or
 - (iii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency in case of contracts other than public contracts not subject to the European Union Procurement Directives.
- (d) to the extent applicable, undertakes to maintain, repair, overhaul and renew, as well as properly insure all property forming part of the Sub-Project as required to keep it in good working order;
- (e) undertakes to comply in all respects with all laws and regulations to which it or a Sub-Project promoted by it is subject (including any relevant Environmental Laws);
- (f) undertakes to execute and operate the Sub-Project in accordance with the relevant standards of EU Law, as well as the relevant laws of a jurisdiction where such Sub-Project is carried out;
- (g) to the extent applicable, undertakes to obtain all relevant authorisations (for construction and operation) to comply with national laws on Environment and competition;
- (h) undertakes to keep books and records of all financial transactions and expenditures in connection with the Sub-Project, in which full and correct entries shall be made of all financial transactions and the assets and business of such Final Beneficiary, including to the extent applicable, expenditures in connection with the Sub-Project;
- (i) represents to the Borrower that, to the best of its knowledge, no funds invested in the Sub-Project by it or any of its controlling entities are of illicit origin, including products of



money laundering or linked to the financing of terrorism, as well as undertakes to promptly inform the Borrower if at any time it becomes aware of the illicit origin of any such funds;

- (j) undertakes to:
 - (i) allow persons designated by the Bank and, when required by the relevant mandatory provisions of EU Law, the competent EU institutions (including the European Court of Auditors, the European Commission, the European Anti-Fraud Office), as well as persons designated by the foregoing:
 - (1) to visit the sites, installations and works comprising the Sub-Project and to conduct such checks as they may wish;
 - (2) to interview representatives of a Final Beneficiary, and not obstruct contacts with any other person involved in or affected by the Sub-Project; and
 - (3) to conduct such on the spot audits and checks as they may wish and to review the Final Beneficiary's books and records in relation to the execution of the Sub-Project and to be able to take copies of related documents; and
 - (ii) provide the Bank (or any such other institution or body), or ensure that the Bank (or any such other institution or body) is provided, with all necessary assistance for the purposes described in this paragraph (j);
- (k) requests any disbursements from, and makes any payments to the Borrower under a Sub-Financing Document using bank account(s) in the name of such Final Beneficiary held with a duly authorised financial institution in the jurisdiction where such Final Beneficiary is incorporated or has its place of residence or where the Sub-Project is undertaken by such Final Beneficiary;
- (l) undertakes to:
 - (i) take, within a reasonable timeframe, appropriate measures in respect of any member of its management, who have been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any activity in relation to any funds made available to it by the Borrower under the relevant Sub-Financing Document or in relation to the relevant Sub-Project; and
 - (ii) promptly inform the Borrower of any measure taken by it pursuant to this paragraph (l);
- (m) unless prohibited by law, undertakes to promptly inform the Borrower of a genuine allegation, complaint or information with regard to Criminal Offence, any Sanctions or any US Sanctions related to it or to any Sub-Project it undertakes;
- (n) acknowledges that the Bank may be obliged to communicate information relating to the Final Beneficiary, the Sub-Financing and/or any Sub-Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of EU Law;
- (o) ensures that all contracts in relation to the Sub-Project to be procured by the Final Beneficiary after the date of signature of this Contract in accordance with EU Directives on procurement provide for:
 - (i) the requirement that the relevant contractor promptly informs the Bank of a genuine allegation, complaint or information with regard to Criminal Offences related to the Sub-Project;
 - (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Sub-Project; and
 - (iii) acknowledges the Bank's right, in relation to an alleged Criminal Offence, to review the books and records of the relevant contractor in relation to the Sub-Project and to take copies of documents;