



Corporate Use

EIB Internal Classification Level: Corporate Use

Contract Number (FI N°) 87.363

Operation Number (Serapis N°) 2017-0017

MOLDOVA ENERGY EFFICIENCY

Finance Contract

between the

Republic of Moldova

and the

European Investment Bank

Chisinau, 10 December 2021

Luxembourg, 7 December 2021





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THIS CONTRACT IS MADE BETWEEN:

the **Republic of Moldova**, represented by the Ministry of Finance, having its address at 7, Constantin Tanase Street, MD – 2005, Chisinau, Republic of Moldova and, for the signing of this contract, represented by Mr. Dumitru Budianschi, Minister of Finance of the Republic of Moldova

(the "Borrower")

of the first part, and

the **European Investment Bank** having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Mr. Rafal Rybacki, Head of Division; Mr. Jacopo Lensi Orlandi, Head of Division and Mr. Alberto Carlei, Head of Representation for Moldova

(the "Bank")

of the second part.

WHEREAS:

- (a) On 1 November 2006, the Republic of Moldova and the Bank signed a framework agreement governing the Bank's activities in the territory of the Republic of Moldova (the "**Framework Agreement**"). The Bank makes the Credit (as defined below) available on the basis that the Framework Agreement continues to be in full force and effect during the term of this finance contract (the "**Contract**").
- (b) Article 7 of the Framework Agreement provides, *inter alia*, that the Bank shall enjoy, in respect of its activities in the territory of the Republic of Moldova the treatment accorded to the international institution, which is most favoured in respect of any such activity, or, if that is more favourable, the treatment accorded under any international agreement covering such activities. The Bank makes the Credit available to the Borrower on the basis that, as an international financial institution, it has a right to equal treatment with other international financial institutions in accordance with the Framework Agreement.
- (c) In accordance with: (i) Decision No. 466/2014/EU, published in the Official Journal of the European Union No L 135 of 8 May 2014, as amended by Decision No. 2018/412/EU, the European Parliament and the Council of the European Union and by the regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, the European Parliament and the Council of the European Union decided to grant a guarantee to the Bank against losses under financing operations supporting investment projects outside the European Union (the "**Decision**"); and (ii) the agreement entered into between the European Union, represented by the European Commission, and the Bank implementing the Decision, in the event of non-payment, the European Union, by a guarantee, covers certain payments not received by the Bank and due to the Bank in relation to the Bank's financing operations entered into with, *inter alios*, the Borrower (the "**EU Guarantee**"). As of the date of this Contract, the Republic of Moldova is an Eligible Country (as defined below).
- (d) The Republic of Moldova is a state party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958 (the "**New York Convention**").
- (e) By countersigning this Contract, the Republic of Moldova confirmed that the Project (as defined below) falls within the scope of the Framework Agreement. The Bank makes the Credit available to the Borrower on the basis that such statements continue to be true and correct in all respects during the term of this Contract.
- (f) The Borrower has stated that it is undertaking operations (each a "**Sub-Project**", and together the "**Project**" or the "**Sub-Projects**") to support sustainable energy efficiency improvements targeting public buildings owned by public entities and public institutions representing local public authorities and central public authorities (each a "**Final Beneficiary**") in various cities in the Republic of Moldova as more particularly described in the technical description set out Schedule A.1 (the "**Technical Description**").
- (g) The Borrower will carry out the Project through the Ministry of Infrastructure and Regional Development (the "**MoIRD**"). The MoIRD will have general supervision of, and responsibility for, the implementation of the Project. The Project will be implemented through the Energy Efficiency Agency (the "**Promoter**"), an administrative body acting under the aegis of the MoIRD. The Promoter and the MEPIU (as defined below) will form the project implementation unit (the "**PIU**"), a non-institutionalised platform with the Promoter acting as a leading institution. The PIU is assigned with the Project implementation. The Promoter will be assisted in the fiduciary aspects of the implementation of the Project by the Moldova Energy Projects Implementation Unit (the "**MEPIU**"), a public institution created on the basis of Government Decision no. 1276 of 21 December 2000. A steering committee (the "**Steering Committee**") will also be established for the supervision of the implementation of the Project, comprising of the representatives of, *inter alia*, the MoIRD, the Ministry of Finance, EIB and EBRD, the EU Delegation in Chisinau and/or others.
- (h) The Borrower shall make the Credit available to the Final Beneficiaries (selected by PIU, upon the acceptance of the Ministry of Finance and with the Steering Committee's approval) in the form of loans or grants, pursuant to loan fund transfer agreements to be entered into between the Borrower, the Promoter, the MEPIU and the Final Beneficiaries, in form and substance acceptable to the Bank (each a "**Loan Fund Transfer Agreement**").



- (i) The Promoter and the Bank have executed or will execute on or about the date of this Contract a project implementation agreement (the **"Project Implementation Agreement"**) for the purposes of implementing the Project, and the Borrower shall ensure that the Promoter shall comply with the provisions of the Project Implementation Agreement at all times.
- (j) The total cost of the Project, as estimated by the Bank, is EUR 75,500,000.00 (seventy-five million and five hundred thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR m)
Credit from the Bank	30.00
EBRD Loan (as defined below)	30.00
NIP Grant	15
EPTATF Grant	0.50
TOTAL	75.50

- (k) In order to fulfil the financing plan set out in Recital (j) the Borrower has requested from the Bank a credit of EUR 30,000,000 (thirty million euros) to be made available from the Bank's own resources and pursuant to the Bank's 2014-2020 external lending mandate in accordance with the Decision (the **"Mandate"**).
- (l) The Bank considering that the financing of the Project falls within the scope of its functions, and is consistent with the objectives of the Mandate, 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 of EUR 30,000,000 (thirty million euros) under this Contract; provided that the amount of the Bank loan shall not, in any case, exceed 75% (seventy five per cent) of the total cost of the Project set out in Recital (j).
- (m) The Government of Moldova has authorised the borrowing of the sum of EUR 30,000,000 (thirty million euros) represented by this credit on the terms and conditions set out in this Contract. In accordance with the legal opinion to be issued substantially in the form set out in Annex I, and pursuant to the evidence to be provided under Article 1.4.B hereof Mr. Dumitru Budianschi, Minister of Finance of the Republic of Moldova is duly authorised to sign this Contract for and on behalf of the Borrower.
- (n) The Bank and the European Commission have, together with other international finance institutions, entered into the "Co-operation within the framework of the Neighbourhood Investment Facility" framework arrangement, in force as of 21 December 2009, which, in September 2017, became an integral part of the European Fund for Sustainable Development as the Neighbourhood Investment Platform (the **"NIP Framework Arrangement"**). The Bank and the European Commission have also entered on 29 December 2020 into an agreement setting out the terms and conditions of co-operation within the framework of the Neighbourhood Investment Platform (the **"NIP"**) for the purposes of implementing respective finance agreements concluded with the Borrower (the **"NIP Agreement"**). It is foreseen that the Project will benefit from a NIP grant in an amount totalling up to EUR 15,000,000 (fifteen million euros) (the **"NIP Grant"**). The NIP Grant consists of:
 - (A) an investment grant element to partially finance refurbishment works and energy efficiency measures, as well the development costs for detailed audits, structural assessments, designs, supervision and certification services (the **"NIP Investment Grant"**); and
 - (B) a technical assistance grant element to ensure overall successful project implementation and safeguarding the investment of the Borrower, and an element to finance the visibility component of the Project, (the **"NIP TA Grant"**).
- (o) On 26 September 2018 the Contributors' Committee of the Eastern Partners Technical Assistance Trust Fund (**"EPTATF"**) approved the request of the EIB to use EPTATF financial resources for a technical assistance grant in the sum of EUR 500,000 (five hundred thousand euros) (the **"EPTATF Grant"**). The EPTATF Grant will be used to finance technical assistance for the preparation of the Project.

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- (p) It is envisaged that in relation with the utilisation of:
- (A) the NIP Investment Grant, an investment grant agreement shall be signed between the MoIRD, the Promoter, the MEPIU and the Bank (the "**NIP Investment Grant Agreement**");
 - (B) the NIP TA Grant and the EPTATF Grant, a cooperation agreement shall be signed between the MoIRD, the Promoter, the MEPIU and the Bank (together with the NIP Agreement, the NIP Framework Arrangement, the NIP Investment Grant Agreement, and, if applicable, any other finance agreement concluded between the Bank or the European Commission and the Borrower and/or the Promoter, the "**NIP Documentation**").
- (q) It is envisaged that the Borrower and the European Bank for Reconstruction and Development (the "**EBRD**") will enter into a loan agreement (the "**EBRD Loan Agreement**") pursuant to which the EBRD will provide a loan in a total amount of up to EUR 30,000,000 (thirty million euros) for the purposes of financing the Project (the "**EBRD Loan**").
- (r) By entering into this Contract the Borrower acknowledges that the Bank might be bound to comply with each applicable Sanction List (as defined below) and that it cannot, therefore, make funds available, directly or indirectly, to or for the benefit of a Sanctioned Person.
- (s) 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.
- (t) 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.
- (u) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation 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.
- (v) The Bank supports the implementation of international and EU 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 EIB 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 EIB 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 and/or the Project; and/or, 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 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; and
- (f) words and expressions in plural shall include singular and vice versa.

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).

"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.

"Change-of-Control Event" has the meaning given to it in Article 4.3.A(3).

"Change-of-Law Event" has the meaning given to it in Article 4.3.A(4).

"Contract" has the meaning given to it in Recital (a).

"Contract Number" shall mean 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.

"Decision" has the meaning given to it in Recital (c).



"Deferment Indemnity" means a fee calculated on the amount of disbursement deferred or suspended being the higher of

- (a) 0.125% (12.5 basis points), per annum, and
- (b) the percentage rate by which:
 - (i) the interest rate that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
 - (ii) EURIBOR (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will 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.

"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 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 C.

"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 other parties,

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.

"Effectiveness Date" has the meaning given to it in Article 12.3.

"EIB Environmental and Social Handbook" means the manual published by the Bank from time to time on its website.

"EIB Statement of Environmental and Social Principles and Standards" means the statement published on the Bank's website that outlines the standards that the Bank requires of the projects that it finances and the responsibilities of the various parties.

"Eligible Country" means any country specified in Annex III to the Decision, as may be amended from time to time by the European Commission in accordance with Articles 4(2) and 18 of the Decision, or any other country in respect of which the European Parliament and the Council of the European Union have adopted a decision pursuant to Article 4(1) of the Decision.

"Environment" means the following, in so far as they affect human health and social well-being:

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

(d) the built environment,

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

"Environmental and Social Impact Assessment Study" means a study as an outcome of the environmental and social impact assessment identifying and assessing the potential environmental and social impacts associated with the Project and recommending measures to avoid, minimise and/or remedy any impacts. This study is subject to public consultation with direct and indirect project stakeholders.

"Environmental and Social Standards" means:

- (a) Environmental Laws and Social Laws applicable to the Project, the Sub-Projects, the Final Beneficiaries, the MEPIU, the Promoter or the Borrower;
- (b) the EIB Statement of Environmental and Social Principles and Standards;
- (c) the environmental and social standards set out in the EIB Environmental and Social Handbook;
- (d) any Environmental and Social Impact Assessment Study.

"Environmental or Social Approval" means any Authorisation required by an Environmental Law or a Social Law in connection with the Project, including without limitations, any applicable planning consents, building regulations certificates, environmental expert determinations and environmental and social impact assessments.

"Environmental or Social Claim" means any claim, proceeding, formal notice or investigation by any person in respect of the Environment or Social Matters affecting the Project including any breach or alleged breach of any Environmental and Social Standard.

"Environmental Law" means:

- (a) EU Law, including principles and standards, to the extent implemented by the laws of the Republic of Moldova or specified by the Bank prior to the date of this Contract;
- (b) Moldovan national laws and regulations; and
- (c) international treaties and conventions signed and ratified by or otherwise applicable and binding on, the Republic of Moldova,

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

"EBRD" has the meaning given to it in Recital (q).

"EBRD Loan" has the meaning given to it in Recital (q).

"EBRD Loan Agreement" has the meaning given to it in Recital (q).

"EPTATF" has the meaning given to it in Recital (o).

"EPTATF Grant" has the meaning given to it in Recital (o).

"EU Fourth Money Laundering Directive" means Directive (EU) No. 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.

"EU Guarantee" has the meaning given to it in Recital (c).

"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 or their succeeding treaties.

"EURIBOR" has the meaning given to it in Schedule B.

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



"Final Availability Date" means the date falling 48 (forty-eight) months from the Effectiveness Date.

"Final Beneficiary" has the meaning given to it in Recital (f).

"Financing of Terrorism" means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences listed in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA (as amended, replaced or re-enacted from time to time).

"Fixed Rate" means an annual interest rate 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 EURIBOR 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.

"Framework Agreement" has the meaning given in Recital (a).

"Guide to Procurement" means the Guide to Procurement published on the Bank's website that informs the promoters of projects financed in whole or in part by the Bank of the arrangements to be made for procuring works, goods and services required for the Project.

"IFRS" means International accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"ILO" means the International Labour Organisation.

"ILO Standards" means any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on the Republic of Moldova and the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

"Indemnifiable Prepayment Event" means a Prepayment Event other than those specified in paragraphs 4.3.A(2) or 4.3.A(5).

"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 E.

"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.

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"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, and
- (c) the bank account(s) to which disbursements may be made under this Contract (specified by the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC, including references to any correspondent bank account of the National Bank of the Republic of Moldova which needs to be used for the purposes of the disbursement.

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

"Loan Fund Transfer Agreement" has the meaning given to it in Recital (h).

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

"Mandate" has the meaning given in Recital (k).

"Market Disruption Event" means any of the following circumstances:

- (a) there are, in the reasonable 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 EURIBOR; or
 - (ii) the Bank determines that adequate and fair means do not exist for ascertaining EURIBOR for the relevant currency of such Tranche or it is not possible to determine EURIBOR in accordance with the definition contained in Schedule B.

"Material Adverse Change" means, in relation to the Borrower or the Promoter any event or change of condition affecting the Borrower or the Promoter, respectively, which, in the opinion of the Bank:

- (a) materially impairs the ability of the Borrower or the ability of the Promoter to perform its obligations under this Contract;
- (b) materially impairs the financial condition or prospects of the Borrower or the Promoter;
- (c) adversely affects the legality, validity or enforceability of this Contract or the rights or remedies of the Bank under this Contract; or
- (d) adversely affects the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank in connection with this Contract.

"Maturity Date" means the last Repayment Date of a Tranche specified pursuant to Article 4.1.A(b)(iii) or sole Repayment Date of a Tranche specified pursuant to Article 4.1.B.

"MoIRD" has the meaning given to it in Recital (g).

"MEPIU" has the meaning given to it in Recital (g).

"Money Laundering" means:

- (a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;



- (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- (c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or
- (d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"New York Convention" has the meaning given to it in Recital (d).

"NIP" has the meaning given to it in Recital (n).

"NIP Agreement" has the meaning given to it in Recital (n).

"NIP Documentation" has the meaning given to it in Recital (p).

"NIP Grant" has the meaning given to it in Recital (n).

"NIP Investment Grant" has the meaning given to it in Recital (n).

"NIP Investment Grant Agreement" has the meaning given to it in Recital (p).

"NIP TA Grant" has the meaning given to it in Recital (n).

"NIP Framework Arrangement" has the meaning given to it in Recital (n).

"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, the following Relevant Business Day, without adjustment to the interest due under Article 3.1; except for those cases where a payment is made (i) in full and in relation to the Interest Revision/Conversion in accordance with Schedule E, point C, or (ii) as a single instalment, in accordance with Article 4.1.B; and to the final interest payment only, when it shall mean the preceding Relevant Business Day with adjustment to the interest due under Article 3.1; and
- (b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

"PIU" has the meaning given to it in Recital (g).

"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, which shall be a Payment Date, on which the Borrower proposes to or is requested by the Bank, as applicable to 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 or cancelled, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2)) of the excess, if any, of:

- (a) the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2) 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 0.15% (fifteen 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.

"Prohibited Conduct" means any Financing of Terrorism, Money Laundering or Prohibited Practice.

"Prohibited Practice" means any:

- (a) Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
- (b) Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (c) Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
- (d) Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial (including, for the avoidance of taxation related) or other benefit or to avoid an obligation; or
- (e) Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project:
 - (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (ii) acts intending to materially impede the exercise of the contractual rights of audit or access to information.
- (f) Tax Crime, meaning all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of the Republic of Moldova, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year.

"Project" has the meaning given to it in Recital (f).

"Project Account" means a bank account of the Borrower, the Promoter or the MEPIU (as the case may be) maintained with a duly authorised bank or financial institution in the Republic of Moldova acceptable to the Bank (which shall be confirmed by the Bank in writing) and used for the purposes of implementing the Project.

"Project Implementation Agreement" has the meaning given to it in Recital (i).

"Promoter" has the meaning given to it in Recital (g).

"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.

"Relevant Business Day" means 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.

"Relevant Person" means:

- (a) with respect to the Borrower or the Promoter any official or representative of any of its ministries, central government departments or sub-divisions, or any other person acting on its behalf or under its control, having the power to give directions and exercise control with respect to the Loan or the Project; and
- (b) with respect to the Promoter, the PIU, the MEPIU or the Final Beneficiaries:
 - (i) any member of its management or supervisory bodies, or
 - (ii) any of its officers (not falling within the category of persons referred to in paragraph (i) above), or
 - (iii) any other person acting on its behalf or under its control, having the power to give directions and exercise control with respect to the Project.

"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 the criteria set out in Article 4.1.

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

"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.

"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;
- (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.

"Social Law" means each of:

- (a) any law, rule or regulation applicable in the Republic of Moldova relating to Social Matters;
- (b) any ILO Standards; and
- (c) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on the Republic of Moldova.

"Social Matters" means all, or any of, the following:

- (a) labour and employment conditions;
- (b) occupational health and safety;
- (c) protection and empowerment of rights and interests of indigenous peoples, ethnic minorities and vulnerable groups;
- (d) cultural heritage (tangible and intangible);
- (e) public health, safety and security;
- (f) involuntary physical resettlement and/or economic displacement and loss of livelihood of persons; and

(g) public participation and stakeholder engagement.

"Spread" means the fixed spread (being of either positive or negative value) to EURIBOR as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer or Interest Revision/Conversion Proposal.

"Steering Committee" has the meaning given to it in Recital (g).

"Sub-Project" has the meaning given to it in Recital (f).

"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).

"Technical Description" has the meaning given to it in Recital (f).

"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.



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 of EUR 30,000,000 (thirty million euros) for the financing of the Project (the "Credit").

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 10 (ten) Tranches. The amount of each Tranche shall be in a minimum amount of EUR 1,000,000.00 (one million euros) or (if less) the entire undrawn balance of the Credit.

The Bank shall not be required to send to the Borrower more than 1 (one) Disbursement Offer per calendar month. The Bank shall not be required to disburse more than 1 (one) Tranche per calendar month.

1.2.B Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.5 or Article 1.6B 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 amount of the Tranche in EUR;
- (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, or the single Repayment Date;
- (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 until the Interest Revision/Conversion Date, if any or until the Maturity Date; and
- (i) the Disbursement Acceptance Deadline.

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.

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 Bank shall disburse each Tranche in EUR.

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 and the execution of the Project Implementation Agreement by the Promoter has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower and the Project Implementation Agreement on behalf of the Promoter, respectively, is/are duly authorised to do so together with the specimen signature of each such person or persons; and
- (b) 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 7 (seven) 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), of the following documents or evidence:

- (a) an original of this Contract duly executed by the Bank and the Borrower;
- (b) an original of the legal opinion in the English language issued by the Ministry of Justice of the Republic of Moldova substantially in the form set out in Annex I (Form of the Legal Opinion), supported by copies of the documents evidencing that:
 - (i) the execution of this Contract by the Borrower has been duly authorised;
 - (ii) 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 such person;
 - (iii) this Contract is duly ratified by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova; and
 - (iv) the Borrower has obtained all necessary Authorisations required in connection with this Contract and the Project;
- (c) an original of the Project Implementation Agreement duly executed by the Bank and the Promoter;

- (d) an original of the legal opinion under Moldovan law in the English language issued by legal counsel acceptable to the Bank and addressed to the Bank with respect to the Project Implementation Agreement confirming, among other things:
 - (i) the legal capacity and due authorisation of the Promoter to enter into the Project Implementation Agreement;
 - (ii) the due execution of the Project Implementation Agreement by the Promoter; and
 - (iii) the legal, valid, binding and enforceable nature of the Project Implementation Agreement,

together with copies of the supporting documents, including documents evidencing that the person or persons signing the Project Implementation Agreement on behalf of the Promoter is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (e) evidence that no Authorisations pursuant to any exchange control laws and regulations applicable in the Republic of Moldova are necessary to permit the Borrower to receive disbursements as provided in this Contract, to repay the disbursed Tranches in accordance with this Contract, to pay interest and all other amounts due under this Contract and to open and operate the Disbursement Account;
- (f) a template of the Loan Fund Transfer Agreement;
- (g) evidence that NIP Documentation and EBRD Loan Agreement have been duly executed and delivered, are in full force and effect, and that all conditions to the right of the Borrower and/or the Promoter, as applicable, to receive funds thereunder have been satisfied;
- (h) evidence that all conditions to the right of the Borrower to receive funds under the EPTATF Grant have been satisfied; and
- (i) evidence of payment of the appraisal fee pursuant to Article 1.8.

1.4.C Second and subsequent Tranches

The disbursement of the second and any subsequent Tranche is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 7 (seven) 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), of the following evidence in writing demonstrating that:

- (a) at least 75% (seventy five per cent.) of the proceeds of the immediately preceding Tranche; and
 - (b) 100% (one hundred per cent.) of the proceeds of all other previous Tranches (if any),
- have been committed towards the eligible costs of the Sub-Projects approved by the Bank in accordance with Article 1.10.

1.4.D 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 7 (seven) 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 signed by an authorised representative of the Borrower and dated no earlier than the date falling 15 (fifteen) 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) evidence demonstrating that, following drawdown of the relevant Tranche, the amount of the Loan will not exceed the aggregate eligible expenditure incurred or contractually committed by the Borrower in respect of the Project up to the date of the relevant Disbursement Offer;
 - (iii) unless previously provided to the Bank, certified copies of the contracts entered into by the Promoter and/or the MEPIU in connection with the Project (including the contracts proposed to be financed from the proceeds of the relevant Tranche) demonstrating that:
 - (1) such contracts are eligible for financing under this Contracts;
 - (2) following the disbursement of the relevant Tranche, the aggregate value of such contracts will be no less than the Loan disbursed under this Contract; and
 - (3) following the disbursement of the relevant Tranche, the amount of the Loan will not exceed the aggregate amount of the costs eligible for financing under this Contract (net of the costs paid or to be paid from the NIP Grant) which the Promoter has incurred or is contractually committed to incur in respect of the Project by no later than the day falling 6 (six) months after the Disbursement Offer for that Tranche;
 - (iv) unless previously provided to the Bank, evidence that the underlying design in respect of a Sub-Project, if applicable, have been approved by the relevant authority;
 - (v) evidence that all fees, costs and charges which are due and payable by the Borrower under this Contract have been paid;
 - (vi) evidence provided by the Promoter representing the status of the value added tax recoverability of the Final Beneficiaries benefitting from the proceeds of the relevant Tranche; and
 - (vii) 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; and
- (b) that the Bank is satisfied that on the date of the relevant Disbursement Offer and the Disbursement Date for the proposed Tranche:
- (i) all facts and statements contained in the Recitals are true and correct in all material respects;
 - (ii) all agreements and documents delivered to the Bank pursuant to Article 1.4.A are in full force and effect;
 - (iii) the EU Guarantee is legal, valid, binding and enforceable and that no event or circumstance has occurred which could, in the opinion of the Bank, adversely affect the legal, valid, binding and enforceable nature of the EU Guarantee, its applicability to any Tranche under this Contract or the Bank's right to make a demand under the EU Guarantee;
 - (iv) Republic of Moldova is an Eligible Country; and
 - (v) the Framework Agreement is legal, valid, binding and enforceable and that no event or circumstance has occurred which could, in the opinion of the Bank, adversely affect the legal, valid, binding and enforceable nature of the Framework Agreement; and
- (c) 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 6.12 are correct in all respects; and

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(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

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 7 (seven) Business Days before the Scheduled Disbursement Date of an Accepted Tranche and specify:

- (a) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
- (b) 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:
 - (i) 6 (six) months from its Scheduled Disbursement Date; and
 - (ii) 30 (thirty) days prior to the first Repayment Date; and
 - (iii) the Final Availability Date.

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 an 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 an Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling not:
 - (i) earlier than 7 (seven) Business Days following the fulfilment of all conditions of disbursement; and
 - (ii) 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 an Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5.A(3) DEFERMENT INDEMNITY

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

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

The Borrower may send a written notice to the Bank requesting the cancellation of the undisbursed portion of the Credit. The written notice:

- (a) must specify whether the Borrower would like to cancel the undisbursed portion of the Credit in whole or in part and, if in part, the amount of the Credit the Borrower would like to cancel; and
- (b) must not relate to an Accepted Tranche which has a Scheduled Disbursement Date falling within 7 (seven) Business Days of the date of the written notice.

Upon receipt of such written notice, the Bank shall cancel the requested undisbursed portion of the Credit with immediate effect.

1.6.B Bank's right to suspend and cancel

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 (apart from on the occurrence of a Market Disruption Event) cancelled in whole or in part:

- (a) a Prepayment Event;
- (b) an Event of Default;
- (c) 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;
- (d) if Republic of Moldova is no longer an eligible country for operations under the Mandate; or
- (e) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.

On the date of such written notification the relevant undisbursed 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, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

1.6.C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche is cancelled:
 - (i) by the Borrower pursuant to Article 1.6.A;
 - (ii) by the Bank upon an Indemnifiable Prepayment Event or pursuant to Article 1.5.B,

the Borrower shall pay to the Bank the Prepayment Indemnity. The Prepayment Indemnity shall be calculated as if the cancelled amount had been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

- (b) If the Bank cancels an Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.
- (c) Save in the cases (a) or (b) above, no Prepayment Indemnity is payable upon cancellation of a Tranche.



1.7 Cancellation after expiry of the Credit

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, 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 notice being served by the Bank to the Borrower and without liability arising on the part of either party.

1.8 Appraisal fee

The Borrower shall pay or cause to be paid to the Bank within 30 (thirty) days of the Effectiveness Date of this Contract an appraisal fee in respect of the appraisal conducted by the Bank in relation to the Project. The amount of the appraisal fee is EUR 50,000.00 (fifty thousand euros).

1.9 Sums due under Article 1.5 and 1.6

Sums due under Articles 1.5 and 1.6 shall be payable in EUR. Sums due under Articles 1.5 and 1.6 shall be payable 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.

1.10 Allocation

1.10.A Allocation Request

At any time but in any case no later than 12 (twelve) months before the Final Availability Date, the Borrower through the Promoter may submit to the Bank a request for allocation countersigned by the MEPIU (the "Allocation Request"), in respect of the Sub-Projects identified as being eligible for financing under this Contract in accordance with the Technical Description and meeting the standards and eligibility criteria of the Bank.

The Borrower through the Promoter shall provide to the Bank all such information as the Bank may request for the purposes of evaluating the Allocation Requests and the eligibility of the Sub-Projects included in the Allocation Requests for financing under this Contract.

1.10.B Allocation Letter

The Borrower acknowledges that the approval of any Allocation Request is at the sole discretion of the Bank following such appraisal of the Sub-Projects proposed to be financed under this Contract and included in such Allocation Request as the Bank deems necessary.

If the Allocation Request is approved by the Bank, the Bank shall issue to the Borrower a letter of allocation informing the Borrower of its approval and specifying the amount of the Credit allocated to the Sub-Projects included in such Allocation Request.

If the Allocation Request is not approved by the Bank (in whole or in part), the Bank shall inform the Borrower thereof.

The Bank may by notice to the Borrower amend the allocation procedure to bring it into line with the Bank's policies or reflect the results of the review of the implementation capacity and performance. In such case, the Bank shall inform the Borrower thereof and the Borrower shall promptly adapt its internal allocation procedures accordingly.

1.10.C Reallocation

The Borrower may propose to reallocate any part of the Credit which has been allocated but not disbursed by submitting to the Bank an Allocation Request in accordance with Article 1.10.A.



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 repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency in which the Tranche is disbursed.

Other payment, 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 appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3

Interest

3.1 Rate of Interest

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, 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.

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 EURIBOR 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 E) pay interest at a rate determined in accordance with the provisions of Schedule E.



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 (a) the applicable Fixed Rate plus 2% (200 basis points) or (b) EURIBOR plus 2% (200 basis points); and
- (c) for overdue sums other than under (a) or (b) above, EURIBOR plus 2% (200 basis points);

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the EURIBOR in relation to this Article 3.2, the relevant periods within the meaning of Schedule B shall be successive periods of one 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 (i) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche, and (ii) until the date falling thirty (30) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect. In such case, the following rules shall apply:

- (a) The rate of interest applicable to such Accepted Tranche until and including the Maturity Date or the Interest Revision/Conversion Date if any, shall be 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.B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

- (b) The Spread or the Fixed Rate previously agreed 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; 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;
 - (ii) the first Repayment Date of each Tranche shall be a Payment Date falling not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the first Repayment Date immediately following the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iii) the last Repayment Date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 20 (twenty) years from the Scheduled Disbursement Date.

4.1.B Single instalment

Alternatively, the Borrower shall repay the Tranche in a single instalment on the sole Repayment Date specified in the Disbursement Offer, being a date falling not less than 3 (three) years or more than 12 (twelve) years from the Scheduled Disbursement Date.

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;
- (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

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

The Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

4.2.B(3) REVISION/CONVERSION

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity unless the Borrower has accepted in writing a Fixed Rate under an Interest Revision/Conversion Proposal, as accepted under Article 1.2.C, or pursuant to Schedule E.

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

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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 and the Prepayment Indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

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

4.3.A Prepayment Events

4.3.A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (j) so that the amount of the Credit exceeds 75% (seventy five per cent) of such total cost of the Project, the Bank may forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds 75% (seventy five per cent) of the total cost of the Project, 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. 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.

4.3.A(2) PARI PASSU TO NON-EIB FINANCING

If the Borrower voluntarily prepays (for the avoidance of doubt, prepayment shall include a repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and:

- (a) such prepayment is not made within a revolving credit facility (save for the cancellation of the revolving credit facility); or
- (b) such prepayment is not made out of the proceeds of a loan or other indebtedness having a term at least equal to the unexpired term of the Non-EIB Financing prepaid,

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. 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.

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, "Non-EIB Financing" includes any loan (save for the Loan and any other direct loans from the Bank to the Borrower), credit bond or other form of financial indebtedness or any obligation for the payment or repayment of money originally granted to the Borrower for a term of more than 3 (three) years.

4.3.A(3) CHANGE OF CONTROL

- (a) The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur. 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) at any time thereafter, upon 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 (directly or indirectly) of the Promoter, the PIU or the MEPIU;
 - (2) the Borrower ceases to control (directly or indirectly) the Promoter, the PIU or the MEPIU;
 - (3) the Promoter and/or the PIU ceases to be subordinated to MoIRD;
- (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(4) CHANGE OF LAW

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 the effects of the 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), or the imposition of any Sanctions, that occurs after the date of this Contract and which, in the opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Contract or the Promoter's ability to perform its obligations under the Project Implementation Agreement.

4.3.A(5) ILLEGALITY

If:

- (a) it becomes unlawful in any applicable jurisdiction, or if it becomes or is likely to become contrary to any Sanctions, for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan;

- (b) the Framework Agreement is or is likely to be:
 - (i) repudiated or terminated by the Republic of Moldova or not binding on Republic of Moldova in any respect;
 - (ii) not effective in accordance with its terms or alleged by Republic of Moldova to be ineffective in accordance with its terms; or
 - (iii) breached as a result of the Republic of Moldova ceasing to fulfil any obligation assumed by it in the Framework Agreement with respect to any loan made to any borrower in the territory of Republic of Moldova from the resources of the Bank or the European Union; or
- (c) in relation to the EU Guarantee:
 - (i) it is no longer valid or in full force and effect;
 - (ii) the conditions for cover thereunder are not fulfilled;
 - (iii) it does not apply to any Tranche disbursed or to be disbursed under this Contract; or
 - (iv) it is not effective in accordance with its terms or is alleged to be ineffective in accordance with its terms,

the Bank may, by notice to the Borrower, immediately (i) suspend or cancel the undisbursed portion of the Credit; and/or (ii) demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

4.3.A(6) PROMOTER AND PROJECT IMPLEMENTATION AGREEMENT

If at any time while the Loan is outstanding:

- (a) the Promoter fails to comply with a material obligation under the Project Implementation Agreement or the Project is not implemented in accordance with the Project Implementation Agreement;
- (b) any fact stated in the recitals to the Project Implementation Agreement materially alters and is not restored in all material respects, and such change materially prejudices the interests of the Bank as lender to the Borrower or materially adversely affects the implementation of the Project;
- (c) any information or document material for the Project (in the reasonable opinion of the Bank) given to the Bank by or on behalf of the Promoter or if any representation or statement made or deemed to be made by the Promoter in application of the Project Implementation Agreement or in connection with the negotiation or the performance of the Project Implementation Agreement is or proves to have been incorrect, incomplete or misleading in any material respect; or
- (d) it becomes unlawful for the Promoter to perform any of its obligations under the Project Implementation Agreement, or the Project Implementation Agreement is not effective in accordance with its terms or is alleged by the Promoter to be ineffective in accordance with its terms;
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to or an order is made or an effective resolution is passed for the winding up of the Promoter, or the Promoter is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities;
- (f) an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, of or over, any assets forming part of the Project,

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 reasonable opinion that the effects of the non-compliance 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.

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 date indicated by the Bank in its notice of demand.

4.3.C Prepayment indemnity

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.2.B.

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 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) in respect of interest and indemnities due under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and
- (b) in respect of interest and indemnities due 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 account(s) acceptable to the Bank. Any account in the name of the Borrower held with a duly authorised financial institution in the jurisdiction where the Borrower is incorporated or where the Project is undertaken is deemed acceptable to the Bank.

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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:

- (a) firstly, in or towards pro rata to each of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;
- (c) thirdly, in or towards payment of any principal due but unpaid under this Contract; and
- (d) fourthly, in or towards payment of 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.

A. PROJECT UNDERTAKINGS

6.1 Use of Loan and availability of other funds

The Borrower shall use all amounts borrowed by the Borrower under this Contract for the execution of the Project.

The Borrower shall procure directly or through the Promoter that each Final Beneficiary shall use all amounts borrowed by each Final Beneficiary pursuant to each Loan Fund Transfer Agreement for the execution of the Project.

Upon written request by the Bank, the Borrower shall, and shall procure that the Promoter shall, provide to the Bank evidence of the use of the amounts borrowed by the Borrower under this Contract.

The Borrower shall ensure that it has sufficient funds (including the funds listed in Recital (j)) available to it to complete the Project in accordance with this Contract and the Project Implementation Agreement, and that such funds are expended, to the extent required, on the financing of the Project.

6.2 Completion of Project

The Borrower shall and shall procure through MoIRD that the Promoter shall carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete the Project by the final date specified therein.

The Borrower shall:

- (a) procure that the Promoter performs all of its obligations under the Project Implementation Agreement;
- (b) procure through the Promoter that each Final Beneficiary fully controls all assets forming part of the Project and not take or permit to be taken any action which would prevent or interfere with the implementation of the Project.

6.3 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (j), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated by the Borrower to the Bank without delay.

6.4 Procurement procedure

- (a) The Borrower shall and shall procure through the MoIRD that the Promoter, the PIU or the MEPIU shall (as applicable):
 - (i) purchase equipment, secure services and order works for the Project and each Sub-Project by procurement procedures which, to the satisfaction of the Bank, comply with the policies and standards described in the Guide to Procurement;
 - (ii) ensure that the tendering of contracts in connection with the Project or any Sub-Project (including, for the avoidance of doubt, the terms of reference on the basis of which such contracts are being tendered) meets the Bank's requirements as notified by the Bank to the Borrower from time to time;

- (iii) ensure that all contracts financed from the proceeds of the Loan, or otherwise relating to the Project or any Sub-Project and procured after the date of this Contract:
 - (1) comply with the integrity requirements set out in Article 6.11(b);
 - (2) provide for the requirement that the relevant contractor promptly informs the Bank and the Borrower of a genuine allegation, complaint or information with regard to Prohibited Conducts related to the Sub-Project or with regard to any facts or circumstances listed under Article 6.11 related to the Sub-Project; and
 - (3) provide for the Bank's right, in relation to an alleged Prohibited Conduct or in relation to an alleged breach of obligations in connection with Article 6.11(d)(iii), to review the books and records of the relevant contractor in relation to the Sub-Project and to take copies of documents to the extent permitted by law.
- (b) The Borrower acknowledges that, in line with the principles set out in Article 3.4.5 of the Guide of Procurement, the Bank may enter into an agreement with a co-financing institution in connection with the Project. The Bank will notify the Borrower if such agreement is entered into.

6.5 Continuing Project undertakings

The Borrower shall, and shall ensure through MoIRD that the Promoter, the PIU and the MEPIU shall (as applicable):

- (a) **Maintenance:** ensure that each Final Beneficiary benefitting from the proceeds of the relevant Tranche shall maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
- (b) **Project assets:** ensure that each Final Beneficiary, unless the Bank has given its prior written consent, retain (directly or indirectly) legal and beneficial title to and possession of all of the assets comprising the Project and each Sub-Project, and ensure that, at all times, such assets are free of any Security; provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project (or, as applicable, the relevant Scheme) ineligible for financing by the Bank under its Statute or under article 309 of the Treaty on the Functioning of the European Union;
- (c) **Purpose:** maintain each Sub-Project and the properties forming part of such Sub-Project in substantially continuous operation in accordance with their original purpose (or, as applicable, ensure that they are so maintained);
- (d) **Insurance:** ensure that each Final Beneficiary shall insure all works and property forming part of the Project in accordance with the most comprehensive relevant industry practice in the Republic of Moldova;
- (e) **Rights and Permits:** ensure that PIU and/ or each Final Beneficiary shall maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project and each Sub-Project;
- (f) **Environment and Social Standards:** ensure that the Promoter and each Final Beneficiary shall
 - (i) implement and operate the Project and each Sub-Project in compliance with Environmental and Social Standards;
 - (ii) comply with ILO Standards and occupational health and safety standards;
 - (iii) obtain, maintain and comply with Environmental and Social Approvals required in connection with the Project or any Sub-Project;
 - (iv) ensure that all contracts relating to the Project include necessary provisions obliging the relevant contractors to comply, or to ensure compliance, with the requirements referred to in paragraphs (i) to (iii) above;

- (v) ensure that no proceeds of the Loan are used for any component of the Project that requires an Environmental and Social Impact Assessment Study according to the Environmental and Social Standards until such Environmental and Social Impact Assessment Study has been finalised and approved by the competent authority;
- (vi) ensure that no proceeds of the Loan are used for any component of the Project that has a potential to affect a site of nature conservation importance that is protected according to the Environmental and Social Standards until the competent authority has confirmed that the relevant component does not have a significant negative impact on the site; and
- (vii) procure that energy performance certificates are issued by an independent accredited experts for all buildings after thermal refurbishment in accordance with the relevant Moldovan laws and methodology to be prepared by a technical assistance supporting the Project, financed by EPTATF Grant and managed by the Bank;
- (g) **EU law:** execute and operate and shall ensure that the PIU and each Final Beneficiary shall execute and operate (as applicable) the Project and each Sub-Project in accordance with the relevant standards of EU Law to the extent implemented by the laws of the Republic of Moldova or specified by the Bank prior to the date of this Contract;
- (h) **PIU, Promoter and MEPIU:**
 - (i) ensure that the Promoter, PIU and the MEPIU have sufficient and suitably qualified staff and other resources available to it for the purposes of co-ordinating, monitoring and evaluating all aspects of the implementation of the Project, including the procurement of goods, works and services for the Project;
 - (ii) ensure that the Promoter, PIU and the MEPIU have the mandate and authority providing for the overall co-ordination and monitoring of the Project and otherwise necessary to implement the Project in accordance with this Contract and the Project Implementation Agreement;
 - (iii) ensure that the PIU, Promoter and the MEPIU act as the point of contact for the Bank with respect to all matters relating to the implementation of the Project (including technical, financial, disbursement facilitation, accounting/auditing, reporting, procurement and administration matters); and
 - (iv) ensure that the Bank, at its sole discretion, has access to any international consultant engaged in connection with the Project;

in each case to the satisfaction of the Bank and at all times until the completion of the Project;

- (i) **Accounts:** ensure that the Final Beneficiaries shall request any disbursements under the Loan Fund Transfer Agreements, and any payments to the Final Beneficiaries or directly to the relevant contractors under the Loan Fund Transfer Agreements are made in relation with the Project to bank accounts in the name of the relevant Final Beneficiaries or contractors, as applicable, held, in the case of the Final Beneficiaries, with a duly authorised financial institution in the Republic of Moldova (where the relevant Final Beneficiary is incorporated and where the Project is undertaken).
- (j) **Visibility:** ensure that each Final Beneficiary is informed that the relevant Sub-Project benefits from the financial support provided by the EIB with the backing of the European Union through the EU Guarantee.

B. GENERAL UNDERTAKINGS

6.6 Compliance with laws

The Borrower shall, and shall procure through the MoIRD that the Promoter, the MEPIU and the PIU shall, comply in all respects with all laws and regulations to which it or the Project is subject where failure to do so results, or is reasonably likely to result, in a Material Adverse Change.



6.7 Change in business

The Borrower shall procure that no substantial change is made to the general business of the Promoter and/ or the MEPIU from that carried on at the date of this Contract unless with prior written consent of the Bank.

6.8 Merger

The Borrower shall procure that the Promoter and/or the MEPIU shall not enter into any amalgamation, demerger, merger or corporate reconstruction, unless with the prior written consent of the Bank.

6.9 Disbursement Account

The Borrower shall designate the Disbursement Account for the purpose of receiving disbursements of the Loan, which account shall be a separate sub-account of the treasury single account of the Borrower maintained at the National Bank of the Republic of Moldova.

The Borrower shall ensure that at all times:

- (a) the Disbursement Account is separated from any other assets of the Borrower;
- (b) the Disbursement Account is insolvency remote and no other creditor of the Borrower has any access to, or rights to receive, monies held in that account; and
- (c) payments from the Disbursement Account are made only for the purpose of implementing the Project in accordance with this Contract and other relevant agreements, if any.

6.10 Books and records

The Borrower shall and shall procure that the Promoter and/or the MEPIU shall (as applicable):

- (a) keep proper books and records of account, in which full and correct entries shall be made of all financial transactions, expenditures and assets relating to the Project; and
- (b) keep records of contracts financed with the proceeds of the Loan (including a true and complete copy of the contract itself and material documents relating to that contract and its procurement) throughout the implementation of the Project and for a minimum period of 6 (six) years following the completion of the Project.

6.11 Integrity

(a) Prohibited Conduct:

- (i) The Borrower shall not, and shall procure that the Promoter, the PIU and the MEPIU shall not, engage in (and shall not authorise or permit any other Person acting on its behalf to engage in) any Prohibited Conduct in connection with the Project, any tendering procedure for the Project, or any transaction contemplated by the Contract or the Project Implementation Agreement.
- (ii) The Borrower shall, and shall procure that the Promoter, the PIU and the MEPIU shall, take such action as the Bank shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project.
- (iii) The Borrower shall, and shall procure that the Promoter, the PIU and the MEPIU shall, ensure that contracts financed by this Loan include the necessary provisions to enable the Borrower to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project.

(b) Integrity matters relating to procurement:

The Borrower shall, and shall procure that the Promoter, the PIU and the MEPIU shall, ensure that all Loan Fund Transfer Agreements and all contracts relating to the Project provide for:

- (i) without limiting the generality of Article 6.4(a)(i) the requirement to comply with the covenant of integrity in the form set out in the Guide to Procurement;
 - (ii) the requirement that the relevant Final Beneficiary and contractor promptly informs the Bank and the Borrower of any genuine allegation, complaint or information with regard to Prohibited Conduct related to the Project or any relevant Sub-Project, as applicable;
 - (iii) the requirement that the MEPIU and/or the relevant Final Beneficiary (as applicable) and contractor keeps books and records of all financial transactions and expenditures in connection with the Project or any relevant Sub-Project, as applicable;
 - (iv) the necessary provisions to enable the Bank and/or the Borrower to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project or any relevant Sub-Project, as applicable; and
 - (v) the Bank's right, in relation to any alleged Prohibited Conduct, to review the books and records of the MEPIU, the relevant Final Beneficiary and contractor in relation to the Project or any relevant Sub-Project, as applicable, and to take copies of documents to the extent permitted by law.
- (c) **Sanctions:** The Borrower shall not, and shall procure that the Promoter, the PIU, the MEPIU or any Final Beneficiary shall not:
- (i) enter into a business relationship with any Sanctioned Person; or
 - (ii) make any funds available to or for the benefit of, directly or indirectly, any Sanctioned Person.
- (d) **Management:** The Borrower shall, and shall procure that the Promoter, the PIU, the MEPIU and each Final Beneficiary shall, take within a reasonable timeframe appropriate measures in respect of any of its Relevant Persons who:
- (i) becomes a Sanctioned Person;
 - (ii) is charged by a competent authority with an offence, or is the subject of a court ruling, in connection with Prohibited Conduct perpetrated in the course of the exercise by such Relevant Person of his or her authority and/or professional duties; or
 - (iii) is or becomes a family member or a person known to be a close associate to any beneficial owner of any relevant contractor under any Sub-Project,

in order to ensure that such Relevant Person is suspended, dismissed or in any case excluded from any activity in relation to the Loan and to the Project.

For the purposes of this Article 6.11, each of "family member", "person known to be a close associate" and "beneficial owner" has the meaning given to it by the corresponding definitions under the EU Fourth Money Laundering Directive, subject to the definitions in the EU Fourth Money Laundering Directive having a general application and not being limited to politically exposed person.

6.12 **General Representations and Warranties**

The Borrower represents and warrants to the Bank that:

- (a) it has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the Contract by it;
- (b) the Promoter is duly incorporated and validly existing as a state agency under the laws of Republic of Moldova and, has power to carry on its activities as it is now being conducted and to own its property and other assets;
- (c) the Promoter is a 100% state owned entity directly subordinated to MoIRD;
- (d) this Contract constitutes its legally valid, binding and enforceable obligations;

- (e) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not contravene or conflict with:
 - (i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject; or
 - (ii) any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
- (f) it is not and, following the disbursement of the Loan (in whole or in part), will not be in breach of any restrictions applicable to it on the incurring of financial indebtedness;
- (g) there has been no Material Adverse Change since 28 August 2018;
- (h) no event or circumstance which constitutes a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
- (i) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or the Promoter or the MEPIU any unsatisfied judgement or award;
- (j) it has obtained all necessary Authorisations in connection with this Contract, and in order to lawfully comply with their obligations hereunder, and all such Authorisations are in full force and effect and admissible in evidence;
- (k) all necessary Authorisations in connection with the Project are obtained (other than Authorisations which are not necessary for the implementation of the Project at the time this representation is made (or repeated));
- (l) its payment obligations under this Contract rank not less than pari passu in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law of general application;
- (m) it is in compliance with Article 6.5(f) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against it or the Promoter or the MEPIU; and
- (n) it is in compliance with all undertakings under this Article 6;
- (o) the Project falls within the scope of the Framework Agreement;
- (p) the Borrower is a state party to the New York Convention and any arbitral award obtained in an arbitration proceeding conducted in accordance with the requirements of the arbitration provisions of this Contract will be recognised and enforced in the Republic of Moldova;
- (q) to the best of its knowledge (having made all reasonable enquiries), no funds invested in the Project by the Borrower, the Promoter or by any Final Beneficiary are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;
- (r) neither the Borrower, nor the Promoter, the PIU, the MEPIU or any Final Beneficiary, nor any Relevant Person acting of their behalf has committed:
 - (i) any Prohibited Conduct in connection with the Project or any transaction contemplated by this Contract or the Project Implementation Agreement; or
 - (ii) any illegal activity related to the Financing of Terrorism or Money Laundering; and
- (s) the Project (including without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan) has not involved or given rise to any Prohibited Conduct.

The representations and warranties set out above shall survive the execution of this Contract and are, with the exception of the representation set out in paragraph (g) above, deemed repeated on each date of Disbursement Acceptance, Disbursement Date and on each Payment Date.

ARTICLE 7

Security

The undertakings in this Article 7 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.

7.1 Pari passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its External Debt Instruments except for obligations mandatorily preferred by laws of general application.

In particular, if the Bank makes a demand under Article 10.1 or if an event or potential event of default under any unsecured and unsubordinated External Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorise) any payment in respect of any other such External Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such External Debt Instrument bears to the total debt outstanding under that instrument. For this purpose, any payment of an External Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the External Debt Instrument have subscribed, shall be disregarded.

In this Contract, "External Debt Instrument" means:

- (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement);
- (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness; or
- (c) a guarantee granted by the Borrower for an obligation of a third party; provided in each case that such obligation is:
 - (i) governed by the law of a jurisdiction other than the Republic of Moldova;
 - (ii) payable in a currency other than the currency of the Republic of Moldova; or
 - (iii) payable to a person incorporated, domiciled, resident or with its head office or principal place of business outside the Republic of Moldova.

7.2 Additional security

Should the Borrower grant to a third party any security for the performance of any External Debt Instrument or any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

7.3 Clauses by inclusion

If the Borrower concludes with any other medium or long term financial creditor a financing agreement that includes a loss-of-rating clause and/or a cross default clause and/or *pari passu* clause, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall, at the request of the Bank, promptly execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

ARTICLE 8
Information and Visits

8.1 Information concerning the Project

The Borrower shall, and shall procure through MoIRD that the Promoter shall (as applicable):

- (a) deliver to the Bank:
 - (i) the information in content and in form, and at the times, specified in Schedule A.2 and/or the Project Implementation Agreement, or otherwise as agreed from time to time by the parties to this Contract; and
 - (ii) any such information concerning any component of the Project included in an Allocation Request as the Bank may reasonably require within a reasonable time; and
 - (iii) any such information or further document concerning the financing, procurement, implementation, operation of the Project and related environmental or social matters as the Bank may reasonably require within a reasonable time;

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all assistance necessary for the purpose;

- (b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, inter alia, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
- (c) promptly inform the Bank of the due ratification of this Contract by the Parliament of Moldova in accordance with the applicable laws of the Republic of Moldova;
- (d) promptly inform the Bank of:
 - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower, the Promoter, the PIU, the MEPIU, or any Final Beneficiary or any Environmental or Social Claim that is to its knowledge commenced, pending or threatened against any of them;
 - (ii) true copies of contracts financed with the proceeds of the Loan and evidence of expenditures relating to disbursements;
 - (iii) any fact or event known to the Borrower or the Promoter, which may substantially prejudice or affect the conditions of execution or operation of the Project;
 - (iv) any non-compliance the Borrower, the Promoter, the PIU, the MEPIU, or any Final Beneficiary with any Environmental and Social Standard;
 - (v) any suspension, revocation or modification of any Environmental or Social Approval,
 - (vi) the suspension or cancellation of the Project (in whole or in part);
 - (vii) a genuine allegation or complaint with regard to any Prohibited Conduct or any Sanction related to the Project;
 - (viii) should it become aware of any fact or information confirming or reasonably suggesting that (a) any Prohibited Conduct or any violation of any Sanction has occurred in connection with the Project, or (b) any of the funds invested in its share capital or in the Project was derived from an illicit origin;

and in each case, set out the action the Borrower, the Promoter, the PIU, the MEPIU, or any Final Beneficiary, as applicable, has taken or intends to take with respect to such matters; and

- (e) promptly provide to the Bank, if so requested:
 - (i) a certificate of its insurers showing fulfilment of the requirements of Article 6.5(d); and
 - (ii) annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums.

8.2 Information concerning the Promoter, the PIU and the MEPIU

The Borrower shall, and shall procure that the Promoter and the MEPIU shall (as applicable):

- (a) deliver to the Bank:
 - (i) as soon as they become available but in any event within 180 (one hundred and eighty) days after the end of each of the Promoter's and the MEPIU's financial years its audited consolidated and unconsolidated annual report, balance sheet, cash flow statement, profit and loss account and auditors report for that financial year prepared in accordance with IFRS;
 - (ii) as soon as they become available but in any event within 120 (one hundred and twenty) days after the end of each of the relevant accounting periods of the Promoter's and the MEPIU's interim consolidated and unconsolidated semi-annual report, balance sheet, profit and loss account and cash flow statement for the first half-year prepared in accordance with IFRS;
 - (iii) any such information or further documents concerning customer or any other type of due diligence matters of or for the Promoter, the PIU or the MEPIU, including without limitation to comply with "know your customer" (KYC) or similar identification procedures, as the Bank may reasonably require within the reasonably time; and
 - (iv) from time to time, such further information on the general financial situation of the Promoter or the MEPIU, as the Bank may reasonably require; and
- (b) inform the Bank promptly after becoming aware of the same:
 - (i) any material alteration to the legal status of the Promoter, the PIU or the MEPIU after the date of this Contract;
 - (ii) any fact which obliges the Promoter or the MEPIU to prepay any financial indebtedness or any European Union funding;
 - (iii) any intention on any Final Beneficiary's part to grant any Security over any assets forming part of the Project in favour of a third party; or
 - (iv) any intention on any Final Beneficiary's part to relinquish ownership or control of any material part of the Project; and
 - (v) any fact or event that is reasonably likely to prevent the fulfilment of any material obligation of the Promoter, the PIU or the MEPIU under the Project Implementation Agreement and this Contract.

8.3 Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
 - (i) with respect to each fiscal year, within 1 (one) month after the approval of the state budget for such fiscal year, a summary of such state budget in tabular form (*responsible authority – the Ministry of Finance*);
 - (ii) the audited Project Accounts and auditor's reports within 6 (six) months from the end of each fiscal year;
 - (iii) any such information or further documents concerning customer or any other type of due diligence matters of or for the Borrower, including without limitation to comply with "know your customer" (KYC) or similar identification procedures, as the Bank may reasonably require within a reasonable time; and

- (iv) from time to time, such further information on its general financial situation as the Bank may reasonably require; and
- (b) inform the Bank immediately of:
 - (i) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
 - (ii) any event or decision that constitutes or may result in a Prepayment Event;
 - (iii) any intention on its part to grant any Security over any of its assets in favour of a third party;
 - (iv) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
 - (v) any Event of Default having occurred or being threatened or anticipated; and
 - (vi) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change.

8.4 Information concerning integrity matters

- (a) The Borrower shall inform the Bank immediately after becoming aware of the relevant fact or event of:
 - (i) any genuine allegation or complaint, or any other fact or event confirming or reasonably suggesting that:
 - (ii) Prohibited Conduct has occurred in connection with the Loan or the Project; or
 - (iii) any of the funds invested in the share capital of the Promoter or the Project were derived from an illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;
 - (iv) any fact or event which results in the Borrower, the Promoter, the PIU, the MEPIU, and of the Final Beneficiaries or any Relevant Person acting on their behalf being or becoming a Sanctioned Person, and
 - (v) to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of the Borrower's knowledge and belief, is current, imminent or pending against the Borrower, the Promoter, the PIU, the MEPIU, and of the Final Beneficiaries or any Relevant Person acting on their behalf in connection with Prohibited Conduct related to the Loan or the Project;

in each case setting out the action the Borrower or, as applicable, the Promoter has taken, or intends to take, with respect to such matters.

- (b) The Borrower shall promptly notify the Bank of any measures the Borrower, the Promoter, the PIU, the MEPIU, and of the Final Beneficiaries or any Relevant Person acting on their behalf has taken, or intends to take, pursuant to Article 6.11.

8.5 Visits, Rights of Access and Investigation by the Bank

- (a) The Borrower shall, and shall procure that the Promoter, the PIU, the MEPIU, and each Final Beneficiary shall, allow persons designated by the Bank, as well as persons designated by the competent institutions or bodies of the European Union, including the European Court of Auditors, the European Commission and/or the European Anti-Fraud Office:
 - (i) to visit the sites, installations and works comprising the Project and to conduct such checks as they may wish for purposes connected with this Contract and the financing of the Project;
 - (ii) to interview their representatives, and not obstruct contacts with any other person involved in or affected by the Project; and



- (iii) to review their books and records in relation to the execution of the Project and to be able to take copies of related documents to the extent permitted by the law.
- (b) The Borrower shall, and shall procure that the Promoter, the PIU, the MEPIU, and each Final Beneficiary shall, facilitate investigations by the Bank and by other competent institutions or bodies of the European Union in connection with any alleged or suspected occurrence of Prohibited Conduct.
- (c) The Borrower shall, and shall procure that the Promoter, the PIU, the MEPIU, and each Final Beneficiary shall, provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article 8.5.
- (d) The Borrower acknowledges, and shall procure that the Promoter, the PIU, the MEPIU, and each Final Beneficiary shall acknowledge, that the Bank may be obliged to communicate information relating to any of them and/or the Project to any competent institution or body of the European Union, including the European Court of Auditors, the European Commission and the European Anti-Fraud Office as may be necessary for the performance of their respective tasks in accordance with the laws of the European Union.

ARTICLE 9

Charges and expenses

9.1 Taxes, duties and fees

The Borrower shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any Security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or under an agreement with a governmental authority or otherwise. If the Borrower is obliged to make any such withholding or deduction, it shall gross up the payment to the Bank so that after withholding or deduction, the net amount received by the Bank is equivalent to the sum due.

9.2 Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and in the amendment, creation, management, enforcement and realisation of any security for the Loan.

9.3 Increased costs, indemnity and set-off

- (a) The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation which occurs after the date of signature of this Contract, in accordance with or as a result of which (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
- (b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any full or partial discharge that takes place in a manner other than as expressly set out in this Contract.

- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10

Events of Default

10.1 Right to demand repayment

The Borrower shall repay all or part of the Loan Outstanding (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

10.1.A Immediate demand

The Bank may make such demand immediately without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step:

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and (ii) payment is made within 3 (three) Business Days of its due date;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in, pursuant to or for the purposes of entering into this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction or funding instrument, other than the Loan,
 - (i) the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation, or
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower is unable to pay its debts as they fall due, or suspends its debts, or makes or, without prior written notice to the Bank, seeks to make a composition with its creditors;
- (e) if the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;
- (f) if the Borrower defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union;
- (g) if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
- (h) if a Material Adverse Change occurs, as compared with the Borrower's or the Promoter's condition at the date of this Contract;
- (i) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or this Contract is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms;

- (j) if the Borrower defaults in the performance of any of its obligation under the Framework Agreement as regards any loan, financial instrument or grant made available to any borrower in the Republic of Moldova from the resources of the Bank or the European Union; or
- (k) if the conditions for cover under the EU Guarantee are not fulfilled or if the EU Guarantee ceases to be legal, valid, binding and enforceable due to actions or inactions of the Borrower.

10.1.B Demand after notice to remedy

The Bank may also make such demand without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step (without prejudice to any notice referred to below):

- (a) if the Borrower fails to comply with any provision of this Contract (other than those referred to in Article 10.1.A); or
- (b) if any fact related to the Borrower, the Promoter, the PIU, the MEPIU or the Project stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within a reasonable period of time specified in a notice served by the Bank on the Borrower.

10.2 Other rights at law

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan Outstanding.

10.3 Indemnity

10.3.A Fixed Rate Tranches

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the indemnity on any amount of principal due to be prepaid. Such indemnity shall (i) accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified, and (ii) be for the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of the prepayment) of the excess, if any, of:

- (a) the interest that would accrue thereafter on the amount prepaid over the period from the date of prepayment 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 0.15% (fifteen 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

10.3.B Floating Rate Tranches

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

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

10.3.C General

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date specified in the Bank's demand.

10.4 Non-Waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

ARTICLE 11

Law and jurisdiction

11.1 Governing Law

This Contract and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Luxembourg.

11.2 Arbitration

- (a) This Article 11.2 shall be governed by Dutch law.
- (b) Any dispute arising out of or in connection with this Contract, including a dispute as to the validity or existence of this Contract and/or this Article 11.2, shall be resolved by arbitration seated in The Hague conducted in the English language by three arbitrators pursuant to the rules of the United Nations Commission on International Trade Law ("**UNCITRAL Rules**"), save that, unless the Parties agree otherwise:
 - (i) the third arbitrator, who shall act as presiding arbitrator, shall be chosen by the two arbitrators appointed by or on behalf of the Parties;
 - (ii) if the presiding arbitrator is not chosen by the two arbitrators within 30 days of the date of appointment of the later of the two arbitrators to be appointed by the Parties, he shall be appointed by the Secretary-General of the Permanent Court of Arbitration (the "**PCA**");
 - (iii) no arbitrator shall be of the same nationality as any Party (and for the purposes of this Article, the nationality of the Bank shall be deemed to be Luxembourg);
 - (iv) neither Party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the dispute;
 - (v) the tribunal shall not take or provide and the Borrower shall not seek from any judicial authority, any interim measures or pre-award relief against the Bank; and
 - (vi) the Parties agree to waive any right of appeal against the arbitration award.
- (c) The appointing authority shall be the Secretary-General of the PCA.

11.3 Recourse to courts

The Parties exclude the jurisdiction of all courts to the extent permitted by any applicable law.

11.4 Immunity

Nothing in Article 11.2 shall interfere with, override or otherwise erode the Bank's privileges and immunities as set out in the European Union treaties including, without limitation, the inviolability of the Bank's archives and the Bank expressly reserved its rights in this regard.



11.5 Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract shall be the seat of the Bank.

11.6 Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

11.7 Waiver of Immunity

To the extent that the Borrower may in any jurisdiction claim for itself or any of its assets immunity from suit, enforcement, attachment or other legal process on the grounds of sovereignty or otherwise, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction in respect of its obligations arising under or in connection with this Contract.

11.8 Entire Agreement

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

11.9 Changes to Parties

- (a) The Borrower may not assign or transfer any of its rights or obligations under this Contract without the prior written consent of the Bank.
- (b) The Bank may assign all or part of its rights and benefits or transfer (by way of novation, sub-participation or otherwise) all or part of its rights, benefits and obligations under this Contract without the consent of the Borrower:
 - (i) to a person or entity that directly or indirectly controls, is controlled by, or is under common control with, the Bank;
 - (ii) to another either bilateral or multilateral development finance institution;
 - (iii) following the occurrence of an Event of Default or a Prepayment Event; and/or
 - (iv) pursuant to a decision from the Bank's management or from other the Banks's internal bodies, to, without limitation, the Commission of European Union, the European Investment Fund, the European Central Bank or any other central bank of an EU member state.

Any other assignment or transfer (by way of novation, sub-participation or otherwise) of all or part of the rights, benefits and obligations of the Bank under this Contract may only be made with the prior written consent of the Borrower.

11.10 Invalidity

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.



11.11 Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto. Such amendments shall become effective to amend this Contract upon the ratification by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova.

11.12 Counterparts

This Contract may be executed in any number of counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

ARTICLE 12
Final clauses

12.1 Notices

12.1.A Form of Notice

- (a) Any notice or other communication given under this Contract must be in writing and, unless otherwise stated, may be made by letter or electronic mail.
- (b) Notices and other communications for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter or by electronic mail. Such notices and communications shall be deemed to have been received by the other party:
 - (i) on the date of delivery in relation to a hand-delivered or registered letter;
 - (ii) on receipt of transmission in relation to a facsimile;
 - (iii) in the case of any electronic mail sent by the Borrower to the Bank, only when actually received in readable form and only if it is addressed in such a manner as the Bank shall specify for this purpose, or
 - (iv) in the case of any electronic mail sent by the Bank to the Borrower, when the electronic mail is sent.
- (c) Any notice provided by the Borrower to the Bank by electronic mail shall:
 - (i) mention the Contract Number in the subject line; and
 - (ii) be in the form of a non-editable electronic image (pdf, tif or other common non-editable file format agreed between the parties) of the notice signed by an Authorised Signatory with individual representation right or by two or more Authorised Signatories with joint representation right of the Borrower as appropriate, attached to the electronic mail.
- (d) Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.
- (e) Without affecting the validity of electronic mail notices or communication made in accordance with this Article 12.1, the following notices, communications and documents shall also be sent by registered letter to the relevant party at the latest on the immediately following Business Day:
 - (i) Disbursement Acceptance;
 - (ii) any notices and communication in respect of the deferment, cancellation and suspension of a disbursement of any Tranche, interest revision or conversion of any Tranche, Market Disruption Event, Prepayment Request, Prepayment Notice, Event of Default, any demand for prepayment, and
 - (iii) any other notice, communication or document required by the Bank.



- (f) The parties agree that any above communication (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as an agreement under hand (*sous seing privé*).

12.1.B Addresses

The address, fax number and electronic mail address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication to be made or document to be delivered under or in connection with this Contract is:

For the Bank	Attention: OPS 98-100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address: ops-nc2-projects@eib.org
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For the Borrower	Attention: Ministry of Finance of the Republic of Moldova 7, Constantin Tănase Street MD-2005, Chisinau The Republic of Moldova E-mail address: cancelaria@mf.gov.md
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12.1.C Notification of communication details

The Bank and the Borrower shall promptly notify the other party in writing of any change in their respective communication details.

12.2 English language

- (a) Any notice or communication given under or in connection with this Contract must be in English.
- (b) All other documents provided under or in connection with this Contract must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Bank, accompanied by a certified English translation and, in this case, the English translation will prevail.

12.3 Effectiveness of this Contract

This Contract shall become effective on the date (the "Effectiveness Date") specified in a letter from the Bank to the Borrower confirming that the Bank has received (i) the evidence that this Contract was duly ratified by the Parliament of the Republic of Moldova in accordance with the applicable laws of the Republic of Moldova and (ii) the legal opinion of the Minister of Justice of the Republic of Moldova referred to in Article 1.4.B(b) in form and substance satisfactory to the Bank; and such letter shall be conclusive evidence that this Contract has become effective.

If the Effectiveness Date does not occur on or prior to the date falling 24 (twenty-four) months after the date of this Contract, this Contract shall not enter into force and no further action shall be necessary or required.

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12.4 Recitals, Schedules and Annex

The Recitals and following Schedules form part of this Contract:

- Schedule A Project Specification and Reporting
- Schedule B Definition of EURIBOR
- Schedule C Forms for Borrower
- Schedule D Certificates to be provided by the Borrower
- Schedule E Interest Rate Revision and Conversion

The following Annex is attached hereto:

- Annex I Agreed form legal opinion

The parties hereto have caused this Contract to be executed in 4 (four) originals in the English language and have respectively caused Darya Spivak, legal counsel and DUMITRU BUDIANSCHI , MINISTER OF FINANCE to initial each page of this Contract on their behalf.

At Chisinau, this _____ 2021

At Luxembourg, this 7 December 2021

Signed for and on behalf of
REPUBLIC OF MOLDOVA

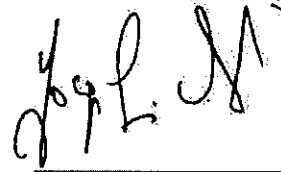
Signed for and on behalf of
EUROPEAN INVESTMENT BANK



Dumitru BUDIANSCHI
Minister of Finance of
the Republic of Moldova



Rafal RYBACKI
Head of Division



Jacopo LENZI ORLANDI
Head of Division



Alberto CARLEI
Head of Representation for
Moldova

Project Specification and Reporting

A.1 Technical Description (Article 6.2)

Purpose, Location

The framework loan targets multi-purpose public building renovations in the Republic of Moldova, with energy efficiency driving the renovation.

Description

The framework loan will support the Moldavian Energy Efficiency Agency to implement a rehabilitation programme involving energy efficiency measures covering public buildings in the country.

The investments will focus mainly on improvements to the building envelope (wall, roof, slab insulation, windows and door replacement), and HVAC systems (heating, ventilation, and air-conditioning). The programme will also include other energy efficiency measures targeting lighting systems, heat distribution systems and the integration of renewable energy sources.

The project will also contribute to bringing the targeted buildings in line with EU standards (EPBD and EED).

The project will target around 1.1 million m² of built surface.

Investments eligible for the Bank's financing:

- Must be located in the Republic of Moldova
- Shall consist of coherent and clearly defined capital investments needed for the realisation of a scheme, comprising all elements of a permanent nature (whether tangible or intangible) that are necessary for the sustainable production of goods or services that the scheme is designed to deliver (pure financial transactions are not eligible);
- Will be identified and defined based on an energy efficiency audit, carried out by an independent expert, and containing relevant information on potential energy efficiency investments that may be eligible under this operation.
- Will, after the conclusion of the implementation of the scheme, be subject to an energy efficiency certification in accordance with EU Law, carried out by an independent expert.
- Will focus on eligible energy efficiency and renewable energy investments.
- Shall be procured in accordance with the Bank's Guide to Procurement.
- Must comply with the following minimum requirements with respect to environmental legislation and information access:
 - Shall satisfy the principles and standards of the Bank's Environmental and Social Handbook¹.
 - For loan allocations in which the scheme is subject to an EIA, the Intermediary shall collect and publish the Environmental Impact Study (EIS) of a scheme's EIA, retain on file a copy of the EIS and provide a digital copy to the Bank, and confirm that the scheme incorporates all mitigating measures recommended as a result of the EIA, in order to ensure compliance with the EIB's Public Disclosure Policy.

The Bank's financing should not replace any long-term financing in place for the scheme.

Excluded activities

¹ see <http://www.eib.org>.



TYPE OF ACTIVITIES	TYPICAL EXAMPLES	COMMENTS/CLARIFICATIONS
1) Ammunition and weapons, military/police equipment or infrastructure		Includes explosives and sporting weapons
2) Projects which result in limiting people's individual rights and freedom, or violation of human rights		The EIB Statement of Environmental and Social Principles and Standards, in particular: 6; 46; and 47
3) Projects unacceptable in environmental and social terms	Projects in protected areas, Critical Habitats and Heritage Sites, without adequate compensation/mitigation	The EIB Statement of Environmental and Social Principles and Standards, in particular: 58; 71; and 72
4) Ethically or morally controversial projects.	Sex trade and related infrastructure, services and media; Animal testing*); Gambling and related equipment, hotels with in-house casinos; Tobacco (production, manufacturing, processing, and distribution)	*) Existing EIB practice; Activities involving live animals for experimental and scientific purposes are eligible insofar as in compliance with the "Council of Europe's Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes" (Strasbourg, 18.3.86), EU directives (i.a. Council directive 86/609/EEC)
5) Activities prohibited by national legislation (only where such legislation exists)	Genetically Modified Organisms (GMO); abortion clinics; nuclear energy; etc.	Applicable national law
EIB LOANS UNDER SPECIFIC MANDATES OUTSIDE THE EU		
All the above types of investments are excluded. Moreover, loans under the mandates may be further restricted to specific sectors and activities to comply with the Bank's lending policies, as agreed by the Board of Directors, as well as priorities attached by the respective EU Co-operation objectives or the Lending Mandate.		<ul style="list-style-type: none"> - European Parliament and Council Decision of 13/07/2009 (633/2009/EC) - ACP-EU By-Laws (Cotonou, 23.06.2000, revised 25.06.2005 & 22.06.2010) - EIB Board decisions
OTHER EXCLUSIONS		
<ul style="list-style-type: none"> i) Certain costs, such as recoverable VAT, are excluded. ii) The Bank does not finance projects with a political or religious content. 		
INTERMEDIATED OPERATIONS		
All the above exclusions apply. Additional activities may be excluded (on the basis of side-letters agreed).		

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SECTOR: ENERGY EFFICIENCY (EE)	
TECHNOLOGY	TECHNICAL CRITERIA
All technologies/ General Framework	<p>Projects that comply with the EE criteria and framework established in the energy lending policy https://www.eib.org/en/publications/eib-energy-lending-policy</p> <p>Additional criteria may be added for some individual projects based on the risks identified during appraisals. These criteria are subject to regular reviews based on the experience gained in different sub-sectors and regulatory developments.</p> <p>Climate Bank Roadmap https://www.eib.org/attachments/strategies/eib_group_climate_bank_roadmap_en</p>
Energy Efficiency criteria for the Renovation of Buildings outside the EU	<p><u>Eligibility</u></p> <p>All capital expenditure related to energy efficiency improvement to the building envelope and building systems is eligible if:</p> <ol style="list-style-type: none"> a) Projects adopt best energy standards as compared to a baseline which will be defined on a case-by-case basis by the Bank's services. For example International recognised certification schemes with an energy baseline defined through a transparent, practical method (i.e. IFC Edge certification, LEED, BREAM, etc); b) The expected energy savings are estimated by a method acceptable to the Bank such as the certification schemes. <p>In cases of wider building renovations including both energy efficiency and non-energy efficiency improvements, when it is deemed economically detrimental to complete all investments in different phases, all capital expenditures (energy efficiency and non-energy efficiency improvements) are considered part of the Project Investment Costs (PIC).</p> <p><u>Indicators</u></p> <ul style="list-style-type: none"> • Primary Energy Savings in MWh/year. The expected energy saving will derive from a comparison with the baseline (energy levels before the renovation). <p><u>Economic assessment</u></p> <p>In the case of investment loans, the Bank's economic assessment is based on a cost-benefit analysis that includes energy savings and reduction in GHG emissions, but also other economic benefits such as the extension of the economic life and reduction in maintenance costs, when they are measurable and quantifiable. For intermediated operations simplified methods –such as ex-ante estimations– can be applied.</p> <p><u>Reporting and monitoring</u></p> <ul style="list-style-type: none"> • Obtain the certification and present to the bank together with the justification of the baseline and energy levels /savings achieved. <p><u>CA Specific considerations</u></p> <ul style="list-style-type: none"> • After 2021, the Bank will align CA criteria with Taxonomy Criteria, the renovation has to achieve savings in net Primary Energy Demand of at least

	<p>30% in comparison to the baseline performance of the building before the renovation to be counted as CA.</p> <ul style="list-style-type: none"> • In the cases of wider building renovations including both energy efficiency and non-energy efficiency improvements, as it is economically detrimental to complete all of them in different phases, and when at least 50% of the renovation expenditures are energy efficiency measures, the whole PIC can be considered compliance with the criteria and therefore 100% CA.
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	<p>List of eligible standard measures investments in buildings</p> <p>(Note : This list includes elements/systems that are eligible for EE building renovation projects (see EE criteria for building renovation) . The EE project that includes these elements also needs to comply with the Energy Efficiency criteria for building renovations)</p> <p>FOR THE BUILDING ENVELOPE</p> <p>a) Thermal insulation of building envelope: All measures to improve the insulation and reduce energy losses in building envelope (i.e. measures to ensure air-tightness, measures to reduce the effects of thermal bridges etc.).</p> <ul style="list-style-type: none"> - The cost can include all the materials, the installation cost, all the design/technical support costs (engineering, energy simulations, energy audits, production of EPC, etc.) and all ancillary costs needed to complete the works (removal of old material, scaffolding, mechanical fixings, adhesive, finishing, project management, commissioning, etc.). <p>b) Replacement of existing windows and external doors with new energy efficient ones.</p> <ul style="list-style-type: none"> - It can include the cost of the new windows and doors, the installation cost, the design/technical support costs <p>FOR BUILDING SYSTEMS</p> <p>(in all cases it includes the material cost, the installation costs, the design/technical support costs (engineering, energy simulations, energy audits, production of EPC, etc.) and all ancillary costs needed to complete the works.</p> <p>c) Replacement of inefficient boiler or stove with highly efficient gas condensing boilers or boilers fed from renewable energy sources. In the case of gas boilers, they need to be at least A rated or have an seasonal efficiency of 90% or better.</p> <p>d) Installation and upgrade of Heat Pumps.</p> <p>e) All the elements (excepts the one already mentioned in points a,b,c) that reduce the energy consumption of HVAC systems (Heat, Ventilation and Air Conditioning) and domestic hot water system, including the equipment related to district heating service (i.e. cooling production systems, storage tanks, air handling units, heat exchangers, heat recovery units/systems, ducts, pipes, valves, radiators, ceiling/floor active beams, fan coils, variable speed drives, pumps etc. and all associated control systems and energy metering systems to follow real performance and consumption).</p> <p>f) Lighting: LED Light sources, luminaires and associated equipment</p>
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	<p>(Cabling, transformers, control systems, etc.)— Applications to increase efficiency (i.e. motion and daylight control).</p> <p>g) Building Management Systems (BMS) and Energy Management Systems (EMS). All hardware, meters or sub meters, communications systems and software/programming needed for the supervision of the technical systems of the building and for the monitoring and improvement of the energy consumption of the buildings.</p> <p>i) Zoned thermostats and smart thermostat systems. Hardware, communication systems and programming/software applications.</p> <p>j) Decentralised energy supply systems based on energy from renewable sources if installed on-site as building services</p> <ul style="list-style-type: none"> - Solar Photovoltaic Systems and all the ancillary technical equipment including the connection to the grid. - Solar panels (hot water panels, transpired collectors, vacuum solar collectors, etc) and all the ancillary technical equipment. - RE boilers or RE CHP systems (i.e. biomass, biogas, etc.). <p>k) Installation of thermal or electric energy storage units (and all ancillary equipment).</p> <p>l) Installation of High Efficiency Micro CHP (combined heat and power) plant.</p> <p>m) Installation of charging stations for electric vehicles.</p>
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Calendar

The current planning foresees the implementation of the sub-projects over a period of 4 years starting from the Effectiveness Date of the Contract.

Allocation period for sub-projects is 3 years.



A.2 Information Duties under Article 8.10

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

Financial and Technical Contact	
Company	<i>Energy Efficiency Agency</i>
Contact person	<i>Mr. Alexandru Ciudin</i>
Title	<i>Director</i>
Function / Department financial and technical	
Address	<i>Chisinau, 1 Alecu Russo street, 10 floor, MD-2068</i>
Phone	<i>+373 22 49 94 44</i>
Fax	<i>+373 22 31 10 01</i>
Email	<i>alexandru.ciudin@aee.md</i>

The above-mentioned contact person is the responsible contact for the time being. The Borrower shall inform the EIB immediately in case of any change.

2. Information on specific subjects

The Promoter, shall deliver to the Bank the following information at the latest by the deadline indicated below.

Document / Information	Deadline
Description of Quality Management System(QMS)	Together with the first allocation request.
Detailed list of buildings to be refurbished and energy efficiency measures to be implemented	Together with the allocation request.
Updated procurement plan	Before start of first tender
Energy audits for each refurbished building	Before approval (by relevant authority) of detailed designs
Energy performance certificate for each refurbished building	3 months after commissioning of the works
Verification reports covering the refurbished buildings	2 months after commissioning of the works

Quality management system is a set of procedures to be developed by the Promoter to follow up on the implementation and the commissioning of the works. It also needs to define clear targets for quality, deliverables, outcomes and outputs. One of the outcomes of the QMS should be the PPR and PCR as defined in the Schedule A2 of the finance contract.

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3. Information on the project's implementation

The Borrower shall deliver to the Bank the following information on project progress during implementation at the latest by the deadline indicated below.

Document / information	Deadline	Frequency of reporting
<p>Project Progress Report</p> <ul style="list-style-type: none"> - Detailed scope of works including budgeted costs and expected energy savings. - Update on the date of completion of each of the main project's components, explaining reasons for any possible delay; - Update on the cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost; - A description of any major issue with impact on the environment; - Update of the procurement plan - Update on the project's demand or usage and comments; - Any significant issue that has occurred and any significant risk that may affect the project's operation; - Any legal action concerning the project that may be on-going. 	<p>First PPR 6 months after signing of the contract</p>	<p>annually</p>

4. Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on project completion and initial operation at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> - A final Technical Description of the scope of works as completed, explaining the reasons for any significant change compared to the allocated sub-projects; - The date of completion of each of the main project's components, explaining reasons for any possible delay; - The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost; - Employment effects of the project: person-days required during implementation as well as permanent new jobs created; - A description of any major issue with impact on the environment or social impacts - Update on procurement procedures and explanation of deviations from the procurement plan - Update on the project's demand or usage and comments; - Any significant issue that has occurred and any significant risk that may affect the project's operation; - Any legal action concerning the project that may be on-going. - An update on the following Monitoring Indicators; <ul style="list-style-type: none"> Thermal energy saved (on calculated basis) in MWH/y; Electrical energy saved (on calculated basis) in MWH/y; Electrical energy produced by renewables (on calculated basis) in MWH/y; Number of buildings refurbished; Heated surface of refurbished buildings. 	<p>15 months after commissioning of last refurbished buildings and before 31 March 2025</p>

The financing for this project benefits from an EU guarantee to the Bank under Decision No 466/2014/EU of the European Parliament and of the Council. Pursuant to Article 9 (2) of this Decision, the Bank "shall require the project promoters to carry out thorough monitoring during project implementation until completion, inter alia, on the economic, development, social, environmental and human rights impact of the investment project. The EIB shall verify on a regular basis the information provided by the project promoters and make it publicly available if the project promoter agrees. Where possible, project completion reports related to EIB financing operations shall be published excluding confidential information."

Accordingly, and without prejudice to the Bank's obligation to make publicly available any project-related environmental information under the Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies, the Bank shall make publicly available all information provided by the Borrower in the Project Progress Reports and Project Completion Report provided that such information is expressly marked by the Borrower as "for publication on the EIB website".

Alternatively, the Borrower may also decide to publish this information on its own website and provide the EIB with the corresponding link (URL) which will be used as a source for EIB publication.

The EIB will not take any responsibility for the content of such information made public on its website. Documents marked as "for publication on the EIB website" will be published as received and will not be edited by the EIB. Only functioning URLs that link to the relevant project-related information will be published by the EIB.

5. Information required 3 years after the Project Completion Report

The Borrower shall deliver to the Bank the following information 3 years after the project completion report at the latest by the deadline indicated below.

Document / Information	Date of delivery to the Bank
Update on the Monitoring Indicators listed in the table above.	<i>Before 31 March 2028</i>

Language of reports	<i>English</i>
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Definition of EURIBOR

"EURIBOR" means:

- (a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
- (b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
- (c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the **"Representative Period"**).

For the purposes of paragraphs (a) to (c) above:

- (i) **"available"** means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), or any successor to that function of EMMI, as determined by the Bank; and
- (ii) **"Screen Rate"** means the rate of interest for deposits in EUR for the relevant period as published at 11:00 a.m., Brussels time, or at a later time acceptable to the Bank on the day (the **"Reset Date"**) which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them, as at approximately 11:00 a.m., Brussels time on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If no sufficient quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11:00 a.m., Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period. The Bank shall inform the Borrower without delay of the quotations received by the Bank.

All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one thousandth of a percentage point, with halves being rounded up.

If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI (or any successor to that function of EMMI as determined by the Bank) in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

If the Screen Rate becomes permanently unavailable, the EURIBOR replacement rate will be the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk-free rates established by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission, or (ii) the European Money Market Institute, as the administrator of EURIBOR, or (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (v) the European Central Bank.

If no Screen Rate and/or the EURIBOR replacement rate is available as provided above, EURIBOR shall be 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.



Forms for Borrower

Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C.)

To: the Republic of Moldova
From: European Investment Bank
Date:
Subject: Disbursement Offer/Acceptance for the Finance Contract between the Republic of Moldova and the European Investment Bank dated _____ (the "Finance Contract")
Operation number 2017 0017 Contract number 87363

Dear Sirs,

We refer to the Finance Contract. Terms defined in the Finance Contract have the same meaning when used in this letter.

Following your request for a Disbursement Offer from the Bank, in accordance with Article 1.2.B of the Finance Contract, we hereby offer to make available to you the following Tranche:

- (a) Amount to be disbursed in EUR:
- (b) Scheduled Disbursement Date:
- (c) Interest rate basis:
- (d) Interest payment periodicity:
- (e) Payment Dates:
- (f) Terms for repayment of principal:
- (g) The Repayment Dates and the first and the last Repayment Date for the Tranche:
- (h) The Interest Revision/Conversion Date:
- (i) The Fixed Rate or Spread, applicable until the Interest Revision/Conversion Date, if any, or until the Maturity Date:

To make the Tranche available subject to the terms and conditions of the Finance Contract, the Bank must receive a Disbursement Acceptance in the form of a copy of this Disbursement Offer duly signed on your behalf, to the following fax number [] or e-mail [] no later than the Disbursement Acceptance Deadline of [time] Luxembourg time on [date].

The Disbursement Acceptance below must be signed by an Authorised Signatory and must be fully completed as indicated, to include the details of the Disbursement Account.

If not duly accepted by the above stated time, the offer contained in this document shall be deemed to have been refused and shall automatically lapse.

If you do accept the Tranche as described in this Disbursement Offer, all the related terms and conditions of the Finance Contract shall apply, in particular, the provisions of Article 1.4.

Yours faithfully,

EUROPEAN INVESTMENT BANK

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We hereby accept the above Disbursement Offer:

for and on behalf of the Republic of Moldova

Date:

Account to be credited:

Account N°:

Account Holder/Beneficiary:

(please, provide IBAN format if the country is included in IBAN Registry published by SWIFT, otherwise an appropriate format in line with the local banking practice should be provided)

Bank name and address:

Bank Identification code (BIC):

Payment details to be provided:

Please transmit information relevant to:

Name(s) of the Borrower's Authorised Signatory(ies):

.....
Signature(s) of the Borrower's Authorised Signatory(ies):

IMPORTANT NOTICE TO THE BORROWER:
BY COUNTERSIGNING ABOVE YOU CONFIRM THAT THE LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS PROVIDED TO THE BANK WAS DULY UPDATED PRIOR TO THE PRESENTATION OF THE ABOVE DISBURSEMENT OFFER BY THE BANK.
IN THE EVENT THAT ANY SIGNATORIES OR ACCOUNTS APPEARING IN THIS DISBURSEMENT ACCEPTANCE ARE NOT INCLUDED IN THE LATEST LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.

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Schedule D

Certificates to be provided by the Borrower

Form of Certificate from Borrower (Article 1.4.D)

To: European Investment Bank
From: the Republic of Moldova
Date:
Subject: MOLDOVA ENERGY EFFICIENCY Finance Contract between the Republic of Moldova and the European Investment Bank dated _____ (the "Finance Contract")
Operation number 2017 0017 Contract number 87363

Dear Sirs;

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.4 of the Finance Contract we hereby certify to you as follows:

- (a) no Prepayment Event has occurred and is continuing unremedied or unwaived;
- (b) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.1, save as previously communicated by us;
- (c) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A.1;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;
- (e) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.12 are true in all respects; and
- (g) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract.

Yours faithfully,

For and on behalf of the Republic of Moldova

Date:

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Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Offer for a Tranche, the following provisions shall apply.

A. Mechanics of Interest Revision/Conversion

Upon receiving an Interest Revision/Conversion Request the Bank shall, during the period commencing 60 (sixty) days and ending 30 (thirty) days before the Interest Revision/Conversion Date, deliver to the Borrower an Interest Revision/Conversion Proposal stating:

- (a) the Fixed Rate and/or Spread that would apply to the Tranche, or of its part indicated in the Interest Revision/Conversion Request pursuant to Article 3.1; and
- (b) that such rate shall apply until the Maturity Date or until a new Interest Revision/Conversion Date, if any, and that interest is payable quarterly, semi-annually or annually, in accordance with Article 3.1, in arrear on designated Payment Dates.

The Borrower may accept in writing an Interest Revision/Conversion Proposal by the deadline specified therein.

Any amendment to the Contract requested by the Bank in this connection shall be effected by an agreement to be concluded not later than 15 (fifteen) days prior to the relevant Interest Revision/Conversion Date.

Fixed Rates and Spreads are available for periods of not less than 4 (four) years or, in the absence of a repayment of principal during that period, not less than 3 (three) years.

B. Effects of Interest Revision/Conversion

If the Borrower duly accepts in writing a Fixed Rate or a Spread in respect of an Interest Revision/Conversion Proposal, the Borrower shall pay accrued interest on the Interest Revision/Conversion Date and thereafter on the designated Payment Dates.

Prior to the Interest Revision/Conversion Date, the relevant provisions of the Contract and Disbursement Offer and Disbursement Acceptance shall apply to the Tranche in its entirety. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new Fixed Rate or Spread shall apply to the Tranche (or any part thereof, as indicated in the Interest Revision/Conversion Request) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. No or Partial Interest Revision/Conversion

If the Borrower does not submit an Interest Revision/Conversion Request or does not accept in writing the Interest Revision/Conversion Proposal for the Tranche or if the parties fail to effect an amendment requested by the Bank pursuant to paragraph A above, the Borrower shall repay the Tranche (or the part thereof, as indicated in the Interest Revision/Conversion Request) on the Interest Revision/Conversion Date, without indemnity.

In case of a partial Interest Revision/Conversion, the Borrower will repay, without indemnity, on the Interest Revision/Conversion Date any part of the Tranche which was not covered by the Interest Revision/Conversion Request and which is therefore not subject to the Interest Revision/Conversion.

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Agreed form legal opinion

European Investment Bank
98-100 Bd. Konrad Adenauer
L-2950 Luxembourg
Luxembourg

To the attention of the Legal Directorate

[date]

Re: Moldova Energy Efficiency - the Finance Contract between the Republic of Moldova and the European Investment Bank dated _____
(Operation number 2017 0017, Contract number 87363)

Dear Sirs,

I, the undersigned, Minister of Justice of the Republic of Moldova, am giving this opinion pursuant to Article 1.4.B(b) of the finance contract dated _____ (the "Finance Contract") between the Republic of Moldova (the "Borrower") and the European Investment Bank (the "Bank") pursuant to which the Bank has agreed to provide a credit to the Borrower in an amount equivalent to EUR 30,000,000 (thirty million euros) for the purpose of financing the Moldova Energy Efficiency project.

All terms used herein and not otherwise defined shall have the same meaning as in the Finance Contract.

I have examined the original of the Finance Contract and I have examined such laws, documents and other matters, as I have deemed necessary or appropriate for the purpose of giving this opinion.

Subject to the foregoing, I am of the opinion that:

1. The Finance Contract has been duly executed on behalf of the Borrower by [Name], [Position] as lawful representative of the Borrower.
2. The execution of the Finance Contract by [Name], [Position] as lawful representative of the Borrower has been made pursuant to and in accordance with the provisions of [insert details of relevant laws].
3. Under the laws of the Republic of Moldova, it is not necessary that the Finance Contract be filed, recorded, registered or enrolled with any court or other authority in order to ensure the legality, validity or enforceability of the Finance Contract.
4. The choice of Luxembourgish law as the law governing the Finance Contract (other than Article 11.2) is valid and enforceable.
5. None of the following:
 - (i) the entry into the Finance Contract by the Borrower;
 - (ii) the performance by the Borrower of its obligations under the Finance Contract;
 - (iii) the transactions contemplated by the Finance Contract;
 - (iv) the acceptance of the Credit by the Borrower; and
 - (v) the countersigning of a Disbursement Acceptance and the acceptance of a disbursement of a Tranche under the Finance Contract,

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- in any way conflicts, or is in breach of, any restrictions on the incurring of financial indebtedness by the Borrower, including without limitation any such restrictions imposed by any international financial institution or international bank.
- 6. The arbitration agreement contained in the Finance Contract to settle any dispute between the Borrower and the Bank by an arbitral tribunal with its seat in The Hague in accordance with the UNCITRAL Rules is a valid, binding and effective agreement by the Borrower to submit to arbitration. The choice of Dutch law as the law governing Article 11.2 of the Finance Contract is valid and enforceable. Any award obtained in an arbitration proceeding conducted in accordance with the arbitration provisions of the Finance Contract against the Borrower in relation to a dispute under or in connection with the Finance Contract would be recognised and enforced in the Republic of Moldova.
- 7. No taxes, duties, fees or other charges, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by the Republic of Moldova, or any of its political subdivision or tax authority, are payable in connection with the execution of the Finance Contract, nor in connection with any payment to be made by the Borrower to the Bank pursuant to the Finance Contract.
- 8. The Borrower has obtained all necessary Authorisations required in connection with the Finance Contract.
- 9. All necessary exchange control consents, which may be necessary to receive disbursements, to repay the same, to pay interest and all other amounts due under the Finance Contract and to open and operate the Disbursement Account are in effect.
- 10. The waiver of Immunity under Article 11.7 of the Finance Contract is a legally valid and binding obligation of the Borrower.
- 11. The Finance Contract has been duly ratified by the Parliament of the Republic of Moldova in accordance with the laws of the Republic of Moldova.
- 12. No Authorisations pursuant to any exchange control laws and regulations applicable in the Republic of Moldova are necessary to permit the Borrower to receive disbursements as provided in the Finance Contract, to repay the disbursed Tranches in accordance with the Finance Contract, to pay interest and all other amounts due under the Finance Contract and to open and operate the Disbursement Account.

Based on the foregoing, I am of the opinion that all requirements currently applicable to the Borrower, the Promoter, and/or the Finance Contract under the laws of the Republic of Moldova have been complied with, and that the Finance Contract constitutes valid and binding obligations of the Borrower, enforceable in accordance with their terms.

Yours faithfully,

[Name]
Minister of Justice of the Republic of Moldova

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