

LD 2110

FRAMEWORK LOAN AGREEMENT

between

COUNCIL OF EUROPE DEVELOPMENT BANK

and

SLOVENSKÁ ZÁRUČNÁ A ROZVOJOVÁ BANKA, A.S.

MSME AND PUBLIC SECTOR SUPPORT

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COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55, Avenue Kléber, 75116 Paris (France) (hereinafter, the **“CEB”** or the **“Bank”**), on the one hand,

and

SLOVENSKÁ ZÁRUČNÁ A ROZVOJOVÁ BANKA, A.S., a joint-stock company duly organised under the law of the Slovak Republic, registered with the Commercial Register of District Court of Bratislava 1, section Sa, file 3010/B with identification number of the company 00682420, with its corporate seat at Štefánikova 27, Bratislava, Slovak Republic (hereinafter, the **“Borrower”** and together with the CEB, the **“Parties”** and each a **“Party”**), on the other hand,

WHEREAS

- (A) Having regard to the loan application submitted by the Slovak Republic on 2 November 2021, approved by the CEB’s Administrative Council on 18 November 2021,
- (B) Having regard to the Third Protocol dated 6 March 1959 to the General Agreement on Privileges and Immunities of the Council of Europe dated 2 September 1949,
- (C) Having regard to the CEB’s Loan Regulations, as adopted by the CEB’s Administrative Council Resolution 1587 (2016) (hereinafter, the **“Loan Regulations”**),
- (D) Having regard to the CEB’s Loan and Project Financing Policy, as adopted by the CEB’s Administrative Council Resolution 1617 (2020) (hereinafter, the **“Loan Policy”**),
- (E) Having regard to the CEB’s Environmental and Social Safeguards Policy, as adopted by the CEB’s Administrative Council Resolution 1588 (2016) (hereinafter, the **“Environmental and Social Safeguards Policy”**),
- (F) Having regard to the CEB’s Procurement Guidelines, as adopted by the CEB’s Administrative Council in September 2011 (hereinafter, the **“Procurement Guidelines”**),
- (I) Having regard to the CEB’s Regulation on a system for the protection of personal data at the CEB, as adopted by CEB’s Administrative Council in September 2011 (hereinafter, the **“Personal Data Protection Regulation”**),
- (G) Having regard to the CEB’s Anti-corruption Charter, as adopted by CEB’s Administrative Council in March 2007, and
- (H) Having regard to the CEB’s Policy on Non-compliant / Uncooperative Jurisdictions, as adopted by CEB’s Administrative Council Resolution 1608 (2019),

HEREBY AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following terms shall have the meaning indicated below, except as the context requires otherwise:

“Agreement” means this framework loan agreement, including its appendices.

“Allocation” means the commitment of a Tranche by the Borrower to Sub-loans by means of the signature of the relevant Sub-loan Agreements even if such Tranche has not yet been disbursed in favour of the Final Borrowers.

“Allocation Period” has the meaning specified under Sub-clause 5.2.

“Business Day” means in relation to payments in Euro, any day on which TARGET 2 (the Trans European Automated Real-time Gross Settlement Express Transfer system) is operating.

“Closing Date” means the date specified under Appendix 1 hereto from which no further disbursements under the Loan may take place.

“Coercive Practice” means any act of impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party to influence improperly the actions of a party.

“Collusive Practice” means any arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

“Components” means the Component A and Component B such as described under the heading **Components** in Appendix 1 hereto.

“Corrupt Practice” means any act of offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.

“Cross-Default Event” has the meaning specified under Sub-clause 6.5.

“Currency” means, for the purposes of the Agreement, Euro.

“Day Count Convention” means the convention for determining the number of days between two dates and the number of days in a year specified in the relevant Disbursement Notice.

“Debt Instrument” means (i) any loan or other form of financial indebtedness; (ii) 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), (iii) a bond, note, debt security, debenture or similar written evidence of financial indebtedness; or (iv) an instrument evidencing a guarantee of an obligation constituting financial indebtedness of another.

“Default Interest Rate” has the meaning specified under Sub-clause 4.9.

“Disbursement Date” means the date on which a Tranche is scheduled to be disbursed pursuant to the applicable Disbursement Notice.

“Disbursement Notice” has the meaning specified under Sub-clause 4.3(b).

“Disbursement Request” has the meaning specified under Sub-clause 4.3(a).

“EU” means the European Union.

“EURIBOR” means the percentage rate quoted by any financial news provider acceptable to the CEB at or about 11.00 a.m. Brussels time on the Interest Determination Date as the Euro wholesale funding rate administered by the European Money Market Institute (or any other entity which takes over the administration of that rate) for the same period as the relevant Interest Period.

If the relevant Interest Period is not the same as a period quoted by the relevant financial news provider, the applicable EURIBOR shall be the percentage rate resulting from a linear interpolation by reference to two (2) EURIBOR rates, one of which is applicable for a period of whole months next shorter and the other for a period of whole months next longer than the length of the relevant Interest Period.

“Euro” and the sign **“EUR”** means the lawful currency of the Member States of the EU which from time to time adopt it as their currency in accordance with the relevant provisions of the Treaty of the EU and the Treaty on the Functioning of the EU or their succeeding treaties.

“European Convention on Human Rights” means the Convention for the Protection of Human Rights and Fundamental Freedoms dated 4 November 1950, CETS No. 5, as amended from time to time.

“European Social Charter” means the European Social Charter dated 3 May 1996, CETS No. 163, as amended from time to time.

“Final Beneficiaries” are specified under Appendix 1 hereto as the group benefitting from the social effects of the Project.

“Final Borrowers” are specified under Appendix 1 hereto as the recipients of Sub-loans.

“Fixed Interest Rate” means the interest rate *per annum* specified in the applicable Disbursement Notice.

“Floating Interest Rate” means the interest rate *per annum* determined by adding or subtracting the Spread specified in the applicable Disbursement Notice to or from, as the case may be, the Reference Rate.

For the avoidance of doubt, when the determination of the Floating Interest Rate results in a negative interest rate (due to a quoted negative Reference Rate, to the operation of a Spread that is subtracted from the Reference Rate or to any other circumstances), the interest to be paid by the Borrower for the Interest Period shall be deemed to be zero.

“Fraudulent Practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.

“Global Monitoring Report” has the meaning specified under Sub-clause 6.1(b).

“Interest Determination Date” means, for the purposes of determination of a Floating Interest Rate, the day falling two (2) Business Days prior to the first day of the Interest Period, unless otherwise specified in the relevant Disbursement Notice.

“Interest Payment Dates” means the dates for the payment of interest corresponding to the relevant Interest Period specified in the applicable Disbursement Notice.

“Interest Period” means the period commencing on an Interest Payment Date and ending on the day immediately prior to the following Interest Payment Date, provided that the first Interest Period applicable to each Tranche shall commence on the Disbursement Date and end on the day immediately prior to the next Interest Payment Date.

“Loan” means the loan granted to the Borrower by the CEB by means of the Agreement.

“Loan Amount” means the amount specified under Sub-clause 4.1.

“Market Disruption Event” has the meaning specified under Sub-clause 4.100.

“Material Adverse Change” means any event which, in CEB’s opinion, (i) materially impairs the Borrower’s ability to perform its financial obligations under the Agreement or materially impairs the Borrower’s business, operations, property or prospects; (ii) adversely affects any Security provided by the Borrower or a third-party to secure the due performance of the Borrower’s financial obligations under the Agreement; or (iii) adversely affects any rights or remedies of the CEB under the Agreement.

“Maturity Date” means the last Principal Repayment Date for each Tranche specified in the applicable Disbursement Notice.

“Modified Following Business Day Convention” means a convention whereby if a specified date would fall on a day which is not a Business Day, such date would be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date would be the first preceding day that is a Business Day.

“Obstructive Practice” means, in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice, (a) any act of deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; (b) any act of threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; and/or (c) any act intending to materially impede the exercise of the contractual rights of audit or access to information.

“Prepayment Confirmation” has the meaning specified under Sub-clause 4.7.

“Prepayment Costs” has the meaning specified under Sub-clause 4.7.

“Prepayment Date” has the meaning specified under Sub-clause 4.7.

“Prepayment Notice” has the meaning specified under Sub-clause 4.7.

“Principal Repayment Date(s)” means the date(s) for the repayment(s) of principal under each Tranche specified in the applicable Disbursement Notice.

“Principal Repayment Period” means with respect of each Tranche the period running from its Disbursement Date to its Maturity Date.

“Prohibited Practices” means any Corrupt Practice(s), any Fraudulent Practice(s), any Coercive Practice(s), any Collusive Practice(s) or any Obstructive Practice(s) and any money laundering, terrorism financing or making available any Loan proceeds to Sanctioned Persons..

“Project” means the programme of eligible Sub-projects set forth under Appendix 1 hereto to be partially financed with the Loan approved by the CEB’s Administrative Council with ref. LD 2110 by means of Sub-loans to Final Borrowers.

“Reference Rate” means EURIBOR for a Floating Interest Rate Tranche denominated in Euro.

“Sanction Lists” means (i) any economic, financial and trade restrictive measures and arms embargoes issued by the EU pursuant to chapter 2 of title V of the Treaty on European Union as well as article 215 of the Treaty on the Functioning of the European Union, as available on the official EU website¹ or on any successor page, as amended and supplemented from time to time; or (ii) any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to article 41 of the UN Charter, as available on the official UN website or on any successor page, as amended and supplemented from time to time.

“Sanctioned Persons” means any individual or entity listed in and/or otherwise subject to one or more Sanction Lists.

“Security” means any agreement or arrangement creating a preferential rank, a preferential right of payment, a collateral or guarantee of any nature whatsoever which might confer enhanced rights upon third parties.

“Shareholding Event” means any situation in which (i) the Slovak Republic ceases to own directly or indirectly one hundred per cent (100%) of the issued share capital and voting rights of the Borrower; or (ii) a person, an entity or group of persons/entities acting in concert gain control (*i.e.*, the power to direct the Borrower’s management or policies) through ownership of voting rights, by contract or otherwise.

“Spread” means, in connection with Floating Interest Rate Tranches, the fixed-spread to the Reference Rate (being either plus or minus) specified in basis points in the applicable Disbursement Notice.

“Sub-loan” means a loan granted by the Borrower to a Final Borrower.

“Sub-loan Agreement” means the loan agreement and related documentation between the Borrower and a Final Borrower.

“Sub-project” means an eligible investment scheme to be financed under the Project.

“Sub-project Identification Report” has the meaning specified under Sub-clause 6.1.

“Sub-tranche” has the meaning specified under Sub-clause 4.2.

“Tranche” means an amount disbursed or to be disbursed under the Loan.

1.2 Construction

Unless the context otherwise requires, references to:

- (a) this Agreement shall be construed as references to this Agreement as supplemented, amended or restated from time to time;
- (b) a Party or any other person includes its successors in title or permitted transferee;
- (c) "Clauses", "Sub-clauses" and "Recitals" shall be construed as references to clauses, sub-clauses and recitals respectively of this Agreement; and
- (d) words importing the singular shall include the plural and vice-versa.

¹ http://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en.

1.3 Headings

Headings in this Agreement have no legal significance and do not affect its interpretation.

1.4 Rounding

For the purposes of any calculations referred to in this Agreement:

- (i) all percentages resulting from such calculations other than those determined through the use of interpolation will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655));
- (ii) all percentages determined through the use of linear interpolation by reference to two (2) relevant Reference Rates will be rounded, if necessary, in accordance with the method set forth in subsection (a) above, but to the same degree of accuracy as the two (2) rates used to make the determination (except that such percentages will not be rounded to a lower degree of accuracy than the nearest one thousandth of a percentage point (0.001%)); and
- (iii) all currency amounts used in or resulting from the above calculations will be rounded, unless otherwise specified in the relevant Currency definition, to the nearest two decimal places in the relevant currency (with .005 being rounded upwards (e.g., .674 being rounded down to .67 and .675 being rounded up to .68).

2. CONDITIONS

The Loan is granted under the general conditions of the Loan Regulations and under the special conditions of the Agreement.

3. PURPOSE

The CEB grants the Loan to the Borrower, who accepts it, solely for the purpose of financing the Project as described under Appendix 1 hereto.

Any change to the way the Loan is applied that has not received the CEB's prior written approval would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

4. FINANCIAL CONDITIONS

4.1 Loan Amount

The Loan Amount is:

Sixty million Euros
EUR 60,000,000

4.2 Disbursement Amount

The Loan shall be disbursed in a minimum of two (2) Tranches and a maximum of ten (10) Tranches. Each Tranche may be divided into sub-tranches (hereinafter, the **“Sub-tranches”**) dedicated to each of the Components under the Project specified under Appendix 1 hereto.

The amount of each Tranche shall be determined according to the Borrower’s absorption capacity. The amount of the first Tranche shall not exceed fifty per cent (50 %) of the Loan Amount.

4.3 Disbursement Procedure

The disbursement of each Tranche is determined through the following procedure:

(a) Disbursement Request

Prior to each disbursement, the Borrower shall submit to the CEB a disbursement request substantially in the form set out under Appendix 3 hereto (hereinafter, a **“Disbursement Request”**).

A Disbursement Request shall specify the proposed:

- (i) Currency(ies) and amount(s) for the Tranche;
- (ii) Disbursement Date; such Disbursement Date shall be a Business Day falling at least five (5) Business Days after the date of the Disbursement Request;
- (iii) Principal Repayment Date(s), including the Maturity Date, taking into account that the Principal Repayment Period for each Tranche shall not exceed (A) for Component A fifteen (15) years without grace period; (B) for Component B twenty-three (23) years without grace period;
- (iv) maximum Fixed Interest Rate or maximum Spread to the Reference Rate;
- (v) Interest Period and Interest Payment Dates;
- (vi) Day Count Convention and Business Days; and
- (vii) Borrower’s account for payments.

Each Disbursement Request delivered to the CEB shall be irrevocable, unless otherwise agreed in writing by the CEB.

(b) Disbursement Notice

If the CEB receives a Disbursement Request that complies with the Disbursement Request requirements set out in Sub-clause 4.3(a) above, and if all other relevant Disbursement Conditions as defined in Sub-clause 4.5 (*Disbursement Conditions*) below have been fulfilled by the Borrower, the CEB shall deliver to the Borrower a disbursement notice substantially in the form set out under Appendix 3 hereto (hereinafter, a **“Disbursement Notice”**). Each Disbursement Notice shall be delivered at least two (2) Business Days before the proposed Disbursement Date.

A Disbursement Notice shall specify:

- (i) the Currency(ies) and the amount(s) for the Tranche;
- (ii) the Disbursement Date;

- (iii) the Principal Repayment Period and Principal Repayment Date(s), including the Maturity Date;
- (iv) the Fixed Interest Rate or the Spread to the Reference Rate;
- (v) the Interest Period and the Interest Payment Dates;
- (vi) the Day Count Convention and the Business Days; and
- (vii) the Borrower's and CEB's accounts for payments.

A Disbursement Notice matching the elements included in a Disbursement Request shall constitute an irrevocable and unconditional commitment on the part of the Borrower to borrow from the CEB and on the part of the CEB to disburse to the Borrower the Tranche under the terms and conditions specified in the Disbursement Notice.

Notwithstanding the above, if the CEB has not delivered a Disbursement Notice within twenty (20) Business Days following the receipt of a Disbursement Request, the relevant Disbursement Request shall be deemed as cancelled.

4.4 Disbursement Period

Unless otherwise agreed in writing by the CEB, the Borrower shall not be entitled to:

- (i) the issue of a Disbursement Request for the first Tranche beyond twelve (12) months after the execution of the Agreement by the Parties;
- (ii) the issue of any further Disbursement Request beyond eighteen (18) months after the last disbursement; or
- (iii) the issue of any further Disbursement Request beyond the day falling fifteen (15) Business Days before the Closing Date.

4.5 Disbursement Conditions

(a) Conditions precedent to the Disbursement Request for the first Tranche:

- (i) Legal opinion in English issued by the Borrower's external legal advisors or the Borrower's head of legal department confirming to the CEB's satisfaction, substantially in the form set out under Appendix 2 hereto, that the Agreement has been duly executed by authorised representatives of the Borrower and that the Agreement is valid, binding and enforceable in accordance with its terms in the Borrower's jurisdiction.
- (ii) Evidence in English (*e.g.*, statute, resolution, power of attorney, etc.) to the CEB's satisfaction of the person(s) authorised to execute the Agreement and the Disbursement Requests on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s).
- (iii) Any other condition applicable to the Loan/Project.

(b) Conditions precedent to any further Disbursement Request:

- (i) Evidence in English (*e.g.*, statute, resolution, power of attorney, etc.) to the CEB's satisfaction of the person(s) authorised to execute the Disbursement Requests on behalf

of the Borrower, together with the authenticated specimen of the signature(s) of such person(s).

(ii) Global Monitoring Report confirming to the CEB's satisfaction the full Allocation of the previous Tranche (or Sub-tranche, if applicable).

(iii) Any other condition applicable to the Loan/Project.

4.6 Repayment

On any Principal Repayment Date, the Borrower shall repay the principal of each Tranche due on that Principal Repayment Date in accordance with the terms set forth in the applicable Disbursement Notice.

4.7 Prepayment

(a) Mechanics

If in any event specified in this Agreement referring to this Sub-clause the Borrower ought to prepay all or part of a Tranche or in the event of voluntary prepayment, the Borrower shall give at least a one (1) month prior written notice to the CEB (hereinafter, the "**Prepayment Notice**") specifying the amounts to be prepaid, the date on which the prepayment will take place (hereinafter, the "**Prepayment Date**") and, upon prior consultation with the CEB, the Prepayment Costs. The Prepayment Date shall fall on an Interest Payment Date, unless otherwise agreed in writing by the CEB.

Upon receipt of the Prepayment Notice, the CEB shall send a written notice to the Borrower (hereinafter, the "**Prepayment Confirmation**"), not later than five (5) Business Days prior to the Prepayment Date, indicating the accrued interest due thereon and the Prepayment Costs in accordance with Sub-clause 4.7 (b).

A Prepayment Confirmation matching all the elements included in the Prepayment Notice shall constitute an irrevocable and unconditional commitment on the part of the Borrower to prepay the relevant amounts to the CEB under the terms and conditions specified in the Prepayment Confirmation.

If the Borrower partially prepays a Tranche, the prepaid amount shall be applied pro rata to each outstanding principal repayment. In such an event, the Prepayment Confirmation shall accordingly include an adjusted repayment schedule which shall be binding on the Borrower

(b) Prepayment Costs

The costs resulting from prepayment in accordance with Sub-clause 4.7 (a) (hereinafter, "**the Prepayment Costs**") shall be determined by the CEB on the basis of the costs to it of redeploying the amount to be prepaid from the Prepayment Date to the Maturity Date, including any related costs, such as unwinding any underlying hedging arrangements. The costs of redeployment will be established on the basis of the difference between the original rate and the redeployment rate, which shall be determined by the CEB on the basis of market conditions on the date of the Prepayment Notice.

4.8 Interest Determination

The Borrower shall pay interest on the principal of each Tranche from time to time outstanding during each Interest Period at the Fixed Interest Rate/Floating Interest Rate specified in the applicable Disbursement Notice.

Interest shall (i) accrue from and including the first day of the Interest Period to but excluding the last day of such Interest Period; and (ii) be due and payable on the Interest Payment Dates specified in the applicable Disbursement Notice. Interest shall be calculated on the basis of the Day Count Convention specified in the relevant Disbursement Notice.

In the case of Floating Interest Rate Tranches, the CEB shall determine on each Interest Determination Date the interest rate applicable during the relevant Interest Period in accordance with the Agreement and promptly give notice thereof to the Borrower. Each determination by the CEB shall be final, conclusive and binding upon the Borrower unless shown by the Borrower to the satisfaction of the CEB that any such determination has involved manifest error.

4.9 Default Interest Rate

In the event that the Borrower fails to pay, in full or in part, any amount under the Agreement, and notwithstanding any other recourse available to the CEB under the Agreement or otherwise, the Borrower shall pay interest on such unpaid amounts from the due date until the date of receipt of such payment by the CEB at the interest rate *per annum* equal to the one-month EURIBOR quoted on the due date plus two hundred basis points (200 bps) (hereinafter, the **“Default Interest Rate”**).

The applicable Default Interest Rate shall be updated every thirty (30) calendar days.

4.10 Market Disruption Event

The CEB shall promptly, upon becoming aware of it, notify to the Borrower that a Market Disruption Event has occurred.

For the purposes of the Agreement, **“Market Disruption Event”** refers to the following circumstances:

- (a) The relevant financial news provider referred to under the EURIBOR definition does not quote any percentage rate or its corresponding screen rate page is not accessible.

Under such a Market Disruption Event, the applicable EURIBOR shall be the percentage rate *per annum* determined by the CEB to be the arithmetic mean of the rates at which loans in Euro, in an amount identical or nearest comparable to the Loan amount in question and for a period identical or nearest comparable to the relative Interest Period, are offered on the Interest Determination Date by three (3) leading banks in the EU interbank market selected by the CEB. If at least two (2) quotations are provided, the applicable EURIBOR for that Interest Determination Date shall be the arithmetic mean of all quotations provided.

If only one (1) or no quotation is provided, the applicable EURIBOR shall be the percentage rate *per annum* determined by the CEB to be the arithmetic mean of the rates at which loans in Euro, in an amount identical or nearest comparable to the Loan amount in question and for a period identical or nearest comparable to the relative Interest Period, are offered on the second Business Day after the beginning of the relevant Interest Period by major banks in the EU interbank market selected by the CEB.

- (b) The CEB determines that it is not possible to determine the applicable Reference Rate in accordance with paragraph (a) above.

Under such a Market Disruption Event, the applicable Floating Interest Rate shall be replaced by the rate that expresses as a percentage rate *per annum* the cost to the CEB of funding the Loan from whatever source the CEB may reasonably select.

- (c) At any time between the delivery of a Disbursement Notice and the Disbursement Date the CEB reasonably determines that there are exceptional and unexpected circumstances of an

economic, financial, political or other external nature adversely affecting the CEB's access to its sources of funding.

Under such a Market Disruption Event, the CEB shall be entitled to cancel at no cost the scheduled disbursement.

In the case of the Market Disruption Events set forth under paragraphs (a) and (b) above:

- (i) If the Borrower so requires, the Parties, acting in good faith, shall enter into negotiations for a period of not more than thirty (30) calendar days in order to agree on an alternative to the applicable EURIBOR. If no agreement is reached, the Borrower shall proceed with prepayment on the next Interest Payment Date in the terms provided under Sub-clause 4.7.
- (ii) The CEB shall have the right, acting in good faith and in consultation with the Borrower to the extent reasonably practicable, to change the duration of any subsequent Interest Period to thirty (30) calendar days or less by sending to the Borrower a notice thereof. Any such change to an Interest Period shall take effect on the date specified by the CEB in such notice.

If the CEB determines that the relevant Market Disruption Event no longer exists, then, subject to any further Market Disruption Event occurring or existing, the Floating Interest Rate and/or Interest Period applicable to any relevant Tranche shall revert, from the first day of the following Interest Period to being calculated in accordance with the Floating Interest Rate and Interest Period specified in the relevant Disbursement Notice.

4.11 Payments

All the amounts due by the Borrower under this Agreement are payable in the Currency of each Tranche to the CEB's account indicated in the applicable Disbursement Notice. Any payment under this Agreement shall be made on a Business Day subject to the Modified Following Business Day Convention. Any payment shall be deemed paid when the CEB has received the amount on its account.

The Borrower or the bank instructed by the Borrower, as the case may be, shall send a written payment notice to the CEB at least five (5) Business Days before payment of any amounts due under this Agreement.

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

If the CEB receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Agreement, the CEB shall apply that payment in or towards payment of

- (i) first, any fees, costs, charges or expenses due but unpaid under this Agreement;
- (ii) secondly, any accrued interest due but unpaid under this Agreement,
- (iii) thirdly, any principal due but unpaid under this Agreement; and
- (iv) fourthly, any other sum due but unpaid under this Agreement.

5. PROJECT IMPLEMENTATION

The Borrower shall implement the Project in accordance with the Agreement.

Failure to comply with the undertakings set forth hereby under Clause 5 would constitute, irrespective of any other applicable provision of the Loan Regulations, an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to (i) the relevant Sub-project being declared ineligible for Allocation under the Project; and/or (ii) the early reimbursement, suspension or cancellation of the Loan, in whole or in part, under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

5.1 Duty of Care

The Borrower shall apply all care and diligence, and shall exercise all typically used means (including, but not limited to, legal, financial, managerial and technical) required for the proper implementation of the Project.

5.2 Allocation Period

The Borrower shall allocate each Tranche/Sub-tranche to the Project/relevant Component under the Project within twelve (12) months after the relevant Disbursement Date (hereinafter, the **“Allocation Period”**), unless otherwise agreed in writing by the CEB.

If a Tranche/Sub-tranche disbursed by the CEB is not allocated to the Project/relevant Component under the Project or is only partially allocated to it within the Allocation Period, the Borrower shall proceed with prepayment of the unallocated amounts on the next Interest Payment Date in the terms provided under Sub-clause 4.7.

If:

- (i) the eligible Sub-project costs are substantially reduced to the extent that the funds provided by the CEB for the relevant Sub-loan exceed fifty per cent (50%) of the eligible Sub-project costs;
- (ii) a Sub-project is found to be ineligible or in breach of the undertakings specified under Sub-clause 5.4; or
- (iii) a Sub-loan, in whole or in part, is, voluntarily or otherwise, cancelled or prepaid by a Final Borrower,

a corresponding part of the Loan shall be allocated by the Borrower to other Sub-loans to the extent possible given the residual maturity of the corresponding Tranche. In the case of re-allocation, the CEB reserves the right to request from the Borrower a report on such re-allocation of funds.

5.3 Project Costs

Without prejudice to the provisions of the *“Eligibility Criteria”* section in Appendix 1 (*Description of Project*) hereto, the Loan proceeds allocated to the Project shall not exceed fifty per cent (50%) of the total eligible costs of the Project specified under Appendix 1 hereto. If the Tranches disbursed under the Loan exceed the above 50% (by reduction of the total eligible costs or otherwise), the Borrower shall proceed with prepayment of the surplus on the next Interest Payment Date in the terms provided under Sub-clause 4.7.

5.4 Sub-loan Conditions

The Borrower shall ensure that in each Sub-loan Agreement (or in a separate binding statement) the Final Borrower undertakes to:

- (i) use the Sub-loan for the implementation of the Sub-project concerned;
- (ii) comply with the obligations arising from Sub-clauses 5.5 (Procurement), 5.6 (Environment), 5.7 (Human Rights) and 5.8 (Integrity);
- (iii) obtain all relevant real property rights, permits and authorisations.
- (iv) maintain, repair, insure, overhaul and renew all property forming part of the Sub-Project as required to keep it in good working order;
- (v) allow CEB's staff members or designated third parties to visit the relevant Sub-project sites/contractors, installations and works, to conduct such checks as they may wish, and to provide them with all necessary information and assistance for this purpose;
- (vi) comply with any other requirement specified in Appendix 1 ("Specific Conditions") hereto; and
- (vii) repay in advance of maturity the Sub-loan in case of non-compliance with the above undertakings.

The Borrower undertakes to (i) match to the extent possible the Sub-loans' maturity date to the Maturity Date of the relevant Tranche; and (ii) to take into consideration the advantage derived from CEB's financing and to pass on that advantage to the Final Borrowers, while taking into account the fact that an intermediation margin may be applied to cover risk and management costs.

5.5 Procurement

Pursuant to the Procurement Guidelines, procurement of supplies, works and services under any Sub-project shall comply with the relevant procurement legislation, if applicable. Otherwise, the Final Borrowers shall use procurement methods which ensure a sound acquisition of supplies, works and services at fair market prices and in a cost effective manner.

5.6 Environmental and Social Safeguards

Sub-projects shall be in conformity with the requirements set forth in the Environmental and Social Safeguards Policy of the CEB. In particular, should any Sub-project require an Environmental Impact Assessment (EIA) or an Environmental and Social Impact Assessment (ESIA) in accordance with the Environmental and Social Safeguards Policy, the Borrower shall notify the CEB and ensure that the EIA/ESIA is undertaken in accordance with the requirements of the Environmental and Social Safeguards Policy. The Borrower shall ensure that the relevant EIA/ESIA documentation is made available to the CEB for review upon request.

5.7 Human Rights

Sub-projects shall not give rise to a violation of (i) the European Convention on Human Rights; or (ii) the European Social Charter.

5.8 Integrity

The Borrower shall ensure that the implementation of the Project will not give rise to a violation of the applicable laws on fraud, corruption, money laundering, financing of terrorism or any other unlawful use of funds.

5.9 Visibility

The Borrower shall inform the Final Borrowers that the Project is partly financed by the CEB through appropriate means of communication such as dedicated notices in relevant websites, social media, press releases, brochures or the exhibit of billboards/plates on relevant Project sites/facilities. In any case, information to the Final Borrowers shall display in an appropriate way the CEB's name and logo.

6. MONITORING

6.1 Reporting

(a) Sub-project Identification Report

The Borrower shall send to the CEB for approval a form identifying each Sub-project to which a Tranche/Sub-tranche has been allocated (hereinafter, a **"Sub-project Identification Report"**). The Borrower shall send to the CEB a Sub-project Identification Report for each Tranche/Sub-tranche (i) within the Allocation Period; or (ii) prior to any further Disbursement Request, whichever comes earlier.

Appendix 4 hereto provides a template specifying the minimum information required by the CEB to verify the eligibility of the Sub-project in accordance with criteria set forth under Appendix 1 hereto. Alternative formats containing the same information may also be used.

In case any Sub-project to which the Tranche has been allocated does not comply with the eligibility criteria set forth under Appendix 1 hereto or a Final Borrower is found not to be in compliance with the undertakings set forth under Sub-clause 5.4, the Borrower shall timely allocate the relevant amounts to other Sub-projects or otherwise shall proceed with prepayment of the unallocated amounts to the CEB on the next Interest Payment Date in the terms provided under Sub-clause 4.7.

(b) Global Monitoring Report

The Borrower shall send to the CEB a global monitoring report (hereinafter, a **"Global Monitoring Report"**) for each Tranche (i) within the Allocation Period; or (ii) prior to any further Disbursement Request, whichever comes earlier.

Appendix 5 hereto provides a template specifying the minimum information required by the CEB. Alternative formats containing the same information may also be used.

6.2 Visits

The Borrower undertakes to favourably receive any monitoring/technical/evaluation visits, including by facilitating access to relevant Sub-project sites/contractors, carried out by the CEB's staff members or designated third parties.

6.3 Project Information

The Borrower shall keep accounting records concerning the Project, which shall be in conformity with international standards, showing, at any point in time, the Project's state of progress, and which shall record all operations made and identify the assets and services partially financed with the Loan.

The Borrower shall deliver to the CEB in a timely manner any information or document concerning the financing or the implementation (including in particular environmental/social and procurement issues) of the Project as the CEB may reasonably require.

The Borrower shall inform the CEB immediately of any event in connection with the Project, including but not limited to:

- (i) any action or protest initiated or any objection raised by any third party or any complaint received by the Borrower or any litigation that is commenced or threatened against it with regard to procurement, environmental, social or occupational health and safety matters (e.g. loss of life or important accident) or other matters in connection with the Project; or
- (ii) any enactment of or any amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) in connection with the Project.

Any event that may have a material adverse impact on the implementation of the Project would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

6.4 Borrower Information

The Borrower shall deliver to the CEB its audited consolidated and unconsolidated annual report, including balance sheet, profit and loss account and auditors report, as soon as they become available but not later than one hundred eighty (180) days after the end of each financial year.

The Borrower shall inform the CEB of any Shareholding Event or any Material Adverse Change immediately after becoming aware thereof. Any Shareholding Event or any Material Adverse Change would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

6.5 Financial Covenants

(a) Cross-Default

The Borrower shall inform the CEB if any Cross-Default Event occurs. Any Cross-Default Event would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

For the purpose of this Agreement, “**Cross-Default Event**” means a situation in which, following any default in relation thereto, 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, repay or terminate ahead of maturity any Debt Instrument or any commitment in connection with any Debt Instrument is cancelled or suspended.

(b) Change in Business

The Borrower shall not make any changes to its articles of association or any other constitutive documents without the prior written consent of the CEB.

The Borrower shall not enter into any amalgamation, demerger, merger or corporate restructuring without the prior written consent of the CEB.

(c) Centre of main interests

The Borrower shall maintain its centre of main interests (as that term is used in article 3.1. of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (hereinafter, the "**Regulation (recast)**") in its jurisdiction of incorporation and the Borrower shall not have any establishment (as that term is used in article 2, item (10) of the Regulation (recast)) in any jurisdiction other than its jurisdiction of incorporation.

Failure to comply with the above provisions would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

7. PARI PASSU

Failure to comply with the provisions set forth below under this Clause would constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

7.1 Ranking

The Borrower shall ensure that its payment obligations under this Agreement 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 Debt Instruments, except for obligations mandatorily preferred by law applying to companies generally.

7.2 Security

Should a Security be granted for the performance of any of the Borrower's Debt Instruments, the Borrower shall timely inform the CEB of its intentions and shall, if so required by the CEB, provide to the CEB, within the deadline set forth in the CEB's notice, identical or equivalent Security for the performance of its financial obligations under this Agreement.

This provision shall not apply to a Security:

- (a) created pursuant to mandatory provisions of law;
- (b) created on property at the time of purchase solely as security for the payment of the purchase price or for the payment of debt incurred for the purpose of financing the purchase of such property;
- (c) created over an asset acquired by the Borrower (by way of merger or acquisition) which was already encumbered prior to such acquisition by the Borrower;
- (d) created in the ordinary course of banking transactions and securing a Debt Instrument maturing not more than one (1) year after the date on which it was originally incurred;
- (e) created in the ordinary course of derivative transactions;
- (f) created in favour of the European Central Bank, the national central bank or an international clearing organisation; or

- (g) created under the Guarantee Agreement entered into on 18 November 2002 by the Slovak Republic as guarantor in favour of the European Investment Bank as beneficiary and guarantying all unpaid liabilities, including all unpaid interest, without any limitations, of the Borrower under the Finance Contract entered into between the European Investment Bank as lender and the Borrower as borrower dated 18 November 2002 for an initial amount of EUR 30,000,000 and expiring on December 15, 2028.

7.3 Clause by Inclusion

Should any of the Borrower's Debt Instruments include a loss-of-rating covenant, a financial ratios covenant or *pari passu* provisions that are not included in the Agreement or that are stricter than any equivalent provision of this Agreement, the Borrower shall so inform the CEB and shall, at the request of the CEB by means of a written notice, execute within the deadline indicated in the CEB's notice, an amendment to this Agreement to provide an equivalent provision in favour of the CEB.

The above does not apply to, but only as far as financial ratios contained therein are concerned, the Borrower's Debt Instruments created under:

- (a) the Portfolio Risk Sharing Facility Agreement dated 18 December 2015 entered into between the National Development Fund I, s.r.o. (previously known as Slovenský záručný a rozvojový fond, s.r.o.) (as lender) and the Borrower (as borrower); and
- (b) the Portfolio Risk Sharing Facility Agreement dated 30 July 2018 entered into between the National Development Fund II, a.s. (as lender) and the Borrower (as borrower).

7.4 Prepayment to Third Parties

Should the Borrower voluntarily prepay (for the avoidance of doubt, prepayment shall include a repurchase where applicable) in whole or in part any Debt Instrument and such prepayment:

- (a) is not made within a revolving credit facility which remains open for drawing on the same terms after such prepayment; or
- (b) is not made out of the proceeds of another Debt Instrument having a term at least equal to the unexpired term of the prepaid Debt Instrument,

the Borrower shall inform the CEB. In such an event, and upon the CEB's request, the Borrower shall prepay to the CEB within two (2) months from any such prepayment the amounts disbursed under the Loan in accordance with Sub-clause 4.7 in such proportion as the prepaid amount bears to the corresponding Debt Instrument.

8. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

- (a) it is incorporated and carries out its business according to the laws, decrees, regulations, articles of association and other texts applicable to it; in particular, it complies with the applicable laws on fraud, corruption, money laundering and financing of terrorism;
- (b) it is not and no member of its management body or none of its officers, directors, agent or employees is a Sanctioned Person or is the subject of a final and irrevocable court ruling in

connection with Prohibited Practices perpetrated in the exercise of its professional duties and none of them did or does enter into business relationships with Sanctioned Persons;

- (c) its centre of main interests (as that term is used in article 3 1. of Regulation (recast) is situated in its jurisdiction of incorporation and it has no establishment (as that term is used in article 2, item (10) of the Regulation (recast) in any jurisdiction other than its jurisdiction of incorporation;
- (d) its competent bodies have authorised it to enter into the Agreement and have given the signatory(ies) the authorisation therefor, in accordance with the laws, decrees, regulations, articles of association and other texts applicable to it;
- (e) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Agreement do not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) contravene or conflict with any Debt Instrument or any other agreement binding upon it which might reasonably be expected to give rise to any Material Adverse Change;
- (f) no event or circumstance is outstanding that constitutes a default under any Debt Instrument or any other agreement, which is binding on it or to which its assets are subject, which might reasonably be expected to give rise to a Material Adverse Change;
- (g) no Security has been granted to a third party in breach of Sub-clause 7.2;
- (h) no litigation, arbitration or administrative proceedings of or before any court, arbitral tribunal or agency which might reasonably be expected to give rise to a Material Adverse Change have (to the best of its knowledge and belief) been started or threatened against it; and
- (i) it has received a copy of the Loan Regulations, the Loan Policy, the Environmental and Social Safeguards Policy, the Procurement Guidelines and the Personal Data Protection Regulation and has taken note thereof.

The above representations and warranties are deemed repeated on the date of signature of each Disbursement Request and on the date of each Certificate. Any change in relation to the above representations and warranties must, for the entire Loan period, be notified and any supporting documents provided to the CEB immediately after the Borrower having become aware of the change.

If any of the above representations and warranties is or proves to have been incorrect or misleading in any respect, this would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

9. THIRD PARTIES

The Borrower may not raise any fact relating, within the scope of the use of the Loan, to its relations with third parties in order to avoid fulfilling, either totally or partially, the obligations resulting from the Agreement.

The CEB may not be involved in disputes which might arise between the Borrower and third parties and the costs, whatever their nature, incurred by the CEB due to any claims, and in particular all legal or court costs, shall be at the expense of the Borrower.

10. NON-WAIVER

In no case, including delay or partial exercise, shall it be presumed that the CEB has tacitly waived any right granted to it by the Agreement.

11. TRANSFER

The Borrower may not transfer any of its rights and/or obligations under the Agreement without the prior written consent of the CEB.

The Borrower hereby gives its consent to any transfer by CEB of all or part of its rights and/or obligations under the Agreement.

12. ILLEGALITY

If it is or becomes unlawful in any jurisdiction for the CEB to make, maintain or fund the Loan or perform any of its obligations under this Agreement, this would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

13. NO HARDSHIP

Each Party hereby acknowledges that any applicable provision pursuant to which a Party may request the other Party to renegotiate the Agreement or may cease to perform its obligations hereunder, in case of a change of circumstances unforeseeable at the time of the conclusion of the Agreement which makes performance excessively onerous for a Party who had not agreed to assume such risk, shall not apply to it with respect to its obligations under the Agreement and that it shall not be entitled to make any claim under such provision.

14. GOVERNING LAW

The Agreement shall be governed by the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and, secondarily, if necessary, by French law.

15. DISPUTES

Disputes between the Parties shall be subject to arbitration under the conditions laid down in chapter 4 of the Loan Regulations.

The Parties agree not to take advantage of any privilege, immunity or legislation before any jurisdictional or other authority, whether domestic or international, in order to object to the

enforcement of an award handed down under the conditions laid down in Chapter 4 of the Loan Regulations.

In any legal action arising from this Agreement, the CEB's certificate as to any amount due or interest rate applicable under the Agreement shall, in the absence of manifest error, be *prima facie* evidence of such amount or interest rate.

16. PERSONAL DATA PROTECTION

The processing of any personal data collected under the Agreement shall be carried out by the CEB in accordance with the Personal Data Protection Regulation.

17. NOTICES

Any notice (including any document or communication) to be given or made under or in connection with this Agreement to the CEB or the Borrower shall be in writing and unless otherwise stated, may be made by registered letter, electronic mail or facsimile. Such notice shall be deemed to have been received by the other Party:

- (i) in the case of a hand-delivered or registered letter, on the date of delivery;
- (ii) in the case of electronic mail, only when actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose;
- (iii) in the case of electronic mail, which contains a Disbursement Notice, sent by the CEB to the Borrower, when the electronic mail is sent; and
- (iv) in the case of a facsimile, on receipt of transmission.

Any notice provided by the Borrower to the CEB by electronic mail shall:

- (i) mention the LD reference in the subject line; and
- (ii) be in the form of a non-editable electronic image (pdf, tif or any other common non-editable file format agreed between the Parties) of the notice signed by the person or persons duly authorised to sign such notice on behalf of the Borrower, attached to the electronic mail.

Without affecting the validity of notices by electronic mail or facsimile made in accordance with this Clause, the following notices shall also be sent by registered letter to the other Party at the latest on the immediately following Business Day:

- (i) Disbursement Requests;
- (ii) any communications in respect of the suspension, cancellation and/or early reimbursement of the Loan or in respect of a Prepayment Notice; and
- (iii) any other communication, if so requested by the CEB.

The Parties agree that any above notice (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.

The postal 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 given or made under or in connection with this Agreement is:

For the Borrower:

Slovenská záručná a rozvojová banka, a.s.
Štefánikova 27
Bratislava
Slovak Republic
Attention: Juraj Topolčány
Fax: +421 2 57 292 173
E-mail: juraj.topolcany@szrb.sk

For the CEB:

Council of Europe Development Bank
55 Avenue Kléber
75116 Paris
France

Attention: Head of Projects Division
Fax: +33 1 47 55 37 52
E-mail: projects@coebank.org

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

All notices to be given or made under or in connection with the Agreement shall be in English or French or, if in another language, shall be accompanied by an English or French certified translation thereof, when so required by the CEB.

All notices to be given or made by the Borrower under or in connection with this Agreement shall, where required by the CEB, be delivered to the CEB 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.

18. TAXES AND EXPENSES

The Borrower shall pay, to the extent applicable, all taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution, registration, implementation, termination or enforcement of the Agreement and/or any related document as well as of the creation, perfection, registration, enforcement or release of any Security required under the Agreement.

The Borrower shall bear all charges and expenses (including legal, professional, banking or exchange costs) incurred in connection with (i) the preparation, execution, perfection, implementation, termination and enforcement of this Agreement and/or any related document; (ii) any amendment, supplement or waiver in respect of this Agreement and/or any related document; and (iii) the preparation, execution, perfection, management, enforcement and release of any Security required under the Agreement.

Notwithstanding the above, Article 4.7 (*Cost of arbitration*) of the Loan Regulations shall apply regarding the costs of the arbitration set forth under Clause 15.

19. DISCHARGE

After repayment of all outstanding principal under the Loan as well as payment of all interests and other expenses resulting from the Agreement, including in particular those amounts under Sub-clause 4.9 and Clause 18, the Borrower shall be fully released from its obligations arising out of or in connection with this Agreement.

Without prejudice of the above, the Borrower shall nevertheless undertake, for a period not exceeding six (6) years following the receipt of a Global Monitoring Report confirming to the CEB's satisfaction the full Allocation of all amounts disbursed under the Loan (i) to keep the Project-related documentation; and (ii) to favourably receive any evaluation visits, including by facilitating access to relevant Sub-project sites/Final Borrowers carried out by the CEB's staff members or designated third parties.

20. ENTRY INTO FORCE

The Agreement shall enter into force upon execution by the Parties.

IN WITNESS THEREOF the Parties have caused the Agreement to be executed in two (2) originals, each of which is equally valid, and have caused their signatories specified below to initial each page of this Agreement on their behalf. One (1) original is kept by each of the Parties.

For the Borrower

Bratislava, on [•]

Peter Dávid

Chairman of the Board

Roland Štadler

Deputy Chairman of the Board

For the CEB

Paris, on [•]

Cristian TABACARU

Director a.i. Loans&Social Development

Andrea BUCCOMINO

Deputy General Counsel

APPENDIX 1

Project Description

LD	LD 2110 (2021)
Borrower	Slovenská záručná a rozvojová banka, a.s.
Loan Type	Programme Loan
Loan Amount	EUR 60,000,000
Approval by the CEB's Administrative Council	18 November 2021

Sectors of action	<ul style="list-style-type: none"> Supporting MSMEs for the creation and preservation of viable jobs Improving living conditions in urban and rural areas Protection of the environment
Components	<p>Component A: Investment and Working Capital Financing under Supporting MSMEs for the creation and preservation of viable jobs sector.</p> <p>Component B: Investment and Bridge Financing under Improving living conditions in urban and rural areas and Protection of the environment sectors.</p>
Final Borrowers/ Final Beneficiaries	<p>Final Borrowers will be MSMEs, villages, small towns, towns, regions and public, private or mixed entities (municipal utility companies, public transport operators, etc.).</p> <p>The final beneficiaries under Component A will be employees of eligible MSMEs as well as current job-seekers.</p> <p>Final Beneficiaries under Component B will be the inhabitants of the financed municipalities/regions.</p>
Location	Throughout Slovak Republic
Project Total Cost	EUR 120,000,000
Financing Plan	<ul style="list-style-type: none"> Loan: EUR 60,000,000. Final Borrowers' own funds, loans from the Borrower (using funds other than the Loan) or from commercial banks, or EU Funds: EUR 60,000,000.
Closing Date	31 December 2025

Eligibility Criteria	<p>The Loan may be allocated to all investments which are eligible under the CEB's sectors of action described below.</p> <p>“Supporting MSMEs for the creation and preservation of viable jobs”:</p> <p>Sub-loans can finance fixed productive investments, including through leasing, or working capital requirements as deemed eligible by CEB. They are aimed at micro, small and medium-sized enterprises (MSMEs), including those exercising craftsmanship/artisan activities or small family-owned enterprises engaged in regular economic activity.</p>
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	<p>MSMEs are defined by the European Union definition of MSMEs (EU Commission Recommendation 2003/361/EC), which may be updated from time to time.</p> <p>Extract of Article 2 of the Annex of Recommendation 2003/361/EC: “The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ less than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.” To be eligible to CEB funding, SMEs have to be “autonomous enterprises” within the meaning of the Recommendation, i.e. either completely independent or less than 25% stake held by a non-SME company.</p> <p>The Programme Loan cannot finance personal consumer loans.</p> <p>Working capital funding aims to provide a stable growth base for well-managed firms and encourage intermediating FIs to develop longer term financing relationship with MSMEs, including for the recurrent needs required to cover day to day business expenses and ensure uninterrupted operations, independently of IFI financing arrangements.</p> <p>Working capital financing may go up to 30% of the MSME component with a minimum working capital sub-loan tenor of 18 months.</p> <p>Smaller scale sub-projects related to health and education (e.g. privately-owned dental/medical practices, childcare/kindergarten or elderly care facilities) may be financed under the ‘MSMEs’ sector of action provided that the sub-borrowers comply with the above-referred MSME definition.</p> <p>“Improving living conditions in urban and rural areas”:</p> <p>Sub-projects aimed at improving living conditions in urban areas must concern run-down neighbourhoods or urban areas lacking of urban infrastructure and/or social and cultural amenities.</p> <p>Sub-projects aimed at improving living conditions in rural areas must concern regions characterised by a low population density or declining population or activities in fields, such as agriculture, forestry, aquaculture and fishing, infrastructure and service delivery defined by the national legislation.</p> <p>The CEB finances Sub-projects involving the construction or rehabilitation of infrastructure aimed at urban or rural modernisation. Only those infrastructure investments included in the national, regional or municipal budget will be considered as eligible, such as:</p>
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	<ul style="list-style-type: none"> i. utilities, such as water mains, electricity and gas supplies, sewers, treatment of solid and liquid waste; ii. local road network infrastructure and maintenance; iii. local public transportation infrastructure, equipment and maintenance; iv. public lighting; v. district heating; vi. community services, educational and medical facilities; vii. temporary shelters and social housing; viii. socio-cultural or sports facilities, such as playgrounds, green spaces, exhibition sites, theatres and libraries; ix. development of industrial estates; x. irrigation networks in rural areas; and xi. administrative buildings and public housing. <p>The Sub-projects can be carried out by public or private entities.</p> <p>Irrigation Sub-projects involving the building of water-retaining dikes, dams and related infrastructure are eligible as long as the criteria detailed by the Environmental and Social Safeguards Policy are met.</p> <p>“Protection of the environment”:</p> <p>The CEB finances Sub-projects that contribute to protecting and improving the environment, and thus to improving living conditions.</p> <p>The CEB can finance Sub-projects in relation to:</p> <ul style="list-style-type: none"> i. reduction and treatment of solid and liquid waste; ii. clean-up and protection of surface and underground water; iii. decontamination of soils and aquifers; iv. protection against noise; v. production of renewable energy; vi. energy saving measures (excluding energy production/distribution); vii. reduction of air pollution; viii. protection and development of biodiversity; and ix. cleaner transport means and networks. <p>Investments related to protection of environment undertaken by private entities as beneficiaries of a CEB loan shall be restricted to MSMEs.</p> <p>Lastly, these Sub-projects must concern populations defined at local or regional level.</p> <p>Exclusion List:</p> <p>The following economic sectors and activities defined by the NACE nomenclature of the European Union shall be excluded from CEB financing:</p>
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	<ul style="list-style-type: none"> • Mining and quarrying (NACE B), except division 8 Other mining and quarrying (8.1 Quarrying of stone, sand and clay; 08.91 Mining of chemical and fertiliser minerals and 08.92 Extraction of peat; 08.93 Extraction of salt); • Distilling, rectifying and blending of spirits (NACE C11.01); • Manufacture of tobacco products (NACE C12); • Manufacture of coke and refined petroleum products (NACE C19); • Processing of nuclear fuel (NACE C24.46); • Manufacture of weapons and ammunition (NACE C25.4); • Manufacture of military fighting vehicles (NACE C30.4); • Financial and insurance activities (NACE K64-66); • Real Estate Activities (NACE L68); • Gambling and betting activities (NACE R92); • Activities of membership organisations (NACE S94); and • Activities of extraterritorial organisations and bodies (NACE U99). <p>Sub-projects linked to pornography and to products regarded by the CEB member states' regulations as harmful to the health and the environment shall also be excluded.</p> <p>Sub-loans are eligible if they have been contracted maximum one (1) year prior to the disbursement of the Tranche under which they are financed.</p> <p>Sub-projects under the sector "Improving living conditions in urban and rural areas" will have a maximum limit on the total project cost of EUR 10 million, and a CEB contribution of EUR 5 million. Sub-projects under the sector "Creation and preservation of viable jobs" and "Protection of the environment" will have a maximum limit on the total project cost of EUR 2 million, and a CEB contribution of EUR 1 million. For Sub-projects above the limit, approval would be on a case-by-case basis and project-specific monitoring indicators would apply, it being specified, for the avoidance of doubt that provisions of Sub-clause 5.3 (<i>Project Costs</i>) shall apply.</p>
Eligible Costs	<p>The fixed productive investment costs eligible for CEB financing include:</p> <ol style="list-style-type: none"> i. The surveys or studies (technical, economic or commercial, engineering), the technical supervision of the Project and other project-related professional services. These costs should not exceed five per cent (5%) of the total cost of the Project, unless justified; ii. The acquiring land directly linked to the Project, at its purchase price, unless it has been donated or granted. Preparation of the land directly linked to a project implementation planned in a very near future;

	<ul style="list-style-type: none"> iii. Construction/renovation/modernization or purchase of buildings directly linked to the Project; iv. The installation of basic infrastructure, such as sewerage, water supply, electricity and telecommunications networks, waste disposal and waste water treatment, roads, etc.; v. The maintenance of the viability and sustainability of the public services; vi. The purchase of materials, equipment and machinery, including IT equipment and software, as well as the related costs linked to the training of staff; and vii. Technical assistance. <p>Contingencies for unanticipated costs (technical and/or price increases) can be financed by the CEB. These represent financial coverage in respect of unforeseen changes in the quantity of work required, or of unit prices, in the type and quantity of equipment to be purchased or in the method of carrying out the Project. Depending on the sector of activity and the Components, these contingencies may represent up to ten per cent (10%) of the total cost of the Project.</p> <p>The Loan cannot cover staff costs (wages/salaries and other related benefits such as pension payments) financial charges and non-cash elements, such as depreciation. Such costs may, however, be considered eligible when they relate to project management or technical assistance required for project preparation and implementation.</p> <p>Financial costs or investments (payment of debts, refinancing, interest charges, acquisition of interest in the capital of an enterprise, etc.) cannot be included in the estimated cost of the Project and cannot be financed by the CEB.</p> <p>Investment expenditures in the form of transfers to contributory or budgetary organisations providing public service as well as expenditures for “soft” projects (e.g.: trainings, information system designed to provide service and information to the public and public authorities, IT hardware, etc.) will be considered as eligible.</p> <p>In case of Sub-projects which are co-financed by way of EU funds (e.g., ESIF or Recovery and Resilience Facility), costs which cannot be financed by EU funds will be eligible for CEB financing if they meet CEB eligibility criteria.</p> <p>Non-deductible and non-refundable VAT and other tax-related costs non-deductible and non-refundable can be considered as eligible costs.</p>
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	In the particular case of MSMEs component, working capital financing is eligible under specific conditions (see detailed upper)
Specific Conditions	None.

Social impact	<p>The social effect under the “Supporting SMSEs for the creation and preservation of viable jobs” sector will stem from providing long-term funding consistent with project lifetime in order to help MSMEs, mainly micro and small enterprises, to create or preserve jobs. The economic impact lies in the direct support of sustainable economic growth and modernization of the productive sector which goes hand-in-hand with the social impact of creating and maintaining jobs, a goal established by the Government of the Slovak Republic in the Slovak Government Programme Declaration. The social effects under the sector of action “Improving living conditions in urban and rural areas” will stem from the impact of the Sub-projects on the quality, reliability, comfort and accessibility of public services and the evident advantages of rehabilitating premises for public use. Other positive benefits will come from lower future operational and maintenance costs due to newer technologies, which will decrease the budgetary burden for municipalities and regions.</p> <p>Under the sector of action “Protection of the environment”, important social effects on the beneficiary populations can be expected from intended energy efficiency measures which lead to long-term savings and an increased awareness of the importance of energy efficiency.</p>
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APPENDIX 2

Form of Legal Opinion (Framework Loan Agreement)

[INSERT LETTERHEAD]

Council of Europe Development Bank
55, avenue Kléber
75116 Paris (France)

Attn: Projects Department
Cc: Office of the General Counsel

[INSERT DATE]

Re: **Framework Loan Agreement between the Council of Europe Development Bank and [●] (Ref: L/D [●])**

Dear Sir or Madam,

I/We have acted as legal advisor/s as to matters of [INSERT JURISDICTION] law to [●] (the “**Borrower**”) in relation to the Framework Loan Agreement between the Council of Europe Development Bank (the “**CEB**”) and the Borrower dated [●] and effective as of [●] (the “**Agreement**”) and issue this opinion pursuant to Article [●] of the Agreement.

For the purposes of this opinion, I/we have examined a copy of the Agreement and such other documents, acts or treaties as I/we have considered necessary or desirable to examine in order to issue this opinion. In particular, for the purposes of identifying the duly empowered representatives of the Borrower, I/we have examined:

[PLEASE INSERT LIST OF DOCUMENTS]

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Based on the foregoing, I am/we are of the opinion that:

1. **Status and incorporation.** The Borrower is a [INSERT CORPORATE FORM OF THE BORROWER], duly organised and validly existing under the laws of [INSERT JURISDICTION], having its registered office at [●], and registered with [INSERT THE NAME OF TRADE/COMPANIES REGISTER] under registration number [●].
2. **Capacity, power and authority.** The Borrower has the legal capacity, power and authority to enter into the Agreement and perform its obligations thereunder.
3. **Internal authorisations.** All action required from the Borrower for the execution, delivery and performance of the Agreement, including any required authorisation from its competent bodies, has been duly and effectively taken. In particular, no further action is required from the Borrower, apart from execution by a duly empowered representative of the Borrower, in order to issue a Disbursement Request under the Agreement.

4. **Constitutive documents.** The execution by the Borrower of the Agreement does not, and the performance by the Borrower of the obligations to be assumed by it thereunder will not, violate or conflict with any provision of its [INSERT NAME OF CONSTITUTIVE DOCUMENT] or other constitutive documents of the Borrower.
5. **No insolvency.** No steps taken to order the commencement of any recovery proceedings or bankruptcy proceedings and/or to appoint a bankruptcy administrator or a liquidator over the Borrower were recorded with [INSERT THE NAME THE COURT/TRADE REGISTRY WHERE SUCH PROCEEDINGS WOULD BE RECORDED], and no termination of operations or dissolution of the Borrower was recorded, as at the date of the [●].
6. **Due execution and validity.** The Agreement was duly executed by [INSERT NAME OF THE SIGNATORY/IES] as duly empowered representative(s) of the Borrower and gives rise to legally valid, binding and enforceable undertakings for the Borrower.
7. **External authorisations, public consents and filings.** No authorisations, consents, licences, exemptions, filings, notarisations or registrations are required in [INSERT JURISDICTION] in connection with the execution, delivery or performance of the Agreement in order to give rise to legally valid, binding and enforceable undertakings for the Borrower and for the Agreement to be admissible in evidence in [INSERT JURISDICTION].
8. **Tax/Stamp duties.** The execution of the Agreement is not subject to any tax or stamp duties in [INSERT JURISDICTION].
9. **Choice of law.** The submission by the Borrower to the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and secondarily to the laws of France is legally valid and binding on the Borrower under the laws of [INSERT JURISDICTION].
10. **Arbitration.** The submission by the Borrower to the Arbitral Tribunal set forth under Chapter 4 of the CEB's Loan Regulations with respect to any dispute arising out of the Agreement is legally valid and binding on the Borrower. Any award of such Arbitral Tribunal is enforceable in [INSERT JURISDICTION] in accordance with the terms of Article 3 of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949).

Yours faithfully,

[●]

[INSERT NAME(S)/TITLE(S)]

APPENDIX 3

DISBURSEMENT REQUEST (TEMPLATE)

LD 2110 – [●] Tranche

With reference to the Framework Loan Agreement dated [●] (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and [BORROWER] (hereinafter, the “**Borrower**”), the Borrower hereby requests the CEB, in accordance with Sub-clause 4.3(a) of the Agreement, to proceed with the disbursement of a Tranche under the specific terms and conditions set out below.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Currency/Amount ²	[●]		
Disbursement Date	[●]		
Principal Repayment Period	[●] years [including a grace period of [●] years]		
Principal Repayment Date(s)	[●]		
Maturity Date	[●]		
Interest Rate	Fixed	Maximum [●] <i>per annum</i>	
	Floating	Reference Rate:	[●]-month EURIBOR <i>per annum</i>
		Spread	Maximum [●] basis points
Interest Period	[Quarterly] [Semi-annually] in arrears		
Interest Payment Dates	The interest payment will take place on [●] every year and for the first time on [●]		
Day Count Convention	Modified Following Business Day Convention		
Business Day	[●]		
Borrower's Account	Beneficiary's Name	[●]	
	Beneficiary's Bank	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
		Reference	[●]
	Correspondent Bank (if applicable)	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]

[●], on [●].

For the Borrower

[INSERT NAME(S)/TITLE(S)]

² [In case of Sub-Tranches, a separate table shall indicate the Amount, Principal Repayment Period, Principal Repayment Date(s), Interest Rate, Interest Period, Interest Payment Dates for each Sub-Tranche.]

DISBURSEMENT NOTICE (TEMPLATE)

LD 2102 – [●] Tranche

In response to your Disbursement Request dated [●] with reference to the Framework Loan Agreement dated [●] (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and [BORROWER] (hereinafter, the “**Borrower**”), the CEB hereby notifies to the Borrower, in accordance with Sub-clause 4.3(b) of the Agreement, the terms and conditions of the disbursement of the relevant Tranche. Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Currency/Amount ³	[●]		
Disbursement Date	[●]		
Principal Repayment Period	[●] years [including a grace period of [●] years]		
Principal Repayment Date(s)	[●]		
Maturity Date	[●]		
Interest Rate	Fixed	[●] <i>per annum</i>	
	Floating	Reference Rate:	[●]-month EURIBOR <i>per annum</i>
		Spread	[●] basis points
Interest Period	[Quarterly] [Semi-annually] in arrears		
Interest Payment Dates	The interest payment will take place on [●] every year and for the first time on [●]		
Day Count Convention	Modified Following Business Day Convention		
Business Day	[●]		
Borrower's Account	Beneficiary's Name	[●]	
	Beneficiary's Bank	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
		Reference	[●]
	Correspondent Bank (if applicable)	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
CEB's account	Beneficiary's Name	Council of Europe Development Bank	
	Beneficiary's SWIFT	CEFPFRPP	
	Beneficiary's Bank	Name	Deutsche Bank
		City	Frankfurt (Germany)
		SWIFT	DEUTDEFF
		IBAN	DE44 5007 0010 0928 7384 00

Paris, on [●]

For the CEB
[INSERT NAME(S)/TITLE(S)]

³ [In case of Sub-Tranches, a separate table shall indicate the Amount, Principal Repayment Period, Principal Repayment Date(s), Interest Rate, Interest Period, Interest Payment Dates for each Sub-Tranche.]

APPENDIX 4

Sub-project Identification Report

SUB-PROJECT IDENTIFICATION REPORT (TEMPLATE)																						
IDENTIFICATION OF ELIGIBLE SUB-PROJECTS																						
PROJECT: LD 2110 (2021) - MSME AND PUBLIC SECTOR SUPPORT WITH SZRB																						
Borrower: SZRB																						
Country: SLOVAK REPUBLIC																						
Tranche N°: ... - EUR [amount] and [date of the disbursement]																						
CEB Sector: Supporting MSMEs for the creation and preservation of viable jobs																						
																				Information date: DD/MM/YYYY		
Beneficiary Data									Project Data & Indicators								Financing Data					
Ref. N°	Name of MSME ^[1]	Address of MSME	Region ^[2]	Activity sector (NACE ^[3])	Number of employees (before CEB financing)	Annual balance sheet	Annual net turnover	Non-MSME capital (less than 25% of total capital)	Type of investment ^[4]	Brief description of the investment	Start of works ^[5]	End of works ^[6]	Number of jobs created	Number of jobs preserved	Energy savings (if applicable)	Activity / Project Subject to EIA (Yes/No)	Total Cost ^[7] of the investment	CEB loan	CEB loan share ^[8]	CEB loan allocated to working capital ^[9]	Other sources of financing - MSME's own funds	Other sources of financing - Other bank funds
	Text	Text	Region	Code	Number	Amount in EUR	Amount in EUR	[Yes/No]	Code	Text	DD/MM/YYYY	DD/MM/YYYY	Number	Number	kWh/year	[Yes/No]	Amount in EUR	Amount in EUR	% of total eligible costs	Amount in EUR	Amount in EUR	Amount in EUR
TOTAL																						
CEB Loan Allocation (maximum 50% of total costs eligible under this component)																		€	%			
Borrower's own funds																		€	%			
Other funds																		€	%			
TOTAL																		€	100%			
<p>[1] MSME definition as the European Union (EU Commission Recommendation 2003/361/EC), which may be updated from time to time: The category of micro, small and medium-sized enterprises (MSMEs) is made up of autonomous enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro and which hold less than 25% (capital or voting rights) in another enterprise and/or are held less than 25% (capital or voting rights) by another enterprise.</p> <p>[2] Preferably according to NUTS-2 level of the EU NUTS classification, or equivalent</p> <p>[3] Please refer to the code of the economic activity sector as defined under latest version of EU NACE Revision 2 [Regulation (CE) No. 1893/2006].</p> <p>[4] Type of Investment may include several items for each sub project. Please use the following acronyms: PLB= Purchase of Land or Building; CRI= Construction, Renovation, Infrastructure; ME = Machinery, Equipment; CVC=Commercial Vehicles; WC=Working capital, EE = Energy efficiency investments.</p> <p>[5] Eligible costs of any sub-project must have been contracted, or their implementation started, no more than one year before the disbursement date of the related tranche.</p> <p>[6] Expected date for completion of works or in case of purchase of equipment/investment goods, the expected delivery date</p> <p>[7] The total eligible cost of any sub-project are limited to EUR 2 million. Any sub-project total costs exceeding the EUR 2 million threshold shall require a case-by-case CEB pre-approval and project-specific monitoring indicators would apply.</p> <p>[8] CEB loan may finance up to 100% of total costs of each sub-project. However, the Borrower has to evidence that at least 50% of the total costs of projects were financed under the same eligible portfolio using other financial sources than CEB loan, meaning that CEB will thus finance maximum 50% of the total Borrower's eligible MSME portfolio.</p> <p>[9] Working capital shall not exceed 30% of the funds allocated to the MSME component.</p>																						

SUB-PROJECT IDENTIFICATION REPORT (TEMPLATE)

IDENTIFICATION OF ELIGIBLE SUB-PROJECTS

PROJECT: LD 2110 (2021) - MSME AND PUBLIC SECTOR SUPPORT WITH SZRB

Borrower: SZRB

Country: SLOVAK REPUBLIC

Tranche N°: ... - EUR [amount] and [date of the disbursement]

CEB Sector: Improving living conditions in urban and rural areas

Information date: DD/MM/YYYY

Project Description												Costs and Financing				Indicators	
Ref.	Name of the Beneficiary	Type of Beneficiary		Brief Description of the Investment	Project subject to EIA (Yes/No)		Location		Start of Works	Completion of Works	Date of Signature of the Sub-Loan Agreements ¹	Total Costs of the Investment ²	CEB loan	CEB loan share ^[3]	Other sources of financing	Number of users benefiting from investments	Specific Indicators ⁴
No	Text	Public	Private	Text	Yes	No	Municipality	Code	Date	Date	Date	Amount in EUR	Amount in EUR	% of total eligible costs	Amount in EUR	Number	
TOTAL																	

CEB Loan Allocation (maximum 50% of total costs eligible under this component)

Borrower's own funds	€	%
Other funds	€	%
TOTAL	€	100%

[1] Date of the signature of the sub-loan agreements should be less than one year prior to the date of the disbursement date.

[2] Any sub-project total costs exceeding the EUR 10 million threshold shall require a case-by-case CEB pre-approval and project-specific monitoring indicators would apply.

[3] Sub-projects under the sector "Improving living conditions in urban and rural areas" will have a maximum limit on the total project cost of EUR 10 million, and a CEB contribution of EUR 5 million.

[4] Please see the list of specific indicators below.

SUB-PROJECT IDENTIFICATION REPORT (TEMPLATE)

IDENTIFICATION OF ELIGIBLE SUB-PROJECTS

PROJECT: LD 2110 (2021) - MSME AND PUBLIC SECTOR SUPPORT WITH SZRB

Borrower: SZRB

Country: SLOVAK REPUBLIC

Tranche N°: ... - EUR [amount] and [date of the disbursement]

CEB Sector: Protection of the environment

Information date: DD/MM/YYYY

Project Description												Costs and Financing				Indicators	
Ref .	Name of the Beneficiary	Type of Beneficiary		Brief Description of the Investment	Project subject to EIA (Yes/No)		Location		Start of Works	Completion of Works	Date of Signature of the Sub-Loan Agreements ¹	Total Costs of the Investment ²	CEB loan	CEB loan share ^[3]	Other sources of financing	Number of people benefiting from the investments	Specific Indicators ⁴
No	Text	Public	Private	Text	Yes	No	Municipality	Code	Date	Date	Date	Amount in EUR	Amount in EUR	% of total eligible costs	Amount in EUR	Number	To be agreed based on the envisaged investments
TOTAL																	

CEB Loan Allocation (maximum 50% of total costs eligible under this component)

Borrower's own funds	€	%
Other funds	€	%
TOTAL	€	100%

[1] Date of the signature of the sub-loan agreements should be less than one year prior to the date of the disbursement date.

[2] Any sub-project total costs exceeding the EUR 2 million threshold shall require a case-by-case CEB pre-approval and project-specific monitoring indicators would apply.

[3] Sub-projects under the sector "Protection of the environment" will have a maximum limit on the total project cost of EUR 2 million, and a CEB contribution of EUR 1 million.

[4] To be agreed based on the envisaged investments

[5] Data on energy savings or GHG emissions reduction (kWh/year or tCO2eq) achieved would have to be reported to the CEB. This data can be the result of calculations made by SZRB or be obtained from the Energy Audits undertaken

APPENDIX 5

Global Monitoring Report

GLOBAL MONITORING REPORT (TEMPLATE)					
CEB Sector: Protection of the environment					
				Information date: DD/MM/YYYY	
SLOVAK REPUBLIC, LD 2110 (2021) - Tranche N° ()					
Borrower: SZRB					
Tranche N°				Number of beneficiaries	
Disbursement date				Number of beneficiaries (ratio; in %)	
				Number of final borrowers/end-clients	
CEB loan authorised					
CEB loan disbursed				Total utilised/allocated (%)	
CEB interest rate				Average on-lending rate	
CEB maturity				Average maturity	
LOAN BREAKDOWN BY TYPE OF INFRASTRUCTURE					
INFRASTRUCTURE	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Total		100%			
LOAN BREAKDOWN BY TYPE OF END-CLIENT					
END-CLIENT	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Total		100%			
LOAN BREAKDOWN BY REGION/DEPARTEMENT/MUNICIPALITY					
REGION/DEPT/MUNICIPALITY	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Total		100%			

GLOBAL MONITORING REPORT (TEMPLATE)

CEB sector: Supporting MSMEs for the creation and preservation of viable jobs

Information date: DD/MM/YYYY

SLOVAL REPUBLIC, LD 2110 (2021) - Tranche N° ()

Borrower: SZRB

Tranche No.			Number of employees (of which female %)
Disbursement Date			Number of jobs created (of which female %)
			Number of MSMEs
			of which female-owned/managed
CEB loan authorised			of which start-ups&young entrep.
CEB loan disbursed			Total utilised/allocated (%)
CEB interest rate			Average on-lending rate of CEB's portfolio
			Average on-lending rate of SZRB portfolio
CEB maturity			Average maturity
			Amount of outstanding MSME loans in the portfolio
			Number of outstanding MSME loans in the portfolio

LOAN BREAKDOWN BY ACTIVITY SECTOR

ACTIVITY SECTOR	NACE classification	CEB LOAN (in EUR)	% Activity Sector	Costs (in EUR)	Number of sub-projects	Micro	Of which Small	Medium	REMARKS
A - Agriculture	1-3								
B - Other Mining and quarrying	8								
C - Manufacturing	10-33 ¹								
D - Electricity, gas, steam and air conditioning supply	35								
E - Water supply; Sewerage, Waste Management and Remediation Activities	36-39								
F - Construction	41-43								
G - Wholesale and retail trade; repair motor vehicles and motorcycles	45-47								
H - Transportation and Storage	49-53								
I - Accommodation and food service activities	55-56								
J - Information and communication	58-63								
M - Professional, scientific and technical activities	69-75								
N - Administrative and support service activities	77-82								
Q - Human health and social work activities	86-88 ²								
R - Arts, entertainment and recreation	90-93 ¹								
S - Other service activities	95-96								
TOTAL			100%						

LOAN BREAKDOWN BY SIZE OF ENTERPRISE

SIZE OF ENTERPRISE	CEB LOAN (in EUR)	% MSME Size	Costs (in EUR)	Number of sub-projects	REMARKS
Medium (50 to 249 employees)					
Small (10 to 49 employees)					
Micro (1 to 9 employees)					
TOTAL		100%			

LOAN BREAKDOWN BY REGION/DEPARTEMENT/MUNICIPALITY

REGION ³ /DEPT/MUNICIPALITY	CEB LOAN (in EUR)	% Location	Costs (in EUR)	Number of sub-projects	REMARKS
TOTAL		100%			

LOAN BREAKDOWN BY TYPE OF INVESTMENT

LOAN USE (INVESTMENT / WORKING CAPITAL)	CEB LOAN (in EUR)	% Investment Item	Costs (in EUR)	Number of sub-projects	REMARKS
Purchase of land					
Construction					
Infrastructure and plant					
Machinery and equipment					
Vehicles					
Working capital					
Energy efficiency investments					
Other					
TOTAL		100%			

[1] Except sectors of activity excluded from CEB financing, as follows: NACE B (except divisions 8.1, 8.91, 08.92, 08.93); NACE C11.01; C12; C19; C24.46; C25.4; C30.4; K64-66; L68; R92; S94; U99).

[2] Limited to dental/medical practice activities. Other activities of section Q can be covered under other CEB sectors of action (ex. health).

[3] Preferably according to NUTS-2 level of the EU NUTS classification, or equivalent

Definitions for the indicators of MSMEs and microfinance

Number of employees: Designates the number of jobs maintained.

Number of jobs created: Should be reported at sub-loan/lease level. If not available, then consolidated data at the tranche level is acceptable.

Start-ups: All enterprises that are 3 years old or younger be accepted as start-ups. Of note, modification of legal status within the last 3 years does not qualify an MSME to be considered as a start-up.

Young enterprises: Companies less than five years old as "young enterprises". Of note, modification of legal status within the last 5 years does not qualify an MSME to be considered as a young enterprise.

Female-owned/managed enterprises: Depending on the company size as below:

Micro: Woman/women as majority stakeholder(s) AND manage the day-to-day operations

Small: Woman/women as majority stakeholder(s) AND manage the day-to-day operations

Medium: In case woman/women as minority stakeholder(s), at least one of the key business decisions regarding the company's finances, operations, and strategy are made by woman/women shareholder(s).

GLOBAL MONITORING REPORT (TEMPLATE)					
CEB Sector: Improving living conditions in urban and rural areas					
					Information date: DD/MM/YYYY
SLOVAK REPUBLIC, LD 2110 (2021) - Tranche N° ()					
Borrower: SZRB					
Tranche N°				Population served (number of inhabitants in the catchment area)	
Disbursement date				Number of users benefiting from investments	
				Total length of roads renovated	
				Total number of municipal buildings renovated	
				Total length of broadband internet network developed	
CEB loan authorised				Number of final borrowers/end-clients	
CEB loan disbursed				Total utilised/allocated (%)	
CEB interest rate				Average on-lending rate	
CEB maturity				Average maturity	
LOAN BREAKDOWN BY TYPE OF HBOR FINANCING					
	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Direct lending					
APEX via on-lending Financial Intermediaries					
Total		100%			
LOAN BREAKDOWN BY TYPE OF INFRASTRUCTURE					
INFRASTRUCTURE	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Total		100%			
LOAN BREAKDOWN BY TYPE OF END-CLIENT					
END-CLIENT	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Municipalities					
Utility Companies					
Companies with Public Service Contracts					
Other (please specify)					
Total		100%			
LOAN BREAKDOWN BY REGION/DEPARTEMENT/MUNICIPALITY					
REGION/DEPT/MUNICIPALITY	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Total		100%			
LOAN BREAKDOWN BY TYPE OF INVESTMENT					
INVESTMENT	CEB LOAN (in EUR)	%	Costs (in EUR)	Number of sub-projects	REMARKS
Purchase of land					
Construction					
Infrastructure and plant					
Machinery and equipment					
Vehicles					
Other					
Total		100%			

INDICATIVE LIST OF INDICATORS (TO BE ADJUSTED TO PROJECT OBJECTIVES)		
Roads		
	Indicators	Unit
Outputs	Length of roads created and/or rehabilitated	km
	Other structures (bridges, flyovers, wildlife/ecological corridors, acoustic screens, sidewalks, bicycling paths, street lightning, traffic lights)	Number and/or km
Social/ Environmental Impact/Outcomes	Population directly serviced	Number of households
	Average traffic flow per period (<i>day/month/year</i>)	Vehicles/period
Public Transport		
	Indicators	Unit
Outputs	Mode (<i>tramway, trolleybus, bus, metro, train etc.</i>)	Mode
	Length of routes created or rehabilitated	km
	Rolling stock purchased	Number of vehicles
	Depot created/extended/rehabilitated	Number and/or m ²
Social/ Environmental Impact/Outcomes	Transportation density (<i>average payload per day/year</i>)	Passengers/period
	Direct emissions of rolling stock purchased	CO ₂ e emissions per passenger- kilometre (gCO ₂ e/pkm)
Facilities (i.e. cultural centres, clinics, schools, kindergartens, elderly care facilities)		
	Indicators	Unit
Outputs	Type (<i>cultural centre, multimedia library, medical clinic, school, kindergarten, elderly care facilities, etc.</i>)	Type
	Area built/extended or rehabilitated	m ²
	Design capacity (<i>theoretical maximum output</i>)	Number of units and/or persons
Social/ Environmental Impact/Outcomes	Visits/year (as relevant for project type)	Number of visits
	Average occupancy rate per period (<i>month/year</i>)	%
	Energy efficiency rating targeted	kWh/sqm for heating
	Expected reduction in greenhouse gases emissions or energy consumption	t CO ₂ eq or kWh/m ² /year
Water supply services		
	Indicators	Unit
Outputs	Length of new or rehabilitated network/pipes	km
	Capacity of treatment plant constructed or rehabilitated	m ³ /day
	Connections created or rehabilitated	Number
Social/ Environmental Impact/Outcomes	Population benefitting from safe drinking water	Households/persons
	Service level (<i>customers with 24 hours supply</i>)	Households or %
	Expected reduction in greenhouse gases emissions or energy consumption	t CO ₂ eq or kWh/m ² /year
Sewerage and Drainage Facilities		
	Indicators	Unit
Outputs	Length of new or rehabilitated network/pipes	km
	Capacity of sewerage treatment plant constructed or rehabilitated	m ³ /day
	Connections created or rehabilitated	Number
Social/ Environmental Impact/Outcomes	Population benefitting from improved sanitation	Households/persons
	Expected reduction in greenhouse gases emissions or energy consumption	t CO ₂ eq or kWh/m ² /year