

**AMENDMENT AGREEMENT
TO THE FRAMEWORK LOAN AGREEMENT DATED 4 AUGUST 2020**

between

COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55, Avenue Kléber, 75116 Paris, France (hereinafter referred to as “**CEB**”),

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 referred to as the “**Borrower**”) (together with CEB, hereinafter referred to as the “**Parties**”),

WHEREAS

- 1) The Parties have entered into a framework loan agreement in relation to the sectors of action “Protection of the environment” and “Improving living conditions in urban and rural areas” (LD 1970 (2018)) dated 4 August 2020 with respect to a loan amount of fifty million euros (EUR 50,000,000) (the “**Framework Loan Agreement**”).
- 2) The CEB has approved the modification of certain disbursement conditions and reporting requirements. The Parties therefore wish to amend the Framework Loan Agreement on the terms and conditions set forth in this amendment agreement (the “**Amendment Agreement**”).

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Item (iv) of paragraph (a) (*Conditions precedent to the Disbursement Request for the first Tranche*) of Sub-clause 4.5 (*Disbursement Conditions*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

“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 executive officer (CEO) and chief financial officer (CFO), 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.”

2. Item (iii) of paragraph (b) (*Conditions precedent to any further Disbursement Request*) of Sub-clause 4.5 (*Disbursement Conditions*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

“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 executive officer (CEO) and chief financial officer (CFO), 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.”

3. The first paragraph of Sub-clause 6.5 (*Borrower Information*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

“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 executive officer (CEO) and chief financial officer (CFO), 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) a copy of the full version of the Borrower’s annual report (including the calculation of the financial ratios set forth under Sub-clause 6.5(b)) for the previous year by 30 September of each year and, upon CEB’s request, 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.”

4. Paragraph (b) (*Financial ratios*) of Sub-clause 6.5 (*Borrower Information*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

“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 audited financial statements:

- (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.”

5. Appendix 5 (*Form of Compliance Certificate re. Financial Ratios*) to the Framework Loan Agreement shall be deleted in its entirety and replaced with the appendix attached to this Amendment Agreement.
6. As of the date hereof, references in the Framework Loan Agreement to “the Agreement”, “hereunder”, “herein” and like terms or to any provision of the Framework Loan Agreement shall be construed as a reference to the Framework Loan Agreement as amended by virtue of this Amendment Agreement. This Amendment Agreement shall in no way be deemed to be a novation of the Framework Loan Agreement.
7. All other terms and conditions of the Framework Loan Agreement that are not hereby amended shall remain in full force and effect. Terms defined in the Framework Loan Agreement shall have the same meaning herein, unless otherwise specified.
8. Clause 9 (*Third Parties*), Clause 10 (*Non-waiver*), Clause 11 (*Assignment*), Clause 12 (*Governing Law*), Clause 13 (*Disputes*), Clause 14 (*Notices*) and Clause 15 (*Taxes and Expenses*) of the Framework Loan Agreement are hereby incorporated into this Amendment Agreement as if set out in full herein and as if references therein to “the Agreement” and like terms are references to this Amendment Agreement.

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

This Amendment Agreement shall enter into force upon (i) execution by the Parties and (ii) publication of this Amendment Agreement as required under Slovak law.

For Bratislavská Vodárenská spoločnosť a.s.:

Name: JUDr. Peter Dlajoš

Title: predseda predstavenstva

Date: 14. 04. 2021

Name: Ing. Emerich Šínka

Title: člen predstavenstva

Date: 14. 04. 2021

For Council of Europe Development Bank:

Tomáš Boček
Vice-Governor

Name: Tomas BOCEK

Title: Vice-Governor

Date: 23/03/2021

Appendix

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 audited 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.

Name:
Title: [●]

Name:
Title: [●]