

**Amendment Agreement no. 1 to
the Original Framework Loan Agreement dated 21 July 2021**

between

COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55, Avenue Kléber, 75116 Paris, France (hereinafter, the "**CEB**")

and

TRNAVA SELF-GOVERNING REGION (*Trnavský samosprávny kraj*), Starohájska 10, 917 01 Trnava, Slovak Republic, with identification number (IČO) 37 836 901 (hereinafter, the "**Borrower**" and together with the CEB, the "**Parties**" and each a "**Party**")

WHEREAS:

1. Having regard to the original framework loan agreement between the Parties dated 21 July 2021 (ref. LD 2093 (2021)) in relation to the protection of the environment, the protection and rehabilitation of historic and cultural heritage and the improving of living conditions in urban and rural areas with respect to a loan amount of thirty million euros (EUR 30 000 000) (the "**Original Framework Loan Agreement**");
2. Having regard to the request submitted by the Borrower on 30 March 2022, whereby the Borrower requested to partially use the Loan to bridge-finance funds related to the European Structural and Investment Funds (ESIF) and the EU Recovery and Resilience Facility (RRF) in the amount of up to ten million euros (EUR 10 000 000); and
3. Having regard to the Parties' wish to amend the Original Framework Loan Agreement on the terms and conditions set forth in this amendment agreement (the "**Amendment Agreement**", and the Original Framework Loan Agreement as amended by the Amendment Agreement, the "**Amended Framework Loan Agreement**"),

NOW IT IS HEREBY AGREED:

1. The following definitions are added to Sub-clause 1.1 (*Definitions*) of the Original Framework Loan Agreement:

"Bridge Tranche" means a short-term Tranche."

"Term Tranche" means a long-term Tranche."

2. Sub-clause 4.3 (a) (iii) of the Original Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

"Principal Repayment Date(s), including the Maturity Date, taking into account that (i) for Bridge Tranches the Principal Repayment Period shall not exceed three (3) years (including a grace period not exceeding two (2) years) and (ii) for Term Tranches the Principal

Repayment Period shall not exceed twenty (20) years (including a grace period not exceeding five (5) years)".

3. Sub-clause 4.5 (b) (ii) of the Original Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

"In the case of a Disbursement Request relating to a Term Tranche, Sub-project Identification Report and the corresponding indicators confirming to the CEB's satisfaction the full Allocation of the previous Term Tranche."

4. Sub-clause 5.2 (*Allocation Period*) of the Original Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraphs:

"The Borrower shall allocate each Term Tranche to the Project within twelve (12) months after the relevant Disbursement Date (hereinafter, the "**Term Tranche Allocation Period**"), unless otherwise agreed in writing by the CEB.

The Borrower shall allocate each Bridge Tranche to the Project within twelve (12) months after the Closing Date (hereinafter, the "**Bridge Tranche Allocation Period**" and together with the Term Tranche Allocation Period, the "**Allocation Period**"), unless otherwise agreed in writing by the CEB.

If a Tranche disbursed by the CEB is not allocated to 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."

5. Sub-clause 6.1 (a) (*Sub-project Identification Report*) of the Original Framework Loan Agreement shall be deleted and replaced with the following paragraphs:

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

Appendix 5 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, the Borrower shall timely allocate the relevant amounts to other Sub-projects or otherwise shall proceed with prepayment of the unallocated amounts on the next Interest Payment Date in the terms provided under Sub-clause 4.7."

6. Appendix 1 (*Project Description*) to the Original Framework Loan Agreement shall be deleted in its entirety and replaced with a new Appendix 1 (*Project Description*), in the form attached hereto as annex 1.

7. Appendix 5 (*Sub-project Identification Report / Completion Report*) to the Original Framework Loan Agreement shall be deleted in its entirety and replaced with a new Appendix 5 (*Sub-project Identification Report / Completion Report*), in the form attached hereto as annex 2.
8. The total amount of all Bridge Tranches the disbursement of which may be requested by the Borrower under the Amended Framework Loan Agreement may not exceed ten million euros (EUR 10 000 000).
9. **Condition precedent** to the Disbursement Request for the second Tranche under the Amended Framework Loan Agreement:

In addition to the conditions precedent set out in paragraph (b) (*Conditions precedent to any further Disbursement Request*) of Sub-clause 4.5 (*Disbursement Conditions*) of the Amended Framework Loan Agreement, the Borrower shall provide to the CEB prior to the Disbursement Request for the second Tranche under the Amended Framework Loan Agreement a legal opinion in English issued by the Borrower's head of legal department confirming to the CEB's satisfaction, substantially in the form set out under Appendix 2 to the Amended Framework Loan Agreement, that the Amendment Agreement has been duly executed by an authorised representative of the Borrower and that the Amendment Agreement is valid, binding and enforceable in accordance with its terms in the Borrower's jurisdiction.

10. No novation – Reservation of rights

As of the date hereof, references in the Original Framework Loan Agreement to "the Agreement", "hereunder", "herein" and like terms or to any provision of the Original Framework Loan Agreement shall be construed as a reference to the Original Framework Loan Agreement as amended by virtue of this Amendment Agreement. This Amendment Agreement shall in no way be deemed to be a novation of the Original Framework Loan Agreement.

Except as otherwise expressly provided in this Amendment Agreement, the Original Framework Loan Agreement remains in full force and effect and the amendments made by this Amendment Agreement are strictly on the basis of the terms herein and without prejudice to any other rights of the CEB. Terms defined in the Original Framework Loan Agreement shall have the same meaning herein, unless otherwise specified.

11. Incorporation of terms

The provisions of Clause 8 (*Representations and warranties*), Clause 9 (*Third Parties*), Clause 10 (*Non-Waiver*), Clause 11 (*Transfer*), Clause 14 (*Governing Law*), Clause 15 (*Disputes*), Clause 17 (*Notices*), Clause 18 (*Taxes and Expenses*) and Clause 19 (*Discharge*) of the Original Framework Loan Agreement shall be incorporated into this Amendment Agreement as if set out in full herein and as if references therein to "the Agreement" and like terms are references to this Amendment Agreement.

This Amendment Agreement shall enter into force upon due execution by the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Amendment Agreement in the English language in two (2) originals, each of which is equally valid. One (1) original is kept by each Party.

Trnava, on 10.6.2022

For Trnava Self-governing Region:

VoVo

Name: Mgr. Jozef Viskupič

Title: Predseda Trnavský samosprávny kraj
President of the Self-governing Trnava region

Paris, on 13/06/2022

For the Council of Europe Development Bank:

VoVo

Cristian TABACARU
Director - Loans & Social Development

VoVo

Andrea BUCCOMINO
Deputy General Counsel

ANNEX 1

Appendix 1

Project Description

I.	<table border="1"> <tr> <td>LD</td><td>LD 2093 (2021)</td></tr> <tr> <td>Borrower</td><td>Trnava Self-governing Region (<i>Trnavský samosprávny kraj</i>)</td></tr> <tr> <td>Loan Type</td><td>Programme Loan</td></tr> <tr> <td>Loan Amount</td><td>EUR 30,000,000</td></tr> <tr> <td>Approval by the CEB's Administrative Council</td><td>11 June 2021</td></tr> </table>	LD	LD 2093 (2021)	Borrower	Trnava Self-governing Region (<i>Trnavský samosprávny kraj</i>)	Loan Type	Programme Loan	Loan Amount	EUR 30,000,000	Approval by the CEB's Administrative Council	11 June 2021				
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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.

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:

- 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.

The Sub-projects can be carried out by public or private entities.

Irrigation Sub-projects involving the building of water-retaining dikes, dams and related infrastructure are eligible as long as the criteria detailed by the CEB's Environmental and Social Safeguards Policy are met.

- "Protection and rehabilitation of historic and cultural heritage" sector:

The CEB finances Sub-projects concerning restructuring and rehabilitation of historic and cultural heritage classified as such by the member state concerned.

- "Protection of the environment" sector:

The CEB finances Sub-projects that contribute to protecting and improving the environment, and thus to improving living conditions. In parallel to its specific action in this sector, the CEB also systematically takes into account the environmental aspects of all the projects that it appraises, regardless of the sector concerned.

The CEB can finance Sub-projects in relation to:

- 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;

	<ul style="list-style-type: none"> 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>As regards the production of renewable energy, Sub-projects eligible for CEB financing must be strictly in line with the specifications and requirements defined by the CEB during appraisal.</p> <p>Lastly, these Sub-projects must concern populations defined at local or regional level.</p> <ul style="list-style-type: none"> • Exclusion List <p>The following economic sectors and activities defined by the NACE nomenclature of the European Union shall be excluded from CEB financing:</p> <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. Sub-projects are eligible if they have been contracted or their implementation has started no more than twelve (12) months before the disbursement date of the Tranche under which they are financed.</p>
Eligible Costs	<p>The costs eligible for CEB financing include:</p> <ul 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

	<p>not exceed five per cent (5%) of the total cost of the Project, unless justified;</p> <ul style="list-style-type: none"> 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; 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 possible 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 various components of the Project, these contingencies may represent up to 10% of the total cost of the Project. The percentage of contingencies may be higher if justified during appraisal.</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>
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	<p>Costs related to ESIF co-financed Sub-projects which cannot be financed by ESIF 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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IV. Social impact	<p>The social effects under the "Local roads' modernization - Transportation infrastructure" component will stem from improved quality, reliability, safety, comfort and accessibility of road transportation infrastructure.</p> <p>The "Public services, Education and Cultural Heritage" component will mainly support reconstruction and refurbishment of education infrastructure, social service facilities and national and historical monuments which will benefit a high number and wide variety of final beneficiaries.</p> <p>The Programme will contribute to reducing the gap between the quality of public services (ranging from social services to transportation infrastructure) in Trnava Self-governing Region and in the Bratislava region or regions of the more developed economies of the EU.</p>
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ANNEX 2

Appendix 5

Sub-project identification Report / Completion Report

Identification of Eligible Sub-projects - Term Tranche

Reporting cut-off date: DD/MM/YYYY

ID: (2021) - Tnava Self-governing Region

Term Tranche no.: _____ amount: _____ disbursement date: _____

Ref.	Brief description of the investment	Intention beneficiary for the investment		CED sector of Action (1)	EU Operational Programme (2)	Lection	Total investment cost (3)	OP/INVESTMENT PRICED	Amount budgeted / estimated / spent in EUR										Number of inhabitants	Number of sites	Energy savings (tce/ha)	Specific indicators (5)	Project subject to EA (ref/ha)
		Name of institution	Type (public / private / association)						Budgeted YEAR1	Budgeted YEAR2	Budgeted YEAR3	TOTAL budgeted	Contracted YEAR1	Contracted YEAR2	Contracted YEAR3	TOTAL contracted	Spent YEAR1	Spent YEAR2					
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							
10																							
11																							
12																							
13																							
TOTAL																							
Financed by:																							
Borrower's own funds (excluding CED loans)																							
CED loan																							
EU Funds																							
Others																							

(1) Acronyms to be utilized: MUR for Improving living conditions in urban and rural areas; PH for Cultural Heritage; PE for Protection of Environment

(2) Identify the Operational Programs

(3) Any sub-project total costs exceeding the EUR 10 million threshold shall require a case-by-case CED approval and project-specific monitoring indicators would apply

(4) Investments eligible for CED financing must have been conducted, or their implementation started, no more than 12 months before the disbursement date of the related tranche.

(5) Surface rehabilitated, expanded or newly built (in M² or km²)

LIST OF INDICATORS (indicative)

LD ____ (2021) - Trnava Self-governing Region

Tranche no. _____, amount _____

Reporting cut-off date: DD/MM/YYYY

Cultural Facilities (i.e. museums, cultural center, music centre, sport facilities, outdoor ice rink)			
Indicators	Unit	Grand Total for All Sub-Projects Financed by CEB (At Completion)	
Number and type of facility rehabilitated, expanded or newly built	Number and type		
Total surface rehabilitated, expanded or newly built	m ²		
Maximum users capacity at design	Number of persons		
Number of beneficiaries / "users" per year	Number		
Expected reduction in greenhouse gases emissions or energy consumption	t CO2 eq or kWh/m2/year		
Urban Development and Infrastructure (i.e. water supply, municipal roads, public municipal buildings and facilities)			
Indicators	Unit	Grand Total for All Sub-Projects Financed by CEB (At Completion)	
Type of infrastructure/facility rehabilitated, expanded or newly built	Number and type		
Area rehabilitated, constructed or newly built	m2 or Km		
Number of population benefiting from the infrastructure/facility	Households/persons		
Expected reduction in greenhouse gases emissions or energy consumption	t CO2 eq or kWh/m2/year		
Education (kindergartens, day care, primary schools)			
Indicators	Unit	Grand Total for All Sub-Projects Financed by CEB (At Completion)	
Number and type of facilities rehabilitated, expanded or newly built	Number and type		
Total surface rehabilitated, expanded or newly built	m ²		
Type & number of equipment provided	Number and type		
Total number of children enrolled benefitting from the investment by age group per year	Number by level		
Maximum number of children at full capacity	Number		
Expected reduction in greenhouse gases emissions or energy consumption	t CO2 eq or kWh/m2/year		