

FI N° 85.132
Serapis N° 2015-0520

Slovakia RDP 2014-2020 Co-Financing

Finance Contract

between the

Slovak Republic

and

European Investment Bank

Bratislava, 22 December 2016

THIS CONTRACT IS MADE BETWEEN:

Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, having its office at Štefanovičova 5, 817 82 Bratislava, Slovak Republic, represented by [●],

(the “**Borrower**”)

of the first part, and

The European Investment Bank, having its seat at 98-100 blvd Konrad Adenauer, Luxembourg L-2950, Luxembourg, represented by [●],

(the “**Bank**”)

of the second part.

WHEREAS:

- (1) The Borrower has stated that it is undertaking an operation (the "**Project**") to co-finance investments under selected measures of the Rural Development Programme 2014-2020 (the "**RDP**") of the Slovak Republic (each a "**Scheme**" and together the "**Schemes**") contributing, among others, to enhancing the competitiveness of the agricultural sector and developing the rural economy, alongside EU funds provided by the 2014-2020 European Agricultural Fund for Rural Development (EAFRD), as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1.
- (2) The Borrower has stated that in implementing the Project it will be acting through the Ministry of Agriculture and Rural Development of the Slovak Republic (the "**Promoter**"), which is the managing authority for the RDP, and shall be responsible for active, effective and accurate administration and completion of the Schemes and the Project. The Promoter will operate through the Agricultural Paying Agency (the "**Agency**"), which is the paying agency responsible for the management and control of RDP expenditure and control of expenditure eligibility. For the avoidance of any doubt, the term "Promoter" shall not, at any time, be interpreted within the meaning attributed to the term "promoter" (in Slovak: *poskytovateľ*) under Article 3(2)f) of the Act of the Slovak Republic No. 292/2014, on the Contribution Received from European Structural and Investment Funds, as amended.
- (3) The final beneficiaries of funds under the Project will be public and private entities (including small and medium enterprises) receiving EU Grants (as defined below) and support from the RDP (each a "**Final Beneficiary**" and together, the "**Final Beneficiaries**").
- (4) The total cost of the Project is estimated by the Bank to be EUR 1,659,000,000 (one thousand six hundred and fifty nine million euros). The Borrower expects that a grant contribution for the Project (the "**EU Grant(s)**") will be provided by the European Commission to co-finance the Project. The Borrower has stated that it intends to finance the Project as follows:

Source	Amount (M EUR)
EU Grants	833
Credit from the Bank	250
National public funds	40
Private/other sources	536
TOTAL	1,659

- (5) In order to fulfil the financing plan set out in Recital (4), the Borrower has requested from the Bank a credit of EUR 250,000,000 (two hundred and fifty million euros).
- (6) The Bank considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request by providing to the Borrower a credit in an amount of EUR 250,000,000 (two hundred and fifty million euros) under this finance contract (the "**Contract**"); provided that the amount of the Bank's financing shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (4) and that the amount of the Bank's financing together with EU Grants shall not, in any case, exceed 90% (ninety per cent) of the total cost of the Project as set out in Recital (4).
- (7) The Borrower has authorised the borrowing of the sum of EUR 250,000,000 (two hundred and fifty million euros) represented by the Credit on the terms and conditions set out in this Contract; the relevant authorisation is attached hereto as Annex I.
- (8) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union. Accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (9) The financing of the Project includes certain state subsidies or grants and the provision of such funds has been duly authorised and will be provided in compliance with all relevant legislation of the European Union.

- (10) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.
- (11) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the EU institutions and bodies and on the free movement of such data.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

(a) Interpretation

In this Contract:

- (i) References to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract.
- (ii) References to a provision of law are references to such provision as amended or re-enacted.
- (iii) References to any other agreement or instrument are references to such other agreement or instrument as amended, novated, supplemented, extended or restated.

(b) Definitions

In this Contract:

“Acceptance Deadline” for a notice means:

- (a) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or
- (b) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

“Agency” has the meaning given to it in Recital (2).

“Allocation” or **“Allocations”** means applying the proceeds of the Loan to the financing of eligible Schemes undertaken by the Borrower.

“Allocation Procedure” means the procedure set up in Article 1.08.

“Allocation Request” is the request submitted to the Bank pursuant to Article 1.08.

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

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

“Central Register of Contracts” means the Central Register of Contracts administered by the Government Office of the Slovak Republic in an electronic form in accordance with the Public Information Access Act (as defined below) and the Regulation of the Government of the Slovak Republic No. 498/2011 Coll., on publishing of contracts in the Central Register of Contracts, dated 14 December 2011.

“Change-of-Law Event” has the meaning given to it in Article 4.03A(6).

“Civil Code” means the Act of the Slovak Republic No. 40/1964 Coll., Civil Code, as amended.

“Contract” has the meaning given to it in Recital (6).

“Credit” has the meaning given to it in Article 1.01.

“Criminal Offence” means any of the following criminal offences as applicable: fraud, corruption, coercion, collusion, obstruction, money laundering and financing of terrorism.

“Debt Instrument” has the meaning given to it in Article 7.01.

“Deferment Indemnity” means an indemnity calculated on the amount of disbursement deferred or suspended at the percentage rate (if higher than zero) by which:

- the interest rate that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date exceeds
- the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

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

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

“Disbursement Notice” means a notice from the Bank to the Borrower pursuant to and in accordance with Article 1.02C.

“Disbursement Request” means a notice substantially in the form set out in Schedule C.1.

“Disruption Event” means either or both of:

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

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

“EIA” means Environmental Impact Assessment under the EIA Directive.

“EIA Directive” means Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment, as amended, restated or codified from time to time, including, without limitations, by Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, as amended.

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

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

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

“Environmental Approval” means any Authorisation required by Environmental Law.

“Environmental Claim” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

“Environmental Law” means:

- (a) EU law, including principles and standards;
- (b) national laws and regulations of the Slovak Republic;
- (c) applicable international treaties;

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

“EU Floods Directive” means Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks.

“EU Grant” has the meaning given to it in Recital (4).

“EU Grant Event” has the meaning given to it in Article 4.03A(3).

“EU Habitats Directive” means Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, as amended.

“EU Birds Directive” means Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, as amended.

“EU Water Framework Directive” means Directive 2000/60/EC of the European Parliament and of the Council of 22 December 2000 establishing a framework for the Community action in the field of water policy.

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

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

“Event of Default” means any of the circumstances, events or occurrences specified in Article 10.01.

“Final Availability Date” means the date falling 31 December 2020.

“Final Beneficiary” has the meaning given to it in Recital (3).

“Fixed Rate” means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest.

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

“Floating Rate” means a fixed-spread floating interest rate, that is to say an annual interest rate determined by the Bank for each successive Floating Rate Reference Period equal to the Relevant Interbank Rate plus the Spread.

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

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

“Interest Revision/Conversion” means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis ("revision") or a different interest rate basis ("conversion") which can be offered for the remaining term of a Tranche or until a next Interest Revision/Conversion Date, if any, for an amount which, at the proposed Interest Revision/Conversion Date, is not less than EUR 10,000,000 (ten million euros).

“Interest Revision/Conversion Date” means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.02C in the Disbursement Notice or pursuant to Article 3 and Schedule D.

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

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

- (a) Payment Dates chosen in accordance with the provisions of Article 3.01;
- (b) the preferred repayment schedule chosen in accordance with Article 4.01; and

(c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.01.

“Letter of Allocation” has the meaning given to it in Article 1.08.

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

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

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

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

- (a) the ability of the Borrower to perform its obligations under this Contract;
- (b) the operations, property, condition (financial or otherwise) or prospects of the Borrower; or
- (c) the validity or enforceability of, or the effectiveness or ranking of, or the value of any security granted to the Bank, or the rights or remedies of the Bank under this Contract.

“Maturity Date” means the last or sole repayment date of a Tranche specified pursuant to Article 4.01A(b)(iv) or Article 4.01B.

“Notified Tranche” means a Tranche in respect of which the Bank has issued a Disbursement Notice.

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

- (a) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.01 except for those cases where repayment is made in a single instalment according to Article 4.01B, when the preceding Relevant Business Day shall apply instead to this single instalment and to the final interest payment and only in this case with adjustment to the interest due under Article 3.01; and
- (b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.01.

“Prepayment Amount” means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.02A.

“Prepayment Date” means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

“Prepayment Event” means any of the events described in Article 4.03A.

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

- (a) the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

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

“Prepayment Notice” means a written notice from the Bank to the Borrower in accordance with Article 4.02C.

“Prepayment Request” means a written request from the Borrower to the Bank to prepay all or part of the Loan, in accordance with Article 4.02A.

“Project” has the meaning given to it in Recital (1).

“Promoter” has the meaning given to it in Recital (2).

“Public Information Access Act” means the Act of the Slovak Republic No. 211/2000 Coll., on Free Access to Public Information, as amended.

“RDP” has the meaning given to it in Recital (1).

“Redeployment Rate” means the Fixed Rate in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect of which a prepayment is proposed or requested to be made. For those cases where the period is shorter than 48 months (or 36 months in the absence of a repayment of principal during that period) the most closely corresponding money market rate equivalent will be used, that is the Relevant Interbank Rate minus 0.125% (12.5 basis points) for periods of up to 12 (twelve) months. For periods falling between 12 and 36/48 months as the case may be, the bid point on the swap rates as published by Reuters for the related currency and observed by the Bank at the time of calculation will apply.

“Relevant Business Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR.

“Relevant Interbank Rate” means EURIBOR.

“Scheme” has the meaning given to it in Recital (1).

“Scheduled Disbursement Date” means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.02C.

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

“Spread” means the fixed spread to the Relevant Interbank Rate (being either plus or minus) determined by the Bank and notified to the Borrower in the relevant Disbursement Notice or Interest Revision/Conversion Proposal.

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

“Technical Description” has the meaning given to it in Recital (1).

“Tranche” means each disbursement made or to be made under this Contract. In case no Disbursement Notice has been delivered, Tranche shall mean a Tranche as requested under Article 1.02B.

ARTICLE 1

Credit and Disbursements

1.01 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 250,000,000 (two hundred and fifty million euros) for the financing of the Project (the “**Credit**”).

1.02 Disbursement procedure

1.02A Tranches

The Bank shall disburse the Credit in up to 3 (three) Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of EUR 40,000,000 (forty million euros).

1.02B Disbursement Request

- (a) The Borrower may present to the Bank a Disbursement Request for the disbursement of a Tranche, such Disbursement Request to be received at the latest 15 (fifteen) days before the Final Availability Date. The Disbursement Request shall be in the form set out in Schedule C.1 and shall specify:
- (i) the amount of the Tranche;
 - (ii) the preferred disbursement date for the Tranche; such preferred disbursement date must be a Relevant Business Day falling at least 15 (fifteen) days after the date of the Disbursement Request and, in any event, on or before the Final Availability Date, it being understood that notwithstanding the Final Availability Date the Bank may disburse the Tranche up to 4 (four) calendar months from the date of the Disbursement Request;
 - (iii) whether the Tranche is a Fixed Rate Tranche or a Floating Rate Tranche, each pursuant to the relevant provisions of Article 3.01;
 - (iv) the preferred interest payment periodicity for the Tranche, chosen in accordance with Article 3.01;
 - (v) the preferred terms for repayment of principal for the Tranche, chosen in accordance with Article 4.01;
 - (vi) the preferred first and last dates for repayment of principal for the Tranche;
 - (vii) the Borrower's choice of Interest Revision/Conversion Date, if any, for the Tranche; and
 - (viii) the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.02D.
- (b) If the Bank, following a request by the Borrower, has provided the Borrower, before the submission of the Disbursement Request, with a non-binding fixed interest rate or spread quotation to be applicable to the Tranche, the Borrower may also at its discretion specify in the Disbursement Request such quotation, that is to say:
- (i) in the case of a Fixed Rate Tranche, the aforementioned fixed interest rate previously quoted by the Bank; or
 - (ii) in the case of a Floating Rate Tranche, the aforementioned spread previously quoted by the Bank,
- applicable to the Tranche until the Maturity Date or until the Interest Revision/Conversion Date, if any.
- (c) Each Disbursement Request shall be accompanied by evidence of the authority of the person or persons authorised to sign it and the specimen signature of such person or persons.
- (d) Subject to Article 1.02C(b), each Disbursement Request is irrevocable.

1.02C **Disbursement Notice**

- (a) Not less than 10 (ten) days before the proposed Scheduled Disbursement Date of a Tranche the Bank shall, if the Disbursement Request conforms to this Article 1.02, deliver to the Borrower a Disbursement Notice which shall specify:
- (i) the amount of the Tranche;
 - (ii) the Scheduled Disbursement Date;
 - (iii) the interest rate basis for the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche all pursuant to the relevant provisions of Article 3.01;
 - (iv) the first interest Payment Date and the periodicity for the payment of interest for the Tranche;
 - (v) the terms for repayment of principal for the Tranche;
 - (vi) the first and last dates for repayment of principal for the Tranche;
 - (vii) the applicable Payment Dates for the Tranche;
 - (viii) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche; and
 - (ix) for a Fixed Rate Tranche the Fixed Rate and for a Floating Rate Tranche the Spread applicable to the Tranche until the Interest Revision/Conversion Date, if any or until the Maturity Date.
- (b) If one or more of the elements specified in the Disbursement Notice does not reflect the corresponding element, if any, in the Disbursement Request, the Borrower may following receipt of the Disbursement Notice revoke the Disbursement Request by written notice to the Bank to be received no later than 12h00 Luxembourg time on the next Business Day and thereupon the Disbursement Request and the Disbursement Notice shall be of no effect. If the Borrower has not revoked in writing the Disbursement Request within such period, the Borrower will be deemed to have accepted all elements specified in the Disbursement Notice.
- (c) If the Borrower has presented to the Bank a Disbursement Request in which the Borrower has not specified the fixed interest rate or spread as set out in Article 1.02B(b), the Borrower will be deemed to have agreed in advance to the Fixed Rate or Spread as subsequently specified in the Disbursement Notice.

1.02D **Disbursement Account**

Disbursement shall be made to such account of the Borrower as the Borrower shall notify in writing to the Bank not later than 15 (fifteen) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

1.03 **Currency of disbursement**

The Bank shall disburse each Tranche in EUR.

1.04 **Conditions of disbursement**

1.04A **First Tranche**

The disbursement of the first Tranche under Article 1.02 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date, of the following documents or evidence:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing the Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;

- (b) evidence that the Borrower has obtained all necessary Authorisations required in connection with this Contract and the Project;
- (c) a legal opinion in the English language from the Minister of Justice of the Slovak Republic on, *inter alia*, the due execution of this Contract by the Borrower and stating that this Contract is valid, binding and enforceable in the Slovak Republic in accordance with its terms, such legal opinion being in the form set out in Annex II;
- (d) evidence that the amount requested to be disbursed does not exceed EUR 75,000,000 (seventy five million euros), except if the amount to be disbursed does not exceed the amount already allocated to eligible Schemes in accordance with the provisions of this Contract, in which case such restriction shall not apply;
- (e) the Bank being at all times satisfied that the Allocation Procedure is met; and
- (f) a full Project Completion Report and supporting documentation for the Slovakia Forestry and Environment project (CA/465/13 - 4 June 2013/PV/13/04) supplied by the Promoter according to the finance contract between the Borrower and the Bank dated 3 March 2014 (FI 82.633). If the Project Completion Report is received before signature of this Contract, this condition is considered fulfilled and it will no longer apply.

1.04B Second and Subsequent Tranches

The disbursement of the second and any subsequent Tranches is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date for the proposed Tranche, of the following additional written evidence from the Borrower:

- (a) listing of Schemes evidencing 80% (eighty per cent) of the previously disbursed Tranches have been committed by the Borrower and allocated to eligible Schemes to the satisfaction of the Bank; and/or
- (b) listing of Schemes evidencing 50% (fifty per cent) of the previously disbursed Tranches have been effectively paid out to Final Beneficiaries towards any expenditure incurred with respect to any eligible Schemes allocated to the satisfaction of the Bank; and
- (c) all annual reports and evaluations submitted to the European Commission in relation to the RDP, as well as all Project Progress Reports as required and specified in Schedule A.2 and any side letters to this Contract.

1.04C All Tranches

The disbursement of each Tranche under Article 1.02, including the first and the second, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date for the proposed Tranche, the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule C.2, signed by an authorised representative of the Borrower and dated no earlier than the date falling 10 (ten) days before the Scheduled Disbursement Date;
 - (ii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or the validity and enforceability of the same;
- (b) that on the Disbursement Date for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.07 being correct in all respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (aa) an Event of Default, or

(bb) a Prepayment Event,

having occurred and being continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.05 Deferment of a disbursement

1.05A Grounds for deferment

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Notified Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date and not later than 60 (sixty) days prior to the first repayment date of the Tranche indicated in the Disbursement Notice. In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If for a Notified Tranche any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date (or the date expected for disbursement in case of a previous deferment), disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement (without prejudice to the right of the Bank to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.06B). In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

1.05B Cancellation of a disbursement deferred by 6 (six) months

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.05A by more than 6 (six) months in aggregate. The cancelled amount shall remain available for disbursement under Article 1.02.

1.06 Cancellation and suspension

1.06A Borrower's right to cancel

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of (i) a Notified Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice, or (ii) a Tranche in respect of which a Disbursement Request has been submitted but no Disbursement Notice has been issued.

1.06B Bank's right to suspend and cancel

- (a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect upon the occurrence of a Prepayment Event or an Event of Default or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default.
- (b) The Bank may also suspend the portion of the Credit in respect of which it has not issued a Disbursement Notice with immediate effect in the case that a Market Disruption Event occurs.
- (c) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.06C Indemnity for suspension and cancellation of a Tranche

1.06C(1) SUSPENSION

If the Bank suspends a Notified Tranche, whether upon a Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

1.06C(2) CANCELLATION

If pursuant to Article 1.06A, the Borrower cancels:

- (a) a Fixed Rate Tranche which is a Notified Tranche, it shall indemnify the Bank under Article 4.02B;
- (b) a Floating Rate Tranche which is a Notified Tranche or any part of the Credit other than a Notified Tranche, no indemnity is payable.

If the Bank cancels:

- (i) a Fixed Rate Tranche which is a Notified Tranche upon a Prepayment Event or pursuant to Article 1.05B, the Borrower shall pay to the Bank the Prepayment Indemnity, or
- (ii) a Notified Tranche upon an Event of Default, the Borrower shall indemnify the Bank under Article 10.03.

Save in these cases, no indemnity is payable upon cancellation of a Tranche by the Bank.

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

1.07 **Cancellation after expiry of the Credit**

On the day following the Final Availability Date and unless otherwise specifically agreed to in writing by the Bank, the part of the Credit in respect of which no Disbursement Request has been made in accordance with Article 1.02B shall be automatically cancelled, without any notice being served by the Bank on the Borrower and without liability arising on the part of either party.

1.08 **Allocation Procedure**

The Borrower shall, no later than by 30 June 2023, submit to the Bank for approval a request for allocation (the "**Allocation Request**").

The Loan may solely be allocated to Schemes identified as eligible for financing in the Technical Description set out in Schedule A.1. In order for a Scheme to qualify for financing hereunder, the Borrower must comply with (a) the Allocation Procedure in this Article 1.08, (b) allocation undertakings in Article 1.09, (c) continuing Project undertakings in Article 6.05, and (d) reporting requirements set out in Article 8.01.

The Bank shall have full discretion whether or not to approve the Allocation Request following such examination of the Schemes as it deems necessary and shall, in the event of approval, issue a letter of allocation (a "**Letter of Allocation**"), informing the Borrower of its approval of the Schemes submitted and of the amount in EUR allocated to them. In the event the Bank does not approve a submitted Allocation Request, the Bank shall inform the Borrower thereof in writing.

The Borrower shall provide the Bank with any additional information regarding the Schemes as the Bank, in its own discretion, may request.

The Bank may review and, by notice to the Borrower, amend the Allocation Procedure, including the Technical Description set out in Schedule A.1. and any eligibility measure, in view of any change required (x) to the RDP; (y) by, *inter alia*, the European Commission; (z) to bring the Allocation Procedure into line with the Bank's policy on framework loans; and (w) to reflect the results of the review of the implementation capacity, performance, and the

development of the Project or any individual Scheme. In such case, the Bank shall inform the Borrower thereof and the Borrower shall promptly adapt its allocation procedures accordingly.

1.09 Allocation undertakings:

The Borrower shall, and shall ensure that Promoter and/or the Agency will,

- (i) In relation to any Allocation Request
 - (1) subject to ex-post approval by the Bank a Scheme with total cost not exceeding EUR 25,000,000;
 - (2) submit to the Bank for approval before applying the proceeds of the Bank's Loan to the financing of a Scheme with total cost between EUR 25,000,000 and EUR 50,000,000. The Bank reserves the right to request that the Borrower provide additional information or, if deemed necessary, perform a partial or an in-depth appraisal of the Schemes; and
 - (3) submit to the Bank for approval before applying the proceeds of the Bank's Loan to the financing of a Scheme with total cost exceeding EUR 50,000,000. The Borrower shall provide documentation requested by the Bank, at its discretion, as individually indicated by the Bank to the Borrower;
- (ii) not commit any Bank's funds to a Scheme that requires an EIA, biodiversity assessment, river basin management plan amendment, flood risk management plan, biomass sustainability and air quality impact assessment, according to EU regulation and national law without, prior to commitment, receiving consent from the competent authority, ensuring compliance with relevant and applicable requirements of the RDP and the applicable environmental EU regulation and national law, and having the relevant documentation made available to the public.

1.10 Reallocation Procedure

1.10A Reallocation at the request of the Borrower

The Borrower may, by request in writing to the Bank which shall include reasons therefor, and not later than 30 September 2023, propose to reallocate in accordance with Article 1.08 any part of the Loan which has been allocated but not spent by the Borrower on a Scheme or made available in full, directly or indirectly, by the Borrower to the relevant Final Beneficiaries.

The Bank may, at its discretion, accept the Borrower's proposal for reallocation and reallocate any portion of the Loan in accordance with the provisions of Article 1.08.

1.10B Reallocation at the request of the Bank

The Borrower shall propose to reallocate any part of the Loan, which has been allocated in accordance with the procedures described in Article 1.08 in relation to a Scheme, if such Scheme, in the reasonable opinion of the Bank, is ineligible for financing by the Bank under the Bank's Statute, policies or guidelines, or under Article 309 of the Treaty on the Functioning of the European Union, or under the RDP as such programme may be amended from time to time.

1.11 Sums due under Articles 1.05 and 1.06

Sums due under Articles 1.05 and 1.06 shall be payable in EUR. They shall be payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

ARTICLE 2

The Loan

2.01 **Amount of Loan**

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under this Contract, as confirmed by the Bank pursuant to Article 2.03.

2.02 **Currency of repayment, interest and other charges**

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

Any other payment shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.03 **Confirmation by the Bank**

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.01, if appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3

Interest

3.01 **Rate of interest**

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

3.01A **Fixed Rate Tranches**

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

Interest shall be calculated on the basis of Article 5.01(a).

3.01B **Floating Rate Tranches**

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

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

If, pursuant to Articles 1.05 and 1.06, disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date, the Relevant Interbank Rate applicable to the first Floating Rate Reference Period shall apply as though the disbursement had been made on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.01(b). If the Floating Rate for any Floating Rate Reference Period is below zero, it will be set at zero.

3.01C **Revision or Conversion of Tranches**

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

3.02 **Interest on overdue sums**

Without prejudice to Article 10 and by way of exception to Article 3.01, if the Borrower fails to pay any amount payable by it under the Contract on its due date, interest shall accrue (subject to mandatory provisions of the applicable laws, including Article 1154 of the Luxembourg Civil Code) on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

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

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.02, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

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

3.03 **Market Disruption Event**

If at any time (i) from the issuance by the Bank of the Disbursement Notice in respect of a Tranche and (ii) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify the Borrower that this clause has come into effect. In such case, the rate of interest applicable to such Notified Tranche until the Maturity Date or the Interest Revision/Conversion Date, if any, shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank. The Borrower shall have the right to refuse in writing such disbursement prior to the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.02B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

The Spread or Fixed Rate previously notified by the Bank in the Disbursement Notice shall no longer be applicable.

ARTICLE 4

Repayment

4.01 Normal repayment

4.01A Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Notice in accordance with the terms of the amortisation table delivered pursuant to Article 2.03.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made annually, semi-annually or quarterly by equal instalments of principal or constant instalments of principal and interest;
 - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal annual, semi-annual or quarterly instalments of principal;
 - (iii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 (sixty) days from the Scheduled Disbursement Date and not later than the first Payment Date immediately following the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iv) the last repayment date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 15 (fifteen) years from the Scheduled Disbursement Date.

4.01B Single instalment

Alternatively, the Borrower may repay the Tranche in a single instalment on a Payment Date specified in the Disbursement Notice, being a date falling not less than 3 (three) years or more than 10 (ten) years from the Scheduled Disbursement Date.

4.02 Voluntary prepayment

4.02A Prepayment option

Subject to Articles 4.02B, 4.02C and 4.04, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities, if any, upon giving a Prepayment Request with at least 1 (one) month's prior notice specifying (i) the Prepayment Amount, (ii) the Prepayment Date, (iii) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.05C(i), and (iv) the contract number ("FI No") mentioned on the cover page of this Contract.

Subject to Article 4.02C, the Prepayment Request shall be binding and irrevocable.

4.02B Prepayment indemnity

4.02B(1) FIXED RATE TRANCHE

Subject to Article 4.02B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

4.02B(2) FLOATING RATE TRANCHE

Subject to Article 4.02B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

4.02B(3) Unless the Borrower has accepted in writing a Fixed Rate in respect of an Interest Revision/Conversion Proposal pursuant to Schedule D, prepayment of a Tranche on its Interest Revision/Conversion Date as notified under Article 1.02C(a)(viii), or in accordance with Schedule C.1 or D, as the case may be, may be effected without indemnity.

4.02C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.02B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount, and the Acceptance Deadline.

If the Borrower accepts the Prepayment Notice no later than by the Acceptance Deadline, it shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

4.03 Compulsory prepayment

4.03A Prepayment Events

4.03A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (2) so that the amount of the Credit exceeds 50% (fifty per cent) and/or the amount of the Credit together with EU Grants exceeds 90% (ninety per cent) of such total cost, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan up to the amount by which the Credit exceeds 50% (fifty per cent) of the total cost of the Project and/or the amount by which the Credit together with EU Grants exceeds 90% (ninety per cent) of the total cost of the Project.

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

4.03A(2) NON-COMPLIANCE

If the Bank becomes aware, or has reasonable grounds to believe, that either (i) the Promoter, the Agency or a Final Beneficiary has failed to comply with any obligation passed on to it by the Borrower pursuant to the requirements of this Contract with respect to any Scheme or (ii) that funds intended to be allocated to Scheme(s) have not been so allocated and/or are not being used in compliance with the Technical Description (hereinafter, an “**Affected Scheme**”), it may notify the Borrower. Within a period of 30 (thirty) days following the giving of that notice, the Borrower shall either:

- (a) reallocate the relevant portion of the Loan to another Scheme in accordance with Article 1.09; or
- (b) prepay a proportion of the Loan corresponding to the ratio of the value of the Affected Scheme to the aggregate value of all Schemes, together with interest accrued on the amount to be prepaid.

4.03A(3) EU GRANT EVENT

If the Borrower is informed, or has reasonable grounds to believe, that any EU Grant has been, or is intended to be, cancelled, or if the Borrower has repaid or has been required to repay fully or partially any EU Grant (such cancellation or repayment hereinafter referred to as “**EU Grant Event**”), the Borrower shall promptly inform the Bank. Upon receipt of such information, the Bank may demand that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. After the elapse of 30 (thirty) days from the date of such request, the Bank may, by notice to the Borrower, forthwith cancel the Credit and/or demand prepayment of the Loan in such proportion as the cancelled or repaid EU Grant bears to the total financial assistance for the Project from EU Grants.

4.03A(4) NON-ALLOCATION OR NON-DISBURSEMENT TO FINAL BENEFICIARIES

The Borrower shall prepay at the latest on 31 December 2023 such part of the Loan that has not been allocated or reallocated in accordance with Article 1.08 or Article 1.09, as applicable, or which has been allocated but has not been disbursed to a Final Beneficiary by such date, together with accrued interest and all other amounts accrued or outstanding under this Contract.

4.03A(5) ILLEGALITY

If it becomes unlawful in any applicable jurisdiction for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan, the Bank shall promptly notify the Borrower and may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

4.03A(6) CHANGE OF LAW

The Borrower shall promptly inform the Bank, if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event (in the Bank's opinion) has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation, the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

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

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

4.3.A(7) PARI PASSU TO NON-EIB FINANCING

If the Borrower voluntarily prepays (for the avoidance of doubt, prepayment shall include a repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and such prepayment is not made out of the proceeds of a loan or other indebtedness having a term at least equal to the unexpired term of the Non-EIB Financing prepaid, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan. The proportion of the Loan that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.

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

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

4.03B **Prepayment mechanics**

Any sum demanded by the Bank pursuant to Article 4.03A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.03C and Article 4.04, shall be paid on the date indicated by the Bank in its notice of demand.

4.03C **Prepayment indemnity**

In the case of a Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.02B.

4.04 General

A repaid or prepaid amount may not be reborrowed. This Article 4 shall not prejudice Article 10.

ARTICLE 5

Payments

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, the Borrower shall indemnify the Bank in such amount as the Bank shall certify is required to compensate it for receipt of funds otherwise than on a relevant Payment Date.

5.01 Day count convention

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

- (a) in respect of interest and indemnities due under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days;
- (b) in respect of interest and indemnities due under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed; and
- (c) in respect of fees, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.02 Time and place of payment

Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.

Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.

The Borrower shall indicate in each payment made hereunder the contract number ("FI nr") stated on the cover page of this Contract.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

Any disbursements by and payments to the Bank under this Contract shall be made using account(s) acceptable to the Bank. For the avoidance of doubt, any account in the name of the Borrower held with a duly authorized financial institution in the Slovak Republic or where the Project is undertaken is deemed acceptable to the Bank.

5.03 No set-off by the Borrower

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

5.04 Disruption to payment systems

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

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.04.

5.05 Application of sums received

(a) General

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

(b) Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment:

- (i) firstly, in or towards pro rata payment of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (ii) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;
- (iii) thirdly, in or towards payment of any principal due but unpaid under this Contract; and
- (iv) fourthly, in or towards payment of any other sum due but unpaid under this Contract.

(c) Allocation of sums related to Tranches

(i) In case of:

- a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity,
- a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.

(ii) Sums received by the Bank following a demand under Article 10.01 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

(iii) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

ARTICLE 6

Borrower undertakings and representations

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

A. *Project undertakings*

6.01 Use of Loan and availability of other funds

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

The Borrower shall ensure that it has available to it the other funds listed in Recital (2) and that such funds are expended, to the extent required, on the financing of the Project.

The Borrower shall ensure that the amount of the Credit shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (4) and that the amount of the Credit together with any EU Grant shall not, in any case, exceed 90% (ninety per cent) of the total cost of the Project as set out in Recital (4).

6.02 Completion of the Project

The Borrower shall carry out the Project in accordance with the Technical Description set out in Schedule A.1, as may be modified from time to time with the approval of the Bank, and complete it by the final date specified therein.

The Borrower undertakes to ensure that all Schemes to be financed in whole or in part by the Loan satisfy at all times the eligibility criteria specified in the Technical Description set out in Schedule A.1.

6.03 Increased cost of the Project

If the total cost of the Project exceeds the estimated figure set out in Recital (4), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated to the Bank without delay.

6.04 Procurement procedure

The Borrower undertakes to, and shall procure that the Promoter, the Agency and Final Beneficiaries will, purchase equipment, secure services and order works for the Project and each individual Scheme (a) in so far as they apply to it or to the Project or to each individual Scheme, in accordance with EU law in general and in particular with the relevant EU directives and (b) in so far as EU directives do not apply, by procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and, in case of public contracts, the principles of transparency, equal treatment and non-discrimination on the basis of nationality.

6.05 Continuing Project undertakings

The Borrower shall, and shall procure that the Promoter, the Agency and Final Beneficiaries (as applicable) shall:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
- (b) **Project assets:** unless the Bank shall have given its prior consent in writing, retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under Article 309 of the Treaty on the Functioning of the European Union;

- (c) **Insurance:** where appropriate, insure all works and property forming part of the Project with first class insurance companies in accordance with the most comprehensive relevant industry practice;
- (d) **Rights and Permits:** maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project and each individual Scheme, and inform the Bank accordingly upon the request of the Bank;
- (e) **Environment:**
 - (i) implement and operate the Project and each individual Scheme in compliance with Environmental Law;
 - (ii) obtain and maintain requisite Environmental Approvals for the Project and each individual Scheme and make them available to the Bank on request; and
 - (iii) comply with any such Environmental Approvals;
- (f) **EU law:** execute and operate the Project and each individual Scheme in accordance with the relevant rules and standards of EU law directly applicable to the Borrower, the Promoter, the Agency or the Final Beneficiary (as the case may be) and the Project or each individual Scheme (as the case may be), in particular in the fields of Environment (including climate change), safety, public procurement and state aid;
- (g) **Integrity:**
 - (i) take, within a reasonable timeframe, appropriate measures in respect of any member of its or each Final Beneficiary's governing bodies who has been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any Borrower's or the relevant Final Beneficiary's, as the case may be, activity in relation to the Loan or the Project;
 - (ii) to the extent permitted by law, inform the Bank (in respect of the Borrower) or the Borrower (in respect of any Final Beneficiary) of any litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which is current, imminent or pending against the Borrower or any Final Beneficiary, or their controlling entities or members of their management or administrative bodies in connection with a Criminal Offence related to the Loan or the Project; and
 - (iii) undertake in any sub-financing or equivalent agreement or arrangement between the Borrower and the Final Beneficiary in respect of any funds provided under this Contract, related to the Loan or the Project, that the Final Beneficiary immediately informs the Borrower of any investigation concerning the integrity of any member of the Final Beneficiary's management or administrative body;
- (h) **Integrity Audit Rights:** ensure that all contracts under the Project to be procured after the date of signature of this Contract in accordance with EU Directives on procurement provide for:
 - (i) the requirement that the relevant contractor promptly informs the Bank of a genuine allegation, complaint or information with regard to a Criminal Offence related to the Project;
 - (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Project; and
 - (iii) the Bank's right, in relation to an alleged Criminal Offence, to review the books and records of the relevant contractor in relation to the Project and to take copies of documents to the extent permitted by law;
- (i) **Authorised accounts:** receive any payment from the Borrower, the Agency or the Promoter, as applicable, to a bank account, acceptable to the Bank, in the name of the Promoter, the Agency or the Final Beneficiary, as applicable, held with a duly authorised financial institution in the Slovak Republic or such jurisdiction where a Final Beneficiary is incorporated or has its place of residence or where the Project is undertaken by such Final Beneficiary;

- (j) **Other undertakings:**
- (i) invite the Bank (or procure that the Bank is invited) as an observer to the meetings of the RDP's Monitoring Committees;
 - (ii) ensure that no Scheme is double-financed with another operation funded by the Bank;
 - (iii) store and keep all documentation relating to the Schemes updated and available for review at the request of the Bank, including but not limited to, for each Scheme whether:
 - (1) an EIA is required;
 - (2) a nature assessment is required under the EU Habitats Directive and/or EU Birds Directive;
 - (3) Article 4.7 of the EU Water Framework Directive or the EU Floods Risk Directive are applicable;
 - (4) analysis is required to establish the sustainability and impact on air quality of biomass use, in accordance with the RDP and the applicable environmental EU regulation and national law; and
 - (5) state aid rules are applicable.
 - (iv) if the requirements and/or regulations listed under paragraph (iii) above are applicable, ensure the maintenance on file, as a minimum of:
 - (1) the non-technical summary of the EIA;
 - (2) form B (risk of significant effect according to the EU Habitats Directive and/or EU Birds Directive);
 - (3) the relevant river basin management and flood risk management plans;
 - (4) the regional analysis establishing the sustainability and impact on air quality of biomass use; and
 - (5) measures taken in response to state aid rules and responses received thereto; respectively;
 - (v) not make or propose to make allocations to Schemes that do not fully comply with applicable EU regulations, whether or not such regulations have been fully transposed to Slovakian national legislation;
 - (vi) verify the compliance of the Final Beneficiaries and Schemes implemented by them with relevant and applicable EU regulations, in particular in the fields of environment and procurement; and
 - (vii) ensure that the Schemes supported by the Bank's finance under the Project are not submitted for allocation under or financed through other loans of the Slovak Republic with the Bank.

B. General undertakings

6.06 Compliance with laws

- (a) The Borrower shall, and shall procure that the Promoter, the Agency and Final Beneficiaries will, comply in all respects with all laws and regulations (including, for the avoidance of any doubt, but not limited to, EU laws and regulations) to which it or the Project or each individual Scheme is subject.
- (b) The Borrower shall publish this Contract in the Central Register of Contracts within 15 (fifteen) calendar days after the Borrower received this Contract signed by all parties hereto, in line with Section 5a of the Public Information Access act and Section 47a of the Civil Code.

6.07 **General representations and warranties**

The Borrower represents and warrants to the Bank that:

- (a) it has the power to execute, deliver and perform its obligations under this Contract and all necessary action has been taken to authorise the execution, delivery and performance of the same by it;
- (b) the acceptance of the Credit and the execution of this Contract was approved by the Resolution of the Government of the Slovak Republic (in Slovak: *uznesenie vlády Slovenskej republiky*) on 14 December 2016 in its 40th meeting, by Resolution No. 583/2016, in accordance with the Article 4(3) of the Act of the Slovak Republic No. 411/2015, on the state budget for 2016;
- (c) this Contract constitutes its legally valid, binding and enforceable obligations;
- (d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of, this Contract do not and will not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation (whether internal or external), or any judgement, decree or permit to which it, the Agency or the Promoter is subject;
 - (ii) contravene or conflict with any agreement or other instrument binding upon it, the Agency or the Promoter which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
 - (iii) contravene or conflict with any provision of any Final Beneficiary's by-laws, constitutional documents or regulatory instruments (as the case may be);
- (e) there has been no Material Adverse Change since 28 June 2016;
- (f) no litigation, arbitration, administrative proceedings or inspection (other than inspections which are based on petitions which are frivolous or vexatious) is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it any unsatisfied judgement or award which has resulted or might have a Material Adverse Change;
- (g) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
- (h) it has obtained all necessary Authorisations in connection with this Contract, and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (i) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its Debt Instruments except for obligations mandatorily preferred by law;
- (j) it is in compliance in all respects with all applicable EU and Slovak competition (including state aid and audit) laws and regulations;
- (k) it is in compliance with Article 6.05(A)(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental Claim has been commenced or is threatened against it, the Promoter, the Agency or any Final Beneficiary;
- (l) it is in compliance with all undertakings under Article 6 of this Contract; and
- (m) to the best of its knowledge, no funds invested in the Project by the Borrower, the Promoter, the Agency or a Final Beneficiary are of illicit origin, including products of money laundering or linked to the financing of terrorism. The Borrower shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds.

The representations and warranties set out above shall survive the execution of this Contract and are deemed repeated on each date of the Disbursement Request, the Scheduled Disbursement Date, the Disbursement Date and on each Payment Date.

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount

ARTICLE 7

Security

is outstanding under this Contract or the Credit is in force.

7.01 Pari Passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will continue to 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.

In particular, if the Bank makes a demand under Article 10.01 or if an event or potential event of default under any unsecured and unsubordinated Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorize) any payment in respect of any other such Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date, a sum equal to the same proportion of the debt outstanding under this Contract as the proportion that the payment under such Debt Instrument bears to the total debt outstanding under that Debt Instrument. For this purpose, any payment of a Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the Debt Instrument have subscribed, shall be disregarded.

In this Contract, “**Debt Instrument**” means (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness, and (c) a guarantee granted by the Borrower for an obligation of a third party.

7.02 Additional Security

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

7.03 Clauses by inclusion

If the Borrower concludes with any other financial creditor a financing agreement that includes (i) a loss-of-rating clause or a covenant or other provision regarding its financial ratios, and/or (ii) a cross default clause and/or a *pari passu* clause, which is stricter than any equivalent provision of this Contract, the Borrower shall inform the Bank and shall, at the request of the Bank, execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

ARTICLE 8

Information and Visits

8.01 Information concerning the Project

8.01A The Borrower shall and/or shall procure that the Promoter and/or the Agency and/or each Final Beneficiary will (as applicable):

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

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

- (b) submit for the approval of the Bank without delay any material change to the overall Project (including any material change to individual Schemes with investment costs above EUR 25,000,000, if applicable), including, *inter alia*, in respect of the cost, design, plans, timetable, the expenditure programme or financing plan for the Project, in relation to the disclosures made to the Bank prior to the signing of this Contract; and
- (c) promptly inform the Bank of:
 - (i) any non-compliance by it, the Promoter, the Agency or any Final Beneficiary with any applicable Environmental Law;
 - (ii) any suspension, revocation or modification of any Environmental Approval;
 - (iii) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower, the Promoter, the Agency or any Final Beneficiary or any Environmental Claim that is commenced, pending or threatened against it, the Promoter, the Agency or any Final Beneficiary with regard to environmental or other matters affecting the Project or each Scheme individually;
 - (iv) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project;
 - (v) any change to the RDP that is relevant to the scope of the Project or any Scheme, including any modification proposed to or agreed by the European Commission;and set out the action to be taken with respect to such matters;
- (d) immediately inform the Bank of:
 - (i) any increase or decrease by more than 10% of the budget allocated to any measure identified for financing under the Project;
 - (ii) an allocation of any RDP funds to be financed by the Bank, that were unallocated to specific Schemes at the time of finalisation of this Contract (for example under Measure 7) or at any time thereafter;and set out the action to be taken with respect to such matters;
- (e) as soon as it becomes aware thereof, or as soon as it is informed thereof by the Promoter, the Agency or a Final Beneficiary, promptly inform the Bank of:
 - (i) a genuine allegation, complaint or information with regard to Criminal Offences related to any Scheme under the Project;
 - (ii) the illicit origin, including products of money laundering or linked to the financing of terrorism with respect to any Scheme under the Project, and

- (iii) any measure taken by the Promoter, the Agency or a Final Beneficiary pursuant to Article 6.05(g) of this Contract;
 - (f) provide the Bank with any additional information that the Bank may request in relation to the actual or potential environmental impact or procurement of Schemes; and
 - (g) provide to the Bank, if so requested, a certificate of the insurers showing fulfilment of the requirements of Article 6.05(c).
- 8.01B The Borrower shall, and shall ensure that Promoter and/or the Agency will, promptly inform the Bank of:
- (a) the fulfilment of *ex-ante* conditionalities for Schemes under their respective fields;
 - (b) any suspension or cancelation of any Scheme in respect of which the Allocation was approved by the Bank;
 - (c) any suspension of any payments or infringement procedures initiated by the European Commission related to the implementation of any Scheme and/or the relevant laws and regulations;
 - (d) the outcome of any designation or audit procedure performed in accordance with the Common Provision Regulation (Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013);
 - (e) any audit carried out by the European Commission and the European Court of Auditors; and once these become available, results and findings of any final audit reports prepared or produced by the European Commission and the European Court of Auditors;
 - (f) any irregularities during the implementation of the Schemes resulting (or likely to result) in financial correction;
 - (g) any fact or event known to it, which may substantially prejudice or affect the conditions of execution or operation of the Project; and
 - (h) any intention on its part to relinquish ownership of any material component of the Project.

8.02 Information concerning the Borrower, the Promoter, the Agency and the Final Beneficiaries

The Borrower shall and/or shall procure that the Promoter and/or the Agency and/or each Final Beneficiary will (as applicable)

- (a) ensure that the accounting records of the Borrower, the Promoter, the Agency and the Final Beneficiaries fully reflect the operations relating to the financing, execution and operation of the Project;
- (b) promptly inform the Bank of any litigation, arbitration, administrative proceedings or inspection (other than inspections which are based on petitions which are frivolous or vexatious) which is current, threatened or pending and which might, if adversely determined result in a Material Adverse Change; and
- (c) as soon as it becomes aware thereof, or as soon as it is informed thereof by the Promoter, the Agency or a Final Beneficiary, promptly inform the Bank to the extent permitted by law, of any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief (or to the best knowledge and belief of the Promoter, the Agency or such Final Beneficiary that informs the Borrower to that effect), is current, imminent or pending against the Promoter, the Agency or such Final Beneficiary or its controlling entities or members of its management bodies in connection with a Criminal Offence related to any Scheme under the Project.
- (d) deliver to the Bank, from time to time, such information on its general financial situation as the Bank may reasonably require;

- (e) ensure that its budgetary records fully reflect the operations relating to the financing, execution and operation of the Project;
- (f) inform the Bank immediately of:
 - (i) any fact which obliges the Borrower to prepay or repay any financial indebtedness or any European Union funding;
 - (ii) any intention on its part to grant any Security or preference or priority for the performance of any Debt Instrument in favour of a third party;
 - (iii) any intention on its part, or that of any Final Beneficiary, to relinquish ownership of any material component of the Project;
 - (iv) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
 - (v) any event listed in Article 10.01 having occurred or being threatened or anticipated; and
 - (vi) any event or decision that constitutes or may result in a Prepayment Event; and
 - (vii) any EU Grant Event as referred to in Article 4.03A(3) or any reduction or suspension of any financial assistance for the Project from the applicable EU Grants.

8.03 Visits by the Bank

The Borrower shall allow, and shall procure that the Promoter, the Agency and Final Beneficiaries (where applicable) allow, persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of European Union law:

- (a) to visit the sites, installations and works comprising the Project;
- (b) to interview representatives of the Borrower and/or the Promoter and/or the Agency and/or the relevant Final Beneficiary and not obstruct contacts with any other person involved in or affected by the Project; and
- (c) to review the Borrower's and/or the relevant Final Beneficiary's books and records in relation to the execution of the Project and to be able to take copies of related documents to the extent permitted by the law.

The Borrower shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article.

The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower, the Promoter, the Agency, the Final Beneficiaries and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of European Union law.

8.04 Language

Documents, evidence, notices and communications provided or made by the Borrower pursuant to this Contract shall be provided in the English language or with an English translation, if not otherwise agreed between the Bank and the Borrower.

ARTICLE 9

Charges and expenses

9.01 Taxes, duties and fees

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

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without deduction of any national or local impositions whatsoever; provided that, if the Borrower is obliged to make any such deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

9.02 Other charges

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

9.03 Increased costs, indemnity and set-off

- (a) The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation after the date of this Contract, in accordance with or as a result of which (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
- (b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any payment or partial discharge that takes place in a manner other than as expressly set out in this Contract.
- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10

Events of Default

10.01 Right to demand repayment

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

10.01A Immediate demand

The Bank may make such demand immediately:

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and (ii) payment is made within 3 (three) Business Days of its due date;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in or pursuant to this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan,
 - (i) the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation, or
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors including a moratorium, or commences negotiations with one or more of its creditors with a view to rescheduling any of its financial indebtedness;
- (e) if the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or other loan made to it from the resources of EU or financial instrument entered into with the Bank or in respect of any state subsidies or EU Grants related to the Project;
- (f) if any distress, execution, sequestration or other process is levied or enforced upon any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days, or, if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, of or over, any part of the business or assets of the Borrower or any property forming part of the Project;
- (g) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
- (h) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or this Contract is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms;
- (i) Demand after notice to remedy

The Bank may also make such demand if:

- (a) the Borrower fails to comply with any obligation under this Contract not being an obligation mentioned in Article 10.01A; or
- (b) any fact stated in the Recitals materially alters and is not restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

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

10.02 Other rights at law

Article 10.01 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

10.03 Indemnity

10.03A Fixed Rate Tranches

In case of demand under Article 10.01 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the Prepayment Indemnity on any amount of principal due to be prepaid. Such Prepayment Indemnity shall accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified.

10.03B Floating Rate Tranches

In case of demand under Article 10.01 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the original amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

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

10.03C General

Amounts due by the Borrower pursuant to this Article 10.03 shall be payable on the date of prepayment specified in the Bank's demand.

10.04 Non-waiver

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

ARTICLE 11

Law and jurisdiction, miscellaneous

11.01 Governing law

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

11.02 Jurisdiction

(a) The Court of Justice of the European Union has exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Contract.

- (b) The parties agree that the Court of Justice of the European Union is the most appropriate and convenient court to settle Disputes between them and, accordingly, that they will not argue to the contrary.
- (c) The parties to this Contract hereby waive any immunity from, or right to object to, the jurisdiction of this Court, provided, however, that in the case of the Bank the immunities and privileges provided for by the Protocol on the Privileges and Immunities of the European Union are preserved.

11.03 Evidence of sums due

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

11.04 Place of performance

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

11.05 Entire agreement

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

11.06 Invalidity

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

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

11.07 Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto.

11.08 Counterparts

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

11.09 Effective Date

This Contract is conditional upon and shall become effective only after receipt by the Bank, in a form and substance acceptable to the Bank, of the evidence that the Borrower has duly published this Contract in the Central Register of Contracts within 15 (fifteen) calendar days after the Borrower received this Contract signed by all parties hereto, in line with Section 5a of the Public Information Access Act and Section 47a of the Civil Code.

This Contract shall not become effective until the Bank sends to the Borrower a letter confirming fulfilment of each of the above mentioned conditions and providing the date that this Contract becomes effective (the “**Date of Effectiveness**”), and such letter shall be conclusive evidence that this Contract has become effective. The Bank shall send such letter to the Borrower within 5 (five) Business Days from the receipt of the evidence that the Borrower has duly published this Contract in the Central Register of Contracts.

For the avoidance of doubt, until such time as such letter has been issued by the Bank, neither the Borrower nor the Bank shall have any claims against each other or have any liability whatsoever under or in connection with this Contract.

In case the above mentioned conditions are not fulfilled within 15 (fifteen) calendar days after the Borrower received this Contract signed by all parties hereto, this Contract shall not enter into force without any further action being necessary or required.

ARTICLE 12

Final clauses

12.01 Notices to either party

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank Attention: Operations – CSEE
98-100 boulevard Konrad Adenauer
L-2950 Luxembourg
Facsimile no.: +352 4379 67196

For the Borrower Attention: Department of Specific State Operations, Ministry of
Finance
Štefanovičova 5
817 82 Bratislava
Slovak Republic
Facsimile no.: +421 2 5958 3266

12.02 Form of notice

Any notice or other communication given under this Contract must be in writing.

Notices and other communications for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee may be made by hand delivery, registered letter or facsimile. Such notices and communications shall be deemed to have been received by the other party on the date of delivery in relation to a hand-delivered or registered letter, or on receipt of transmission in relation to a facsimile.

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

12.03 Changes to parties

The Borrower may not assign or transfer any of its rights or obligations under this Contract without the prior written consent of the Bank.

The Bank may assign all or part of its rights and benefits or transfer (by way of novation, sub-participation or otherwise) all or part of its rights, benefits and obligations under this Contract.

12.04 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A Technical Description and Reporting

Schedule B	Definition of EURIBOR
Schedule C	Forms for the Borrower
Schedule D	Interest Rate Revision and Conversion

The following Annexes are attached hereto:

Annex I	Authorisation of signatory of the Borrower
Annex II	Form of legal opinion

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in 3 (three) originals in the English language and have respectively caused Ms Miroslava Obdržálková, Legal Counsel, on behalf of the Bank and Tomáš Britvík, Senior State Counsellor, on behalf of the Borrower to initial each page of this Contract on their behalf.

Bratislava, 22 December 2016

Signed for and on behalf of
SLOVAK REPUBLIC

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

P. Kažimír

Minister of Finance of the Slovak Republic

V. Hudák

Vice President

Schedule A

Technical Description and Reporting

A.1. TECHNICAL DESCRIPTION

A.1.1 Purpose, Location

The project will provide finance to the Government of the Slovak Republic for implementation selected measures of its Rural Development Programme (RDP) for the 2014-2020 programming period. The EIB operation will primarily support investments in physical assets at farm and downstream processing and distribution levels, which aim to enhance competitiveness, add value to primary produce and promote environmentally-sound production. Forestry sector and rural infrastructure development investments will also be supported under the project. Investments by final beneficiaries located across the entire territory of the Slovak Republic are eligible for project support.

A.1.2 Description

The project is structured as a framework loan from the EIB to the Government of the Slovak Republic, in support of the national public contribution to the financing of the RDP. The Project will support implementation of the measures of the RDP, as outlined on the following page.

The Project provides some flexibility to rebalance funding of specific measures during RDP implementation to respond to changing needs over implementation period running from 1 January 2014 to 31 December 2023. To best reflect this, a flexibility of rebalancing up to 10% between project measures, as appropriate, is assumed. In addition, the RDP budget is subject to change in agreement with the European Commission, in accordance with applicable regulations. The Bank reserves the right to review and amend its financing of the Project in response to any amendments made to the financing foreseen under this contract.

Budget of the selected RDP measures included in the EIB Project

Measures / Sub-measures selected for EIB support (units: ,000 EUR)	EAFRD contribution	State budget contribution	Total public expenditure	Other sources (est.)²	Project investment cost (PIC)	Eligible for EIB finance under this project	EU grant + EIB loan as % of PIC
M01. - Knowledge transfer and information actions¹	6,118	2,175	8,293	-	8,293	2,175	100%
M02. - Advisory services, farm management and farm relief services¹	1,725	590	2,315	-	2,315	590	100%
M04. - Investment in physical assets³	403,422	139,331	542,753	361,835	904,588	139,331	60%
M05. - Restoring agricultural production potential damaged by natural disasters, introduction of appropriate prevention measures³	51,950	18,050	70,000	-	70,000	18,050	100%
M06. - Farm and business development, i.e. M.6.4 Support for investments in creation and development of non-agricultural activities	77,390	27,171	104,561	127,797	232,358	27,171	45%
M07. - Basic services and village renewal in rural areas 3	89,257	30,243	119,500	-	119,500	30,243	100%
M08. - Investments in forest area development and improvement of the viability of forests⁴	100,718	36,966	137,684	34,421	172,105	36,918	80%
M19. - Support for local development of LEADER, i.e. M19.1 Building capacities, trainings and networking for development and implementation of local development strategy M19.2 Implementation of operations under the CLLD strategies	67,924	24,020	91,944	12,538	104,482	24,020	88%
M20. - Technical assistance¹	34,310	11,437	45,747	-	45,747	11,437	100%
Total:	832,814	289,983	1,122,797	536,591	1,659,388	289,935	68%

1 Values of contributions to measures 1, 2 and 20 reduced to 58% of RDP levels (pro-rata), as these measures will also support non-investment measures (primarily area-based payments).

2 Estimates based on level of private contributions targeted in RDP Section 11.2 and maximum support rates for EIB-supported sub-measures.

3 All sub-measures under measures 4, 5 and 7, as reflected in the RDP approved by the European Commission on 13 February 2015, are considered eligible under this project.

4 50% of state budget contribution to sub-measure 8.1 eligible for EIB finance, in order to exclude compensatory payments for loss of income.

A.1.3 Calendar

The implementation period for the Project is the period from 1 January 2014 to 31 December 2023, in accordance with applicable EU regulations.

A.1.4 General Provisions

- The Bank will generally allocate its funds only to eligible sub-projects which are economically, technically and financially justified and environmentally sound. All schemes must comply with EU environmental, procurement and state aid legislation.
- The loan amount across the set of sub-projects financed shall not exceed 50% of the project investment costs and 100% of the eligible investment costs.
- The project investment cost includes (non-exhaustive list) studies and engineering, civil works, equipment and installation, non-recoverable VAT, technical and price contingencies.
- The following costs are not eligible for the Bank: VAT and other taxes and duties, agricultural land acquisition, operating costs, purchase of licences for the use of non-generated public resources (e.g. telecom licences), patents, brands and trademarks. Purely financial transactions are also not eligible.
- Compensation payments for loss of income from activities, including those incurred as a result of afforestation, are also not eligible.
- The Bank reserves the right to review allocation procedures in view of the development of the Project.

A.1.5 Eligibility

Excluded Sectors:

- Manufacture and distribution of weapons and ammunition, arms and military equipment;
- Manufacture and distribution of tobacco products;
- Processing of toxic waste;
- Gambling and betting activities;
- Detention Facilities e.g. prisons, police stations, schools with custodial functions;
- Sectors and activities with a strong ethical dimension considered to carry significant reputational risk.

Greenhouses:

Investments in non-heated greenhouses are eligible for finance under the Project. Investments in heated greenhouses are excluded, unless:

- (1) such greenhouses are 100% heated by renewable energy (including biomass);
- (2) existing greenhouses heated by non-renewable energy are upgraded to include a level of renewable energy and/or energy efficiency measures, which results in net greenhouse gas savings; or
- (3) such greenhouses:
 - (i) do not have a fixed (built-in) heating system and
 - (ii) under normal climatic conditions at their intended location, do not require heating and any support heating is only used for limited periods to protect against rare climatic events (such as night frosts).

In all cases the water supply to such greenhouses must be sustainable and pesticides, effluence and overall impact must be in compliance with EU environmental and social standards.

A.2. PROJECT INFORMATION TO BE SENT TO THE BANK AND METHOD OF TRANSMISSION

1. Dispatch of information: designation of the person responsible

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

	Financial Contact	Technical Contact
Company	Ministry of Finance	Ministry of Agriculture and Rural Development
Contact person	Iveta Lukáčová	Karin Radecká
Title	Ing.	Ing.
Function/Department financial and technical	Department of International Institutions, International Relations Section	Acting head of Department of Managing Authority of Rural Development Programme
Address	Štefanovičova 5 817 02 Bratislava	Dobrovičová 12 812 66 Bratislava
Phone	+421 2 5958 3421	+421 259 266 500
Email	iveta.lukacova@mfsr.sk	karin.radecka@land.gov.sk

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

2. Information on specific subjects

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

Document / information	Deadline
Full Project Completion Report and supporting documentation for the Slovakia Forestry and Environment project (Serapis No. 2012-0478), according to Finance Contract between the Slovak Republic and the European Investment Bank (No. 82.633 (SK)), dated 3 March 2014, to the satisfaction of the Bank, unless received before signature of this Contract.	30 days after signature of the Finance Contract
Copy of the first annual progress report produced for DG AGRI, as required by regulations applicable to the RDP/EAFRD.	

3. Information on the project's implementation

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

Document / information	Deadline	Frequency of reporting
<p>Project Progress Report</p> <ul style="list-style-type: none"> - A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope, including any relevant modifications agreed with the European Commission; - Update on the date of status of calls for proposals (reflecting levels of demand), awards, commitments and allocations for each of the project's sub-measures, explaining reasons for any possible delay; - Update on the cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost; - A list of all sub-projects identified for finance under the Project, including stage of delivery (allocation, payment, completion), broken down by sub-measure and sources of finance; - A description of any major issue with impact on the environment; - Any significant issue that has occurred and any significant risk that may affect the implementation of the RDP (which focus on EIB-supported measures); - Any legal or audit action concerning the project that may be on-going. - A final update on the Monitoring Indicators listed in section 5, below. - A copy of the annual progress report produced for DG AGRI, as required by regulations applicable to the RDP/EAFRD. 	30 June	Annually from 2017

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

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

Document / information	Date of delivery to the Bank
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> - A final Technical Description of the project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1, including any relevant modifications agreed with the European Commission; - The date of completion of each of the project's sub-measures, explaining reasons for any delay(s); - A final list of all sub-projects financed under the Project, including stage of delivery (allocation, payment, completion), broken down by sub-measure and sources of finance; - The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost; - A description of any major issue with impact on the environment or social impacts; - Any significant issue that has occurred and any significant risk that may affect the implementation of the RDP (with focus on EIB-supported measures); - Any legal or audit action concerning the project that may be on-going. - A final update on the Monitoring Indicators listed in section 5, below. - A copy of the ex-post evaluation report produced for DG AGRI, as required by regulations applicable to the RDP/EAFRD. 	31 December 2024

Language of reports	<i>English and/or Slovak</i>
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5. Monitoring Indicators for the full Rural Development Programme

No.	Indicator	Focus area	Indicator reference	Unit	RDP target
1	Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013	1C	T3	No.	6,325
2	Percentage of agricultural holdings with RDP support for investments in restructuring or modernisation	2A	T4	%	5.11

3	Number of agricultural holdings with RDP support for investments in restructuring or modernisation	2A	Output indicator (M4.1)	No.	1.250
4	Number of beneficiaries advised	2A	Output indicator (M2.1)	No.	1,337
5	Supported forest enterprises with investments in modernising technology	2C	Target indicator (RDP-specific)	No.	230
6	No. of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products)	3A	Output indicator (M4.1, 4.2)	No.	400
7	Areas concerned by investments improving resilience and environmental value of forest ecosystems	4	Output indicator (M8.5)	Ha.	840
8	No. of operations supported for investment in renewable sources of energy	5C	Output indicator (M4.1, 4.3)	No.	10
9	Total investment (EUR) (public and private)	All	Output indicator (M4)	EUR	972,005,480
10	Total public expenditure (EUR)	All	Output indicator (M4)	EUR	542,752,740
12	Total investment (EUR) (public and private)	All	Output indicator (M6.4)	EUR	176,770,000
13	Total public expenditure (EUR)	All	Output indicator (M6.4)	EUR	120,860,000
14	Area (ha) to be afforested	5E	Output indicator (M8.1)	Ha.	255
15	Jobs created in supported projects	6A	T20	No.	900
16	Percentage of rural population covered by local development strategies	6B	T21	%	20.81
17	Rural population covered by local development strategies	6B	Output indicator (M19)	No.	1,000,000
18	Percentage of rural population benefiting from improved services/infrastructures	6B	T22	%	3.67
19	Jobs created in supported projects (LEADER)	6B	T23	No.	1,100
20	No. of operations supported for investments in small-scale infrastructure, inc. investments in renewable energy, energy saving	6B	Output indicator (M7.2)	No.	50
21	No. of operations supported for investments in local basic services for the rural population	6B	Output indicator (M7.4)	No.	350
22	No. of operations supported for investments in recreational/tourist infrastructure	6B	Output indicator (M7.5)	No.	30
23	Population benefiting from improved services/infrastructures	6B	Output indicator (M7.1, 7.2, 7.4-7.7)	No.	176,000
24	Number of LAGs selected	6B	Output indicator	No.	50
25	Population covered by LAG	6B	Output indicator	No.	1,000,000
26	Net population benefiting from improved services	6C	Target indicator (RDP-specific)	No.	52,500
27	Percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	6C	T24	%	1.09
28	No. of operations supported for investments in broadband infrastructure and access to broadband, inc. e-government services	6C	Output indicator (M7.3)	No.	135
29	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	6C	Output indicator (M7.3)	No.	52,500
30	Total indicative amount of (EAFRD) support envisaged for climate change objectives	N/A	Financing Plan commitment	EUR	760,575,115.58
31	Expenditure (EAFRD) in less developed regions, outermost regions and the smaller Aegean islands (Regulation (EEC) No 2019/93)	N/A	Financing Plan commitment	EUR	1,510,525,311.00

Schedule B

Definition of EURIBOR

A. EURIBOR

“EURIBOR” means:

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

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

For the purposes of paragraphs (b) and (c) above, “available” means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank.

“**Screen Rate**” means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the “**Reset Date**”) which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European Banks for a period equal to the Representative Period.

If the rate resulting from the above is below zero, EURIBOR will be deemed to be zero.

If no rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

B. General

For the purposes of the foregoing definition:

- (a) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.
- (b) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (c) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI in respect of EURIBOR (or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank), the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

Schedule C
Forms for the Borrower

C.1 Form of Disbursement Request (Article 1.02B)

Disbursement Request
SLOVAKIA RDP 2014-2020 Co-Financing

Date:

Please proceed with the following disbursement:

Loan Name (*):

Signature Date (*): Contract FI number:

Currency & amount requested	
Currency	Amount

Proposed disbursement date:

I N T E R E S T	Int. rate basis (Art. 3.01)	<input style="width: 150px; height: 20px;" type="text"/>
	Rate (% or Spread) OR (please indicate only ONE) Maximum Rate (% or Maximum Spread)	<input style="width: 150px; height: 40px;" type="text"/>
	Frequency (Art. 3.01)	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>
	Payment Dates (Art. 5)	<input style="width: 150px; height: 20px;" type="text"/>
	Interest Revision/Conversion date (if any)	<input style="width: 150px; height: 20px;" type="text"/>

C A P I T A L	Repayment frequency	Annual <input type="checkbox"/> Semi-annual <input type="checkbox"/> Quarterly <input type="checkbox"/>
	Repayment methodology (Art. 4.01)	Equal instalments <input type="checkbox"/> Constant annuities <input type="checkbox"/> Single instalment <input type="checkbox"/>
	First repayment date	<input style="width: 150px; height: 20px;" type="text"/>
	Maturity Date:	<input style="width: 150px; height: 20px;" type="text"/>

Reserved for the Bank (contract currency)	
Total Credit Amount:	<input style="width: 100%; height: 40px;" type="text"/>
Disbursed to date:	<input style="width: 100%; height: 40px;" type="text"/>
Balance <u>for</u> disbursement:	<input style="width: 100%; height: 40px;" type="text"/>
Current disbursement:	<input style="width: 100%; height: 40px;" type="text"/>
Balance <u>after</u> disbursement:	<input style="width: 100%; height: 40px;" type="text"/>
Disbursement deadline:	<input style="width: 100%; height: 40px;" type="text"/>
Max. number of disbursements:	<input style="width: 100%; height: 40px;" type="text"/>
Minimum Tranche size:	<input style="width: 100%; height: 40px;" type="text"/>
Total allocations to date:	<input style="width: 100%; height: 40px;" type="text"/>
Conditions precedent:	Yes / No

Borrower's account to be credited:

Acc. N°:

(please provide IBAN format)

Bank name, address:

Please transmit information relevant to:

Borrower's authorised name(s) and signature(s):

C.2 Form of certificate from the Borrower (Article 1.04C)

To: European Investment Bank

From: Slovak Republic

Date: <>

Subject: Finance contract between the Slovak Republic and European Investment Bank dated <> (the "Finance Contract")

FI number 85.132

Serapis number 2015 0520

Dear Sirs,

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

For the purposes of Article 1.04 of the Finance Contract, we hereby certify to you as follows:

- (a) no Prepayment Event has occurred and is continuing unremedied or unwaived;
- (b) no Security or priority or preference of the type referred to under Article 7.02 has been created or is in existence;
- (c) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.01, save as previously communicated by us;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;
- (e) no litigation, arbitration, administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.07 are true in all respects; and
- (g) no Material Adverse Change has occurred, as compare with the situation at the date of the Finance Contract..

Yours faithfully,

For and on behalf of the Slovak Republic,
represented by the Ministry of Finance of the Slovak Republic

Date:

Schedule D

Interest Rate Revision and Conversion

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

A. Mechanics of Interest Revision/Conversion

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

- (a) the Fixed Rate and/or Spread that would apply to the Tranche, or the part thereof indicated in the Interest Revision/Conversion Request pursuant to Article 3.01; and
- (b) that such rate shall apply until the Maturity Date or until a new Interest Revision/Conversion Date, if any, and that interest is payable quarterly, semi-annually or annually in arrears on designated Payment Dates.

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

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

B. Effects of Interest Revision/Conversion

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

Prior to the Interest Revision/Conversion Date, the relevant provisions of the Contract and Disbursement Notice shall apply to the entire Tranche. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new interest rate or Spread shall apply to the Tranche (or part thereof) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. Non-fulfilment of Interest Revision/Conversion

If the Borrower does not submit an Interest Revision/Conversion Request or does not accept in writing the Interest Revision/Conversion Proposal for the Tranche or if the parties fail to effect an amendment requested by the Bank pursuant to Paragraph A above, the Borrower shall repay the Tranche (or part thereof) on the Interest Revision/Conversion Date, without indemnity. The Borrower will repay on the Interest Revision/Conversion Date any part of a Tranche which is unaffected by the Interest Revision/Conversion.

Authorisation of signatory of the Borrower

Form of legal opinion

European Investment Bank
 98-100 blvd Konrad Adenauer
 L-2950 Luxembourg
To the attention of Legal Department - Operations

Re: **Slovakia RDP 2014-2020 Co-Financing**

Finance contract between European Investment Bank (“**EIB**”) and the Slovak Republic acting through the Ministry of Finance of the Slovak Republic (the “**Slovak Republic**”) dated [•] (the “**Finance Contract**”) (FI No 85.132 ; Serapis N° 2015-0520)

Dear Sirs,

1. I, the undersigned </>, Minister of Justice of the Slovak Republic, give this opinion pursuant to Article 1.04A of the Finance Contract made between the Slovak Republic and EIB for an amount of EUR 250,000,000 (two hundred and fifty million euros) on </>. Terms defined in the Finance Contract have the same meaning in this opinion.
2. I have inspected the signed copy of the Finance Contract and have examined such laws, statutes, documents and other matters, and have made such other enquiries, as I have considered necessary or appropriate for the purpose of giving this opinion. Based upon the foregoing, I am of the opinion and state, respectively, that:
 - a. the Finance Contract has been duly executed and delivered on behalf of the Slovak Republic by </> as lawful representative of the Slovak Republic;
 - b. the execution of the Finance Contract by </> as lawful representative of the Slovak Republic has been made upon the provisions of </>; and
 - c. no provision exists in the Slovak Republic, which would make it necessary to ratify the execution, delivery, and implementation of the Finance Contract.
3. There are no deductions or withholdings, whether on account of any taxes or charges otherwise imposed, levied or assessed by or on behalf of the Slovak Republic to be made from any payment to be made to the EIB by the Slovak Republic pursuant to the Finance Contract.
4. No exchange control consents are necessary to receive disbursements, to repay the same and to pay interest and all other amounts due under the Finance Contract.
5. The choice of the law of the Grand Duchy of Luxembourg as the law governing the Finance Contract is valid and enforceable.
6. By virtue of the provisions of the Finance Contract, the Court of Justice of the European Union shall have jurisdiction in relation to any claim or dispute between the Slovak Republic and the EIB, and any judgement of such court against the Slovak Republic in relation to the Finance Contract may be enforced in the Slovak Republic.
7. The waiver of immunity under Article 11.02 of the Finance Contract is a legally valid and binding obligation of the Slovak Republic.

Based on the foregoing, I have come to the conclusion that all requirements specified in the laws, regulations and legally binding decisions currently applicable to the Slovak Republic and/or governing the Finance Contract were complied with in order that the Finance Contract be legally valid and binding upon the Slovak Republic as borrower, and I am of the opinion that the Finance Contract constitutes legally valid and binding obligations of the Slovak Republic as borrower, and commits the Slovak Republic irrevocably to the fulfilment of its obligations under the Finance Contract according to its terms.

This opinion relates only to Slovak law as currently applied by Slovak courts at the date of this legal opinion and I have made no investigation of the laws and regulations of any country or jurisdiction other than Slovakia and I do not express or imply any opinion on such laws and regulations. I have assumed that there is nothing in the laws and regulations of any jurisdiction outside Slovakia, which affects this legal opinion. My opinion is to be construed in accordance with and is governed by the laws and regulations of the Slovak Republic.

Bratislava, </>

Sincerely yours,

</>

Minister of Justice