

Corporate Use

Contract Number (FI N°) 96.760 (RO)

Operation Number (Serapis N°) 2023-0374

EIB Internal Classification Level: Corporate Use

BUCHAREST SUSTAINABLE URBAN INFRASTRUCTURE

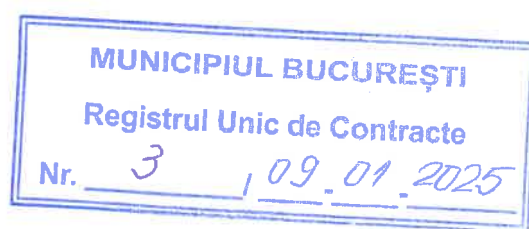
Finance Contract

between the

European Investment Bank

and

Municipality of BUCHAREST



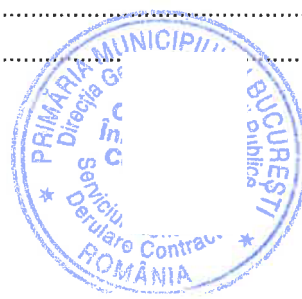


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THIS CONTRACT IS MADE BETWEEN:

The European Investment Bank (the "**Bank**")
having its seat at 100 blvd Konrad
Adenauer, Luxembourg, L-2950
Luxembourg, I

of the first part, and

Municipiul Bucuresti, having its (the "**Borrower**")
seat at 47 Regina Elisabeta Blvd,
Sector 5, Bucharest, represented
by the Mayor, I

of the second part.

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

**WHEREAS:**

- (a) The Borrower has stated that it is undertaking investments in the public transport (PT) and district heating (DH) networks as follows: rehabilitation of approximately 50 kms of tram tracks including platforms and the related contact network, tram acquisition, depot modernisation and rehabilitation of the hot water transmission pipelines by replacing approx. 106 km channel length of pipes more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1 (the "**Project**").
- (b) The total cost of the Project, as estimated by the Bank, is EUR 1,340,010,000.00 (one billion three hundred forty thousand million ten thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR m)
Own funds and European Union funds, etc.	1040.01
Credit from the Bank	300
TOTAL	1340.01

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit of EUR 300,000,000.00 (three hundred million euros).
- (d) The Bank considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request and to provide it with credit of up to EUR 300,000,000.00 (three hundred million euros) (the "**Approved Credit**"). The Approved Credit is to be extended to the Borrower subject to the terms and conditions of several finance contracts. The finance contracts will be entered into and the Approved Credit will be available for disbursement subject to the indebtedness thresholds applicable to the Borrower and provided at all times that:
- (i) the aggregate amount of the Bank's loans disbursed under the Approved Credit shall not, in any case, exceed 50% (fifty per cent);
 - (ii) the aggregate of funds from the European Union (e.g. ESIF funds) and the Bank's loans disbursed under the Approved Credit shall at no time exceed 70% (seventy per cent)

of the total cost of the Project set out in Recital (b).

A first portion of the Approved Credit in the amount of EUR 34,400,000 (thirty-four million four hundred thousand euros) is extended pursuant to the terms and conditions of this finance contract to finance the Project component relating to the district heating network (the "**Contract**").

- (e) The General Council of the Municipality of Bucharest has approved the borrowing of the sum of EUR 34,400,000 (thirty-four million four hundred thousand euros) represented by this credit on the terms and conditions set out in this Contract. The Commission for Approval of Local Debentures within the Romanian Ministry of Public Finance has authorised the borrowing (*contractarea*) of the sum of EUR 34,400,000 (thirty-four million four hundred thousand euros) represented by this credit.
- (f) The obligations of the Borrower under this Contract are to be secured by the Borrower under a guarantee over the Borrower's revenues (*garantare prin venituri proprii as venituri proprii* are defined in art. 5 para. (1) letter a) of the Local Public Finance Law) and a mortgage over bank and Romanian State Treasury accounts of the Borrower where such own revenues of the Borrower are being collected, in favour of the Bank (the "**Guarantee and Mortgage**") by the execution of a guarantee and mortgage agreement (the "**Guarantee and Mortgage Agreement**").
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.





- (h) The financing of the Project includes certain state subsidies or grants and the provision of such funds has been duly authorised and will be provided in compliance with all relevant legislation of the European Union. The Project benefits from European Union funding in the form of a grant for the district heating component from the European Structural and Investment Funds (ESIF) and will benefit from European Union funds from the Regional Operational Programme (2021-2027) to support the implementation of the public transport investments. The grant component from ESIF has been cleared by the EC for State Aid (see State Aid SA.57425 (2020/N) – Romania).
- (i) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.
- (j) The processing of personal data shall be carried out by the Bank in accordance with applicable EU Law on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.
- (k) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties.¹



¹ <http://www.eib.org/about/compliance/tax-good-governance/index.htm?f=search&media=search>



NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) references to Articles, Recitals and Schedules are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals and schedules to this Contract;
- (b) references to "law" or "laws" mean:
 - (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
 - (ii) EU Law;
- (c) references to "applicable law", "applicable laws" or "applicable jurisdiction" mean:
 - (i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets and/or the Project; and/or, as applicable
 - (ii) a law or jurisdiction (including in each case the Bank's Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
- (d) references to a provision of law or a treaty are references to that provision as amended, supplemented or re-enacted;
- (e) references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;
- (f) words and expressions in plural shall include singular and vice versa;
- (g) terms defined in the GDPR (as defined below), including the terms "controller", "data subject", "personal data", "processing", and "processor", have the same meanings when used in Recital (j), or Article 6.10 of this Contract; and
- (h) references to "month" mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule Band unless provided otherwise in this Contract:
 - (i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
 - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month;
- (i) a reference in this Contract to a page or screen of an information service displaying a rate shall include:
 - (i) any replacement page of that information service which displays that rate; and
 - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,
 and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Bank.





Definitions

In this Contract:

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

"Administrative Code" means Romanian Government Emergency Ordinance No. 57/2019 concerning the administrative code.

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

"AML Criminal Law Directive" means Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, as amended, supplemented or restated.

"AML Directives" means the 4th and 5th AML Directives and the AML Criminal Law Directive.

"4th and 5th AML Directives" means Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, and as further amended, supplemented or restated.

"Approved Credit" has the meaning given to it in Recital (d).

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

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

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

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

"Change-of-Law Event" has the meaning given to it in Article 4.3.A(3).

"Compliance Certificate" means a certificate substantially in the form set out in Schedule E.

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

"Contract Number" means the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters "FI N°".

"Credit" has the meaning given to it in Article 1.1.

"Debt Instrument" has the meaning given to it in Article 7.2.

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

- (a) 0.125% (12.5 basis points), per annum; and
- (b) the percentage rate by which:
 - (i) the interest rate net of the Margin that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
 - (ii) EURIBOR (one month rate) less 0.125% (12.5 basis points), unless such rate is less than zero, in which case it shall be set at zero.

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





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

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

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

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

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

"Dispute" has the meaning given to it in Article 11.2.

"Disruption Event" means either or both of:

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

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

"Environment" means the following:

- (a) fauna and flora, living organisms including the ecological systems;
- (b) land, soil, water (including marine and coastal waters), air, climate and the landscape (natural or man-made structures, whether above or below ground);
- (c) cultural heritage (natural, tangible and intangible);
- (d) the built environment; and
- (e) human health and wellbeing.

"Environmental and Social Approval" means any Authorisation required by Environmental and Social Law.

"Environmental or Social Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental and Social Law.

"Environmental and Social Law" means:

- (a) EU Law, including principles and standards;
- (b) Romanian laws; and
- (c) applicable international treaties,

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

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

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

"EURIBOR" has the meaning given to it in Schedule B.





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

"Exclusion Policy" means the European Investment Bank Exclusion Policy as published on the Bank's website.

"Final Availability Date" means the day falling 60 (sixty) months from the signature of this Contract, and if such day is not a Relevant Business Day, then the preceding Relevant Business Day.

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

"Fixed Rate Tranche" means a Tranche on which the Fixed Rate is applied.

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

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

"Floating Rate Tranche" means a Tranche on which the Floating Rate is applied.

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

"Guarantee and Mortgage" has the meaning given to it in Recital (f).

"Guarantee and Mortgage Agreement" has the meaning given to it in Recital (f).

"Illegal Activity/ies" means any of the following illegal activities or activities carried out for illegal purposes according to applicable laws in any of the following areas: (i) fraud, corruption, coercion, collusion or obstruction, (ii) money laundering, financing of terrorism or tax crimes each as defined in the AML Directives, and (iii) other illegal activity against the financial interests of the European Union as defined in the PIF Directive.

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

"Indemnifiable Prepayment Event" means a Prepayment Event other than the Non-EIB Financing Prepayment Event or the Illegality Event.

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

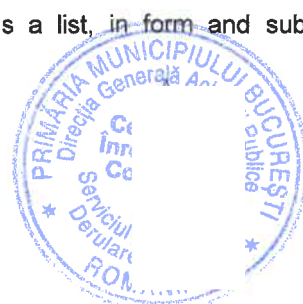
"Interest Revision/Conversion Date" means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.2.B in the Disbursement Offer.

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

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

- (a) the Payment Dates chosen in accordance with the provisions of Article 3.1;
- (b) the amount of the Tranche for which the Interest Revision/Conversion shall apply; and
- (c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

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





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

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

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

"Local Public Finance Law" means Romanian Law no. 273/2006 on local public finance, as amended.

"Long Stop Date" has the meaning given to it in Article 7.3.

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

"Market Disruption Event" means any of the following circumstances:

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

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

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

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

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





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

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

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

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

"PIF Directive" means Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law as amended, supplemented or restated.

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

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

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

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

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

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

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

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

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

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

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

"Relevant Business Day" means a day on which real time gross settlement system operated by the Eurosystem (T2), or any successor system, is open for settlement of payments in EUR.





"Relevant Period" means each period of six months commencing on the day after a Semester Date and ending on the next Semester Date.

"Relevant Person" means, with respect to the Borrower, its mayor, any other official or representative, or any other person acting on its behalf or under its control, having the authority to manage and/or supervise the Credit, the Loan or the Project.

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

"Requested Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(1)(b).

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

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

- (a) the United Nations, including *inter alia* the United Nations Security Council; or
- (b) the European Union, including *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies/institutions or agencies of the European Union.

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

"Security" means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including without limitation *ipotecă (mobiliară sau imobiliară), gaj, privilegiu, garanție reală, garanție financiară, cautiune reală, operațiuni asimilate ipotecilor, cesiune pentru cauză de garanție, servitute, sarcină, uz, uzufruct, privilegiu, drept de preferință, drept de preemțiune, drept de retenție, drept de prim refuz, opțiune*.

"Semester Date" means each of 30 June and 31 December.

"Social Matters" means all, or any of, the following:

- (a) labour and working conditions;
- (b) occupational health and safety;
- (c) rights and interests of vulnerable groups;
- (d) rights and interests of indigenous peoples;
- (e) gender equality;
- (f) public health, safety and security;
- (g) avoidance of forced evictions and alleviation of hardship arising from involuntary resettlement; and
- (h) stakeholder engagement.

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

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

"Technical Description" has the meaning given to it in Recital (a).





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

"UK Sanctions" means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented or enforced from time to time by the government of the United Kingdom, and any department, division, agency, office or authority, including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

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





ARTICLE 1

Credit and Disbursements

1.1 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 34,400,000 (thirty-four million four hundred thousand euros) (the "Credit") for the financing of the Project.

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 4 (four) Tranches. The amount of each Tranche shall be in a minimum amount of EUR 8,000,000 (eight million euros) or (if less) the entire undrawn balance of the Credit.

1.2.B Disbursement Offer

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

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

1.2.C Disbursement Acceptance

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

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

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

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





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

1.2.D Disbursement Account

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

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

Only one Disbursement Account may be specified for each Tranche.

1.3 Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.4 Conditions of disbursement

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

The Borrower shall provide to the Bank:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) the pdf file containing this Contract duly executed by all Parties with visible qualified electronic signatures in the meaning of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC ("QES"); and
- (c) the List of Authorised Signatories and Accounts,

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

1.4.B First Tranche

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

- (a) evidence that the execution of the Guarantee and Mortgage Agreement by the Borrower has been duly authorised and that the person or persons signing the Guarantee and Mortgage Agreement on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) evidence that the Borrower has obtained, and that they remain in force, all necessary consents, Authorisations, licences or approvals of governmental or public bodies or authorities required in connection with this Contract, the Guarantee and Mortgage Agreement and the Project, including but not limited to authorisation from the Commission for Approval of Local Debentures within the Romanian Ministry of Public Finance pursuant to Article 61(3) of the Local Public Finances Law and resolution(s) of the local council of the Borrower together with the minutes of such meeting(s) of the local council of the Borrower, approving the Project;





- (c) evidence of registration of this Contract in the local public debt registry maintained by the Borrower, in accordance with the Local Public Finance Law and evidence of the registration of the Guarantee and Mortgage Agreement in the records of the Borrower, in accordance with the Local Public Finance Law;
- (d) evidence of the submission of this Contract with the Romanian Ministry of Public Finances within 10 (ten) days as of the execution of this Contract, in accordance with the Local Public Finance Law;
- (e) (i) the duly executed Guarantee and Mortgage Agreement, (ii) evidence that the Guarantee and Mortgage Agreement was registered with the National Register for Movable Publicity (*Registrul National de Publicitate Mobiliara*), established pursuant to article 2.413 of the Romanian Civil Code and Romanian Law no. 297/2018 (iii) the duly signed three-party accounts control agreement entered into by the Bank, the Borrower and the account bank(s) holding the bank accounts mortgaged to the benefit of the Bank under the Guarantee and Mortgage Agreement, whereby the Bank is granted control over the respective bank accounts in compliance with the provisions of article 2.410, paragraph (2) letter (b) of the Romanian Civil Code; and (iv) evidence of notification of the Guarantee and Mortgage Agreement to the State Treasury, in form and substance satisfactory to the Bank; and
- (f) a legal opinion in form and substance satisfactory to the Bank issued by Romanian legal counsel (at the cost of the Borrower), confirming *inter alia* (i) due execution of this Contract and the Guarantee and Mortgage Agreement by the Borrower; (ii) capacity and authority of the Borrower to enter into this Contract and the Guarantee and Mortgage Agreement, and (iii) that the Guarantee and Mortgage Agreement creates legal, valid, binding and enforceable Security in favour of the Bank and that each of the provisions of the Contract and of the Guarantee and Mortgage Agreement is legal, valid, binding and enforceable by the Bank.

1.4.C All Tranches

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

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule E signed by an authorised representative of the Borrower and dated no earlier than the date falling 20 (twenty) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);
 - (ii) evidence that sufficient funds have been or will be made available to cover of the total cost of the Project of the total cost of the Project (as per Recital (b)) an amount proportionate to the aggregate of the respective Tranche and previous Tranches, including for the avoidance of doubt, of the Tranche(s) for which a Disbursement Request has been delivered but no Disbursement Notice has been delivered; such funds may include own funds approved by the Borrower's General Municipal Council, allocation of national co-financing or other sources of funding; amounts received or allocated from European Union funds (such as European Structural Investment funds) will be clearly identified;
 - (iii) the full updated Project procurement plan in form and substance satisfactory to the Bank, and ensure that such document is updated for each proposed Tranche;





- (iv) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract, the Guarantee and Mortgage Agreement or the Security provided in respect of this Contract or the legality, validity, binding effect or enforceability of the same;
- (b) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.12 are correct in all respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute:
 - (1) an Event of Default; or
 - (2) a Prepayment Event

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

1.5 Deferment of disbursement

1.5.A Grounds for deferment

1.5.A(1) BORROWER'S REQUEST

The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:

- (a) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
- (b) the date until which the Borrower would like to defer a disbursement of the above amount (the "**Requested Deferred Disbursement Date**"), which must be a date falling not later than:
 - (i) 6 (six) months from its Scheduled Disbursement Date; and
 - (ii) 30 (thirty) days prior to the first Repayment Date; and
 - (iii) the Final Availability Date.

Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

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

- (a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such Accepted Tranche referred to in Article 1.4 is not fulfilled both:
 - (i) at the date specified for fulfilment of such condition in Article 1.4; and
 - (ii) at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).
- (b) The Bank and the Borrower shall agree the date until which the disbursement of such Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling:
 - (i) not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement; and
 - (ii) not later than the Final Availability Date.





- (c) Without prejudice to the Bank's right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5.A(3) DEFERMENT FEE

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

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

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

1.6 Cancellation and suspension

1.6.A Borrower's right to cancel

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

1.6.B Bank's right to suspend and cancel

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

1.6.C Indemnity for suspension and cancellation of a Tranche

1.6.C(1) SUSPENSION

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





1.6.C(2) CANCELLATION

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

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

- (b) Such indemnity shall be:
- (i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
 - (ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:
 - (1) the interest net of the Margin that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over
 - (2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen basis points).

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

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

1.7 Cancellation after expiry of the Credit

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

1.8 Legal Fees

Unless otherwise agreed by the parties, within 45 (forty-five) days from presentation of the relevant invoice, the Borrower will pay to the Bank an amount equivalent to the legal fees and expenses in respect of legal services rendered to the Bank by external legal counsel in connection with this Contract and the Guarantee and Mortgage Agreement and the transaction thereunder, as set out in more detail under the cost recovery letter entered into by the Bank and the Borrower on or about the date of this Contract. Sums under this Article 1.8 shall be payable in EUR.

1.9 Sums due under Article 1.5 and 1.6

Sums due under Articles 1.5, 1.6 and 1.8 shall be payable:

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





ARTICLE 2

The Loan

2.1 Amount of Loan

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

2.2 Currency of payments

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

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

2.3 Confirmation by the Bank

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

ARTICLE 3

Interest

3.1 Rate of interest

For the purposes of this Contract "Margin" means 0.11% (11 basis points).

3.1.A Fixed Rate Tranches

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

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

3.1.B Floating Rate Tranches

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

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

If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date, the EURIBOR applicable to the first Floating Rate Reference Period shall be determined in accordance with Schedule B for the Floating Rate Reference Period commencing on the Disbursement Date and not on the Scheduled Disbursement Date.

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

3.1.C Revision or Conversion of Tranches

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the





procedure set out in Schedule D) pay interest at a rate determined in accordance with the provisions of Schedule D.

3.2 Interest on overdue sums

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

- (a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
- (b) for overdue sums related to Fixed Rate Tranches, the higher of (a) the applicable Fixed Rate plus 2% (200 basis points) or (b) the EURIBOR (1 month) plus 2% (200 basis points); and
- (c) for overdue sums other than under (a) or (b) above, the EURIBOR (1 month) plus 2% (200 basis points),

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

Notwithstanding Article (c) above, if the overdue sum is in a currency other than EUR, the relevant interbank rate, or as determined by the Bank, the relevant risk-free rate that is generally retained by the Bank for transactions in that currency, shall apply plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.3 Market Disruption Event

If at any time:

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

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

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

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

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





ARTICLE 4

Repayment

4.1 Normal repayment

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made semi-annually by equal instalments of principal or constant instalments of principal and interest;
 - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal semi-annual instalments of principal;
 - (iii) the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iv) the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than 27 (twenty-seven) years from the Scheduled Disbursement Date.

4.2 Voluntary prepayment

4.2.A Prepayment option

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

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

The Prepayment Request shall be irrevocable.

4.2.B Prepayment indemnity

4.2.B(1) FIXED RATE TRANCHE

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

4.2.B(2) FLOATING RATE TRANCHE

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

4.2.B(3) REVISION/CONVERSION

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

4.2.C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due





thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and, if a Prepayment Indemnity is applicable, the deadline by which the Borrower may accept the Prepayment Notice.

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

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

4.2.D Administrative Fee

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

4.3 Compulsory prepayment

4.3.A Prepayment Events

4.3.A(1) PROJECT COST REDUCTION EVENT

- (a) The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount which, when aggregated with cancelled portions of the credit under other finance contracts entered into by the Bank and the Borrower in relation to the Project and/or prepayments demanded with respect to loans under other finance contracts entered into by the Bank and the Borrower in relation to the Project is equal to the amount by which the Approved Credit exceeds the limits referred to in paragraph (c) below, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.
- (c) For the purpose of this Article, "**Project Cost Reduction Event**" means that the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Approved Credit exceeds:
 - (i) 50% (fifty per cent); and/or
 - (ii) when aggregated with the amount of any other funds from the European Union (e.g. ESIF funds) made available for the Project, 70% (seventy per cent),
 of such total cost of the Project.

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

- (a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.





- (c) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.
- (d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:
 - (i) made with a prior written consent of the Bank;
 - (ii) made within a revolving credit facility; or
 - (iii) made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid.
- (e) For the purposes of this Article:
 - (i) **"Non-EIB Financing Prepayment Event"** means any case where the Borrower, voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
 - (ii) **"Non-EIB Financing"** means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 5 (five) years.

4.3.A(3) CHANGE-OF-LAW EVENT

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

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

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

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

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

4.3.A(4) ILLEGALITY EVENT

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





- (i) perform any of its obligations as contemplated in this Contract; or
- (ii) fund or maintain the Loan.

4.3.A(5) LOSS OF RATING EVENT

For the purposes of this Contract, a **"Loss-of-Rating Event"** means:

- (a) any case where the Credit Rating as assigned by Fitch Ratings Limited (or its successor Rating Agency) is BB (or Ba2, if the successor Rating Agency is Moody's Investor Service, Inc.) or below, or
- (b) the Credit Rating assigned under paragraph (a) above ceases to be published and no successor Rating Agency is appointed.

If a Loss-of-Rating Event occurs, the Borrower shall provide additional security for the Loan in the form of a guarantee on terms and from a bank acceptable to the Bank, cash collateral or other security acceptable to the Bank.

If within a period of 30 (thirty) days following the Loss-of-Rating Event the additional security has not been executed in manner, form and substance satisfactory to the Bank, the Bank may by notice to the Borrower, forthwith cancel the undisbursed portion of the Credit and demand immediate prepayment of the Loan together with accrued interest and all other amounts accrued or outstanding under this Contract.

4.3.A(6) REFINANCING OF BONDS

At the latest within 6 (six) months before the respective maturity of each of the 2025 Bonds, the 2028 Bonds, the 2030 Bonds and the 2032 Bonds, the Borrower shall provide the Bank with detailed information, to the Bank's satisfaction, regarding the related repayment or refinancing steps and calendar envisaged. At the latest within 3 (three) months before the respective maturity of each of the 2025 Bonds, the 2028 Bonds, the 2030 Bonds and the 2032 Bonds the Borrower shall provide the Bank with detailed information, to the Bank's satisfaction, regarding the implementation and completion of the steps and calendar for the related repayment or refinancing. Should the Borrower fail to timely comply with the information obligations set out under this Article 4.3.A(6), the Bank shall promptly notify the Borrower and may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

For the purposes of this Contract:

- (a) the **"2025 Bonds"** means the RON 555,100,000 bonds issued by the Borrower, traded over the main market of the Bucharest Stock Exchange under ISIN ROPMBUDBL046, symbol PMB22, maturing on 5 May 2025;
- (b) the **"2028 Bonds"** means the RON 555,000,000 bonds issued by the Borrower, traded over the main market of the Bucharest Stock Exchange under ISIN ROPMBUDBL053, symbol PMB28, maturing on 23 April 2028;
- (c) the **"2030 Bonds"** means the RON 555,000,000 bonds issued by the Borrower, traded over the main market of the Bucharest Stock Exchange under ISIN RODPCQ8K7R09, symbol PMB30, maturing on 25 April 2030;
- (d) the **"2032 Bonds"** means the RON 555,000,000 bonds issued by the Borrower, traded over the main market of the Bucharest Stock Exchange under ISIN ROZH3OWXL435, symbol PMB32, maturing on 19 April 2032.

4.3.B Prepayment mechanics

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





4.3.C Prepayment indemnity

4.3.C(1) FIXED RATE TRANCHE

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

4.3.C(2) FLOATING RATE TRANCHE

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

4.4 General

4.4.A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4.B No reborrowing

A repaid or prepaid amount may not be reborrowed.

ARTICLE 5

Payments

5.1 Day count convention

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

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

5.2 Time and place of payment

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

5.3 No set-off by the Borrower

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

5.4 Disruption to Payment Systems

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





- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

5.5.A General

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

5.5.B Partial payments

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

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

5.5.C Allocation of sums related to Tranches

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

ARTICLE 6

Borrower undertakings and representations

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

A. PROJECT UNDERTAKINGS

6.1 Use of Loan and availability of other funds

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





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

6.2 Completion of Project

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

6.3 Increased cost of Project

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

6.4 Procurement procedure

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

6.5 Continuing Project undertakings

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





- (d) **Rights and Permits:** The Borrower shall maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project;
- (e) **Environment and Social Matters:** The Borrower shall:
 - (i) implement and operate the Project materially in compliance with Environmental and Social Law;
 - (ii) obtain and maintain requisite Environmental and Social Approvals for the Project; and
 - (iii) comply with any such Environmental and Social Approvals;
- (f) **Integrity:** The Borrower shall take, within a reasonable timeframe, appropriate measures in respect of any member of its management bodies (e.g. the Mayor, the Deputy Mayor, the Secretary General and the City Manager) against whom court proceedings have been initiated (*trimitere în judecată*) in connection with Illegal Activities perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any Borrower's activity in relation to the Credit, Loan or the Project;
- (g) **Integrity Audit Rights:** The Borrower shall ensure that all contracts under the Project to be procured after the date of signature of this Contract in accordance with EU Directives on procurement provide for:
 - (i) the requirement that the relevant contractor promptly informs the Bank of a genuine allegation, complaint or information with regard to Illegal Activities related to the Project;
 - (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Project; and
 - (iii) the Bank's right, in relation to an alleged Illegal Activities, to review the books and records of the relevant contractor in relation to the Project and to take copies of documents to the extent permitted by law;
- (h) **EU Law:** The Borrower shall execute and operate the Project in accordance with the relevant laws and standards of EU Law;
- (i) **State aid:** The Borrower shall implement and operate the Project in conformity with any laws of the European Union and of Romania with respect to state aid and in particular that no incompatible state aid is granted to the Borrower as a result of the implementation of the Project and it shall, in the case of any well founded uncertainty as to the existence of any such incompatible State aid, promptly inform the Bank of any measure in that respect taken or likely to be taken;

and
- (j) **EU funding:** The Borrower shall:
 - (i) ensure and provide evidence that the aggregate amount of the Approved Credit and any type of European Union funding received in connection with the Project (such as a grant for the district heating component from the European Structural and Investment Funds (ESIF) and/or funds from the Regional Operational Programme (2021-2027) to support the implementation of the public transport investments) will at no time exceed 70% (seventy per cent) of the Project costs;
 - (ii) when available, upon the Bank's request, provide the Bank with a copy of an official application of the Borrower for the European Union funding in respect of the Project and inform the Bank periodically on the progress of the grant application process;
 - (iii) ensure and provide evidence that all terms and conditions regarding the European Union funding (whether contractual or statutory) are complied with;
 - (iv) promptly inform the Bank of any changes in the financing of the Project costs, including changes in the coverage from European Union funding; and





- (v) promptly inform if any European Union funding material for the Project cease to be available or have been cancelled, suspended or rejected, in full or in part, and ensure and provide evidence to the Bank that the effects on the Borrower's ability to perform its obligations under this Contract, have been fully mitigated to the Bank's satisfaction.

B. GENERAL UNDERTAKINGS

6.6 Disposal of assets

- (a) Except as provided below, the Borrower shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets;
- (b) Paragraph (a) above does not apply to any disposal of assets for fair market value and at arm's length:
 - (i) provided that during the life of the Loan, the aggregate book value of the assets disposed of by the Borrower, as reflected in the relevant documentation relating to the sale of fixed assets from its annual Revenues and Expenses Execution Account (*Contul de Execuție al Bugetului Local*), shall not exceed 5% (five per cent) of the Borrower's fixed assets as reflected in its latest annual financial reports made available to the Bank prior to signature of this Contract. For the avoidance of doubt, the fixed assets' book value ascertained by the Borrower at the end of each annual financial period shall be considered free of any increases or decreases that result from statutory or regulatory revaluations. The report concerning movements in the value of fixed assets shall be provided by the Borrower in a form satisfactory to the Bank together with the annual Revenues and Expenses Execution Account (*Contul de Execuție al Bugetului Local*) as per Article 8.2.(a)(ii); or
 - (ii) made in exchange for other assets comparable or superior as to type, value and quality; or
 - (iii) made with the prior written consent of the Bank;

in each case other than assets forming part of the Project pursuant to Article 6.5.(b) and all shares in subsidiaries holding assets forming part of the Project which may not be disposed of.

For the purposes of this Article, "dispose" and "disposal" includes any act effecting sale, transfer, lease or other disposal, but for the avoidance of doubt, does not include rentals (*inchirieri sau locatuni*).

6.7 Compliance with laws

The Borrower shall comply in all respects with all laws to which it or the Project is subject, including, but not limited to, Environment (including climate change), Social Matters, transport, district heating, state aid and public procurement laws.

6.8 Allocation of Funds

The Borrower undertakes that sufficient budgetary and/or other financial resources shall be allocated for the Project on an annual basis in order to ensure contribution to the financing plan of the Project not covered by the Loan, and permit the timely completion hereof in accordance with the Technical Description.

6.9 Financial Accounts

The Borrower shall maintain financial and accounting records and documents consistent with Romanian accounting standards for public authorities.





6.10 **Data Protection**

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

6.11 **Sanctions**

The Borrower shall not, directly or indirectly:

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

6.12 **General Representations and Warranties**

The Borrower represents and warrants to the Bank that:

- (a) it is a municipality (*unitate administrativ-teritoriala*, as defined by the Administrative Code of Romania and by the Local Public Finance Law), duly organised and validly existing under (i) the Constitution of Romania, (ii) Law No. 2 of 1968 relating to the administrative organisation of the territory of the Socialist Republic of Romania, republished in the Official Bulletin of Socialist Republic of Romania No. 54/27 July 1981, reinstated into force by Decree Law No. 38/1990, as further amended and supplemented, (iii) the Administrative Code, as further amended and supplemented, and (iv) all other applicable laws of Romania, and it has power to carry on its activities as these are now being conducted and to exercise such other administration or disposal rights with respect to assets in the public or private domain, in line with Romanian legislation;
- (b) it has the power to execute, deliver and perform its obligations under this Contract and all necessary action has been taken to authorise the execution, delivery and performance of the same by it;
- (c) this Contract constitutes its legally valid, binding and enforceable obligations;
- (d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not contravene or conflict with:
 - (i) any applicable law, statute, rule or regulation, or any judgement, permit to which it is subject;





- (ii) any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
- (iii) any provision of its constitutional, governmental, judicial or other authority acts;
- (e) the latest available consolidated Revenues and Expenses Execution Account (*Contul de Execuție al Bugetului Local*) of the Borrower has been prepared on a basis consistent with previous years and has been approved as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;
- (f) there has been no Material Adverse Change since 15 November 2023;
- (g) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
- (h) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or any of its subsidiaries any unsatisfied judgement or award;
- (i) it has obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (j) it is the sole legal and beneficial owner and has good title to the assets which it charges or purports to charge pursuant to Guarantee and Mortgage Agreement;
- (k) at the date of this Contract, no Security exists over its assets save as listed in Schedule F;
- (l) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to public authorities generally;
- (m) it is in compliance with Article 6.5(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental or Social Claim has been commenced or is threatened against it;
- (n) it is in compliance with all undertakings under this Article 6;
- (a) no loss of rating clause concluded with any other creditor of the Borrower is more restrictive than the ones contained in this Contract;
- (o) the obligations outstanding under this Contract, the Guarantee and Mortgage Agreement and any related documents do not and will not exceed the indebtedness thresholds provided by, or according to, Romanian legislation applicable to the Borrower; and
- (p) none of the Borrower and/or any Relevant Person:
 - (i) is a Sanctioned Person; or
 - (ii) is in breach of any Sanctions.

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





ARTICLE 7

Security

7.1 Guarantee and Mortgage

The obligations of the Bank under this Contract are conditional upon the prior execution and delivery to the Bank of the Guarantee and Mortgage Agreement in form and substance satisfactory to it, whereby the Borrower unconditionally secures the due performance of the Borrower's obligations under this Contract by a mortgage over bank accounts and its Romanian State Treasury accounts where its own revenues are collected and a guarantee over all of its own revenues, as such may be defined by the Romanian laws applicable from time to time, including but not limited to taxes, contributions, allocated quotas (*cote*) from personal income tax. Such revenues shall not include revenues the assignment of, or security over, which is forbidden by law.

7.2 Pari passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future obligations under any of its Debt Instruments except for (a) obligations mandatorily preferred by law applying to public authorities generally and (b) obligations secured by the Security mentioned in Schedule F.

In particular, if the Bank makes a demand under Article 10.1 or if an event or potential event of default under any Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorize) any payment in respect of any other such Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such Debt Instrument bears to the total debt outstanding under that Debt Instrument. For this purpose, any payment of a Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as those who hold claims under the Debt Instrument have subscribed, shall be disregarded.

In this Contract, "**Debt Instrument**" means (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness or (c) a guarantee (including without limitation *garantie locala* as defined by the Local Public Finance Law or *scrisoare de confort* as defined by the Civil Code of Romania) granted by the Borrower for an obligation of a third party.

7.3 Additional Security

Should the Borrower grant to a third party any Security (other than a guarantee over own revenues and a mortgage over bank or treasury accounts already subject to a security interest created to the benefit of the Bank) for the performance of any Debt Instrument or enter into any arrangements that may create any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent Security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

For the purposes of this Article 7.3, the term Security shall also include any arrangement or transaction on assets or receivables or money (such as the sale, transfer or other disposal of assets on terms whereby they are or may be leased to or re-acquired by the Borrower, the sale, transfer or otherwise dispose of any receivables on recourse terms or any arrangement under which money or the benefit of a bank account or other account may be applied or set-off or any preferential arrangement having a similar effect) in circumstances where the arrangement or transaction is entered into primarily as a method of raising credit or of financing the acquisition of an asset





7.4 **Clauses by inclusion**

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

ARTICLE 8

Information and Visits

8.1 Information concerning the Project

The Borrower shall:

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

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

- (b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, *inter alia*, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
- (c) promptly inform the Bank of:
 - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower which is material or any material Environmental or Social Claim that is to its knowledge commenced, pending or threatened against it with regard to environmental or other matters affecting the Project;
 - (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project;
 - (iii) any incident or accident relating to the Project which has or is likely to have a significant adverse effect on the Environment or on Social Matters;
 - (iv) a genuine allegation, complaint or information with regard to Illegal Activities or any Sanctions, UK Sanctions or any US Sanctions related to the Project;
 - (v) any self-declared exclusion by a bidder that occurs prior to the contract award and is covered by the Exclusion Policy;
 - (vi) any material non-compliance by it with any applicable Environmental and Social Law; and
 - (vii) any suspension, revocation or material modification of any material Environmental and Social Approval;

and set out the action to be taken with respect to such matters; and





- (d) deliver to the Bank in form and substance satisfactory to the Bank:
 - (i) annual Project progress reports during Project implementation, which shall be submitted not later than 30 (thirty) days after the end of each reporting period and which shall contain the information specified in the Technical Description; and
 - (ii) a Project completion report.

8.2 Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
 - (i) as soon as it becomes available but in any event within 120 (one hundred twenty) days after the end of each of its financial years its Revenues and Expenses Execution Account (*Contul de Execuție al Bugetului Local*) as approved by the Borrower and submitted to the Public Finance Authority as well as its annual balance sheet for that financial year;
 - (ii) a report concerning movements in the book value of fixed assets over the lifetime of the Loan, commencing on the date of the annual balance sheet provided to the Bank prior to the signature of this Contract, in a form satisfactory to the Bank;
 - (iii) such further information, evidence or document concerning:
 - (1) its general financial situation or such certificates of compliance with the undertakings of Article 6; and
 - (2) the compliance with the due diligence requirements of the Bank for the Borrower, including, but not limited to "know your customer" (KYC) or similar identification and verification procedures,
 when requested and within a reasonable time;
 - (iv) on an annual basis a certificate listing the politically exposed persons (as defined by the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and the Bank's policy on the matter), the Mayor, the Deputy-Mayor, the Secretary of the Borrower and the members of the Local Council of the Borrower who have been entrusted with additional political responsibilities and, if that is the case, changes in the identity of the aforementioned persons and/or the aforementioned persons of the Borrower who have been exposed to public prosecution or investigations for illegal activities, for example corruption; and
 - (v) upon each court term, of any and all developments in relation to the court proceedings under the court file no. 29430/3/2019 pending before the Bucharest Tribunal (and any other courts, as may be applicable) initiated by the plaintiff Electrocentrale Bucuresti S.A., together with any information on the proposed mitigants, defences and argumentation of the Borrower used in the respective court case;
- (b) ensure that its accounting records fully reflect the operations relating to the financing, execution and operation of the Project; and
- (c) inform the Bank immediately of any:
 - (i) material alteration to its constitutional, governmental, judicial or other authority acts after the date of this Contract;
 - (ii) promptly inform any fact which obliges it to prepay any financial indebtedness or any European Union funding;
 - (iii) any event or decision that constitutes or may result in a Prepayment Event;
 - (iv) any intention on its part to grant any Security over any of its assets in favour of a third party;





- (v) any intention on its part to relinquish ownership of any material component of the Project;
- (vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
- (vii) any Event of Default having occurred or being threatened or anticipated;
- (viii) any investigations concerning the integrity of the Borrower's members of management bodies (e.g. the Mayor, the Deputy Mayor, the Secretary General and the City Manager) and any material developments of such investigations (including investigations that may be ongoing at the date of this Contract);
- (ix) unless prohibited by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, or developments of such litigation, arbitration, administrative proceeding or investigation, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or its controlling entities or members of the Borrower's executive authorities (*autoritati executive*) or executive public servants (*functionari publici de conducere*) of the Borrower in connection with Illegal Activities related to the Credit, the Loan or the Project;
- (x) any measure taken by the Borrower pursuant to Article 6.5.(f) of this Contract;
- (xi) any claim, action, proceeding, formal notice or investigation relating to any Sanctions, UK Sanctions or US Sanctions concerning the Borrower or any Relevant Person; or
- (xii) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change.

8.3 Visits by the Bank

The Borrower shall allow persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of EU Law,

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

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

The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of EU Law.

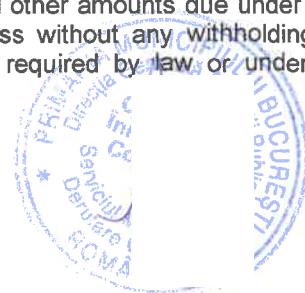
ARTICLE 9

Charges and expenses

9.1 Taxes, duties and fees

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

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract and the Guarantee and Mortgage Agreement gross without any withholding or deduction of any national or local impositions whatsoever required by law or under an





agreement with a governmental authority or otherwise. If the Borrower is obliged to make any such withholding or deduction, it shall gross up the payment to the Bank so that after withholding or deduction, the net amount received by the Bank is equivalent to the sum due, it being understood however that the Borrower shall not be obliged to gross up for any taxes on or measured by the income or capital of the Bank.

9.2 **Other charges**

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

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

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

ARTICLE 10

Events of Default

10.1 **Right to demand repayment**

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

10.1.A **Immediate demand**

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

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless:
 - (i) its failure to pay is caused by an administrative or technical error or a Disruption Event, and
 - (ii) payment is made within 3 (three) Business Days of its due date;





- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in, pursuant to or for the purposes of entering into this Contract or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:
 - (i) the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation, or
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended,
- (d) if the Borrower (i) is unable to pay its debts as they fall due (including without limitation the Borrower being in a state of *criza financiara*, *criza financiara prezumata*, *insolvență* or *insolvență prezumată* within the meaning of the Romanian Government Emergency Ordinance No. 46/2013 regarding the financial crisis and insolvency of administrative territorial units, as amended from time to time), (ii) suspends its debts, or (iii) makes or seeks to make a composition with its creditors;
- (e) if any action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or any analogous procedure or step, including but without being limited to it the initiation of financial crisis or insolvency proceedings (*declararea crizei financiare sau initierea procedurii insolventei* within the meaning of the Romanian Government Emergency Ordinance No. 46/2013 regarding the financial crisis and insolvency of administrative territorial units, as amended from time to time) is taken in any jurisdiction or an order is made or an effective resolution is passed for the winding up of the Borrower, or if the Borrower takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its activities;
- (f) if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer (including without limitation *comitet pentru situații de criză financiară* or *administrator judiciar* within the meaning of the Romanian Government Emergency Ordinance No. 46/2013 regarding the financial crisis and insolvency of administrative territorial units, as amended from time to time) is appointed, whether by a court of competent jurisdiction or by any competent administrative authority of or over, any part of the business or assets of the Borrower or any property forming part of the Project;
- (g) if the Borrower defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank, or of any other loan or financial instrument made to it from the resources of the Bank or the European Union;
- (h) if any expropriation, attachment, arrestment, distress, execution, sequestration or other process (including without limitation *expropriere*, *naționalizare*, *confiscare*, *rechiziție*, *poprire*, *sechestrul*, *executare silită*) is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 30 (thirty) days, except for distress, execution, sequestration or other processes levied or enforced in connection with obligations which on an aggregate basis amount to less than 1.25% (one point twenty-five per cent) of the Borrower's total annual revenues and provided that (x) such processes do not apply to amounts disbursed from the Loan or any funds made available from the resources of the European Union; (y) the Borrower is in compliance with all the provisions of the Contract; and (z) such processes do not affect the current operating activity of the Borrower;
- (i) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or





- (j) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or other transactional documents or this Contract or other transactional documents is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms.

10.1.B Demand after notice to remedy

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

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

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

10.2 Other rights at law

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

10.3 Indemnity

10.3.A Fixed Rate Tranches

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

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

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

10.3.B Floating Rate Tranches

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

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

10.3.C General

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





10.4 **Non-Waiver**

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

ARTICLE 11

Law and jurisdiction, miscellaneous.

11.1 **Governing Law**

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

11.2 **Jurisdiction**

- (a) The courts of Luxembourg-City have exclusive jurisdiction to settle any dispute arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Contract (a "Dispute").
- (b) The Parties agree that the courts of Luxembourg-City are the most appropriate and convenient courts to settle any Dispute between them and, accordingly, that they will not argue to the contrary.

11.3 **Place of performance**

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

11.4 **Evidence of sums due**

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

11.5 **Entire Agreement**

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

11.6 **Invalidity**

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

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

11.7 **Amendments**

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

11.8 **Counterparts**

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





ARTICLE 12

Final clauses

12.1 Notices

12.1.A Form of Notice

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

12.1.B Addresses

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

For the Bank

Attention: OPS/CSEE-3 PUB SEC
 100 boulevard Konrad Adenauer
 L-2950 Luxembourg
 E-mail address:





For the Borrower

Attention: Primaria Municipiului Bucuresti
47 Regina Elisabeta Blvd, Sector 5,
Bucharest
Romania

12.1.C Notification of communication details

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

12.2 English language

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

12.3 Non-applicability of certain events

The Borrower hereby waives any right to rely on any:

- (a) hardship event (*impreviziune*), meaning an exceptional change of the circumstances which would make the performance of any or all the obligations under this Contract excessively burdensome, as such hardship event is regulated by, but without limitation, Article 1271 paragraph 3 letter (c) of the Romanian Civil Code; or
- (b) event qualified under Romanian law as an unforeseeable, absolutely invincible and inevitable external event (*forța majoră*) or as an unforeseeable and unstoppable event (*caz fortuit*); or
- (c) other event which may have a similar effect on the capacity of the Borrower to perform its obligations under this Contract.

12.4 Recitals, Schedules

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definition of EURIBOR
Schedule C	Form of Disbursement Offer/Acceptance
Schedule D	Interest Rate Revision and Conversion
Schedule E	Certificate to be provided by the Borrower
Schedule F	Existing Security

For the purposes of Articles 1.202 1.203 of the Romanian Civil Code, the Borrower hereby expressly accepts and acknowledges all clauses in this Contract which (A) provide in favour of the Bank (i) the limitation of liability, (ii) the right to unilaterally terminate (*denunțare unilaterală*) this Contract, (iii) the right to suspend performing the Bank's obligations, or (B) provide to the detriment of the Borrower (i) the forfeiture of rights (*decadere din drepturi*), (ii) the forfeiture of the benefit of a timeline (*decaderea din beneficiul termenului*), (iii) the limitation of the right to raise defences (*dreptul de a opune excepții*), (iv) the limitation of the right to





contract with third parties, (v) the tacit renewal of the agreement, (vi) the applicable law, (vii) the submission to arbitration (*clauzele compromisorii*) or clauses derogating from the rules of court jurisdiction, including without limitation the following Articles: Article 1.2 (*Disbursement procedure*), Article 1.4 (*Conditions of disbursement*), Article 1.5 (*Deferment of disbursement*), Article 1.6 (*Cancellation and suspension*), Article 1.7 (*Cancellation after expiry of the Credit*), Article 4 (*Repayment*), Article 5 (*Payments*), 6.5 (*Continuing Project undertakings*), Article 6.6 (*Disposal of assets*), Article 6.8 (*Financial covenants*), Article 6.12 (*Sanctions*), Article 7.2 (*Pari passu ranking*), Article 7.3 (*Additional Security*), Article 10.1 (*Right to demand repayment*), Article 10.4 (*Non-Waiver*), Article 11.1 (*Governing Law*), Article 11.2 (*Jurisdiction*) and Article 12.3 (*Non-applicability of certain events*).





Signature page for Contract Number 96.760 (RO)

The parties hereto have caused this Contract to be executed in the English language, by having their authorised representatives apply their respective qualified digital signature in compliance with EU Regulation No 910/2014 (eIDAS Regulation) on their behalf.

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

Signed for and on behalf of
MUNICIPIUL BUCURESTI

