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PRESOV REGIONAL INFRASTRUCTURE III

Finance Contract

between the

European Investment Bank

and

Prešovský samosprávny kraj

Luxembourg, 7 June 2021

Prešov, 7 June 2021

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THIS CONTRACT IS MADE BETWEEN:

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

(the “**Bank**”)

of the first part, and

Prešovský samosprávny kraj, having its address at Námestie mieru 2, 080 01 Prešov, Slovak Republic, represented by PaedDr. Milan Majerský, PhD., the Chairman of the Self-Governing Region (in Slovak: *predseda samosprávneho kraja*),

(the “**Borrower**”)

of the second part.

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

WHEREAS:

- (a) The Borrower has stated that it is undertaking a project comprising of schemes implemented under the investment programme of the Borrower that will improve the regional infrastructure, in particular in the sectors of transport, education, culture, social care, public administration and environmental protection (each hereafter called a “**Sub-Project**” and together, the “**Project**”), as more particularly described in the technical description set out in Schedule A.1 hereto (hereafter called the “**Technical Description**”). The applicable eligibility criteria as well as the allocation procedures for the Sub-Projects are subject to certain conditions as set out in this Contract. All Sub-Projects will be located in the Prešov Region, the Slovak Republic. The Sub-Projects will be implemented by the Borrower, its budgetary organisations (in Slovak: *rozpočtová organizácia*) and its contributory organisations (in Slovak: *príspevková organizácia*), and may be implemented by other entities owned or controlled by the Borrower and other public entities (each hereafter called a “**Final Beneficiary**” and together “**Final Beneficiaries**”).

- (b) The total cost of the Project, as estimated by the Bank, is EUR 70,180,000.00 (seventy million one hundred and eighty thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR m)
Credit from the Bank	30.00
EU Grants (as defined below)	17.36
Other (including own funds)	22.82
TOTAL	70.18

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit of EUR 30,000,000.00 (thirty million euros).
- (d) 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 providing to it a credit in an amount of EUR 30,000,000.00 (thirty million euros) under this finance contract (the “**Contract**”); provided that the amount of the Bank’s loan shall not, in any case, exceed (i) 50% (fifty *per cent*) of the total cost of the Project set out in Recital (b), and (ii) 100% (one hundred *per cent*) of the total cost of the Project set out in Recital (b) when aggregated with any EU Grants;
- (e) The Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of the Borrower has authorised the borrowing of the sum of EUR 30,000,000.00 (thirty million euros) represented by this credit on the terms and conditions set out in this Contract in the form set out in Annex I.
- (f) On 15 March 2021, the Slovak Republic confirmed in writing that the present operation is submitted to the Bank with its agreement.
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank’s loan operations must be consistent with relevant policies of the European Union.
- (h) The 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 EU Law.
- (i) 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.
- (j) The processing of personal data shall be carried out by the Bank in accordance with applicable EU Law on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.

- (k) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) references to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) references to “law” or “laws” mean:
 - (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
 - (ii) EU Law;
- (c) references to “applicable law”, “applicable laws” or “applicable jurisdiction” mean:
 - (i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets and/or the Project; and/or, as applicable
 - (ii) a law or jurisdiction (including in each case the Bank’s Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
- (d) references to a provision of law or a treaty are references to that provision as amended, supplemented or re-enacted;
- (e) references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;
- (f) a reference to a person includes any person, natural or juridical entity, firm, company, corporation, statutory body, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and references to a “person” include its successors in title, permitted transferees and permitted assigns;
- (g) a day is a calendar day, unless otherwise specified;
- (h) including and include shall be deemed to be followed by “without limitation” where not so followed.
- (i) words and expressions in plural shall include singular and vice versa;
- (j) terms defined in the GDPR (as defined below), including the terms “controller”, “data subject”, “personal data”, “processing”, and “processor”, have the same meanings when used in Recital (j), or Article 6.10 of this Contract; and
- (k) references to “month” mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule B and unless provided otherwise in this Contract:
 - (i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
 - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

Definitions

In this Contract:

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

“Affected Guarantor” has the meaning given to it in Article 7.4.C.

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

“Allocation” means applying the proceeds of the Loan to the financing of eligible Sub-Projects undertaken by the Borrower.

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

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

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

“AML Directive” means the Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as modified and /or supplemented from time to time.

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

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

“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 modified and /or supplemented from time to time.

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

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

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

“Climate Action and Environmental Sustainability Sub-Projects” means any Sub-Projects identified as eligible for financing under the EIB Group Climate Bank Roadmap 2021-2025 dated November 2020, as published on the Bank’s website.

“Compliance Certificate” has the meaning given to it in Article 8.2(a)(i).

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

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

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

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

“Date of Effectiveness” has the meaning given to it in Article 11.10.

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

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

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

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

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

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

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

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

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

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

“Disruption Event” means either or both of:

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

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

“Energy Performance of Buildings Directive” means Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings, as modified and /or supplemented from time to time.

“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) laws and regulations of the Slovak Republic; and
- (c) applicable international treaties,

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

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

“EU Grants” means any financial assistance in the form of grant provided to co-finance the Project under or pursuant to the EU Law, including, but not limited to, ESI Funds.

“EU Grants Event” has the meaning given to it in 4.3.A(6).

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

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

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

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

“Final Availability Date” means 31 December 2024.

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

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

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

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

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

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

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

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

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

“Guarantee” has the meaning given to it in Article 7.4.A.

“Guarantor” has the meaning given to it in Article 7.4.A.

“Guarantor Default Event” has the meaning given to it in Article 7.4.D.

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

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

“Indemnifiable Prepayment Event” means a Prepayment Event other than those specified in paragraphs 4.3.A(2) or 4.3.A(4).

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

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

“Interest Revision/Conversion Proposal” means a proposal made by the Bank under Schedule 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) the Payment Dates chosen in accordance with the provisions of Article 3.1;
- (b) the amount of the Tranche for which the Interest Revision/Conversion shall apply; and
- (c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

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

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

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

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

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

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

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

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

- (a) the ability of the Borrower to perform its obligations under this Contract;
- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank in relation with this Contract, or the rights or remedies of the Bank under this Contract or any agreement creating Security in favour of the Bank in relation with this Contract.

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

“Non-Allocation Event” has the meaning given to it in Article 4.3.A(5).

“Non-EIB Financing” has the meaning given to it in Article 4.3.A(2).

“Non-EIB Financing Prepayment Event” has the meaning given to it in Article 4.3.A(2).

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

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

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

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

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

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

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

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

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

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

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

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

“Project Cost Reduction Event” has the meaning given to it in Article 4.3.A(1).

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

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

“Relevant Person” means, with respect to:

- (a) the Borrower, any official or representative, or any other person acting on its behalf or under its control; and
- (b) any Final Beneficiary:
 - (i) any official or representative, or any other person acting on its behalf or under its control; and
 - (ii) any member of its management bodies, or any of its employees or any other person acting on its behalf or under its control.

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

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

“Road Infrastructure Safety Management Directive” means Directive (EU) 2019/1936 of the European Parliament and of the Council of 23 October 2019 amending Directive 2008/96/EC on road infrastructure safety management, as modified and /or supplemented from time to time.

“Road Safety Directive” means Directive 2008/96/EC of the European Parliament and of the Council of 19 November 2008 on road infrastructure safety management, as modified and /or supplemented from time to time.

“Qualifying Guarantor” has the meaning given to it in Article 7.4.B.

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

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

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

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

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

“Slovak Act on Budgetary Rules” means the Act of the Slovak Republic No. 583/2004 Coll., on the budgetary rules of territorial self-governments, as amended from time to time.

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

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

“Slovak Regions Act” means the Act of the Slovak Republic No. 302/2001 Coll., on the Self-Government of Higher Territorial Units (Act on Self-Governing Regions), as amended from time to time.

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

“Sub-Project” has the meaning given to it in Recital (a).

“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 (a).

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

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

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

“Water Framework Directive” means Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, as modified and /or supplemented from time to time.

ARTICLE 1

Credit and Disbursements

1.1 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 30,000,000.00 (thirty million euros) for the financing of the Project (the “Credit”).

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 6 (six) Tranches. The amount of each Tranche shall be in a minimum amount of EUR 5,000,000.00 (five million euros) or (if less) the entire undrawn balance of the Credit.

1.2.B Disbursement Offer

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

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

1.2.C Disbursement Acceptance

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

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

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

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a

person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

1.2.D Disbursement Account

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

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

Only one Disbursement Account may be specified for each Tranche.

1.3 Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.4 Conditions of disbursement

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

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

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

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

1.4.B First Tranche

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

- (a) evidence that the Borrower has obtained all necessary Authorisations, required in connection with this Contract and the Project;
- (b) a legal opinion on the due execution of this Contract and the relevant documentation by the Borrower and on the legal, valid, binding and enforceable character of the Borrower's obligations under this Contract and the relevant documentation substantially in the form set out in Annex II;
- (c) a Compliance Certificate signed by the Borrower's external auditors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.8 and with evidence of such compliance and related calculations;
- (d) evidence that the amount requested to be disbursed does not exceed 30% (thirty *per cent*) of the Credit, unless supported by Allocations approved by the Bank; and
- (e) evidence of existence and full operation of proper management arrangements to coordinate the implementation of the Project (in particular, in respect of Allocation Request and reporting obligations in accordance with Schedule A.2).

1.4.C Second and Subsequent Tranches

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

- (a) 80% (eighty *per cent*) of the previously disbursed Tranches have been committed by the Borrower and allocated to eligible Sub-Projects by the Bank; or
- (b) 50% (fifty *per cent*) of the previously disbursed Tranches have been effectively paid out to Final Beneficiaries towards any expenditures incurred with respect to any eligible Sub-Projects allocated by the Bank; and
- (c) prior to the disbursement of the Tranche amounting to the last 10% (ten *per cent*) of the Credit:
 - (i) 100% (one hundred *per cent*) of the previously disbursed Tranches have been committed by the Borrower and allocated to eligible Sub-Projects by the Bank; and
 - (ii) the amount requested to be disbursed is supported by a list of eligible Sub-Projects which are expected to be allocated under this amount.

1.4.D All Tranches

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

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule E.1 signed by an authorised representative of the Borrower and dated no earlier than the date falling 15 (fifteen) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);
 - (ii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or the Security provided in respect of this Contract or the legality, validity, binding effect or enforceability of the same; and
- (b) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.12 are correct in all respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (1) an Event of Default;
 - (2) a Prepayment Event; or
 - (3) a Guarantor Default Event or an event as a result of which a Guarantor may become an Affected Guarantor under Article 7.4.C,

has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.5 Deferment of disbursement

1.5.A Grounds for deferment

1.5.A(1) BORROWER'S REQUEST

- (a) The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:
 - (i) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
 - (ii) the date until which the Borrower would like to defer a disbursement of the above amount (the “**Requested Deferred Disbursement Date**”), which must be a date falling not later than:
 - (1) 6 (six) months from its Scheduled Disbursement Date;
 - (2) 30 (thirty) days prior to the first Repayment Date; and
 - (3) the Final Availability Date.
- (b) Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

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

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

1.5.A(3) DEFERMENT FEE

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

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

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

1.6 Cancellation and suspension

1.6.A Borrower's right to cancel

- (a) The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.

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

1.6.B Bank's right to suspend and cancel

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

1.6.C Indemnity for suspension and cancellation of a Tranche

1.6.C(1) SUSPENSION

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

1.6.C(2) CANCELLATION

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

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.
- (b) Such indemnity shall be:
 - (i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
 - (ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:

- (1) the interest net of the Margin that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over
- (2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

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

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

1.7 **Cancellation after expiry of the Credit**

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

1.8 **Sums due under Articles 1.5 and 1.6**

Sums due under Articles 1.5 and 1.6 shall be payable:

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

1.9 **Allocation**

1.9.A **Allocation Request**

Between the date hereof and 30 December 2024, the Borrower may submit to the Bank a request for allocation (the "**Allocation Request**", the form of which is set out in Schedule A).

The Loan may solely be allocated to Sub-Projects identified as eligible for financing in the Technical Description. In order for a Sub-Project to qualify for financing hereunder, (a) the Borrower must comply with the allocation procedure under this Article 1.9 and the Technical Description (the "**Allocation Procedure**"), (b) the Borrower must comply with allocation undertakings under this Article 1.9.A and the Technical Description, and (c) the Sub-Projects must meet the specific eligibility criteria as set-out in this Contract (in particular, but not limited to, in the Technical Description).

The Borrower shall provide the Bank with any additional information regarding the Sub-Projects as the Bank, at its own discretion, may request.

1.9.B **Allocation Letter**

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

The Bank may by notice to the Borrower amend the Allocation Procedure to bring it into line with the Bank's policy on framework loans or reflect the results of the review of the implementation capacity and performance. In such case, the Bank shall inform the Borrower thereof and the Borrower shall promptly adapt its internal Allocation Procedures accordingly.

1.10 Reallocation Procedure

1.10.A Reallocation at the request of the Borrower

The Borrower may by request in writing to the Bank, which request shall include reasons therefor, and not later than by 30 September 2025, propose to reallocate in accordance with Article 1.9 and the Technical Description any part of the Loan which has been allocated but not spent by the Borrower on a Sub-Project or made available in full, directly or indirectly, by the Borrower to the relevant Final Beneficiaries. The Borrower shall specify in writing which of the already allocated Sub-Projects need to be removed and/or which of the allocated amounts need to be reduced.

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 1.9 and the Technical Description.

1.10.B Reallocation at the request of the Bank

Upon request of the Bank, the Borrower shall propose to reallocate any part of the Loan which has been allocated, in accordance with the Allocation Procedure, in relation to a Sub-Project if such Sub-Project, in the 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.

ARTICLE 2

The Loan

2.1 Amount of Loan

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

2.2 Currency of payments

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

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

2.3 Confirmation by the Bank

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

ARTICLE 3

Interest

3.1 Rate of interest

For the purposes of this Contract "Margin" means 2 (two) basis points (0.02%).

3.1.A Fixed Rate Tranches

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

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

3.1.B Floating Rate Tranches

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

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

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

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

3.1.C Revision or Conversion of Tranches

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

3.2 Interest on overdue sums

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

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

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

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

3.3 Market Disruption Event

If at any time:

- (a) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche; and
- (b) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date,

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

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

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

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

ARTICLE 4

Repayment

4.1 Normal repayment

4.1.A Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made quarterly, semi-annually or annually by equal instalments of principal or constant instalments of principal and interest;
 - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal quarterly, semi-annual or annual instalments of principal;
 - (iii) the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following the 4th (fourth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iv) the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than 25 (twenty-five) years from the Scheduled Disbursement Date.

4.2 Voluntary prepayment

4.2.A Prepayment option

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

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

The Prepayment Request shall be irrevocable.

4.2.B Prepayment indemnity

4.2.B(1) FIXED RATE TRANCHE

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

4.2.B(2) FLOATING RATE TRANCHE

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

4.2.B(3) REVISION/CONVERSION

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

4.2.C Prepayment mechanics

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

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

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

4.2.D Administrative Fee

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

4.3 Compulsory prepayment and cancellation

4.3.A Prepayment Events

4.3.A(1) PROJECT COST REDUCTION EVENT

- (a) The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds the limits referred to in paragraph (c) below together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.
- (c) For the purpose of this Article, "**Project Cost Reduction Event**" means that the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Credit exceeds:
 - (i) 50% (fifty *per cent*); and/or
 - (ii) when aggregated with the amount of any EU Grants, 100% (one hundred *per cent*),

of such total cost of the Project.

4.3.A(2) NON-EIB FINANCING PREPAYMENT EVENT

- (a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.
- (c) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.
- (d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid.
- (e) For the purposes of this Article:
 - (i) **"Non-EIB Financing Prepayment Event"** means any case where the Borrower voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
 - (ii) **"Non-EIB Financing"** means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 5 (five) years.

4.3.A(3) CHANGE OF LAW EVENT

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

- (a) such Change-of-Law Event would materially impair the Borrower's ability to perform its obligations under this Contract or any Security provided in respect of this Contract, and
- (b) the effects of such Change-of-Law Event cannot be mitigated to its satisfaction,

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

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

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

4.3.A(4) ILLEGALITY EVENT

- (a) Upon becoming aware of an Illegality Event:

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

4.3.A(5) NON-ALLOCATION EVENT

The Borrower shall prepay at the latest on 31 March 2026 such part of the Loan Outstanding that has not been allocated or reallocated by such date in accordance with Article 1.9 and 1.10, as applicable, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the part of the Loan Outstanding to be prepaid.

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

4.3.A(6) EU GRANTS EVENT

If the Borrower is informed, or has reasonable grounds to believe, that any EU Grant has been, or is intended to be suspended or cancelled, or if the Borrower has repaid or has been required to repay fully or partially any EU Grant (such suspension, cancellation or repayment hereinafter referred to as “**EU Grants 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, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding in such proportion as the suspended, cancelled or repaid EU Grants bear to the total financial assistance for the Project from EU Grants, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.

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

4.3.B Prepayment mechanics

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

4.3.C Prepayment indemnity

4.3.C(1) FIXED RATE TRANCHE

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

4.3.C(2) FLOATING RATE TRANCHE

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

4.4 General

4.4.A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4.B No reborrowing

A repaid or prepaid amount may not be reborrowed.

ARTICLE 5

Payments

5.1 Day count convention

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

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

5.2 Time and place of payment

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

5.3 No set-off by the Borrower

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

5.4 Disruption to Payment Systems

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

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and

- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

5.5.A General

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

5.5.B Partial payments

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

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

5.5.C Allocation of sums related to Tranches

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

ARTICLE 6

Borrower undertakings and representations

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

A. PROJECT UNDERTAKINGS

6.1 Use of Loan and availability of other funds

- (a) The Borrower shall use all amounts borrowed by it under this Contract for the execution of the Project.
- (b) The Borrower shall ensure that it has available to it the other funds listed in Recital (b) and that such funds are expended, to the extent required, on the financing of the Project.
- (c) The Borrower shall ensure that, as at the date of the completion of the Project, at least 34% (thirty-four *per cent*) of the Loan shall be dedicated to Climate Action and Environmental Sustainability Sub-Projects.

6.2 **Completion of Project**

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

6.3 **Increased cost of Project**

If the total cost of the Project exceeds the estimated figure set out in Recital (b), 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.

6.4 **Procurement procedure**

- (a) The Borrower shall, and shall procure that any Final Beneficiary will, procure works, services or goods for the Project:
 - (i) in accordance with the EU Law in general and in particular with the relevant European Union procurement directives, if the latter are applicable;
 - (ii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and the principles of transparency, equal treatment and non-discrimination on the basis of nationality, in case of public contracts not subject to the European Union procurement directives; or
 - (iii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency in case of contracts other than public contracts not subject to the European Union procurement directives.
- (b) For cases of paragraphs (a)(i) and (a)(ii) above, the Borrower shall, and shall procure that any Final Beneficiary will, request in the tender documents or other reference documents for the procurement procedures referred to in Article 6.4(a) that the bidder declares whether or not it is subject to any exclusion decision or temporary suspension pursuant to the Exclusion Policy.
- (c) If a bidder declares to the Borrower and/or any Final Beneficiary prior to the contract award that it is subject to any exclusion decision or temporary suspension covered by the Exclusion Policy, the Borrower shall:
 - (i) ensure that each Final Beneficiary will promptly inform the Borrower thereof, as the case may be; and
 - (ii) engage with the Bank in good faith and make best efforts in order to:
 - (1) achieve an exclusion of such a bidder under applicable law so that the bidder does not participate in any Sub-Project or, should such an exclusion not be possible,
 - (2) restructure the scope of any such Sub-Project so that no proceeds of the Loan be applied towards any works or services under any contract awarded to that bidder, unless otherwise agreed with the Bank.

6.5 **Continuing Project undertakings**

The Borrower shall, and shall procure that any Final Beneficiary will:

- (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 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; 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:** 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;
- (e) **Environment:**
 - (i) implement and operate the Project and each Sub-Project in compliance with Environmental Law (including, but not limited to, national laws transposing the Energy Performance of Buildings Directive);
 - (ii) obtain and maintain requisite Environmental Approvals for the Project and each Sub-Project;
 - (iii) comply with any such Environmental Approvals; and
 - (iv) ensure that, unless the Borrower has obtained relevant consents, declarations or attestations from competent authorities and the non-technical summary of the environmental impact assessment has been made available to the public, no proceeds of the Loan will be used to finance any Sub-Project that is subject to a relevant environmental impact assessment procedure or biodiversity assessment;
- (f) **Integrity:** 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 Credit, Loan or the Project; and
- (g) **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; and
- (h) **Other undertakings:**
 - (i) ensure that road safety audits are performed on all road Sub-Projects co-financed by EU grant funds, and on other relevant Sub-Projects on a best effort basis, in line with the principles of the Road Safety Directive and the Road Infrastructure Safety Management Directive, and either confirmations are provided to the Bank that the audit recommendations have been included in the final design or, where recommendations have not been adopted, justification is given for alternative measures;
 - (ii) ensure that there is no double-financing of the Sub-Projects with other Bank's loans with the same Borrower or Final Beneficiary; and
 - (iii) implement and operate the Project in compliance with EU Law and laws of the Slovak Republic on state aid.

B. GENERAL UNDERTAKINGS

6.6 Disposal of assets

- (a) Except as provided below, the Borrower shall not either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.
- (b) Paragraph (a) above does not apply to any disposal of assets for fair market value and at arm's length:
 - (i) where the higher of the market value or consideration (when aggregated with the higher of the market value or consideration for any other sale, lease, transfer or other disposal, other than any permitted disposal under paragraphs (ii) to (iv) below) does not exceed EUR 500,000 (five hundred thousand euros) (or its equivalent in another currency or currencies) in any Financial Year, provided that the value or consideration of disposals of assets shall not, during the life of the Loan, exceed EUR 14,000,000 (fourteen million euros) (or its equivalent in another currency or currencies) in aggregate less the book value of all permitted Security established by the Borrower in accordance with Article 7.1(c);
 - (ii) made in the ordinary course of trading of the disposing entity;
 - (iii) made in exchange for other assets comparable or superior as to type, value and quality; or
 - (iv) made with the prior written consent of the Bank,in each case other than assets forming part of the Project pursuant to Article 6.5(b) and all shares in subsidiaries holding assets forming part of the Project which may not be disposed of.
- (c) For the purposes of this Article, “**dispose**” and “**disposal**” includes any act effecting sale, transfer, lease or other disposal.

6.7 Compliance with laws

The Borrower shall, and shall ensure that each Final Beneficiary will, comply in all respects with all laws and regulations to which it (including, but not limited to, the Slovak Act on Budgetary Rules), the Project or any Sub-Project is subject.

6.8 Financial covenants

- (a) The Borrower shall ensure that so long as there is any Loan Outstanding, the Borrower shall maintain a sound financial situation and, in particular, shall maintain for each Financial Year:
 - (i) a ratio of no more than 70% of Total Debt to Annual Operating Revenues;
 - (ii) a ratio of no more than 15% of Annual Debt Service Obligations to Annual Operating Revenues; and
 - (iii) a ratio of no less than 150% of Gross Operating Surplus to interest payments.The ratios under (i) to (iii) above for the preceding Financial Year shall be calculated based on the audited consolidated budget statements of the Borrower at the end of the respective Financial Year.
- (b) The terms used in this Article 6.8 shall have the following meanings
“**Annual Operating Revenues**” means the aggregate of the Borrower’s:
 - (i) tax revenues;
 - (ii) non-tax revenues;
 - (iii) operating subsidies, and
 - (iv) transfers from own funds (if any).

“Total Debt” means the aggregate of the total outstanding financial indebtedness of the Borrower including any guarantee granted by the Borrower in relation to the financial indebtedness of any third party.

“Annual Debt Service Obligations” means the aggregate annual amount of the Borrower’s:

- (i) principal repayments on the Borrower’s Total Debt, and
- (ii) interest payments and other similar charges on the Borrower’s Total Debt.

“Gross Operating Surplus” means the aggregate of the Borrower’s Annual Operating Revenues minus the Borrower’s operating expenditures before interest payments and other similar charges on financial indebtedness.

6.9 **Books and records**

The Borrower shall, and shall procure that each Final Beneficiary will, ensure that it and each Final Beneficiary have kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and the Final Beneficiary, including expenditures in connection with the Project and/or any Sub-Project, in accordance with GAAP as in effect from time to time.

6.10 **Data Protection**

- (a) When disclosing information (other than mere contact information relating to the Borrower’s personnel involved in the management of this Contract (“**Contact Data**”)) to the Bank in connection with this Contract, the Borrower shall redact or otherwise amend that information (as necessary) so that it does not contain any personal data, except where this Contract specifically requires, or the Bank specifically requests in writing, to disclose such information in the form of personal data.
- (b) Before disclosing any personal data (other than Contact Data) to the Bank in connection with this Contract, the Borrower shall ensure that each data subject of such personal data:
 - (i) has been informed of the disclosure to the Bank (including the categories of personal data to be disclosed); and
 - (ii) has been advised on the information contained in (or has been provided with an appropriate link to) the Bank’s privacy statement in relation to its lending and investment activities as set out from time to time at <https://www.eib.org/en/privacy/lending> (or such other address as the Bank may notify to the Borrower in writing from time to time).

6.11 **Sanctions**

The Borrower shall not, and shall procure that any Final Beneficiary will not, directly or indirectly:

- (a) enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with this Contract, or
- (b) use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person in any manner that would result in a breach by itself and/or by the Bank of any Sanctions; or
- (c) fund all or part of any payment under this Contract out of proceeds derived from activities or businesses with a Sanctioned Person, a person in breach of the Sanctions or in any manner that would result in a breach by itself and/or by the Bank of any Sanctions.

6.12 **General Representations and Warranties**

The Borrower represents and warrants to the Bank that:

- (a) it is validly existing as a self-governing region (in Slovak: *samosprávny kraj*) under the laws of the Slovak Republic and it has power to carry on its business as it is now being conducted and to own its property and other assets;

- (b) 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;
- (c) the acceptance of the Credit and the execution of this Contract was approved by the Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of Prešovský samosprávny kraj on 3 May 2021 in its 27th meeting by the Resolution No. 705/2021, in accordance with Section 11(2)e) of the Slovak Regions Act;
- (d) this Contract constitutes its legally valid, binding and enforceable obligations;
- (e) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not contravene or conflict with:
 - (i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
 - (iii) any provision of any Final Beneficiary's by-laws, constitutional documents or regulatory instruments (as the case may be);
- (f) the latest available annual budget statements and related documents of the Borrower reviewed by the external auditors have been prepared on a basis consistent with previous years and have been approved by the external auditors in its revision or other report as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;
- (g) there has been no Material Adverse Change since 15 April 2021;
- (h) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
- (i) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there any unsatisfied judgement or award subsisting against it;
- (j) 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;
- (k) at the date of this Contract, no Security exists over its assets (save as premised under Article 7.1(c));
- (l) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to self-governing regions generally;
- (m) it is in compliance with Article 6.5(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 or any Final Beneficiary;
- (n) it is in compliance with all undertakings under this Article 6;
- (o) no loss-of-rating clause or financial covenants concluded with any other creditor of the Borrower are more restrictive than the ones contained in this Contract;
- (p) to the best of its knowledge, no funds invested in the Project by the Borrower or by any 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 and shall ensure that each Final Beneficiary promptly informs the Borrower if at any time it becomes aware of the illicit origin of any such funds; and
- (q) none of the Borrower, any Final Beneficiary and/or any Relevant Person:

- (i) is a Sanctioned Person; or
- (ii) is in breach of any Sanctions.

The representations and warranties set out above are made on the date of this Contract and are, with the exception of the representation set out in paragraph (g) above, deemed repeated with reference to the facts and circumstances then existing on the date of each Disbursement Acceptance, the date of each Compliance Certificate, each Disbursement Date and each Payment Date.

ARTICLE 7

Security

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

7.1 Negative pledge

- (a) The Borrower shall not create or permit to subsist any Security on, or with respect to, any of its present or future activity, undertaking, assets or revenues.
- (b) For the purposes of this Article 7.1, the term Security shall also include any arrangement or transaction on assets or receivables or money (such as the sale, transfer or other disposal of assets on terms whereby they are or may be leased to or re-acquired by the Borrower, the sale, transfer or other disposal of any receivables on recourse terms or any arrangement under which money or the benefit of a bank account or other account may be applied or set-off or any preferential arrangement having a similar effect) in circumstances where the arrangement or transaction is entered into primarily as a method of raising credit or of financing the acquisition of an asset.
- (c) Paragraph (a) above does not apply to any Security, listed below:
 - (i) any Security securing financial indebtedness up to a maximum aggregate amount of 4/1000 (0.4%) of the Borrower's consolidated total assets;
 - (ii) any Security on land or other assets, where such encumbrance secures only any credit obtained to finance it;
 - (iii) any Security created to secure any credit granted for a term of a less than twelve (12) months; or
 - (iv) any Security created pursuant to mandatory provision of law.

7.2 Pari passu ranking

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

7.3 Clauses by inclusion

If the Borrower concludes with any other financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding its financial ratios, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall provide a copy of the more favourable provision to the Bank. The Bank may request that the Borrower promptly executes an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

7.4 **Substitution with guarantee or cash collateral**

7.4.A **Alternative security**

If, at any time while the Loan is outstanding, the Borrower is in breach of Article 6.8, then the Bank may request the Borrower to consult it within 15 (fifteen) days from the date of the Bank's request at the venue specified in the request.

By a notice delivered to the Borrower not earlier than 16 (sixteen) or later than 30 (thirty) days from the date of such request, the Bank may demand that, within a period specified in such notice, the Borrower:

- (a) shall provide the Bank with a duly issued guarantee (the "**Guarantee**") whereby a guarantor which is a Qualifying Guarantor (as defined below) (the "**Guarantor**") unconditionally guarantees the due performance of the Borrower's financial obligations under this Contract; or
- (b) shall make, with a bank approved by the Bank, a cash collateral deposit in EUR, as specified by the Bank in its notice, charged in favour of the Bank on such terms as the Bank may reasonably require, as security for the Borrower's financial obligations under this Contract; or
- (c) shall execute other security offering protection in manner, form and substance acceptable to the Bank.

If none of the foregoing actions is taken within the period specified by the Bank in its relevant notice and to its satisfaction, the Borrower shall, upon demand by the Bank, immediately prepay to the Bank the Loan Outstanding together with accrued interest and all other amounts accrued or outstanding under this Contract.

The provisions of this Article 7.4.A shall not in any way limit or restrict the right of the Bank to demand repayment of the Loan Outstanding pursuant to Article 10.

The non-exercise by the Bank of the right to demand the issuance of the Guarantee or to demand the making of a cash collateral deposit or the execution of other security shall not be deemed a waiver of the Bank's right hereunder.

7.4.B **Qualifying Guarantor**

For the purposes of Article 7.4, "**Qualifying Guarantor**" means a bank or other financial institution that satisfies the following conditions:

- (a) it neither is a Sanctioned Person or a US Sanctioned Person, nor in breach of any Sanctions or US Sanctions; and
- (b) (i) at the time of issue of the Guarantee, or, as the case may be, at the time it accedes to the Guarantee:
 - (1) each credit rating that it holds is not lower than:
 - i. BBB+, where the rating is assigned by Standard and Poor's Financial Services LLC or its successor;
 - ii. Baa1, where the rating is assigned by Moody's Investors Service, Inc. or its successor; and
 - iii. BBB+, where the rating is assigned by Fitch Ratings Inc. or its successor; and
 - (2) such bank or other financial institution is in other respects acceptable to the Bank; or
- (ii) is accepted by the Bank by notice in writing, with a copy to the Borrower, subject to (1) the conditions the Bank may in its discretion deem appropriate, (2) the acceptance of the terms of notice by the Guarantor and (3) acknowledgement by the Borrower.

7.4.C **Loss of qualifying status**

If, in respect of any Guarantor:

- (a) any credit rating is lower than the respective credit rating specified in 7.4.B(b)(i)(1);
- (b) all of the credit ratings of two or more rating agencies specified under 7.4.B(b)(i)(1) cease to be published;
- (c) in the opinion of the Bank such Guarantor has suffered a material adverse change since becoming a Guarantor or has failed to comply with any condition specified in the Bank's notice of acceptance delivered under 7.4.B(b)(ii);
- (d) its obligations under the Guarantee cease to be valid, legal and enforceable, or
- (e) it is a Sanctioned Person or a US Sanctions Person, or it is in breach of any Sanctions or any US Sanctions;

(the Guarantor affected by any such event being defined herein as the "**Affected Guarantor**") the Bank may at any time thereafter demand that the Borrower shall, within a period of time specified in the Bank's notice, either:

- (i) procure the replacement of the Affected Guarantor by a Qualifying Guarantor;
- (ii) save in the case of paragraph (d) and/or (e) of this 7.4.C procure that the Affected Guarantor either:
 - (1) provides cash collateral in favour of the Bank, which collateral shall be acceptable to the Bank and be executed on such terms as the Bank may reasonably require, as security for the Affected Guarantor's obligations under the Guarantee; or
 - (2) provides other Security offering protection in a manner, form and substance acceptable to the Bank; or
- (iii) provide other Security offering protection in a manner, form and substance acceptable to the Bank.

If none of the foregoing actions is taken within the aforementioned period and to the satisfaction of the Bank, the Borrower shall, upon demand by the Bank, immediately prepay to the Bank an amount equal to the aggregate of:

- (1) the amount of the Loan outstanding;
- (2) unpaid interest accrued to the date of prepayment on the amount prepaid;
- (3) the amount of an indemnity calculated in accordance with Article 4.2.B in respect of the amount prepaid; and
- (4) any other sum then payable under this Contract in respect of the amount prepaid.

The non-exercise by the Bank of the right to demand substitution of the Affected Guarantor, the delivery of collateral or the execution of other security shall not be deemed to be a waiver of any of the Bank's rights or remedies under this Contract.

7.4.D Guarantor Default Event

If an event of the nature described in any of 10.1.A (c) to (i) inclusive occurs to any Guarantor (a "**Guarantor Default Event**"), the Borrower shall replace such Guarantor with a Qualifying Guarantor. If the Borrower fails to demonstrate to the Bank, promptly upon the latter's request, that it has a reasonable prospect of replacing the Guarantor or if, in any case, the Borrower does not, following demand by the Bank, replace the Guarantor, within 30 (thirty) days of the date when the said event occurred, or provide other security offering protection in manner, form and substance acceptable to the Bank, the Bank may require the Borrower to prepay immediately all or part of an amount equal to the aggregate of:

- (a) the amount of the Loan Outstanding;
- (b) unpaid interest accrued to the date of prepayment on the amount prepaid;
- (c) the amount of an indemnity calculated in accordance with Article 4.2.B in respect of the amount prepaid; and
- (d) any other sum then payable under this Contract in respect of the amount prepaid.

ARTICLE 8
Information and Visits

8.1 Information concerning the Project and Sub-Projects

The Borrower shall:

- (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; 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 Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, inter alia, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
- (c) promptly inform the Bank of:
 - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower (or any Final Beneficiary) or any Environmental Claim that is to its knowledge commenced, pending or threatened against it or any Final Beneficiary with regard to environmental or other matters affecting the Project;
 - (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project;
 - (iii) a genuine allegation, complaint or information with regard to Criminal Offences or any Sanctions or any US Sanctions related to the Project and/or any Sub-Project;
 - (iv) any self-declared exclusion by a bidder that occurs prior to the contract award and is covered by the Exclusion Policy;
 - (v) any non-compliance by it or any Final Beneficiary with any applicable Environmental Law;
 - (vi) any suspension, revocation or modification of any Environmental Approval;
 - (vii) and measures taken by any Final Beneficiary pursuant to Article 6.5(f) of this Contract;
 - (viii) any intention on the part of any Final Beneficiary to relinquish ownership of any material component of any Sub-Project;
 - (ix) any event when the implementation of any allocated Sub-Project is suspended or any such Sub-Project is cancelled;
 - (x) any suspension of payments and/or infringement procedures initiated by the European Commission related to the implementation of any Sub-Project; and
 - (xi) any initiation of any legal proceedings by the European Commission before the European Court of Justice for non-compliance of any Sub-Project with EU Law, and set out the action to be taken with respect to such matters; and
- (d) provide to the Bank, if so requested:
 - (i) a certificate of its insurers showing fulfilment of the requirements of Article 6.5(c); and

- (ii) annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums.

8.2 Information concerning the Borrower and Final Beneficiaries

The Borrower shall:

- (a) deliver to the Bank:
 - (i) each year as soon as they become available but in any event within 7 (seven) months after the end of each of its Financial Years, a copy of a summary of its executed annual budget statement and related documents for that Financial Year, together with the related report from the external auditors and a summary balance sheet and profit and loss account, at the end of and for that Financial Year, for the Borrower's budgetary organisations (in Slovak: *rozpočtová organizácia*) and contributory organisations (in Slovak: *príspevková organizácia*), together with a confirmation, in form and substance satisfactory to the Bank, signed by the Borrower's external auditors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.8 (a "**Compliance Certificate**") and with evidence of such compliance and related calculations; and
 - (ii) at the Bank's request, a copy of the full version of the executed annual budget statement;
 - (iii) as soon as available but in any event prior to 31 March of each Financial Year, a copy of the annual budget for such Financial Year, as approved by the Borrower's Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) or, if not approved, deliver to the Bank, prior to 31 March of the relevant Financial Year, a copy of a pro-forma annual budget for such Financial Year and a copy of the approved annual budget prior to 30 June of Financial Year;
 - (iv) no later than on 15 December of each Financial Year, its annual budget projections including capital expenditures and investment plan for each of the following three Financial Years; and
 - (v) such further information, evidence or document concerning:
 - (1) its general financial situation (including the financial situation of any companies or other legal entities in which the Borrower holds ownership interest) or such certificates of compliance with the undertakings of Article 6; and
 - (2) the compliance with the due diligence requirements of the Bank for the Borrower, including, but not limited to "know your customer" (KYC) or similar identification and verification procedures;
- when requested and within a reasonable time; and
- (b) inform the Bank immediately of:
 - (i) any change in the laws or regulatory environment in the Slovak Republic or any change in the Borrower's activities, which may affect its ability to complete the Project or service the Loan;
 - (ii) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
 - (iii) any event or decision that constitutes or may result in a Prepayment Event;
 - (iv) any intention on its part to grant any Security over any of its assets in favour of a third party;
 - (v) any intention on its part to relinquish ownership of any material component of the Project;
 - (vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
 - (vii) any Event of Default having occurred or being threatened or anticipated;

- (viii) unless prohibited by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, 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 Criminal Offences related to the Credit, the Loan or the Project;
- (ix) any measure taken by the Borrower pursuant to Article 6.5(f) of this Contract;
- (x) any litigation, arbitration, administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change;
- (xi) any claim, action, proceeding, formal notice or investigation relating to any Sanctions or any US Sanctions concerning the Borrower, any Final Beneficiary, or any Relevant Person;
- (xii) any material modification to the Borrower's planning development strategies and deliver to the Bank a copy of any new strategies and relevant documentation; and
- (xiii) any EU Grants Event as referred to in Article 4.3.A(6) or any reduction or suspension of any financial assistance for the Project or any Sub-Projects from the applicable EU Grants.

8.3 Visits by the Bank

The Borrower shall, and shall procure that the Final Beneficiary will, 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 EU Law:

- (a) to visit the sites, installations and works comprising the Project;
- (b) to interview representatives of the Borrower and/or any 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 any 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, any Final Beneficiary and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of EU Law.

ARTICLE 9

Charges and expenses

9.1 Taxes, duties and fees

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

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

9.2 **Other charges**

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

9.3 **Increased costs, indemnity and set-off**

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

ARTICLE 10

Events of Default

10.1 **Right to demand repayment**

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

10.1.A **Immediate demand**

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

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless:
 - (i) its failure to pay is caused by an administrative or technical error or a Disruption Event; and
 - (ii) payment is made within 3 (three) Business Days of its due date;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in, pursuant to or for the purposes of entering into this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;

- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, 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;
- (e) if any action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement or otherwise), including in particular without limitation to bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*) arrangement with creditors (*concordat préventif de la faillite*) and judicial liquidation (*liquidation judiciaire*) proceedings or any analogous procedure or step is taken under any applicable law in any jurisdiction or an order is made or an effective resolution is passed for the winding up of the Borrower, or if the Borrower takes steps towards a substantial reduction in its assets, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its activities, or any situation similar to any of the above occurs under any applicable law;
- (f) 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 the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank, or of any other loan or financial instrument made to it from the resources of the Bank or the European Union, or in respect of any state subsidies or any EU Grants related to the Project;
- (h) if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
- (i) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
- (j) 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.

10.1.B Demand after notice to remedy

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

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

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

10.2 Other rights at law

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

10.3 Indemnity

10.3.A Fixed Rate Tranches

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

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

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

10.3.B Floating Rate Tranches

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.19% (nineteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

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

10.3.C General

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

10.4 Non-Waiver

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

ARTICLE 11

Law and jurisdiction, miscellaneous

11.1 Governing Law

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

11.2 Jurisdiction

- (a) The courts of Luxembourg-City have exclusive jurisdiction to settle any 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 (a "**Dispute**").

- (b) The Parties agree that the courts of Luxembourg-City are the most appropriate and convenient courts to settle any Dispute between them and, accordingly, that they will not argue to the contrary. The Borrower hereby waives any immunity it may enjoy from the execution of such decision.

11.3 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.

11.4 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.

11.5 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.

11.6 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.

11.7 Amendments

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

11.8 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.

11.9 Compliance with Slovak Regions Act

Pursuant to the Slovak Regions Act, the Borrower confirms that it has fulfilled all conditions, including without limitation, any publications, if required, and obtained all approvals and/or consents required for the execution, effectiveness and validity of this Contract according to the Slovak Regions Act and other mandatory provisions of law.

11.10 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 on the official website of the Borrower, as required by Slovak law, within 15 (fifteen) calendar days after the Borrower received this Contract signed by all parties hereto, in line with Section 5a of the Slovak Public Information Access act and Section 47a of the Slovak 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.

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

12.1 Notices

12.1.A Form of Notice

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

12.1.B Addresses

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

For the Bank	Attention: Operations - CSEE 100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address: contactline-93050@eib.org
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For the Borrower	Attention: Finance Department Prešovský samosprávny kraj Námestie mieru 2 080 01 Prešov Slovak Republic E-mail address: financie@vucpo.sk
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12.1.C Notification of communication details

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

12.2 English language

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

12.3 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definition of EURIBOR
Schedule C	Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C.)
Schedule D	Interest Rate Revision and Conversion
Schedule E	Certificate to be provided by the Borrower

The following Annexes are attached hereto:

Annex I	Resolution of the Self-Governing Region Assembly of the Borrower and authorisation of signatory
Annex II	Form of Legal Opinion



The Parties have caused this Contract to be executed in 6 (six) originals in the English language (2 (two) originals for the Bank and 4 (four) originals for the Borrower)

At Luxembourg, this 7 June 2021; and
at Prešov, this _____ 2021

Signed for and on behalf of

EUROPEAN INVESTMENT BANK as Bank

Lilyana Pavlova, PhD.

Vice-President

The acceptance of the Credit and the execution of this Contract was approved by the Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of Prešovský samosprávny kraj on 3 May 2021 in its 27th meeting by the Resolution No. 705/2021, in accordance with Section 11(2)e) of the Slovak Regions Act. The Contract is supplied with affidavit (in Slovak: *doložka*) confirming the Borrower's fulfilment of all legal requirements under Slovak law with regard to the validity of this Contract.

Signed for and on behalf of

PREŠOVSKÝ SAMOSPRÁVNÝ KRAJ as Borrower

PaedDr. Milan Majerský, PhD.

Chairman of the Self-Governing Region
(in Slovak: *predseda samosprávneho kraja*)

The Parties have caused this Contract to be executed in 6 (six) originals in the English language (2 (two) originals for the Bank and 4 (four) originals for the Borrower)

At Luxembourg, this _____ 2021; and
at Prešov, this 07. 06. 2021

Signed for and on behalf of
EUROPEAN INVESTMENT BANK as Bank

Lilyana Pavlova, PhD.
Vice-President

The acceptance of the Credit and the execution of this Contract was approved by the Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of Prešovský samosprávny kraj on 3 May 2021 in its 27th meeting by the Resolution No. 705/2021, in accordance with Section 11(2)e) of the Slovak Regions Act. The Contract is supplied with affidavit (in Slovak: *doložka*) confirming the Borrower's fulfilment of all legal requirements under Slovak law with regard to the validity of this Contract.

Signed for and on behalf of
PREŠOVSKÝ SAMOSPRÁVNÝ KRAJ as Borrower

PaedDr. Milan Majerský, PhD.
Chairman of the Self-Governing Region
(in Slovak: *predseda samosprávneho kraja*)

Project Specification and Reporting

A.1 Technical Description

A.1.1 Purpose, Location

The Project, structured as a Framework Loan, comprises the schemes implemented under the investment programme of the Region of Prešov that will improve the regional infrastructure, in particular in the sectors of transport, education, social care, culture, public administration and environmental protection. The investment programme is plan-led and well-embedded in the context of its Regional Development Programme. Prešov is a Cohesion Priority Region (less developed) in Slovakia.

A.1.2 Description

The proposed operation will mainly concern 109 investment sub-projects with total estimated cost of approximately EUR 70m in transport, education, social care, culture, public administration and environmental protection. 24.7% of the schemes will be co-financed by EU Funds¹. The eligible investments are as follows:

Key sectors	Eligible investments
Transport improvement schemes in the regional roads network	• Rehabilitation and/or modernisation of 2nd and 3rd class regional roads, including networks, engineering structures (bridges, viaducts), improvements, reconstruction, re-paving, widening, intersections, selective extensions and bypasses, safety measures, transport accessibility • Construction, rehabilitation and modernisation of the drainage system, realignment and replacement of the curbs, renovation of the sidewalks, the street lights, as well as planting of trees and greenery • Road safety investments • Investments tackling or preventing effects of flood
Education	• Enhancement of the quality of the facilities (constructions, reconstructions, upgrade) • Restructuring, renewal and upgrade of the infrastructure, including safety and flood protection measures • Extensions of existing or construction of new buildings
Health and social care	
Culture, heritage and tourism	
Environmental protection	• Renovations or rehabilitation of public spaces (parks, squares)

A.1.3 Calendar

The schemes will be implemented in the period 2021-2024.

A.1.4 General provisions

- The Bank will generally allocate its funds only to eligible schemes which are economically, technically and financially justified and environmentally sound. All schemes must comply with EU environmental, procurement and state aid legislation as well as comply with the principles and standards of the Bank's Environmental Policy Statement².
- The loan amount shall not exceed 50% of the total Project Investment Cost and 100% of the eligible investment cost at the level of the Project (operation).
- The combined EU and EIB financing shall not exceed 100% of the total Project Investment Cost at the level of the Project (operation).

¹ ESIF does not allow for building close institutions in social care sector (de-institutionalisation principles must be applied).

² http://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf

- The project investment cost generally includes (non-exhaustive list) land, 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, land acquisition, purchase of buildings, maintenance, repairs and other operating costs, acquisition of second-hand assets, interest during construction, 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.
- The Bank does not finance works under “routine maintenance” or repairs. The term “routine maintenance” means: localised repairs (less than 150m in continuous length) of pavement and shoulder defects, and regular maintenance of road drainage, side slopes, verges and furniture. (Examples: pothole patching, crack sealing, reshaping side drains, repairing and cleaning culverts and drains, vegetation control, dust control, erosion control, snow and sand removal from travelled ways, repainting pavement strips and markings, repairing or replacing traffic signs, guard-rails, signals, lighting standards, roadside cleaning and the maintenance of rest areas, etc.). In the road budget, financing is normally by means of an annual expenditure; these works cannot be financed by the Bank.
- The eligibility for EIB financing will be checked by the Bank at allocation stage against the above list and the Bank’s standard eligibility criteria.
- The Bank reserves the right to review allocation procedures in view of the development of the Project.

A.1.5 Allocation Procedures

The EIB loan will be allocated to the eligible schemes in the regional multi-annual investment programmes, satisfying the sectors listed in the technical description with procedures modulated according to the scheme size and in line with the applicable Framework Loan procedures:

- Eligible schemes with an investment cost below EUR 25m are selected by the Promoter. The choices are subject to ex-post confirmation of eligibility by the Bank’s services. The Promoter shall submit an allocation request in a form required by the Bank (as defined in A.1A.7).
- Eligible schemes with a cost between EUR 25m and EUR 50m are submitted ex-ante to the Bank for approval before funding, using a template as defined in A.1.8 or a feasibility study. The Bank keeps the right to ask for additional information; partial or in-depth appraisal of the scheme will be undertaken, if deemed necessary.
- Schemes with a cost above EUR 50m are not eligible under this Project.
- Promoter shall ensure environmental compliance of the schemes concerned in line with:
 - EIA Directive 2014/52/EU, amending 2011/92/EU:
 - For schemes requiring an EIA (Annex II screened in or Annex I of EIA Directive):
 - o Copy of the Environmental Decision(s) (or equivalent) and Environmental Impact Assessment (EIA) Study with a summary description of the environmental measures adopted (mitigating, compensation, etc.) provided to the EIB upon request.
 - o Copy of the corresponding Non-Technical Summary (NTS) or a link to a public version of it on a relevant public entity’s official web site provided to the Bank before the funds are allocated.
 - For schemes which fall under Annex II of the EIA Directive and not requiring an EIA:
 - o The Promoter shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive was carried out by the environmental competent authority. The screening decision can be common for several schemes. A copy of this decision might be requested by the EIB.
 - EU Habitats and Birds Directives (92/43/EEC and 2009/147/EC)
 - For schemes with potential or likely significant effects on a Site of Community Importance (SCI) (Natura 2000 or otherwise) and subject to a screening under the EU Habitats and Birds Directives: Form A or its equivalent signed by the competent authority responsible for the monitoring of Natura 2000. This declaration should confirm that the required assessments under the EU Habitats and Birds Directives have been carried out (if necessary), that the scheme will

have no significant impact on any protected site and that the appropriate mitigation measures have been identified.

- For schemes with a significant impact, potential or likely, on a SCI, requiring an assessment under Article 6(4) of the Habitats Directive: Form B or its equivalent - signed by the competent authority responsible for monitoring Natura 2000 Sites, together with the justification of overriding public interest, as well as the opinion of the European Commission, if applicable.
- These declarations shall be provided to the Bank upon request before the funds are allocated.
- Water Framework Directive (2000/60/EC) (WFD)
 - For schemes triggering Art. 4.7 of the WFD, the promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.
- e) The Promoter shall store and keep the relevant documents updated, including documents supporting the compliance with the environmental legislation. In case the EIB requires such documentation for any of the schemes included in this operation, the Promoter shall promptly provide all documents requested.

A.1.6 Eligibilities

Excluded Sectors:

- Manufacture and distribution of weapons and ammunition, arms and military equipment;
- Manufacture and distribution of tobacco or alcohol products;
- Waste incineration (including RDF) and processing of hazardous 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 reputation risk.

A.1.7 Allocation table

ALLOCATION NO. DATE: X
DD/MM/YYYY

Name of EIB Operation: 0
Number of EIB Operation: 0
Currency: EUR

ALLOCATION and MONITORING TABLE (FOR ALL SCHEMES INCLUDED IN EIB OPERATION) - individual schemes

No. (order)	Sector	Scheme name (brief)	Scheme description (main features, objectives) and location	Reponsible Department/ Implementing body	Implementation dates		Total cost of the scheme (EUR)	Financing Sources (EUR)			EIB Funds Allocated (EUR)	Environmental compliance		Procurement	Indicator		If applicable please specify		
					start mm/yyyy	end mm/yyyy		EU	Region	Other		EIA	Nature conservation (Natura 2000)		Type of tender (thresholds)	Output	Outcome	% of total cost related to climate change adaptation/mitigation	Energy savings in MWh per year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Sectors																		
	Sectors																		
	Sectors																		
	Sectors																		
	Sectors																		
	Sectors																		
	Sectors																		
	Sectors																		
Total																			

Explanatory notes:

(1)	No. order
(2)	Sector: 1 Urban Infrastructure (urban roads, schools, cultural facilities, etc.), 2 Mobility, 3 Drainage, 4 Other, (Please indicate sector)
(3)	Project name
(4)	Brief project description of the project (description, justification) and location
(5)	Responsible Department for implementation
(6),(7)	Please indicate the latest estimated dates for start and completion of the project
(8)	Estimated total investment cost paid by the Final Beneficiary (prior deduction of EU ineligible cost)
(9)-(11)	Financial Sources (EU grants, Municipal funds and other (National, etc.))
(12)	EIB funds allocated
(13)	Please indicate: (A) Subject to EIA: Annex I of the EIA Directive. Please, provide copy of NTS or a link to a public version of it on a relevant public entity's official web site at allocation or as soon as available. (B) Subject to EIA: Annex II "screened in" of the EIA Directive: Please, provide copy of NTS or a link to a public version of it on a relevant public entity's official web site at allocation or as soon as available. (C) Screened out project: no EIA required. The Financial Intermediary shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive was carried out by the environmental competent authority. The screening decision can be common for several schemes. A copy of this decision might be requested by the EIB. (D) Other
(14)	It refers to Natura 2000 or other habitats areas of international or national importance. Please indicate: (A) No significant impact, potential or likely, on a conservation site (Natura 2000 or otherwise). In that case a declaration signed by the Competent Authority Form A - or its equivalent - has to be provided. (B) A significant impact, potential or likely, on a conservation site. In that case Form B - or its equivalent - has to be signed by the Competent Authority and submitted to the Bank together with the justification of overriding public interest as well as the opinion of the European Commission, if applicable by the Article 6 (4) of the Habitats Directive). (C) Not applicable
(15)	Please indicate the tender procedure - "I" International Open Tender, "N" National Open Tender, "Ne" Negotiation procedure, "D" Direct Attribution, "Em" Emergency Procedure and "C" Consultation.
(16)-(17)	Sector indicators

Allocation number	X							
Date	dd/mm/yyyy							
Name of EIB operation								
Number of EIB operation								
Finance Contract no.:								
Currency:								
SUMMARY OF ALLOCATION TABLE (FOR ALL SCHEMES INCLUDED IN EIB OPERATION)								
EIB allocation request date: dd/mm/yyyy (1)	EIB disbursed amount (EUR)	EIB allocated amount (EUR)	Allocated / Disbursed (in %)		EIB's funds paid to final beneficiaries (in %)			
<i>Example:</i>								
Disbursement no. 1 (date)	xxxx		xxxx		xxxx			
Allocation no. 1 (date, allocation request no.)		xxxx	xxxx		xxxx			
Allocation no. 2 (date, allocation request no.)		xxxx	xxxx		xxxx			
Disbursement no. 2 (date)	xxxx		xxxx		xxxx			
Total	xxxx	xxxx						
Sectors	Total investment costs (EUR)	Financial sources (EUR)			Number of schemes	range of schemes		
		EU	Region/Municipal	Other		lowest (EUR)	highest (EUR)	
Projects								
1 Sector 1								
2 Sector 2								
3 Sector 3								
4 Sector 4								
EIB project total								
or which EIB's funds are allocated								
Total funds disbursed to final beneficiary								
Person in charge	<name and surname>							
	<Function>							
	<Department>							
Signature								
Date								
Place								

A.1.8 Project fiche

PROJECT FICHE (for schemes with total costs between EUR 25M-50M)

PREŠOV REGIONAL INFRASTRUCTURE 2020-0861

This fiche could be replaced by any internal document (e.g. application submitted by the final beneficiary) providing the same information.

<u>Scheme Name:</u>	<u>Scheme Promoter:</u>
	<u>Location:</u>
<u>Scheme reference number:</u>	<u>Sector:</u>
<u>Implementing body:</u>	<u>Type:</u> new project/ extension/ rehabilitation
<u>Contact Person:</u>	<u>Date:</u>
<u>Contact (e-mail, telephone):</u>	<u>Signature:</u>

1. Scheme

1.1 Background

1.2 Reasons for undertaking the Project and key objectives

(Please refer to the strategic plans to which project is integrated)

1.3 Technical description of the project including relevant key dimensions and capacities

1.4 Entity(ies) responsible for project design, construction and supervision

1.5 Investment cost (total) in EUR

Engineering and supervision	-
Land	-
Civil works (Building work)	-
Equipment	-
Miscellaneous	-
Technical contingencies	-
Price contingencies (...% escalation p.a.), if applicable	-
Interest during construction	-
Total	-

Are the cost estimates before or after procurement?

1.5.1 Financial plan and requested allocation

Sources of financing	in EUR
EU funds (if applicable)	
Regional budget	
Other (e.g. private)	
Total	
of which requested EIB loan	

1.6 Expected expenditure schedule (in EUR)

year	...	...	...	n	Total
EUR					

1.7 Expected technical/ economical life-span (years)

1.8 Implementation period (dates: month, year)

- a) Start:
- b) Completion:

1.9 Authorisation required to implement/operate the project

Please provide the name(s) of the authority(ies) issuing the relevant permit(s) and whether or not the authorisation(s) has (have) been issued. If permits are not issued, please indicate the expected date.

1.10 Jobs affected by the investment

Number of jobs that will be created, secured or lost as a consequence of the project

a) during construction:	
b) post construction (operation and maintenance) – secured:	

1.11 Physical indicators

Please indicate (quantify) planned physical output/result of the project.

Indicator name and definition	Baseline (year)	Target value (year)
a) ...		
b)		
c)		

1.12 Procurement plan

Number of contracts, their value and types of tender procedures, timetable

Contracts/ lots name	Type of contract: e.g. design, design- build, supply, services	Tender procedure	Start (publication date)	End (contract signature date)	Publication reference (OJEU or national journal)	Contract value (EUR)	Company awarded (if available)
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1.13 Environmental impacts, social issues and risk

- a) Please explain briefly the effects of the project on the environment
- b) Does the Project have any particular environmental risks or benefits/opportunities?
- c) Compliance with environmental requirements (local, national, EU) and a summary description of mitigating measures adopted, if any; indicate if a full EIA is required and if the project may have potential effects on a Natura 2000 sites or any other nature conservation site- in the affirmative cases, please provide information on the relevant assessment and

administrative decisions for such projects, the Bank services may require further information.

Project documentation to be provided³:

- EIA Directive 2014/52/EU amending 2011/92/EU:
 - For schemes requiring an EIA (Annex II screened in or Annex I of EIA Directive):
 - o Copy of the Environmental Decision(s) (or equivalent) and Environmental Impact Assessment (EIA) Study with a summary description of the environmental measures adopted (mitigating, compensation, etc.) provided to the EIB upon request.
 - o Copy of the corresponding Non-Technical Summary (NTS) or a link to a public version of it on a relevant public entity's official web site provided to the Bank before the funds are allocated.
 - For schemes which fall under Annex II of the EIA Directive and not requiring an EIA:
 - o The promoter shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive was carried out by the environmental competent authority. The screening decision can be common for several schemes. A copy of this decision might be requested by the EIB.
- EU Habitats and Birds Directives (92/43/EEC and 2009/147/EC)
 - For schemes with potential or likely significant effects on a Site of Community Importance (SCI) (Natura 2000 or otherwise) and subject to a screening under the EU Habitats and Birds Directives: Form A or its equivalent signed by the competent authority responsible for the monitoring of Natura 2000. This declaration should confirm that the required assessments under the EU Habitats and Birds Directives have been carried out (if necessary), that the scheme will have no significant impact on any protected site and that the appropriate mitigation measures have been identified.
 - For schemes with a significant impact, potential or likely, on a SCI, requiring an assessment under Article 6(4) of the Habitats Directive: Form B or its equivalent - signed by the competent authority responsible for monitoring Natura 2000 Sites, together with the justification of overriding public interest as well as the opinion of the European Commission, if applicable.
 - These declarations shall be provided to the Bank upon request before the funds are allocated.
- d) Does the project have any particular social issues (involuntary economic and/or physical displacement, impacts on vulnerable groups, labour standards, occupational health, safety and security)? Social impacts may be negative (e.g. from compulsory purchase of property) or positive (e.g. from improvement in housing stock, improved access to municipal services, improvement on quality of life, integration of vulnerable groups, etc.)
 - Public consultation process and involvement of local communities and most vulnerable groups.
 - In case of applicable, please indicate how the resettlement of people has been managed and its impact in terms of affected people and compensation measures.
 - How have gender considerations been incorporated into the preparation of the project? Is the project considered to have positive or negative impacts on gender by virtue of its selection, design, implementation or operation?

³ Documentation requirements for the medium-sized scheme should be aligned to the general requirements defined for the project in Step 1 appraisal.

- e) Does the project have any particular biodiversity impacts notably on critical habitats, or priority/key biodiversity areas?

1.14 Operation and maintenance of the facilities:

- a) Organisation in charge of the operation and maintenance of the Scheme:
- b) Operating and maintenance costs and available budget for operation and maintenance:

1.15 Climate change risks

- a) Has there been a climate risk and vulnerability undertaken for the project? Please outline main results.
- b) How will the design and layout of the infrastructure maximise opportunities for building infrastructure resilience (e.g. water and energy efficiency measures, sustainable urban drainage, flood risk)?

1.16 Economic and financial aspects

- a) Population served by the Scheme, or other pertinent demand analysis. In the case of road scheme actual and forecast traffic flows have to be included.
- b) If applicable, a summary of cost-benefit or economic feasibility analysis
- c) If applicable, cost recovery mechanism (Will users be required to contribute to the cost of the Scheme? Tariff policy?)

2. Overall conclusions and recommendations

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Place:

Date:

Promoter:

Responsible person:

A.2 Information Duties

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	<i>To be confirmed prior to signature</i>	
Contact person		
Title		
Function / Department financial and technical		
Address		
Phone		
Fax		
Email		

The above-mentioned contact person(s) is (are) the responsible contact(s) 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

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
Project Progress Report, related to the allocated schemes, including: - <i>A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope;</i> - <i>Update on the date of completion of each of the main project's components, explaining reasons for any possible delay;</i> - <i>Update on the cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;</i> - <i>A description of any major issue with impact on the environment;</i> - <i>Update on the project's demand or usage and comments;</i> - <i>Any significant issue that has occurred and any significant risk that may affect the project's operation;</i> - <i>Any legal action concerning the project that may be on-going;</i> - <i>Non-confidential project-related pictures, if available (links to projects web sites).</i>	30 June 2022, 30 June 2023, 30 June 2024, 30 June 2025	<i>annual</i>

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
Project Completion Report, including: - <i>A final Technical Description of the project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.1;</i> - <i>The date of completion of each of the main project's components, explaining reasons for any possible delay;</i> - <i>The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;</i> - <i>Employment effects of the project: person-days required during implementation as well as permanent new jobs created;</i> - <i>A description of any major issue with impact on the environment or social impacts;</i> - <i>Update on the project's demand or usage and comments;</i> - <i>Any significant issue that has occurred and any significant risk that may affect the project's operation;</i> - <i>Any legal action concerning the project that may be on going.</i> - <i>Non-confidential project-related pictures, if available.</i> - <i>An update on the following Monitoring Indicators:</i> • <i>New or rehabilitated health facilities (number)</i> • <i>Length of road built or upgraded (km)</i>	31 March 2026
Language of reports	English

Definition of EURIBOR

“EURIBOR” means:

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

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

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

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

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

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

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

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

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

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

To: Prešovský samosprávny kraj
From: European Investment Bank
Date:
Subject: Disbursement Offer/Acceptance for the Finance Contract between
European Investment Bank and Prešovský samosprávny kraj dated [●]
(the “**Finance Contract**”)
Project name: PREŠOV REGIONAL INFRASTRUCTURE III
Contract Number: 93050 Operation Number: 2020-0861

Dear Sirs,

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

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

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

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

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

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

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

Yours faithfully,

EUROPEAN INVESTMENT BANK

We hereby accept the above Disbursement Offer for and on behalf of the Borrower:

Date:

IMPORTANT NOTICE TO THE BORROWER:

BY SIGNING BELOW YOU CONFIRM THAT THE LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS PROVIDED TO THE BANK WAS DULY UPDATED PRIOR TO THE PRESENTATION OF THE ABOVE DISBURSEMENT OFFER BY THE BANK.

IN THE EVENT THAT ANY SIGNATORIES OR ACCOUNTS APPEARING IN THIS DISBURSEMENT ACCEPTANCE ARE NOT INCLUDED IN THE LATEST LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS (AS DISBURSEMENT ACCOUNT) RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.

Disbursement Account (as defined in the Finance Contract) to be credited:

Disbursement Account N°:

Disbursement Account Holder/Beneficiary:

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

Bank name and address:

Bank identification code (BIC):

Payment details to be provided:

Please transmit information relevant to:

Name(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

.....

Signature(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

Interest Rate Revision and Conversion

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

A. Mechanics of Interest Revision/Conversion

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

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

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

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

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

B. Effects of Interest Revision/Conversion

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

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

C. Partial or no Interest Revision/Conversion

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

Certificate to be provided by the Borrower**E.1 Form of Certificate from Borrower (Article 1.4.D)**

To: European Investment Bank
From: Prešovský samosprávny kraj
Date:
Subject: Certificate for the Finance Contract between European Investment Bank and Prešovský samosprávny kraj dated [●] (the “**Finance Contract**”)
Project Name: PREŠOV REGIONAL INFRASTRUCTURE III
Contract Number: 93050 Operation Number: 2020-0861

Dear Sirs,

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

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

- (a) we are in compliance with the financial covenants pursuant to Article 6.8 and attached is the Compliance Certificate providing evidence of such compliance and related calculations (unless such Compliance Certificate has been provided to the Bank for the immediately preceding financial year as required under Article 8.2(a)(i);
- (b) no Security of the type prohibited under Article 7.1 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 8.1, 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 a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
- (e) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.12 are true in all respects;
- (g) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract, and
- (h) the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower is up-to-date and the Bank may rely on the information set out therein.

We undertake to immediately notify the Bank if any the above fails to be true or correct as of the Disbursement Date for the proposed Tranche.

Yours faithfully,

For and on behalf of Prešovský samosprávny kraj

Date:

Resolution of the Self-Governing Region Assembly of the Borrower and authorisation of signatory

Zastupiteľstvo Prešovského samosprávneho kraja

U Z N E S E N I E č. 705 / 2021

**z 27. zasadnutia Zastupiteľstva Prešovského samosprávneho kraja
zo dňa 3. mája 2021**

k schváleniu úveru od EIB – Prešovská regionálna infraštruktúra III

Zastupiteľstvo Prešovského samosprávneho kraja v súlade s § 11 ods. 2 písm. e) zákona NR SR č. 302/2001 Z. z. o samospráve vyšších územných celkov v znení neskorších predpisov (zákon o samosprávnych krajoch) a ustanovením § 17 zákona NR SR č. 583/2004 Z. z. o rozpočtových pravidlách územnej samosprávy a o zmene a doplnení niektorých zákonov v znení neskorších predpisov

A. s c h v a ľ u j e

návrh projektu Prešovská regionálna infraštruktúra III – Zmluva o financovaní medzi Európskou investičnou bankou a Prešovským samosprávnym krajom (návrh rámcovej úverovej zmluvy) na prijatie návratných zdrojov financovania v maximálnom objeme 30 miliónov eur.

B. s p l n o m o c ň u j e

B.1. predsedu Prešovského samosprávneho kraja k akceptovaniu podmienok a podpisu Zmluvy o financovaní medzi Európskou investičnou bankou a Prešovským samosprávnym krajom – Prešovská regionálna infraštruktúra III.

B.2. predsedu Prešovského samosprávneho kraja:

- na akceptovanie úveru poskytnutého Európskou investičnou bankou
- na predkladanie písomných žiadostí Európskou investičnou bankou o čerpanie jednotlivých tranží úveru
- na akceptovanie úrokov a iných podmienok jednotlivých tranží navrhnutých Európskou investičnou bankou
- na akceptovanie čerpania jednotlivých tranží.

V Prešove dňa 4. mája 2021

**PaedDr. Milan Majerský, PhD., v. r.
predseda Prešovského samosprávneho kraja**

Zapisovateľka:

Katarína Očkaiová v. r.

Overovatelia zápisnice:

PhDr. Rudolf Dupkala, PhD., MBA, v. r.

Mgr. Katarína Heredošová, DiS.art., v. r.

Okresný úrad Prešov osvedčuje, že odpis (fotokópia) súhlasí
s predloženou listinou (osvedčeným odpisom-fotokópiou),
ktorý(á) obsahuje-1-..... strán.

Osvedčenie je zapísané v osvedčovacej knihe pod por. č. 78/21

V Prešove dňa 18.5.2021

OSVEDČENIE

VOLEBNÁ KOMISIA PREŠOVSKÉHO SAMOSPRÁVNEHO KRAJA
OSVEDČUJE, ŽE

PaedDr. Milan Majerský, PhD.

NARODENÝ(Á)



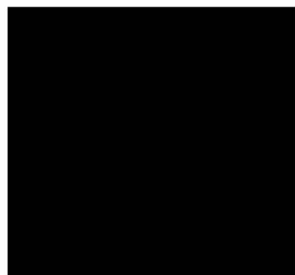
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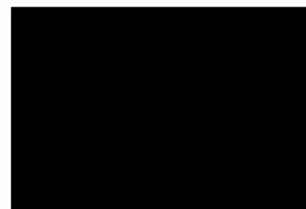
BOL(A) VO VOĽBÁCH KONANÝCH 4. NOVEMBRA 2017

ZVOLENÝ(Á)

ZA PREDSEDU
PREŠOVSKÉHO SAMOSPRÁVNEHO KRAJA



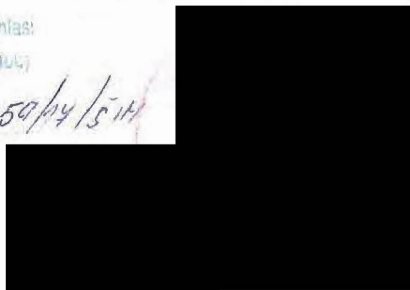
ODTLAČOK PEČIATKY



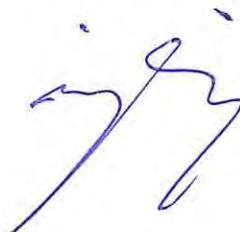
PODPIS
PREDSEDU VOLEBNEJ KOMISIE
SAMOSPRÁVNEHO KRAJA

V PREŠOVE 4.11.2017

Okrasny úrad Prešov osvedčuje, že ~~o~~ (Intokópiat) súhlas
s predloženíu listinu ~~1~~ (Intokópiat) (Intokópiat)
Mestský úrad Prešov 1
Osvedčenie: 359/4/5.11.17
V Prešove dňa 5.12.2017



Signature of PaedDr. Milan Majerský, PhD., the Chairman of the Self-Governing Region



Okresný úrad Prešov osvedčuje, že podpis na listine urobil,
uznal ~~za svoj vlastný~~ PaedDr. Milan Majerský
rodné číslo 710512/9416
trvale bytom Levoča, Sídlisko pri prameni 1368/24
ktorého totožnosť bola preukázaná OP ET774344
Osvedčenie podpisu je zapísané v osvedčovacej knihe pod por.
č: 194/21
V Prešove dňa 19.5.2021



Form of Legal Opinion

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

To the attention of Legal Department - Operations

[●], [●]

Re: **Finance Contract for PREŠOV REGIONAL INFRASTRUCTURE III**

Dear Sirs,

I am acting as in-house legal counsel to Prešovský samosprávny kraj (the “**Borrower**”) in connection with the finance contract (the “**Finance Contract**”) for **PREŠOV REGIONAL INFRASTRUCTURE III** in an amount of EUR 30,000,000.00 (thirty million euros), made on [●] between the European Investment Bank (the “**Bank**”) and the Borrower. I am giving this opinion pursuant to Article 1.4 of the Finance Contract. All terms used herein and not otherwise defined shall have the same meaning as in the Finance Contract.

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

This opinion is confined to matters of Slovak law and no opinion is expressed as to the laws of any other jurisdiction.

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

1. The Borrower is a self-governing region (in Slovak: *samosprávny kraj*) validly existing under the laws of the Slovak Republic, possessing full legal capacity to sue or be sued in its own name, and has full powers to own all assets which it owns and to carry out the activities which it carries out.
2. The Borrower has the requisite power and capacity to enter into and perform the Finance Contract and the transactions contemplated thereby.
3. Pursuant to the Act of the Slovak Republic No. 302/2001, on the Self-Government of Higher Territorial Units, as amended, the Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of the Borrower is the sole competent body to authorise the Borrower to enter into the Finance Contract and such body has authorised the execution of the Finance Contract on [●] in its [●] meeting, by the Resolution No. [●] approved on [●] in its [●] meeting (the “**Resolution**”). No requirement to authorize the Borrower to enter into the Finance Contract by any body other than the Self-Governing Region Assembly (in Slovak: *zastupiteľstvo samosprávneho kraja*) of the Borrower exists.
4. The Finance Contract has been duly executed and delivered on behalf of the Borrower by Chairman of the Self-Governing Region (in Slovak: *predseda samosprávneho kraja*), PaedDr. Milan Majerský, PhD., by virtue of the powers given to him by Slovak law and the Resolution.
5. The entry into the Finance Contract and the compliance with its terms does not and will not:
 - a. result in violation of any provision contained in any law applicable to the Borrower;
 - b. conflict with or result in the breach of any provision of, or require any consent under, or result in the imposition of any Security (as defined in the Finance Contract) under, any agreement or instrument to which the Borrower is a party or by which the Borrower or any of its assets is bound; and
 - c. constitute a default or an event that, with the giving of notice or the passing of time or both, would constitute a default under any such agreement or instrument.
6. No provision exists in laws of the Slovak Republic which would make it necessary that the Finance Contract be filed, recorded or enrolled with any court or authority in order to ensure its legality, validity or enforceability, except for mandatory publication of the Finance Contract on the official website of the Borrower in accordance with Section 5a of the Slovak Act No. 211/2000 Coll., on Free Access to Public Information, as amended, and Section 47a of the Slovak Act No. 40/1964 Coll., the Civil Code, as amended.

7. The Finance Contract constitutes a direct, unconditional obligation of the Borrower which ranks in priority of payment at least *pari passu* with all other present and future indebtedness of the Borrower other than indebtedness mandatorily preferred by law.
8. To the best of my knowledge after due inquiry:
 - a. the Borrower is not in violation of any present statute, regulation, judgement or order applicable to it in the Slovak Republic;
 - b. no statute or regulation has been proposed and no judgement or order is expected which may have any materially adverse effect on the Borrower's prospects or financial condition;
 - c. the Borrower is not engaged in, or threatened by, any litigation, arbitration or administrative proceeding the outcome of which may materially and adversely affect its prospects or financial condition;
 - d. the Borrower is not in default under any agreement, obligation or duty to which it is a party or by which it or any of its properties or assets is bound; and
 - e. there exists no Event of Default (as defined in the Finance Contract) and no event which, with the giving of notice, the passage of time or the making of any determination, or any combination thereof, could become such an Event of Default
9. The choice of Luxembourg law as the law governing the Finance Contract is valid and enforceable.
10. Pursuant to Article 11.2 of the Finance Contract, the courts of Luxembourg-City shall have jurisdiction in connection with any claim or dispute between the Borrower and the Bank, and any judgement of such courts pertaining to the Finance Contract can be enforced in the Slovak Republic in accordance with Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters.
11. No taxes, duties, fees or other charges, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by the Slovak Republic or any political subdivision or taxing authority thereof or therein are payable in connection with the execution and delivery of the Finance Contract, nor in connection with any payment to be made by the Borrower to the Bank pursuant to the Finance Contract.
12. All exchange control consents which may be necessary pursuant to the laws of the Slovak Republic to receive disbursements, to repay the same and to pay interest and all other amounts due under the Finance Contract are in full force and effect.
13. The entry into the Finance Contract will not give a rise to any liability for the Bank.
14. As of the date of the Finance Contract and as of the date hereof, the Borrower is not insolvent and no steps have been taken pursuant to any insolvency, bankruptcy, liquidation or equivalent or analogous proceedings to appoint an administrator, bankruptcy receiver, insolvency officer or liquidator over the Borrower or its assets, and no voluntary or judicial winding-up or liquidation of the Borrower has occurred nor has any action to this effect been taken by the Borrower. The Borrower will not become insolvent under applicable law as a result of carrying out any of the transactions contemplated by the Finance Contract.

Based on the foregoing, I am of the opinion that all requirements currently applicable to the Borrower and governing the Finance Contract in relation to the laws of the Slovak Republic have been complied with and that the Finance Contract constitutes legally valid and binding obligations of the Borrower enforceable in the Slovak Republic in accordance with their terms.

This opinion is addressed to the Bank exclusively in connection with the entry by the Borrower into the Finance Contract and may not be relied upon by the Bank for any other purpose. The Bank shall be entitled to disclose this opinion on a non-reliance basis (i) to its potential successors and permitted assignees (ii) to its professional advisers and auditors; (iii) if required by any law, regulation, treaty, or pursuant to the rules of any relevant stock exchange; (iv) where required by any competent judicial, government, supervisory or regulatory body, (v) to European Union authorities and institutions; (vi) in any legal, arbitration, or regulatory proceeding or investigation relating to the matters set out in this opinion; (vii) in accordance with the Bank's internal policies and procedures; and (vii) with the consent of the Borrower.

Yours faithfully,

[Head of legal department of the Borrower]