

**FRAMEWORK LOAN AGREEMENT**

*between*

**COUNCIL OF EUROPE DEVELOPMENT BANK**

*and*

**BRATISLAVSKÁ VODÁRENSKÁ SPOLOČNOSŤ, A.S.  
(BRATISLAVA WATER COMPANY)**

- Programme Loan -

## TABLE OF CONTENTS

1.	INTERPRETATION.....	3
1.1	Definitions.....	3
1.2	Construction .....	7
1.3	Headings .....	8
1.4	Rounding.....	8
2.	CONDITIONS .....	8
3.	PURPOSE.....	8
4.	FINANCIAL CONDITIONS.....	9
4.1	Loan Amount .....	9
4.2	Disbursement Amount .....	9
4.3	Disbursement Procedure.....	9
4.4	Disbursement Period.....	10
4.5	Disbursement Conditions .....	10
4.6	Repayment.....	11
4.7	Early Reimbursement .....	11
4.8	Interest Determination.....	12
4.9	Default Interest Rate .....	12
4.10	Market Disruption Event .....	13
4.11	Payments .....	14
5.	PROJECT IMPLEMENTATION .....	14
5.1	Duty of Care.....	14
5.2	Allocation Period .....	14
5.3	Project Costs .....	14
5.4	Procurement.....	15
5.5	Environmental and Social Safeguards .....	15
5.6	Human Rights .....	15
5.7	Integrity .....	15
5.8	Visibility .....	15
6.	MONITORING and undertakings .....	15
6.1	Reporting .....	15
6.2	Visits.....	16
6.3	Audit .....	16
6.4	Project Information .....	16
6.5	Borrower Information .....	17
6.6	Borrower's Undertakings.....	19
7.	PARI PASSU.....	19
7.1	Ranking .....	19
7.2	Security .....	19
7.3	Clause by Inclusion .....	20
7.4	Prepayment to Third Parties.....	20
8.	REPRESENTATIONS AND WARRANTIES.....	20
9.	THIRD PARTIES.....	21
10.	NON-waiver .....	22
11.	ASSIGNMENT .....	22
12.	GOVERNING LAW .....	22
13.	DISPUTES .....	22
14.	Notices.....	22
15.	TAXES AND EXPENSES.....	23
16.	DISCHARGE .....	23
17.	ENTRY INTO FORCE and Effectiveness.....	24

APPENDIX 1.....	25
Appendix 2.....	30
Appendix 3.....	31
Appendix 4.....	34
Appendix 5.....	41

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

and

**BRATISLAVSKÁ VODÁRENSKÁ SPOLOČNOSŤ**, a.s. (Bratislava Water Company), a Slovak law joint-stock company, having its registered office at Prešovská 48, 826 46 Bratislava, ID No.: 35 850 370, registered with the Commercial Register of the District Court Bratislava I, section Sa, insert no. 3080/B (hereinafter, the “**Borrower**” and together with the CEB, the “**Parties**” and each a “**Party**”), on the other hand,

## **WHEREAS**

- (A) Having regard to the loan application submitted by the Slovak Republic on 29 May 2018,
- (B) Having regard to the approvals of the loan application by the CEB’s Administrative Council on 15 June 2018 and 3 July 2020,
- (C) Having regard to the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe dated 6 March 1959,
- (D) Having regard to the CEB’s Loan Regulations, as adopted by the CEB’s Administrative Council Resolution 1587 (2016) (hereinafter, the “**Loan Regulations**”),
- (E) Having regard to the CEB’s Loan and Project Financing Policy, as adopted by the CEB’s Administrative Council Resolution 1587 (2016) (hereinafter, the “**Loan Policy**”),
- (F) Having regard to the CEB’s Environmental and Social Safeguards Policy, as adopted by the CEB’s Administrative Council Resolution 1588 (2016) (hereinafter, the “**Environmental and Social Safeguards Policy**”),
- (G) Having regard to the CEB’s Procurement Guidelines, as adopted by the CEB’s Administrative Council in September 2011 (hereinafter, the “**Procurement Guidelines**”),

## **HEREBY AGREE AS FOLLOWS:**

### **1. INTERPRETATION**

#### **1.1 Definitions**

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

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

“**Allocation**” means the commitment of a Tranche by the Borrower to the eligible Sub-projects even if such Tranche has not yet been paid out under the Project.

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

**"Balance Sheet"** means the balance sheet (in Slovak: *súvaha*) for the respective accounting period pursuant to Act no. 431/2002 Coll. as amended and Decree of the Ministry of Finance of the Slovak Republic dated 24 September 2014 no. MF/18009/2014-74 as amended.

**"Beneficiaries"** are specified under Appendix 1 hereto as the group benefitting from the social effects of the Project.

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

**"Closing Date"** means the date specified under Appendix 1 hereto from which no further disbursements may be requested by the Borrower.

**"Company in Crisis"** means a company whose Equity Ratio is less than the minimum equity ratio level set forth by the Company in Crisis Provisions.

**"Company in Crisis Provisions"** means provisions of sections 67a et seq. of the Slovak Commercial Code, as these may be amended, supplemented, re-enacted, extended or replaced from time to time (including any regulations and secondary legislation for the implementation thereof).

**"Completion Report"** has the meaning specified under Sub-clause 6.1.

**"Currency"** means, for the purposes of the Agreement, Euro.

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

**"DEBT/EBITDA"** shall be calculated as follows: (long-term bank loans (line 121 of the Balance Sheet) + current bank loans (line 139 of the Balance Sheet) + short-term borrowings (line 140 of the Balance Sheet) + issued bonds (line 113 of the Balance Sheet) + long-term bills of exchange (line 112 of the Balance Sheet) + principal of financial leasing liabilities) / EBITDA.

**"Debt Instrument"** means (i) any loan or other form of financial indebtedness; (ii) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (iii) a bond, note, debt security, debenture or similar written evidence of financial indebtedness; or (iv) an instrument evidencing a guarantee of an obligation constituting financial indebtedness of another.

**"Default Interest Rate"** has the meaning specified under Sub-clause 4.9.

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

**"Disbursement Notice"** has the meaning specified under Sub-clause 4.3(b).

**"Disbursement Request"** has the meaning specified under Sub-clause 4.3(a).

**"DSCR"** means the Borrower's debt service coverage ratio, which shall be calculated as follows: (Profit/loss from economic activities (line 27 of the Profit and Loss Account) – revenues from sale of intangible fixed assets, tangible fixed assets and materials (line 08 of the Profit and Loss Account) + residual value of sold fixed assets and material (line 24 of the Profit and Loss Account) + depreciation

of intangible and tangible fixed assets (line 22 of the Profit and Loss Account) + negative account balance of inventory provisions (line 13 of the Profit and Loss Account) + negative account balance to intangible and tangible fixed assets provisions (line 23 of the Profit and Loss Account) + negative account balance of provisions to receivables (line 25 of the Profit and Loss Account) – due income tax (line 58 of the Profit and Loss Account)) / (interest expense (line 49 of the Profit and Loss Account) + A)), where this ratio shall be assessed on the basis of the previous year's financial statements and A is the sum of:

- (i) the total annual amount of principal repayments of all loans and borrowings;
- (ii) the total annual amount of principal repayments of intra-group loans and financial assistance;
- (iii) the total annual amount of principal payments on financial leases; and
- (iv) the total annual amount of principal repayments from other external sources (bonds and bills of exchange issued by the Borrower),

received by the Borrower and which are payable in the year for which the DSCR is calculated under this Agreement.

**“Early Reimbursement Confirmation”** has the meaning specified under Sub-clause 4.7.

**“Early Reimbursement Costs”** has the meaning specified under Sub-clause 4.7.

**“Early Reimbursement Date”** has the meaning specified under Sub-clause 4.7.

**“Early Reimbursement Notice”** has the meaning specified under Sub-clause 4.7.

**“EBITDA”** shall be calculated as follows: profit / loss from economic activities (line 27 of the Profit and Loss Account) - revenues from sale of intangible fixed assets, tangible fixed assets and materials (line 08 of the Profit and Loss Account) + residual value of sold fixed assets and materials (line 24 of the Profit and Loss Account) + depreciation of intangible and tangible fixed assets (line 22 of the Profit and Loss Account) + negative account balance of inventory provisions (line 13 of the Profit and Loss account) + negative account balance of intangible and tangible fixed assets provisions (line 23 of the Profit and Loss account) + negative account balance of provisions to receivables (line 25 of the Profit and Loss account).

**“Effective Date”** means the date of entry into force and effectiveness of the Agreement resulting from Clause 17.

**“Equity Ratio”** means the ratio of the equity of a company to the debt of such company (in Slovak: *pomer vlastného imania a záväzkov*) calculated in accordance with the generally accepted accounting principles in the Slovak Republic as follows: equity (line 80 of the Balance Sheet) / total equity and liabilities (line 79 of the Balance Sheet) \* 100.

**“EU”** means the European Union.

**“EURIBOR”** means the percentage rate *per annum* quoted on the page EURIBOR01 of the Thomson Reuters screen (or on a successor page which replaces the Thomson Reuters’ page EURIBOR01) at or about 11 a.m. Brussels time on the Interest Determination Date as the Euro interbank offered rate administrated by the European Money Market Institute (or any other entity which takes over the administration of that rate) for the same period as the relevant Interest Period.

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

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

**“European Convention on Human Rights”** means the Convention for the Protection of Human Rights and Fundamental Freedoms dated 4 November 1950, CETS n° 5, as amended from time to time.

**“European Social Charter”** means the European Social Charter dated 3<sup>rd</sup> May 1996, CETS n°163, as amended from time to time.

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

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

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

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

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

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

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

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

**“Market Disruption Event”** has the meaning specified under Sub-clause 4.10.

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

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

**“Modified Following Business Day Convention”** means a convention whereby if a specified date would fall on a day which is not a Business Day, such date would be the first following day that is a

Business Day unless that day falls in the next calendar month, in which case that date would be the first preceding day that is a Business Day.

**“Prepayment”** has the meaning specified under Sub-clause 7.4.

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

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

**“Profit and Loss Account”** means the profit and loss account (in Slovak: *výkaz ziskov a strát*) for the respective accounting period pursuant to Act no. 431/2002 Coll. as amended and Decree of the Ministry of Finance of the Slovak Republic dated 24 September 2014 no. MF/18009/2014-74 as amended.

**“Prohibited Practices”** has the meaning specified under Sub-clause 5.7.

**“Project”** means the eligible investment schemes set forth under Appendix 1 to be partially financed with the Loan approved by the CEB’s Administrative Council with ref. LD 1970 (2018).

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

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

**“Shareholding Event”** means any situation in which the Capital City of the Slovak Republic Bratislava ceases to own directly or indirectly more than fifty one per cent (51%) of the issued share capital of the Borrower; or (ii) a person, an entity or group of persons/entities acting in concert gain control (*i.e.*, the power to direct the Borrower’s management or policies) through ownership of voting rights, by contract or otherwise.

**“Slovak Commercial Code”** means Slovak Act No. 513/1991 Coll., the Commercial Code, as amended.

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

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

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

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

## 1.2 Construction

Unless the context otherwise requires, references to:

- (a) this Agreement shall be construed as references to this Agreement as supplemented, amended or restated from time to time;

- (b) lines in the Balance Sheet and lines in the Profit and Loss Account shall be construed as references to the corresponding lines in the Balance Sheet or the Profit and Loss Account as supplemented, amended or restated from time to time;
- (c) "Clauses", "Sub-clauses" and "Recitals" shall be construed as references to clauses, sub-clauses and recitals respectively of this Agreement; and
- (d) words importing the singular shall include the plural and vice-versa.

### **1.3 Headings**

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

### **1.4 Rounding**

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

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

## **2. CONDITIONS**

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

## **3. PURPOSE**

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

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

## 4. FINANCIAL CONDITIONS

### 4.1 Loan Amount

The Loan Amount is:

Fifty million Euros  
EUR 50,000,000

### 4.2 Disbursement Amount

The Loan shall be disbursed in a minimum of two (2) and maximum of six (6) Tranches.

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

### 4.3 Disbursement Procedure

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

#### (a) Disbursement Request

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

A Disbursement Request shall specify the proposed:

- (i) Currency(ies) and amount(s) for the Tranche;
- (ii) Disbursement Date; such Disbursement Date shall be a Business Day falling at least five (5) Business Days but not later than twenty (20) Business Days after the date of the Disbursement Request;
- (iii) Principal Repayment Date(s), including the Maturity Date, taking into account that the Principal Repayment Period shall not exceed sixteen (16) years without grace period or thirteen (13) years with a grace period not exceeding three (3) years;
- (iv) maximum Fixed Interest Rate or maximum Spread to the Reference Rate;
- (v) Interest Payment Period and Interest Payment Dates;
- (vi) Day Count Convention and Business Days; and
- (vii) Borrower’s account for payments.

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

#### (b) Disbursement Notice

If the CEB receives a Disbursement Request that complies with the Disbursement Request requirements set out Sub-clause 4.3 (a) above, and if all other relevant Disbursement Conditions as defined in Sub-clause 4.5 (*Disbursement Conditions*) below have been fulfilled by the Borrower, the

CEB shall deliver to the Borrower a disbursement notice substantially in the form set out under Appendix 3 hereto (hereinafter, a “Disbursement Notice”). Each Disbursement Notice shall be sent at least two (2) Business Days before the proposed Disbursement Date.

A Disbursement Notice shall specify:

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

If the Borrower has submitted to the CEB a Disbursement Request in which the Borrower has not proposed a Fixed Interest Rate or a Floating Interest Rate, the Borrower shall be deemed to agree in advance to the one subsequently specified by the CEB in the Disbursement Notice.

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

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

#### **4.4 Disbursement Period**

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

- (i) the issue of a Disbursement Request for the first Tranche beyond twelve (12) months after the Effective Date;
- (ii) the issue of any further Disbursement Request beyond eighteen (18) months after the last disbursement; or
- (iii) the issue of any further Disbursement Request beyond the Closing Date specified under Appendix 1 hereto.

#### **4.5 Disbursement Conditions**

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

- (i) Legal opinion in English issued by CEB’s external legal advisors, confirming to the CEB’s satisfaction, substantially in the form set out under Appendix 2 hereto, that the Agreement has been duly executed by authorised representatives of the Borrower and

that the Agreement is valid, binding and enforceable in accordance with its terms in the Borrower's jurisdiction.

- (ii) Evidence in English (*e.g.*, Statute, Resolution, Power of Attorney, etc.) to the CEB's satisfaction of the person(s) authorised to execute the Agreement and the Disbursement Requests on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s).
  - (iii) Evidence of publication of the Agreement and the Loan Regulations in the manner as required under Slovak law.
  - (iv) A certificate from the Borrower substantially in the form set out under Appendix 5 hereto (*Form of Compliance Certificate re. Financial Ratios*), signed by the Borrower's chief finance officer (CFO) and the Borrower's Head of the Department of Financial Relations and certified by the Borrower's external auditor, confirming that (i) the Borrower is in compliance with the financial ratios set forth under Sub-clause 6.5(b) as of the end of the preceding financial year, together with evidence of such compliance and related calculations, and (ii) no Material Adverse Change has occurred.
- (b) Conditions precedent to any further Disbursement Request:
- (i) In the event there has been a change regarding the person(s) authorised to execute Disbursement Requests on behalf of the Borrower, the Borrower shall provide CEB with updated evidence of the person(s) authorised to execute the corresponding Disbursement Requests on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s).
  - (ii) Sub-project Identification Report/Completion Report confirming to the CEB's satisfaction the full Allocation of the previous Tranche.
  - (iii) A certificate from the Borrower substantially in the form set out under Appendix 5 hereto (*Form of Compliance Certificate re. Financial Ratios*), signed by the Borrower's chief finance officer (CFO) and the Borrower's Head of the Department of Financial Relations and certified by the Borrower's external auditor, confirming that (i) the Borrower is in compliance with the financial ratios set forth under Sub-clause 6.5(b) as of the end of the preceding financial year, together with evidence of such compliance and related calculations, and (ii) no Material Adverse Change has occurred.

#### 4.6 Repayment

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

#### 4.7 Early Reimbursement

##### (a) Mechanics

If in any event specified in this Agreement referring to this Sub-clause the Borrower ought to reimburse prior to maturity all or part of a Tranche, the Borrower shall give at least a one (1) month prior written notice to the CEB (hereinafter, the "**Early Reimbursement Notice**") specifying the amounts to be reimbursed, the date on which the reimbursement will take place (hereinafter, the "**Early Reimbursement Date**") and, upon prior consultation with the CEB, the maximum Early

Reimbursement Costs. The Early Reimbursement Date shall fall on an Interest Payment Date, unless otherwise agreed in writing by the CEB.

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

An Early Reimbursement Confirmation matching the elements included in an Early Reimbursement Notice shall constitute an irrevocable and unconditional commitment on the part of the Borrower to reimburse the relevant amounts to the CEB under the terms and conditions specified in the Early Reimbursement Confirmation.

If the Borrower partially reimburses a Tranche, the reimbursed amount shall be applied *pro rata* to each outstanding principal repayment. In such an event, the Early Reimbursement Confirmation shall accordingly include an adjusted repayment schedule which shall be binding on the Borrower.

#### (b) Early Reimbursement Costs

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

#### 4.8 Interest Determination

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

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

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

#### 4.9 Default Interest Rate

In the event that the Borrower fails to pay, in full or in part, any amount under the Agreement, and notwithstanding any other recourse available to the CEB under the Agreement or otherwise, the Borrower shall pay interest on such unpaid amounts from the due date until the date of receipt of such payment by the CEB at the interest rate *per annum* equal to the one-month EURIBOR quoted on the due date plus two hundred and fifty basis points (250 bps) (hereinafter, the “**Default Interest Rate**”).

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

#### 4.10 Market Disruption Event

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

For the purposes of the Agreement, "Market Disruption Event" refers to the following circumstances:

- (a) The Reuters page referred to under the EURIBOR definition does not indicate the required details or is not accessible.

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

If at least two (2) quotations are provided, the applicable EURIBOR for that Interest Determination Date shall be the arithmetic mean of all quotations provided.

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

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

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

- (c) At any time between the delivery of a Disbursement Notice and the Disbursement Date the CEB reasonably determines that there are exceptional and unexpected circumstances of an economic, financial, political or other external nature adversely affecting the CEB's access to its sources of funding.

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

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

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

the Borrower a notice thereof. Any such change to an Interest Period shall take effect on the date specified by the CEB in such notice.

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

#### **4.11 Payments**

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

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

### **5. PROJECT IMPLEMENTATION**

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

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

#### **5.1 Duty of Care**

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

#### **5.2 Allocation Period**

The Borrower shall allocate each Tranche to the Project within twelve (12) months after the relevant Disbursement Date (the "**Allocation Period**").

If a Tranche disbursed by the CEB is not allocated to the Project or is only partially allocated to it within the Allocation Period, the Borrower shall reimburse the unallocated amounts to the CEB in accordance with Sub-clause 4.7.

#### **5.3 Project Costs**

The Loan proceeds allocated to the Project shall not exceed sixty-three per cent (63%) of the total Project's eligible costs specified under Appendix 1.

If the Tranches disbursed under the Loan eventually exceed the above mentioned sixty-three per cent (63%) of the total Project's eligible costs (by reduction of the total eligible costs or otherwise), the Borrower shall reimburse the surplus to the CEB in accordance with Sub-clause 4.7.

#### **5.4 Procurement**

Procurement of supplies, works and services to be financed under the Project shall comply with the Procurement Guidelines.

#### **5.5 Environmental and Social Safeguards**

The Borrower shall implement the Project in conformity with the requirements set forth in the Environmental and Social Safeguards Policy. In particular, the Borrower shall implement the Project in conformity with the respective generally binding regulations of the Slovak Republic and EU environmental regulations, including the EU Directive on Environmental Impact Assessment (hereinafter, "EIA").

The Borrower shall ensure that if, in accordance with the relevant EU Directive on EIA and the Slovak EIA Act No. 24/2006 Coll. (as amended from time to time), the need for an EIA or land acquisition is identified for a given Sub-project, the CEB is informed and is given the possibility of Sub-project review before allocation of CEB funds to the Sub-project.

In addition, the Borrower shall, as soon as it becomes aware, inform the CEB of any actual or potential action, protest, complaint or litigation, undertaken by third parties in connection with the Project or its environmental impact.

#### **5.6 Human Rights**

The Borrower shall ensure that the implementation of the Project will not give rise to a violation of (i) the European Convention on Human Rights; or (ii) the European Social Charter.

#### **5.7 Integrity**

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

#### **5.8 Visibility**

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

### **6. MONITORING AND UNDERTAKINGS**

#### **6.1 Reporting**

##### **(a) Sub-project Identification Report**

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

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

In case any Sub-project to which the Tranche has been allocated does not comply with the eligibility criteria set forth under Appendix 1, the Borrower shall timely allocate the relevant amounts to other eligible Sub-projects or otherwise reimburse the unallocated amounts to the CEB in accordance with Sub-clause 4.7.

#### (b) Completion Report

Upon full Allocation of the Tranches, the Borrower shall submit a completion report (hereinafter, a "**Completion Report**") including an appraisal of the Project's environmental and social impact.

Appendix 4 hereto provides a template specifying the minimum information required by the CEB. Alternative formats containing the same information may also be used.

### 6.2 Visits

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

### 6.3 Audit

Should the Borrower fail to comply with any of its undertakings under the Agreement, the Borrower undertakes to favourably receive any on-site audit, carried out by the CEB's staff members or designated third parties, which shall be at the Borrower's expense.

### 6.4 Project Information

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

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

The Borrower shall inform the CEB immediately of any event that may have a material adverse impact on the implementation of the Project, including but not limited to:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any material litigation that is commenced or threatened against it with regard to procurement or environmental or other matters affecting the project; and
- (ii) any enactment of or any amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation).

Any event that may have a material adverse impact on the implementation of the Project would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the

early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

## 6.5 Borrower Information

The Borrower shall deliver to the CEB:

- (i) as soon as they become available, but in any event by 30 September of each year:
  - i. its audited consolidated and unconsolidated Balance Sheet, Profit and Loss Account for the preceding financial year, together with the auditors' report relating thereto; and
  - ii. a certificate substantially in the form set out under Appendix 5 hereto (*Form of Compliance Certificate re. Financial Ratios*), signed by the Borrower's chief finance officer (CFO) and the Borrower's Head of the Department of Financial Relations and certified by the Borrower's external auditor, confirming that (i) the Borrower is in compliance with the financial ratios set forth under Sub-clause 6.5(b) as of the end of the preceding financial year, together with evidence of such compliance and related calculations, and (ii) no Material Adverse Change has occurred;
- (ii) the budget resolution for the next budget year, immediately after its adoption but not later than 30 June of the relevant financial year;
- (iii) any adopted long-term annual budget projections, including capital expenditures and investment plan for each of the following three years, as well as all information on any modifications to these long-term annual budget projections;
- (iv) upon CEB's request, a copy of the full version of the Borrower's annual report for the previous year by 30 September of each year and any other information on its general financial situation as the CEB may reasonably require;
- (v) the calculation of the water and sewerage prices for the upcoming calendar year no later than 31 December of the preceding calendar year; and
- (vi) the decision of the Slovak Regulatory Office for Network Industries on the approval of water and sewerage prices for each calendar year, no later than 31 March of the calendar year to which the relevant decision of the Slovak Regulatory Office for Network Industries applies, and in case of changes to any previous approval decision the approval decision as amended, supplemented and/or restated.

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

### (a) Cross-Default

The fact that, following any default in relation thereto, the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, repay or terminate ahead of maturity any Debt Instrument or

any commitment in connection with any other Debt Instrument is cancelled or suspended, would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(b) Financial Ratios

The Borrower shall at all times until full discharge of its obligations under this Agreement, comply with the following financial ratios to be calculated based on the consolidated financial accounts:

- (i) the Borrower's DSCR shall be greater than or equal to 1.20;
- (ii) The Borrower's DEBT / EBITDA shall be lower than or equal to 6.00 and greater than or equal to zero; and
- (iii) The Borrower's Equity Ratio shall be greater than or equal to 55%.

Failure to comply with the provisions set forth hereby under Sub-clause 6.5 b) would constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(c) Change of Status

The Borrower shall promptly inform the Bank if a Change-of-Status Event has occurred or is likely to occur. Upon reception of the Borrower's notification or if the CEB has reasonable grounds to believe that a Change-of-Status Event has occurred or is about to occur, the CEB may request that the Borrower consult with it. Such consultation shall take place within thirty (30) days from the date of the CEB's request. If, as the result of the consultation, or, as the case may, after the lapse of thirty (30) days from the date of such request for consultation, the CEB is of the reasonable opinion that the effects of the Change-of-Status Event cannot be mitigated to its satisfaction, the occurrence of such Change-of-Status Event will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

For the purposes of this Clause a "Change-of-Status Event" occurs if the Borrower enters into any amalgamation, demerger, merger, reconstruction or reorganisation which, in the reasonable opinion of the Bank, would materially impair the Borrower's ability to perform any of its payment or other obligations under this Contract.

(d) Change of law

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. Upon reception of the Borrower's notification or if the Bank has reasonable grounds 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, as the result of the consultation, or, as the case may, after the lapse of 30 (thirty) days from the date of such request for consultation, the Bank is of the reasonable opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the occurrence of

such Change-of-Law Event will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

For the purposes of this Clause "**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 Agreement and which, in the opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Agreement."

## **6.6 Borrower's Undertakings**

The Borrower undertakes during the entire duration of the Agreement:

- (a) to inform the CEB prior to any payment of profits/dividends to the Borrower's shareholders;
- (b) not to pay out profits/dividends to its shareholders in excess of two (2) million Euros (EUR 2 000 000) in aggregate during a period of one calendar year without the prior written consent of the CEB; and
- (c) without the prior written consent of the CEB not to enter into any other Debt Instrument, or other agreement of similar nature, that would cause an obligation of the Borrower to repay the funds provided to the Borrower or any third party, other than this Agreement.

Failure to comply with the provisions set forth hereby under Sub-clause 6.6 would constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

## **7. PARI PASSU**

Failure to comply with the provisions set forth hereby under Clause 7 would constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

### **7.1 Ranking**

The Borrower shall ensure that its payment obligations under this Agreement rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under its Debt Instruments.

### **7.2 Security**

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

This provision shall not apply to a Security:

- (a) created on property at the time of purchase solely as security for the payment of the purchase price or for the payment of debt incurred for the purpose of financing the purchase of such property;
- (b) created in the ordinary course of banking transactions and securing a Debt Instrument maturing not more than one (1) year after the date on which it is originally incurred;
- (c) previously approved by the CEB.

### **7.3 Clause by Inclusion**

Should any Borrower's Debt Instrument include clauses regarding a loss-of-rating, financial ratios or *pari passu* that are stricter than any equivalent provision of this Agreement, the Borrower shall so inform the CEB and shall, at the request of the CEB by means of a written notice, execute within the period indicated in the CEB's notice, an amendment to this Agreement to provide an equivalent provision in favour of the CEB.

### **7.4 Prepayment to Third Parties**

Should the Borrower prepay in whole or in part, voluntarily or otherwise, any Debt Instrument, the Borrower shall so inform the CEB.

Should the prepayment described above be in favour of other international financial institutions, the Borrower shall, upon CEB's request, reimburse to the CEB the amounts disbursed under the Loan in accordance with Sub-clause 4.7 in such proportion as the prepaid amount bears to the corresponding Debt Instrument. The aforementioned does not concern prepayments to revolving credit facilities which remain open for drawing on the same terms after such prepayment.

For the purposes of the Agreement, "**Prepayment**" means a repayment in advance of maturity.

## **8. REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants that:

- (a) it is a joint-stock company duly incorporated and validly existing under the laws of the Slovak Republic and carries out its business according to the laws, decrees, regulations, articles of association and other texts applicable to it;
- (b) its competent bodies have authorised it to enter into the Agreement and have given the signatory(ies) the authorisation therefor, in accordance with the laws, decrees, regulations, articles of association and other texts applicable to it;
- (c) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Agreement do not:
  - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;

- (ii) contravene or conflict with any agreement or other Debt Instrument binding upon it which might reasonably be expected to give rise to a Material Adverse Change;
- (d) no event or circumstance is outstanding that constitutes a default under any other agreement or Debt Instrument, which is binding on it or to which its assets are subject, which might reasonably be expected to give rise to a Material Adverse Change;
- (e) no Security has been granted to a third party in breach of Sub-clause 7.2;
- (f) there are no administrative, court or other proceedings initiated by any third party against the Borrower which could have a material adverse effect on the Borrower's ability to fulfil its obligations under the Agreement;
- (g) it has not failed to fulfil or breached any of the agreements to which it is party or which is binding upon it, where such failure or breach would have a material adverse effect on the Borrower's ability to fulfil its obligations under the Agreement;
- (h) no litigation, arbitration or administrative proceedings of or before any court, arbitral tribunal or agency which might reasonably be expected to give rise to a Material Adverse Change have (to the best of its knowledge and belief) been started or threatened against it;
- (i) it is not a Company in Crisis;
- (j) its center of main interests is located in the Slovak Republic and the Borrower has no establishment/branch/business outside the Slovak Republic; and
- (k) it has received a copy of the Loan Regulations, the Loan Policy, the Environmental and Social Safeguards Policy and the Procurement Guidelines and has taken note thereof.

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

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

## **9. THIRD PARTIES**

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

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

## 10. NON-WAIVER

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

## 11. ASSIGNMENT

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

The CEB may assign all or part of its rights and benefits or transfer all or part of its rights, benefits and obligations under this Agreement.

## 12. GOVERNING LAW

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

## 13. DISPUTES

Disputes between the parties to the Agreement shall be subject to arbitration under the conditions laid down in Chapter 4 of the Loan Regulations.

The Parties agree not to take advantage of any privilege, immunity or legislation before any jurisdictional or other authority, whether domestic or international, in order to object to the enforcement of an award handed down under the conditions laid down in Chapter 4 of the Loan Regulations.

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

## 14. NOTICES

Any notice or other communication to be given or made under this Agreement to the CEB or the Borrower shall be in writing and shall be deemed to have been duly given or made when it is delivered by registered mail or facsimile by one Party to the other Party's address specified below:

For the Borrower:

Bratislavská vodárenská spoločnosť  
Prešovská 48  
826 46 Bratislava 29  
Slovak Republic

Attention:

For the CEB:

Council of Europe Development Bank  
55 Avenue Kléber  
75116 Paris  
France

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

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

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

## **15. TAXES AND EXPENSES**

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

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

Notwithstanding the above, Article 4.7 (*Cost of arbitration*) of the Loan Regulations shall apply regarding the costs of the arbitration set forth under Clause 13.

## **16. DISCHARGE**

After repayment of all outstanding principal under the Loan as well as payment of all interests and other expenses resulting from the Agreement, including in particular those amounts under Sub-clause 4.9 and Clause 15, the Borrower shall be fully released from its obligations towards the CEB, with the exception of those set out in Clause 6 above for the purposes of a possible evaluation of the

Project, which shall not take place later than four (4) years following the repayment of all outstanding principal under the Loan.

**17. ENTRY INTO FORCE AND EFFECTIVENESS**

The Agreement shall enter into force and become effective upon (i) execution by the Parties and (ii) publication of the Agreement and the Loan Regulations as required under Slovak law.

**IN WITNESS THEREOF** the Parties have caused the Agreement to be executed in two (2) originals, each of which is equally valid. One (1) original is kept by each of the Parties.

04 AUG. 2020

Bratislava, on .....  
For the Borrower



Paris, on 7 July 2020  
For the CEB



## APPENDIX 1

### Project Description

I. <b>LD</b>	LD 1970 (2018)
<b>Borrower</b>	Bratislavská vodárenská spoločnosť, a.s. (Bratislava Water Company)
<b>Loan Type</b>	Programme Loan
<b>Loan Amount</b>	EUR 50,000,000
<b>Approvals by the CEB's Administrative Council</b>	15 June 2018 and 3 July 2020

II. <b>Sector(s) of action</b>	Protection of the environment Improving living conditions in urban and rural areas
<b>Location</b>	Bratislava Region, Trnava Region (Senica and Skalica Districts) and Trenčín Region (Myjava District), Slovak Republic
<b>Beneficiaries</b>	Inhabitants of the Regions mentioned above.
<b>Project Total Cost</b>	Estimated EUR 80,000,000
<b>Financing Plan</b>	<ul style="list-style-type: none"> <li>• CEB's Loan: EUR 50 million</li> <li>• Borrower's own funds: EUR 30 million</li> <li>• Structural Funds and Cohesion Fund of the EU</li> </ul>
<b>Closing Date</b>	30 June 2022

<b>Eligibility Criteria</b>	<p>The Loan may be allocated to all investments and maintenance costs (Sub-projects) incurred by the Borrower from 1 January 2017 and which are eligible under CEB's Sectors of Action described below:</p> <ul style="list-style-type: none"> <li>• "Protection of the environment" sector</li> </ul> <p>The CEB finances sub-projects that contribute to protecting and improving the environment, and thus to improving living conditions. In parallel to its specific action in this sector, the CEB also systematically takes into account the environmental aspects of all the projects that it appraises, regardless of the sector concerned.</p> <p>The CEB can finance sub-projects concerned with:</p> <ol style="list-style-type: none"> <li>i. reduction and treatment of solid and liquid waste;</li> <li>ii. clean-up and protection of surface and underground water;</li> <li>iii. decontamination of soils and aquifers;</li> <li>iv. protection against noise;</li> <li>v. production of renewable energy;</li> <li>vi. energy saving measures (excluding energy production/distribution);</li> <li>vii. reduction of air pollution;</li> </ol>
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- viii. protection and development of biodiversity;
- ix. cleaner transport means and networks.

Lastly, these projects must concern populations defined at local or regional level.

- "Improving living conditions in urban and rural areas" sector

Sub-projects aimed at improving living conditions in urban areas must concern rundown neighbourhoods or urban areas lacking of urban infrastructure and/or social and cultural amenities.

Sub-projects aimed at improving living conditions in rural areas must concern regions characterised by a low population density or activities in fields such as agriculture, forestry, aquaculture and fishing, as defined by national legislation.

The CEB finances sub-projects involving the construction or rehabilitation of infrastructure aimed at urban or rural modernisation. Only those infrastructure investments included in the national, regional or municipal budget will be considered as eligible, such as:

- i. utilities such as water mains, electricity and gas supplies, sewers, treatment of solid and liquid waste;
- ii. local road network infrastructure and maintenance;
- iii. local public transportation infrastructure, equipment and maintenance;
- iv. public lighting;
- v. district heating;
- vi. community services, educational and medical facilities;
- vii. temporary shelters and social housing;
- viii. socio-cultural or sports facilities such as playgrounds, green spaces, exhibition sites, theatres and libraries;
- ix. development of industrial estates;
- x. irrigation networks in rural areas;
- xi. administrative buildings and public housing.

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

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

	<ul style="list-style-type: none"> <li>• Exclusion List</li> </ul> <p>The following economic sectors and activities defined by the NACE nomenclature of the European Union shall be excluded from CEB financing:</p> <ul style="list-style-type: none"> <li>• Mining and quarrying (NACE B) except division 8 Other mining and quarrying (8.1 Quarrying of stone, sand and clay; 08.91 Mining of chemical and fertiliser minerals and 08.92 Extraction of peat; 08.93 Extraction of salt)</li> <li>• Distilling, rectifying and blending of spirits (NACE C11.01)</li> <li>• Manufacture of tobacco products (NACE C12)</li> <li>• Manufacture of coke and refined petroleum products (NACE C19)</li> <li>• Processing of nuclear fuel (NACE C24.46)</li> <li>• Manufacture of weapons and ammunition (NACE C25.4)</li> <li>• Manufacture of military fighting vehicles (NACE C30.4)</li> <li>• Financial and insurance activities (NACE K64-66)</li> <li>• Real Estate Activities (NACE L68)</li> <li>• Gambling and betting activities (NACE R92)</li> <li>• Activities of membership organisations (NACE S94)</li> <li>• Activities of extraterritorial organisations and bodies (NACE U99)</li> </ul> <p>Investment sub-projects linked to pornography and to products regarded by the CEB's member states regulations as harmful to the health and the environment shall also be excluded.</p>
<p><b>Eligible Costs</b></p>	<p>The costs eligible for CEB financing include:</p> <ol style="list-style-type: none"> <li>i. The surveys or studies (technical, economic or commercial, engineering) the technical supervision of the project and other project related professional services. These costs should not exceed 5% of the total cost of the project, unless justified;</li> <li>ii. The acquiring land directly linked to a project, at its purchase price, unless it has been donated or granted;</li> <li>iii. Preparation of the land;</li> <li>iv. Construction/renovation/modernization or purchase of buildings directly linked to a project;</li> <li>v. The installation of basic infrastructure such as sewerage, water supply, electricity and telecommunications networks, waste disposal and waste water treatment, roads, etc.;</li> <li>vi. The maintenance of the viability and</li> </ol>

	<p>sustainability of the public services;</p> <p>vii. The purchase of materials, equipment and machinery, including IT equipment and software, as well as the related costs linked to the training of staff;</p> <p>viii. Technical assistance.</p> <p>Contingencies for unanticipated costs (technical and/or price increases) can be financed by CEB. These represent financial coverage in respect of possible changes in the quantity of work required, or of unit prices, in the type and quantity of equipment to be purchased or in the method of carrying out the project. Depending on the sector of activity and the various components of the project, these contingencies may represent up to 10% of the total cost of the project.</p> <p>Maintenance costs can represent a maximum share of 20% of the total Programme cost.</p> <p>CEB loans cannot cover staff costs (wages/salaries and other related benefits such as pension payments), financial charges and non-cash elements such as depreciation. Such costs may however be considered eligible when they relate to project management or technical assistance required for project preparation and implementation</p> <p>Financial costs or investments (payment of debts, refinancing, interest charges, acquisition of interest in the capital of an enterprise, etc.) cannot be included in the estimated cost of the project and cannot be financed by the CEB.</p> <p>Expenditures for "soft" projects (e.g.: trainings, information system designed to provide service and information to the public and public authorities, IT hardware, etc.) will be considered as eligible.</p> <p>Non-deductible and non-refundable VAT and other tax-related costs non-deductible and non-refundable can be considered as eligible costs.</p>
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<p>IV. <b>Social impact</b></p>	<p>The social effect would stem from:</p> <ul style="list-style-type: none"> <li>• Increasing access to water supply and waste treatment services: the provision of new connections and direct services for the beneficiaries are expected. However, at this stage there is insufficient data to quantify the Programme's expected contribution to this objective. Indeed, in the area, the developers of the new residential areas are in charge of constructing the water</li> </ul>
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	<p>supply, sewerage and potential drainage networks, according to the specifications provided by BWC. At this stage, BWC could not indicate the total number of new direct beneficiaries of the service. However, the average from previous years is around 500 new households' connections per year for both water supply and wastewater, therefore it is estimated that in four years, approximately 2500 new households would be newly connected to the system.</p> <ul style="list-style-type: none"><li>• Improving the quality of the service to over 700 000 inhabitants, notably by increasing the reliability of the network, ensuring sufficient quality and quantity of drinking water in all of BWC's service areas, reducing the cost of the operation of the network. All planned investments would have a direct positive social impact in relation to the households connected, but also an indirect impact in terms of enhancing the resilience of the system as a whole. All connected inhabitants would indirectly benefit from the investments.</li></ul>
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## APPENDIX 2

### Form of Legal Opinion (Framework Loan Agreement)

[INSERT LETTERHEAD]

Council of Europe Development Bank  
55, avenue Kléber  
F-75116 Paris

Attn: Projects Department  
Cc: Office of the General Counsel

[INSERT DATE]

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

Dear Sir or Madam,

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

For the purposes of this opinion, I/we have examined a copy of the Agreement and such other documents, acts or treaties as I/we have considered necessary or desirable to examine in order to give this opinion.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified. Based on the foregoing, I am/we are of the opinion<sup>1</sup> that:

1. **Status and incorporation.** The Borrower is a joint-stock company, duly organised and validly existing under the laws of [INSERT JURISDICTION], having its registered office at [●], and registered with [INSERT THE NAME OF TRADE/COMPANIES REGISTER] under registration number [●].
2. **Capacity, power and authority.** The Borrower has the legal capacity, power and authority to enter into the Agreement and perform its obligations thereunder.
3. **Internal authorisations.** All action required from the Borrower for the execution and performance of the Agreement, including any required authorisation from its competent bodies, has been duly and effectively taken. In particular, no further action is required from the Borrower, apart from execution by a duly empowered representative of the Borrower, in order to issue a Disbursement Request under the Agreement.
4. **Constitutive documents.** The execution by the Borrower of the Agreement does not, and the performance by the Borrower of the obligations to be assumed by it thereunder will not, violate or conflict with any provision of its articles of association.

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<sup>1</sup> The opinion will be subject to assumptions and qualifications usual and standard market practice in the relevant jurisdiction and for the type of transaction is opined on.

5. **No insolvency.** No restructuring or bankruptcy proceedings over the Borrower were commenced with [INSERT THE NAME THE COURT], and no termination of operations or dissolution of the Borrower was recorded, as at the date of the [●].
6. **Due execution and validity.** The Agreement was duly executed by [INSERT NAME OF THE SIGNATORY/IES] as duly empowered representative(s) of the Borrower and gives rise to legally valid, binding and enforceable undertakings for the Borrower.
7. **External authorisations, public consents and filings.** No authorisations, consents, licences, exemptions, filings, notarisations or registrations are required in [INSERT JURISDICTION] in connection with the execution or performance of the Agreement in order to give rise to legally valid, binding and enforceable undertakings for the Borrower and for the Agreement to be admissible in evidence in [INSERT JURISDICTION].
8. **Tax/Stamp duties.** The execution of the Agreement is not subject to any tax or stamp duties in [INSERT JURISDICTION].
9. **Choice of law.** The submission by the Borrower to the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2<sup>nd</sup> September 1949) and secondarily to the laws of France is legally valid and binding on the Borrower under the laws of [INSERT JURISDICTION].
10. **Arbitration.** The submission by the Borrower to the Arbitral Tribunal set forth under Chapter 4 of the CEB's Loan Regulations with respect to any dispute arising out of the Agreement is legally valid and binding on the Borrower. Any award of such Arbitral Tribunal is enforceable in [INSERT JURISDICTION] in accordance with the terms of Article 3 of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2<sup>nd</sup> September 1949).

Yours faithfully,

[●]

[INSERT NAME AND TITLE]

**APPENDIX 3**

**DISBURSEMENT REQUEST (TEMPLATE)**

LD [●] – [●] Tranche

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

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

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

[●], on [●].

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

**DISBURSEMENT NOTICE (TEMPLATE)**

LD [●] – [●] Tranche

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

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

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

Paris, on [●]

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

APPENDIX 4

Reporting (Sub-project Identification Report, Completion Report)

IDENTIFICATION OF ELIGIBLE SUB-PROJECTS																		
LD 1970 (2018) - Slovak Republic - Climate Change Adaptation with BWC CEB Sectors: Improving Living Conditions in Urban and Rural Areas & Protection of Environment										Date of Progress Report: DD/MM/YYYY								
Ref.	Name of Investment	Brief Description of the Investment	Beneficiary Municipalities	Type of Intervention <sup>1</sup>	Type of Works <sup>2</sup>	CEB Sector of Action <sup>3</sup>	Location	Start of Works	Completion of Works	Project Subject to EIA (Yes/No)	Land Acquisition	Costs and Financing						
												Committed budget for 2017-2022	Budgeted Year 1	Budgeted Year 2	Total	Spent Year 1	Spent Year 2	Total Spent
No	Text	Text	Text	Text	Text	Code	Street/District	Date (mm/yy)	Date (mm/yy)	Yes/No	Yes/No	EUR	EUR	EUR	EUR	EUR	EUR	
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		
15																		
16																		
17																		

(1) Water Production; Water Treatment; Chemical, Technical and Laboratory; Sewer System; Water Distribution  
 (2) New construction; Rehabilitation  
 (3) Acronyms to be utilised: ILC for Improving living conditions in urban and rural areas; PE for Protection of Environment  
 (4) Any sub-project total costs exceeding the EUR 5 million threshold shall require a case by case CEB approval.

**TOTAL SPENT**  
 Financed by:  
 Borrower's own funds (excluding CEB loan)  
 CEB Loan

**Global Monitoring Report (Completion Report)**

**Improving Living Conditions in Urban and Rural Areas**

**Global Loan Monitoring Report**

**LD 1970 (2018) - Slovak Republic - Climate Change Adaptation with BWC**

Tranche N°	_____	_____	Population benefiting from investements
Disbursement date	_____	_____	Total number of sub-projects
CEB loan authorised	_____	_____	Number of final borrowers/end clien
CEB loan disbursed	_____	_____	Total utilised/allocated (%)
CEB Interest rate	_____	_____	Average on-lending rate applied by X bank
CEB Maturity	_____	_____	Average maturity applied by X bank

**LOAN BREAKDOWN BY TYPE OF INVESTMENTS**

INFRASTRUCTURE	CEB LOAN	%	Costs	Number of SP	REMARKS

**LOAN BREAKDOWN BY DISTRICT**

DISTRICT	CEB LOAN	%	Costs	Number of SP	REMARKS

**LOAN BREAKDOWN BY TYPE OF WORKS**

WORKS	CEB LOAN	%	Costs	Number of SP	REMARKS
New Construction					
Rehabilitation/Upgrade					

# Protection of the Environment

## Global Loan Monitoring Report

LD 1970 (2018) - Slovak Republic - Climate Change Adaptation with BWC

Tranche N°				Population concerned
Disbursement date				Number of users
CEB loan authorised				Number of end-clients
CEB loan disbursed				Total utilised/allocated (%)
CEB interest rate				Average on-lending rate
CEB Maturity				Average maturity

### LOAN BREAKDOWN BY TYPE OF INVESTMENT

INFRASTRUCTURE	CEB LOAN	%	Costs	Number of SP	REMARKS

### LOAN BREAKDOWN BY ENERGY LEVEL

ENERGY LEVEL	CEB LOAN	%	Costs	Number of SP	REMARKS

### LOAN BREAKDOWN BY DISTRICT

DISTRICT	CEB LOAN	%	Costs	Number of SP	REMARKS

### LOAN BREAKDOWN BY TYPE OF WORKS

INVESTMENT	CEB LOAN	%	Costs	Number of SP	REMARKS
New Construction					
Rehabilitation/Upgrade					





PROCUREMENT PLAN FOR YEAR XXXX

LD 1970 (2018) - Slovak Republic - Climate Change Adaptation with BWC

CEB Sectors: Improving Living Conditions in Urban and Rural Areas & Protection of Environment

(1) Civil Works

Date : ...

1	2	3	4	5	6	7	8	9	10	11	12	13
Sub Pr Ref. No.	Contract Description	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Procurement Method	Domestic Preference (yes/no) %	Review by the Bank PRIOR/POST	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

(2) Goods

1	2	3	4	5	6	7	8	9	10	11	12	13
Sub Pr Ref. No.	Contract Description	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Procurement Method	Domestic Preference (yes/no) %	Review by the Bank PRIOR/POST	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

(3) Services

1	2	3	4	5	6	7	8	9	10	11	12	13
Sub Pr Ref. No.	Description of Assignment	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Procurement Method	Domestic Preference	Review by the Bank PRIOR/POST	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

NB: the Review by the Bank column will be filled in by CEB

NB: the Domestic Preference column must be filled in only in the case of ICB Procurement Method. In the case of other Procurement Methods, please insert "N/A".

**LIST OF AWARDED CONTRACTS**

**LD 1970 (2018) - Slovak Republic - Climate Change Adaptation with BWC**  
**CEB Sectors: Improving Living Conditions in Urban and Rural Areas & Protection of Environment**  
*VAT excluded*

Contract Description			Supplier / Contractor		Contract Provision		Date of Contract signing	Contract Duration (in months)	Category of contracts [2]	Paid in EUR	Period of implementation		Date of Work Reception	Modification (Comments)
Sub Project Ref. No	Contract Ref. No	Title	Object of the Contract	Name	Country	Amount in EUR					Starting	Ending		

[1] CTV = Countenvalue in EUR at the exchange rate in force at the date of contract signing

[2] Acronyms to be used: **W** for Works, **G** for Goods and **S** for services.

[4] CTV = Countenvalue in EUR at the exchange rate in force at the date of payment

## APPENDIX 5

### Form of Compliance Certificate re. Financial Ratios

To: Council of Europe Development Bank

From: Bratislavská Vodárenská Spoločnosť, a.s., having its registered office at Prešovská 48, 826 46 Bratislava, ID No.: 35 850 370, registered with the Commercial Register of the District Court Bratislava I, section Sa, insert no. 3080/B

Date: [●]

Subject: Framework loan agreement between Council of Europe Development Bank and Bratislavská Vodárenská Spoločnosť, a.s. dated [●] (Ref: LD 1970) (the "Agreement")

Dear Sir or Madam,

We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this letter.

Bratislavská Vodárenská Spoločnosť, a.s., hereby confirms that Bratislavská Vodárenská Spoločnosť, a.s., is in compliance with the financial ratios pursuant to Sub-clause 6.5(b) (*Financial Ratios*) of the Agreement:

- (i) DSCR at [INSERT DATE] = [●] (DSCR  $\geq$  1.20);
- (ii) DEBT/EBITDA at [INSERT DATE] = [●] ( $0.00 \leq$  DEBT/EBITDA  $\leq$  6.00); and
- (iii) Equity Ratio at [INSERT DATE] = [●]% (Equity Ratio  $\geq$  55%).

CALCULATIONS: attached hereto as Schedule (*evidence of compliance*) is evidence of the compliance with the financial ratios referred to above, including detailed calculations of the financial ratios on the basis of the consolidated financial statements.

Bratislavská Vodárenská Spoločnosť, a.s., also confirms that no Material Adverse Change has occurred as compared with the situation at the date of signature of the Agreement.

Yours faithfully,

For and on behalf of Bratislavská Vodárenská Spoločnosť, a.s.

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Name:  
Title: [●]

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Name:  
Title: [●]

[CERTIFIED BY: [external auditors of Bratislavská Vodárenská Spoločnosť, a.s.]]