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LOGISTICS NETWORK (UKRPOSHTA MODERNISATION AND DIGITALISATION)

Finance Contract

between the

EUROPEAN INVESTMENT BANK

and

JSC UKRPOSHTA

Brussels, 6 October 2020



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THIS CONTRACT IS MADE BETWEEN:

The **European Investment Bank** having its seat
at 100 blvd Konrad Adenauer, Luxembourg,
L-2950 Luxembourg, represented by
Liyana Pavlova, Vice President,
of the first part, and
(the "Bank")

JSC UKRPOSHTA having its seat at 22
Khrushchatyk st., Kyiv, Ukraine, represented by
Igor Smelyansky, CEO,
(the "Borrower")

of the second part, and together with the Borrower
the "Parties" and each a "Party".

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WHEREAS:

- (a) In accordance with (i) Decision No. 466/2014/EU, published in the Official Journal of the European Union No L 135 of 8 May 2014, as amended by Decision No. 2018/412/EU, the European Parliament and the Council of the European Union decided to grant a guarantee to the Bank against losses under financing operations supporting investment projects outside the European Union (the "**Decision**") and (ii) the agreement entered into between the European Union, represented by the European Commission, and the Bank implementing the Decision, in the event of non-payment, the European Union, by a guarantee, covers certain payments not received by the Bank and due to the Bank in relation to the Bank's financing operations entered into with, *inter alias*, the Borrower (the "**EU Guarantee**"). As of the date of this Contract (the "**Contract**"), Ukraine is an Eligible Country (as defined below).
- (b) Ukraine is a state party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958.
- (c) On 14 June 2005 Ukraine and the Bank signed a framework agreement which was ratified by the Parliament of Ukraine (the "**Parliament**") pursuant to the Law of Ukraine No 3392 dated 7 February 2006 "On ratification of the framework agreement between Ukraine and the European Investment Bank" and which governs the Bank's activities in the territory of Ukraine (the "**Framework Agreement**", as may be amended, superseded or replaced from time to time). The Framework Agreement became effective on 8 April 2006 and continues to be in full force and effect throughout the term of this Contract. By signing this Contract, the Borrower acknowledges that the financing to be provided hereunder falls within the scope of the Framework Agreement.
- (d) The Borrower is a legal entity established in accordance with Ukrainian law, being duly authorised to execute postal services in Ukraine, 100% of the shares of the Borrower is owned by Ukraine, and the management of the corporate rights of Ukraine over the Borrower are exercised, at the date of this Agreement, by the Ministry of Infrastructure of Ukraine. At the date of the signing of this Contract, the Borrower has stated that it is undertaking a project comprising the design, roll-out and operation of its new parcel logistics network and the implementation of a new logistics IT system, which is undertaken solely in the territory of Ukraine under the control of the Ukrainian Government (the "**Project**", as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.
- (e) At the appraisal stage, the total cost of the Project was estimated by the Bank to be EUR 61,633,265 (sixty-one million six hundred and thirty three thousand two hundred sixty five euros). External financing of the Project will come from the following sources (with the Borrower securing the balance of the funds to ensure full implementation of the Project and, for the avoidance of doubt, the Borrower shall determine the source of such additional funds):

Source	Amount (EUR m)
Credit from the Bank	30,00
Other contributions (including loan from EBRD and own and other resources)	31,63
TOTAL	61,63

- (f) In order to fulfil the financing plan set out in Recital (e), the Borrower has requested from the Bank a credit of up to EUR 30,000,000 (thirty million euros) to be made available from the Bank's own resources and pursuant to the Bank's 2014 - 2020 external lending mandate in accordance with the Decision (the "**Mandate**").
- (g) The Borrower's obligations under this Contract (as defined below) will be guaranteed by a state guarantee of Ukraine issued by Ukraine (the "**Guarantor**") for the benefit of the Bank pursuant to the terms of a guarantee agreement (the "**Guarantee Agreement**") entered into between Ukraine and the Bank and ratified by the Parliament for the due implementation of the Guarantee Agreement.

- (h) The European Bank for Reconstruction and Development (the "EBRD") has entered or will enter into a loan agreement (the "**EBRD Loan Agreement**") whereby the EBRD agreed or will agree to provide a loan (the "**EBRD Loan**") for the purposes of financing the Project.
- (i) The Bank considering that the financing of the Project falls within the scope of its functions and is consistent with the objectives of the Mandate, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount of EUR 30,000,000 (thirty million euros) under this finance contract (the "**Contract**"; provided that the amount of the Bank loan shall not, in any case, exceed 50% (fifty *per cent*) of the total cost of the Project set out in Recital (e).
- (j) It is a requirement under the Framework Agreement that Ukraine acknowledges in writing that the financing to be granted under this Contract falls within the scope of application of the Framework Agreement. The Government of Ukraine has acknowledged in the Guarantee Agreement (as defined below) that the Project falls within the scope of the Framework Agreement.
- (k) The Borrower has authorised the borrowing of the sum of EUR 30,000,000 (thirty million euros) represented by this credit on the terms and conditions set out in this Contract and in Annex I. Mr. Igor Smelyansky, CEO is duly authorised to sign this Contract for and on behalf of the Borrower as set out in Annex I.
- (l) 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.
- (m) 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. The Bank has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group companies towards its stakeholders and the citizens of the European Union in general.
- (n) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the EU institutions and bodies and on the free movement of such data.
- (o) By entering into this Contract, the Parties acknowledge that the Bank is bound to comply with the Sanction Lists (as defined below) and that the Bank cannot, therefore, make funds available, directly or indirectly, to or for the benefit of a Sanctioned Person (as defined below).
- (p) The Bank supports the implementation of international and EU 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 EIB 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 EIB contracting counterparties.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) references to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) references to "law" or "laws" mean (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law, and (ii) EU Law;
- (c) references to applicable law, applicable laws or applicable jurisdiction means (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; or (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 are references to that provision as amended 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, and
- (f) words and expressions in plural shall include singular and vice versa.

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.

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

"**Authorisation**" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarialisation 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.

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

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule C.3.

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

"**Contract Number**" shall mean 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.

"**Date of Effectiveness**" has the meaning given to it in Article 12.10.

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

"**Deferral Indemnity**" means a fee calculated on the amount of disbursement deferred or suspended being the higher of (a) 0.125% (12.5 basis points), per annum, and (b) the percentage rate by which:

- (i) the interest rate that would have been applicable to such amount 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 this value is less than zero in which case it will 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.

"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 denominated in EUR and opened and maintained with an account bank acceptable to the Bank, the details of which account are 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.1.

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

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that party from:
- (i) performing its payment obligations under this Contract; or
- (ii) communicating with other parties,
- and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the party whose operations are disrupted.

"EBRD" has the meaning given to it in Recital (h).

"EBRD Loan" has the meaning given to it in Recital (h).

"EBRD Loan Agreement" has the meaning given to it in Recital (h).

"EIA" has the meaning given to it in Article 1.4.C (a) (ix).

"EIB Environmental and Social Handbook" means the manual published by the Bank from time to time on its website.

"EIB Statement of Environmental and Social Principles and Standards" means the statement published on the Bank's website that outlines the standards that the Bank requires of the projects that it finances and the responsibilities of the various parties.

"Eligible Country" means any country specified in Annex III to the Decision, as may be amended from time to time by the European Commission in accordance with Articles 4(2) and 18 of the Decision, or any other country in respect of which the European Parliament and the Council of the European Union have adopted a decision pursuant to Article 4(1) of the Decision.

"Environment" means the following, in so far as they affect human health and social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape;
- (c) cultural heritage; and
- (d) the built environment,
- and includes, without limitation, occupational and community health and safety.

"Environmental and Social Impact Assessment Study" means a study as an outcome of the environmental and social impact assessment identifying and assessing the potential environmental and social impacts

associated with a Sub-Project and recommending measures to avoid, minimise and/or remedy any impacts. This study is subject to public consultation with direct and indirect project stakeholders.

"Environmental and Social Standards" means:

- (a) Environmental Laws and Social Laws applicable to the Project and the Borrower;
- (b) the EIB Statement of Environmental and Social Principles and Standards;
- (c) the environmental and social standards set out in the EIB Environmental and Social Handbook; and
- (d) an Environmental and Social Impact Assessment Study.

"Environmental or Social Approval" means any permit, licence, authorisation, consent or other approval required by any Environmental Law or any Social Law in connection with the construction or operation of the Project.

"Environmental or Social Claim" means any claim, proceeding, formal notice or investigation by any person in respect of the Environment or Social Matters affecting the Project including any breach or alleged breach of any Environmental and Social Standard.

"Environmental Law" means:

- (a) Ukrainian laws and regulations; and
- (b) international treaties and conventions signed and ratified by or otherwise applicable and binding on Ukraine.

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

"EU Fourth Money Laundering Directive" means Directive (EU) No. 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.

"EU Guarantee" has the meaning given to it in Recital (c).

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

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

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

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

"Final Availability Date" means the date falling 48 (forty-eight) months from the Date of Effectiveness.

"Financing of Terrorism" means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences listed in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA (as amended, replaced or re-enacted from time to time).

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

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

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

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

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

"**Framework Agreement**" has the meaning given to it in Recital (c).

"**Guarantee Agreement**" has the meaning given to it in Recital (g).

"**Guarantor**" has the meaning given to it in Recital (g).

"**Guide to Procurement**" means the Guide to Procurement, published on the Bank's website that informs the promoters of projects financed in whole or in part by the Bank of the arrangements to be made for procuring goods, works and services required for such projects.

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

"**ILO**" means the International Labour Organisation.

"**ILO Standards**" means:

- (i) any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on Ukraine; and
- (ii) the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work).

"**Indemnifiable Prepayment Event**" means a Prepayment Event other than those specified in paragraphs 4.3.A(2) or 4.3.A(5).

"**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, and
- (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.

"**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.

"**Mandate**" has the meaning given to it in Recital (f).

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

- (a) there are, in the reasonable 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;
- (c) in relation to a Tranche in respect of which interest would be payable at Floating Rate:
 - (A) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of EURIBOR; or
 - (B) the Bank determines that adequate and fair means do not exist for ascertaining EURIBOR for the relevant currency of such Tranche or it is not possible to determine EURIBOR in accordance with the definition contained in Schedule B.

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

- (a) the ability of the Borrower to perform its financial or any of its other obligations under this Contract;



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

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

"Money Laundering" means:

- (a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
- (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- (c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or
- (d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

"Parliament" has the meaning given to it in Recital (c).

"Payment Date" means 20 June and 20 December of each year until and including the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

- (a) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.1; and
- (b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

"PIU" means a project implementation unit established and maintained by the Borrower in accordance with Article 6.5(g).

"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, which shall be a Payment Date, on which the Borrower proposes to or is requested by the Bank, as applicable, to 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 or cancelled, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2)) of the excess, if any, of:

- (a) the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2) to the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

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

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

"Prohibited Conduct" means any Financing of Terrorism, Money Laundering or Prohibited Practice.

"Prohibited Practice" means any:

- (a) Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
- (b) Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (c) Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
- (d) Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial (including, for the avoidance of doubt, taxation related) or other benefit or to avoid an obligation, or
- (e) Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with the Loan or the Project, (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (b) acts intending to materially impede the exercise of the contractual rights of audit or access to information;
- (f) Tax Crime, meaning all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of Ukraine, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year.]

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

"Project Accounts" has the meaning given to it in Article 1.2D.

"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 Maturity Date as the Tranche in respect of which a prepayment or cancellation is proposed or requested to be made. Such rate shall not be of negative value.

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

"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 the criteria set out in 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 the subject of, Sanctions.

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

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

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

"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.

"Social Law" means each of:

- (a) any law, rule or other regulation applicable in Ukraine relating to Social Matters;
- (b) any ILO Standards; and
- (c) any United Nations treaty, convention or covenant on human rights signed and ratified by or otherwise applicable and binding on Ukraine.

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

- (a) labour and employment conditions;
- (b) occupational health and safety;
- (c) protection and empowerment of rights and interests of indigenous peoples, ethnic minorities and vulnerable groups;
- (d) cultural heritage (tangible and intangible);
- (e) public health, safety and security;
- (f) involuntary physical resettlement and/or economic displacement and loss of livelihood of persons; and
- (g) public participation and stakeholder engagement.

"Spread" means the fixed spread (being of either positive or negative value) to EURIBOR as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer.

"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 (d).

"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 1.2B.

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, the credit in an amount of EUR 30,000,000 (thirty million euros) for the financing of the Project (the "Credit").

1.2 Disbursement procedure

1.2A Tranches

The Bank shall disburse the Credit in up to 15 (fifteen) Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of EUR 1,000,000 (one million euros). The Bank shall not disburse more than 1 (one) Tranche per calendar month.

1.2B Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.05 or Article 1.06B 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) for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche the Spread, applicable until the Maturity Date; and
- (h) the Disbursement Acceptance Deadline.

1.2C 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.

1.2D Disbursement Account

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance provided that (i) such Disbursement Account of the Borrower is opened and maintained with Joint Stock Company "The State Import-Export Bank of Ukraine" (JSC "Ukreximbank"), or Public Joint Stock Company "State Savings Bank of Ukraine" (JSC "Oschadbank"), or (ii) such Disbursement Account is otherwise acceptable to the Bank.

The Borrower may open and maintain other accounts with account bank(s) acceptable to the Bank, in any currency, for the purposes of implementing the Project (each an "**Operating Account**", and together with the Disbursement Account, the "**Project Accounts**"). The Borrower shall promptly notify the Bank in writing following the opening of any Operating Account.

Each Project Account shall be an account of the Borrower opened and maintained solely for the purposes of this Project. Each Project Account shall be separated from any other assets of the Borrower. Funds available in the Disbursement Account may be transferred to any Project Account.

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

Only one Disbursement Account may be specified for each Tranche.

1.3

Currency of disbursement

The Bank shall disburse each Tranche in EUR.

1.4

Conditions of disbursement

1.4.A

Condition precedent to the first request for Disbursement Offer

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

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons; and
 - (b) the List of Authorised Signatories and Accounts;
- prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank and to its satisfaction shall be deemed not made.

1.4.B

First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank in form and substance satisfactory to it, on or before the date falling 7 (seven) 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, of the following documents or evidence:

- (a) evidence that the Borrower has obtained all necessary Authorisations required in connection with this Contract or, if none is required, a declaration of the Borrower, signed by a person or persons duly authorised to act on behalf of the Borrower, that no Authorisations are required in connection with this Contract;
- (b) an external legal opinion in the English language in form and substance satisfactory to the Bank on Ukrainian law on, *inter alia*, the due execution, legality, validity, binding nature and enforceability (for the avoidance of doubt, including choice of law and jurisdiction clauses) of this Contract in respect of the Borrower, as well as the due establishment and valid existence and capacity and due authorisation of the Borrower to enter into this Contract; Such opinion shall be supported by the relevant documents evidencing the Borrower's authority to enter into this Contract;
- (c) a legal opinion from the Ministry of Justice of Ukraine substantially in the form set out in the Guarantee Agreement (Opinion of the Ministry of Justice of Ukraine). Such opinion shall be supported by the relevant documents evidencing the Guarantor's authority to enter into the Guarantee Agreement;
- (d) evidence that all registrations (if any) with any applicable government authority, regulatory body in any applicable jurisdiction and any exchange control consents necessary to permit the Borrower to receive disbursements as provided in this Contract, to make payments under this Contract, including the opening and maintenance of the accounts into which the Borrower directs the Bank to make disbursements have been obtained and are currently valid and in full force and effect;

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- (e) evidence acceptable to the Bank confirming that the Project does not involve "illegal state aid" (in Ukrainian: *незаконна державна допомога*) and that any public financing the Project receives does not constitute State aid or is compatible with the Law of Ukraine "On State Aid to Undertakings" dated 1 July 2014;
- (f) evidence that the PIU for the Project has been established by the Borrower, with the staff and terms of reference acceptable and satisfactory to the Bank;
- (g) an updated business plan and project implementation plan along with updated cost estimates to allow the Bank to reassess the medium to long term impact of the COVID-19 crisis on the business plan and project implementation plan;
- (h) evidence that review procedures for remedies are available in the procurement procedures of the Borrower in relation with the Project to any person or entity which had an interest in obtaining the contract and was (at risk of being) harmed by an (alleged) infringement of the applicable procurement rules;
- (i) confirmation in the form and substance satisfactory to the Bank, that the governmental decision permitting the Borrower to maintain postal accounts has been granted, allowing the Borrower the possibility of providing financial services and reduce the share of cash transactions;
- (j) evidence of the payment by the Borrower of the legal fees associated with this Contract; and
- (k) evidence that indemnity agreement between the Borrower and the Guarantor has been entered into in connection with the Guarantee Agreement.

1.4C Second and subsequent Tranches

The disbursement of each Tranche under Article 1.2 subsequent to the first Tranche, is conditional upon receipt by the Bank in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date for the proposed Tranche, and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively, of evidence that

- (a) the aggregate amount of all previous disbursements does not exceed 50% (fifty per cent.) of the aggregate of (i) the total expenditure already spent by the Borrower on the Project on the Scheduled Disbursement Date; and (ii) the expenditure forecasted to be spent within 120 (one hundred and twenty) days following the Scheduled Disbursement Date of the relevant Tranche, on the Project by the Borrower; and
- (b) the Borrower has incurred or will incur, within 120 (one hundred and twenty) days following the Scheduled Disbursement Date of the relevant Tranche, Eligible Expenditure acceptable to the Bank, at least in an amount equivalent to the aggregate of (i) 80% (eighty per cent) of the amount of the Tranche to be disbursed; and (ii) 100% (one hundred per cent) of the amounts of all previously disbursed Tranches (net of taxes and duties payable in Ukraine). For the avoidance of doubt, (i) to satisfy this condition precedent to disbursement, the Borrower shall deliver to the Bank invoices for approval, showing the satisfaction of the above requirements, which invoices the Bank may refuse; and (ii) "Eligible Expenditure" means expenditure (including costs of design and supervision, if relevant, and net of taxes and duties payable by the Borrower) incurred by the Borrower for the Project, in respect of works, goods and services relating to components of the Project specified in the Technical Description as eligible for financing under the Credit, which have been the object of contract or contracts executed on terms satisfactory to the Bank; and
- (c) evidence that the EBRD Loan Agreement has been duly executed and delivered.

1.4D Tranches linked to the financing of the construction of new hub(s) and/or depot(s)

The disbursement of each Tranche under Article 1.2 linked to the financing of the construction of new hub(s) and/or depot(s) is conditional on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date for the proposed Tranche, and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively, upon (1) receipt by the Bank, in form and substance satisfactory to it, a copy of an environmental impact assessment ("EIA") report prepared by the Borrower; or (2) the decision of the

Bank on the basis of the information delivered by the Borrower that no such environmental impact assessment study is required in relation with the construction of the relevant new hub(s) and/or depot(s) to be financed from the relevant Tranche.

1.4E

All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is conditional upon receipt by the Bank in form and substance satisfactory to it, on or before the date falling 7 (seven) Business Days before the Scheduled Disbursement Date for the proposed Tranche, and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively, of the following documents or evidence:

- (a) a certificate from the Borrower in the form of Schedule C.2;
- (b) either:
 - (i) a duly certified evidence in the English language of the authority of the person or persons authorised to sign the Disbursement Acceptance on behalf of the Borrower and the certified specimen signature of such person or persons; or
 - (ii) a declaration by the Borrower that no change has occurred in relation to the authority of the person or persons authorised according to the evidence previously accepted by the Bank; and
- (c) if so requested by the Bank, a confirmation of the Guarantor that it is aware of the requested disbursement, the Guarantee Agreement remains in full force and effect and the Tranche to be disbursed falls under Guarantee Agreement;
- (d) 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, the Contract or the Guarantee Agreement or the validity and enforceability thereof;
- (e) the representations and warranties which are repeated pursuant to Article 6.16 (*General Representations and Warranties*) being correct in all material respects;
- (f) the Bank being satisfied by the Scheduled Disbursement Date for the proposed Tranche that:
 - (i) all facts and information contained in the Recitals continue to be true, correct and applicable;
 - (ii) the representations and warranties which are repeated pursuant to Article 6.8 are correct in all respects;
 - (iii) the EU Guarantee is valid, binding and enforceable and that no events or circumstances have occurred which could, in the opinion of the Bank, adversely affect the legal, valid, binding and enforceable nature of the EU Guarantee, its applicability to any Tranche or the Bank's right to make a demand thereunder;
 - (iv) Ukraine continues to be an Eligible Country; and
 - (v) the Framework Agreement is valid, binding and enforceable and that no events or circumstances have occurred which could, in the reasonable opinion of the Bank, adversely affect the legal, valid, binding and enforceable nature of the Framework Agreement;
- (g) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (i) an Event of Default, or
 - (ii) a Prepayment Event,
- (h) has occurred and is continuing unremedied or unwaived or would result from the proposed Tranche; and
- (h) evidence of the payment of any fees or charges which have become due to be paid by the Borrower under this Contract.

1.5 Deferment of disbursement

1.5A Grounds for deferment

1.5A(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 7 (seven) 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.

1.5A(2) FAILURE TO SATISFY CONDITIONS TO DISBURSEMENT

- (a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such an Accepted Tranche referred to in Article 1.4 is not fulfilled both:
 - (i) at the date specified for fulfillment 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 an Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling not:
 - (i) earlier than 7 (seven) Business Days following the fulfillment of all conditions of disbursement; and
 - (ii) 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 an Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5A(3) DEFERMENT INDEMNITY

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

1.5B 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

1.6A Borrower's right to cancel

The Borrower may send a written notice to the Bank requesting the cancellation of the undisbursed portion of the Credit. The written notice:

- (a) must specify whether the Borrower would like to cancel the undisbursed portion of the Credit in whole or in part and, if in part, the amount of the Credit the Borrower would like to cancel; and

- (b) must not relate to an Accepted Tranche which has a Scheduled Disbursement Date falling within 7 (seven) Business Days of the date of the notice.

Upon receipt of such written notice, the Bank shall cancel the requested undisbursed portion of the Credit with immediate effect.

1.6B Bank's right to suspend and cancel

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 (apart from on the occurrence of a Market Disruption Event) cancelled in whole or in part:

- (a) a Prepayment Event;
- (b) an Event of Default;
- (c) an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default;
- (d) if Ukraine is no longer an eligible country for operations under the Mandate; or
- (e) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.

On the date of such written notification the relevant undisbursed 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.

1.6C Indemnity for suspension and cancellation of a Tranche

1.6C(1) SUSPENSION

If the Bank suspends an Accepted Tranche, upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferral Indemnity calculated on the amount of disbursement suspended.

1.6C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche is cancelled:

- (i) by the Borrower pursuant to Article 1.6.A;
- (ii) by the Bank upon an Indemnifiable Prepayment Event or pursuant to Article 1.5.B,

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

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

- (c) Save in the cases (a) or (b) above, no indemnity is payable upon cancellation of a Tranche.

1.7 Cancellation after expiry of the Credit

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, 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 notice being served by the Bank to the Borrower and without liability arising on the part of either party

1.8 Appraisal Fee

The Borrower shall pay to the Bank an appraisal fee in the amount of EUR 50,000 (fifty thousand euros). The appraisal fee shall be due and payable on the date which is the earlier of:

- (a) the date of the first Tranche (in which case the Bank may, and the Borrower hereby authorises the Bank to do so, retain an amount equivalent to unpaid appraisal fee from the first Tranche and such amount retained by the Bank out of the first Tranche in payment of the appraisal fee shall be deemed as having been disbursed by the Bank); and



(b) the Final Availability Date (or the date when the Loan is suspended or cancelled pursuant to Article 1.6B, if earlier).

1.9 Sums due under Article 1

Sums due under Articles 1.5 (*Deferment of disbursement*) and 1.6 (*Cancellation and suspension*) shall be payable (i) in Euro; and (ii) 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 this Contract, as confirmed by the Bank pursuant to Article 2.3.

2.2 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in EUR.

Other payment, 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 appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3
Interest

3.1 Rate of interest

3.1A Fixed Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate semi-annually in arrears 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).

3.1B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate semi-annually in arrears 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 apply as though the disbursement had been made on the Scheduled Disbursement Date.

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

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 the Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

- (a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
 - (b) for overdue sums related to Fixed Rate Tranches, the higher of (i) the applicable Fixed Rate plus 2% (200 basis points) or (ii) EURIBOR plus 2% (200 basis points); and
 - (c) for overdue sums other than under (a) or (b) above, EURIBOR plus 2% (200 basis points)
- and shall be payable in accordance with the demand of the Bank. For the purpose of determining EURIBOR in relation to this Article 3.2, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

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

3.3

Market Disruption Event

If at any time (i) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche, and (ii) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect.

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

The Borrower shall have the right to refuse in writing such disbursement 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 1.2B. If the Borrower does not refuse the disbursement in time, the Parties agree that the disbursement and the conditions thereof shall be fully binding for both Parties.

In such case, the Spread or the Fixed Rate previously accepted by the Borrower shall no longer be applicable.

ARTICLE 4

Repayment

4.1

Normal repayment

4.1A

Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:

- (i) in the case of a Fixed Rate Tranche, repayment shall be made semi-annually by equal instalments of principal or constant instalments of principal and interest;
- (ii) in the case of a Floating Rate Tranche, repayment shall be made by equal semi-annual instalments of principal;
- (iii) the first Repayment Date of each Tranche shall be a Payment Date falling not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the first Payment Date immediately following the 4th (fourth) anniversary of the Scheduled Disbursement Date of the Tranche; and
- (iv) the last Repayment Date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 20 (twenty) years from the Scheduled Disbursement Date.

4.2 Voluntary prepayment

4.2A 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;
- (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.

4.2B Prepayment indemnity

4.2B(1) FIXED RATE TRANCHE

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.

4.2B(2) FLOATING RATE TRANCHE

The Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

4.2C 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 and the Prepayment Indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

4.2D 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

4.3A Prepayment Events

4.3A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (e) so that the amount of the Credit exceeds 50% (fifty per cent) of such total cost of the Project, the Bank may forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds 50% (fifty per cent) of the total cost of the Project, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.3A(2) PARI PASSU TO NON-EIB FINANCING

If the Borrower (or the Guarantor) voluntarily prepays (for the avoidance of doubt, prepayment shall include a repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and:

- (a) such prepayment is not made within a revolving credit facility (save for the cancellation of the revolving credit facility); and
- (b) such prepayment is not made out of the proceeds of a loan or other indebtedness having a term at least equal to the unexpired term of the Non-EIB Financing prepaid,

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan 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. 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.

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

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

4.3A(3) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may by notice to the Borrower, cancel the undisbursed portion of the Credit and 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, repeal, cessation, 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 this Contract is signed and which, in the reasonable opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Contract or any security provided in respect of this Contract, or the Guarantor's ability to perform its obligations under the Guarantee Agreement.

4.3A(4) CHANGE-OF-CONTROL

The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur. At any time after the occurrence of a Change-of-Control 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 or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event 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. After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation, or (b) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

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

For the purposes of this Article:

- (a) a "Change-of-Control Event" occurs if:
 - (i) any person or group of persons acting in concert gains control of the Borrower; or
 - (ii) Ukraine ceases to control the Borrower or directly own 100% (one hundred per cent) of the statutory capital of the Borrower.
- (b) "acting in concert" means acting together pursuant to an agreement or understanding (whether formal or informal); and
- (c) "control" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

4.3A(5) ILLEGALITY

If:

- (a) it becomes unlawful in any applicable jurisdiction, or it becomes or is likely to become contrary to any Sanctions, for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan; or
- (b) the Framework Agreement is or is likely to be:
 - (i) repudiated or terminated by Ukraine or not binding on Ukraine in any respect;
 - (ii) not effective in accordance with its terms or is alleged by the Borrower or Ukraine to be ineffective in accordance with its terms;
 - (iii) breached, in that any obligation assumed by Ukraine under the Framework Agreement ceases to be fulfilled; or
 - (iv) not applicable to the Project or the rights of the Bank under the Framework Agreement cannot be enforced in respect of the Project.
- (c) in relation to the EU Guarantee:
 - (i) it is no longer valid or in full force and effect;
 - (ii) the conditions for cover thereunder are not fulfilled;
 - (iii) it is not effective in accordance with its terms or is alleged to be ineffective in accordance with its terms;
 - (iv) the Credit ceases to benefit from the EU Guarantee; or
 - (v) projects in Ukraine cease to be eligible to benefit from the EU Guarantee.

the Bank may, by notice to the Borrower:

- (A) immediately 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 or outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

4.3A(6) CHANGES TO THE BANK'S AUTHORITY TO LEND

The Borrower shall, within seven days of receiving notice from the Bank to do so, prepay to the Bank the Loan and all accrued interest and fees due under this Contract if:

- (a) Ukraine ceases to fulfil any obligation assumed by it in the Framework Agreement; or
- (b) the Framework Agreement is repudiated by the Government of Ukraine.

4.3A(7) MODIFICATION/LOSS OF LICENCE EVENT

- (a) The Borrower shall promptly inform the Bank if a Modification/Loss-of-Licence Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Modification/Loss-of- Licence 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.

- (b) If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that the effects of the Modification/Loss-of- Licence 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 or outstanding under this Contract.

- (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) For the purposes of this Article "**Modification/Loss-of-Licence Event**" means that the appointment of the Borrower as national postal service provider, or any other authorisation or licence (as existing of the date of this Contract, or as acquired on any date thereafter) held by the Borrower which is necessary for the performance of its core business activities or for the performance of business activities in connection with the scope of the Project is:

- (i) terminated, suspended or revoked or does not remain in full force and effect or otherwise expires;
- (ii) repudiated by the relevant authority;
- (iii) declared to be unlawful or contrary to any law or regulation; or
- (iv) amended and adversely affects the Borrower or the Project.

4.3B Prepayment mechanics

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

4.3C Prepayment indemnity

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.2B.

4.4 General

4.4A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4B 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 or indemnity from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

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

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 account(s) acceptable to the Bank. Any account in the name of the Borrower held with a duly authorised financial institution in the jurisdiction where the Borrower is incorporated or where the Project is undertaken is deemed acceptable 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 the Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

(a) General

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

(b) Partial payments

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

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

(c) **Allocation of sums related to Tranches**

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

ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date this Contract is signed 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 the Loan exclusively for the execution of the Project.

The Borrower shall ensure that it has unconditional access to the funds referred to in Recital (5), 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 this Contract and 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.

The Borrower hereby undertakes that so long as a Tranche or any part thereof under this Contract is outstanding it shall (i) fully control all assets forming part of the Project, (ii) perform all of its obligations under this Contract until completion of the Project, and (iii) not take or permit to be taken any action that would prevent or interfere with such performance, the execution or operation of the Project.

6.3 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (5), 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 undertakes to purchase equipment, secure services and order works for the Project by acceptable procurement procedures complying, to the Bank's satisfaction, with its policy as described in the Bank's Guide to Procurement.
- (b) The Borrower shall ensure that review procedures for remedies acceptable to the Bank are available in the procurement procedures of the Borrower in relation with the Project to any person or entity which had an interest in obtaining the contract and was (at risk of being) harmed by an (alleged) infringement of the applicable procurement rules.

6.5

Continuing Project undertakings

The Borrower shall:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
 - (b) **Project assets:** unless the Bank shall have given its prior consent in writing, retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under Article 309 of the Treaty on the Functioning of the European Union;
 - (c) **Insurance:** insure all works and property forming part of the Project in accordance with the Ukrainian industry practice for similar works of public interest and to the satisfaction of the Bank;
 - (d) **Rights and Permits:** maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project;
 - (e) **Environment:**
 - (i) ensure that the Project is implemented and operated in compliance with Environmental and Social Standards, and procure that the contracts entered into between the Borrower and contractors for the Project will contain provisions that require such contractors to comply with ILO Standards as well as with occupational health and safety standards;
 - (ii) ensure that the Borrower obtains and maintains requisite Environmental and Social Approvals for the Project; and
 - (iii) ensure that the Borrower comply with any such Environmental Approvals.
 - (f) **EU Law:** execute and operate the Project in accordance with the relevant standards of EU Law to the extent implemented by the laws of Ukraine or specified by the Bank in this Contract;
 - (g) **PIU:** to the satisfaction of the Bank, maintain a PIU, with an adequate number of qualified promoter staff with the resources and powers to implement the Project effectively;
 - (h) **Environmental and Social Documents:** ensure that the Borrower implements Environmental and Social Documents to the satisfaction of the Bank; and
 - (i) **Change of procurement plan:** promptly inform, and agree with, the Bank of any changes to the initial procurement plan of the Project agreed by the Bank.
- Other undertakings:**
- The Borrower shall:
- (i) procure that there is no double financing of the Project with other funds made available by the Bank, whether under this Contract or otherwise, or by other donors. For the avoidance of doubt, this undertaking shall not:

- (1) prohibit any co-financing of the Project by other donors or funding by the Borrower of other components of the Project; or
- (2) apply to the blending of grants from donors with funds from the Bank of which the Bank has been notified and which have been justified to the satisfaction of the Bank;
- (ii) procure that the Bank is promptly notified of the suspension or cancellation of the implementation of any part of the Project;
- (iii) ensure that no part of the Project:
 - (1) is carried out in an area in Ukraine which is experiencing active conflict;
 - (2) causes new active conflict to occur in Ukraine;
 - (3) prolongs any existing active conflict in Ukraine; or
 - (4) is carried out in an area which is not under the control of the Ukrainian Government;
- (iv) implement and maintain an adequate management system for the Project, which guarantees that the goals of the Project are fully achieved including (without limitation) that the quality of construction works is in full compliance with best practice construction standards and that the progress of construction works is recorded in the construction site record books; and
- (v) notify the Bank, without delay, on the due execution and delivery of the EBRD Loan Agreement.

6.6

Integrity Commitment

(a) **Prohibited Conduct**

- (i) The Borrower shall not engage in (and shall not authorise or permit any affiliate or any other person acting on its behalf to engage in) any Prohibited Conduct in connection with the Project, any tendering procedure for the Project, or any transaction contemplated by the Contract.
- (ii) The Borrower undertakes to:
 - (A) take such action as the Bank shall reasonably request to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct;
 - (B) allow persons designated by the Bank, as well as persons designated by the competent EU Institutions (including the Court of Auditors of the European Union, the European Commission and the European Anti-Fraud Office) to visit the Project, interview the Borrower and its employees and representatives and access the Borrower's books and records, to the extent permitted by the law and in with any alleged or suspected occurrence of a Prohibited Conduct; and
 - (C) cooperate and provide any assistance requested by the Bank and any other competent European Union institutions or bodies in connection with the investigation of any alleged or suspected occurrence of a Prohibited Conduct.
- (iii) The Borrower undertakes to ensure that contracts financed by this Loan include the necessary provisions to enable the Borrower to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project.

(b) **Sanctions**

The Borrower shall not:

- (i) maintain or 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

- (ii) use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person, in each case, in any manner that would directly result in a breach by the Borrower or the Bank of applicable Sanctions; or
- (iii) fund all or part of any payment under the Finance 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 directly result in a breach by the Borrower or the Bank of the Sanctions.

(c) **Borrower's Management**

The Borrower undertakes to take within a reasonable timeframe appropriate measures in respect of any member of its management bodies and senior staff members who:

- (i) becomes a Sanctioned Person; or
 - (ii) is the subject of any court ruling in connection with the Prohibited Conduct perpetrated in the course of the exercise of their professional duties,
- in order to ensure that such member is suspended, dismissed or in any case excluded from any of the Borrower's activities in relation to the Loan and to the Project.

(d) **Illicit Origin of Funds**

The Borrower shall promptly inform the Bank if at any time it becomes aware of the illicit origin of funds invested in the Project by the Borrower, including the products of Money Laundering or linked to the Financing of Terrorism.

(e) **Others**

- (i) The Borrower shall take note of the EIB Group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, Money Laundering and Financing of Terrorism (as published on the Bank's website and as may be amended from time to time) in the Borrower's financing activities related to the Project.

- (ii) The Borrower undertakes to ensure that any bidder whose any beneficial owner is a family member or a person known to be a close associate to any member of its management bodies and senior staff members will be identified and that adequate measures are adopted to address potential conflicts of interest prior to the award of contracts under any Sub-Project.

For the purposes of this Article 6.6 (e), each of "family member", "person known to be a close associate" and "beneficial owner" has the meaning given to it by the corresponding definitions under the EU Fourth Money Laundering Directive, subject to the definitions in the EU Fourth Money Laundering Directive having a general application and not being limited to politically exposed person.

B. General undertakings

6.7 **Disposal of assets**

- (a) The Borrower shall not, without the prior written consent of the Bank, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of all or any part of its business, undertaking or assets.

- (b) Paragraph (a) above does not apply to:

- (i) disposals made in the ordinary course of trading of the disposing entity;
- (ii) disposals made in exchange for other assets comparable or superior as to type, value and quality;
- (iii) disposals made with the prior written consent of the Bank; or
- (iv) disposals of non-core assets or assets which are not used in the operating activities of the Borrower via open auction where the aggregate value of the assets disposed in any financial year does not exceed (1) EUR 1,000,000.00 (one million Euro) (or its equivalent in another currency or currencies) for movable assets on the basis of the consideration received; and (2) EUR 10,000,000.00 (ten million Euro) (or its equivalent in another currency or currencies) for immovable assets on the basis of independent valuation.

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.

6.8

Compliance with laws

- (a) The Borrower shall comply, in all respects with all laws and regulations to which it or the Project is subject.
- (b) Without limiting the generality of paragraph (a), the Borrower shall promptly perform all acts and take all steps required under the laws of Ukraine to ensure:
 - (i) the completion of all necessary steps to permit this Contract to be validly entered into by the Borrower and its entry into force;
 - (ii) the registration of this Contract; or
 - (iii) the registration of any amendments to this Contract if required by any applicable law, with any authority in Ukraine where such registration is necessary to ensure the validity and effectiveness of this Contract and any amendment hereio.

6.9

Change in business

The Borrower shall procure that no substantial change is made to the core business of the Borrower from that carried on at the date this Contract is signed. For the avoidance of doubt, the extension of the Borrower's business activities to cover provision of financial services and to maintain postal accounts is explicitly permitted under this Article 6.9.

6.10

Merger

The Borrower shall not enter into any amalgamation, demerger, merger or corporate reconstruction except to the extent the Bank has given its prior written consent to such amalgamation, demerger, merger or corporate reconstruction.

6.11

Books and records

The Borrower shall:

- (a) ensure that it has kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, including expenditures in connection with the Project, in accordance with IFRS;
- (b) keep records of all contracts entered into by the Borrower which have been wholly or partly financed with the proceeds of the Loan, including a copy of such contracts, records of financial transactions in connection with the Project and any material documents relating to the procurement activities undertaken under such contracts for at least 6 (six) years following the execution of the relevant contract; and
- (c) ensure that all contracts referred to in paragraph (b) above include provisions requiring the relevant contractor to:
 - (i) promptly inform the Bank of any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project; and
 - (ii) co-operate and provide any assistance requested by the Bank in order to investigate or terminate any alleged or suspected occurrence of any Prohibited Conduct in connection with the Project. For the avoidance of doubt, this includes providing access to the relevant contractor's books and records in connection with the Project and to take copies of such books and records to the extent permitted by law.

6.12 Financial covenants

The Borrower shall maintain for each Relevant Period an EBITDA to Debt Service ratio higher than 2.

For the purposes of this Article 6.12 (*Financial covenants*) all covenants shall be based on audited IFRS financial statements of the Borrower.

For the purposes of this Article 6.12 (*Financial covenants*), the following words and phrases shall be defined as follows:

"Accounting Principles" mean IFRS.

"EBITDA" means, in respect of any Relevant Period, the operating profit of the Borrower before taxation (including the results from discontinued operations):

- (a) **before deducting** any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by the Borrower in respect of that Relevant Period;
- (b) **after adding back** any amount attributable to the amortisation, depreciation or impairment of assets of the Borrower (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);
- (c) **before taking into account** any Exceptional Items;
- (d) **before taking into account** any unrealised gains or losses on any derivative instrument/financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (e) **before taking into account** any gain or loss arising from an upward or downward revaluation of any other asset;

In each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Borrower before taxation.

"Exceptional Items" means any exceptional, one off, non-recurring or extraordinary items.

"Debt Service" means, in respect of any Relevant Period, the aggregate of:

- (a) Finance Charges for that Relevant Period;
- (b) all scheduled and mandatory repayments of Borrowings falling due and any voluntary prepayments made during that Relevant Period but excluding any amounts falling due under any overdraft or revolving and which were available for simultaneous redrawing according to the terms of that facility.
- (c) the amount of the capital element of any payments in respect of that Relevant Period payable under any Finance Lease entered into by the Borrower, and so that no amount shall be included more than once.

"Finance Lease" means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease).

"Finance Charges" means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings paid or payable by the Borrower in cash in respect of that Relevant Period:

- (a) **including** any upfront fees or costs which are included as part of the effective interest rate adjustments;
- (b) **including** the interest (but not the capital) element of payments in respect of Finance Leases;
- (c) **including** any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable by the Borrower under any interest rate hedging arrangement; and

- (d) taking no account of any unrealised gains or losses on any derivative instruments/financial instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

"Relevant Period" means each period of twelve months ending on the last day of the fiscal year of the Borrower.

6.13 Limitations on guarantees or indemnities


- (a) Except as permitted under paragraph (b) below, the Borrower shall not incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to guarantees and indemnities in an aggregate amount not exceeding, EUR 2,000,000 (two million euros) or its equivalent in any other currency.

6.14 Limitations on Joint Ventures

- (a) Except as permitted under paragraph (b) below, the Borrower shall not:
- (i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or
- (ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a joint venture or maintain the solvency of or provide working capital to any joint venture (or agree to do any of the foregoing).
- (b) Paragraph (a) above does not apply to any investments in any Permitted Joint Venture.
- "Permitted Joint Venture"** means any investment in any joint venture where:
- (i) the joint venture is a limited liability corporation and is incorporated, or established, and carries on its principal business, in Ukraine, in the European Union or any OECD country;
- (ii) the joint venture is engaged in a business substantially the same as that carried on by the Borrower; and
- (iii) in any financial year of the Borrower, the aggregate (the **"Joint Venture Investment"**) of:
- (1) all amounts subscribed for shares in, lent to, or invested in all such joint ventures by the Borrower;
- (2) the contingent liabilities of the Borrower under any guarantee given in respect of the liabilities of any such joint venture; and
- (3) the book value of any assets transferred by the Borrower to any such joint venture, when aggregated with the Total Purchase Price in respect of Permitted Acquisitions in that Financial Year does not exceed EUR 10,000,000 (ten million euros) (or its equivalent in other currencies).

6.15 Limitations on Acquisitions

- (a) The Borrower shall not:
- (i) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or
- (ii) incorporate a company,
- unless it is a Permitted Acquisition.
- (b) **"Permitted Acquisition"** means an acquisition for cash consideration, of (A) all of the issued share capital of a limited liability company or (B) (if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:

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- (i) no Event of Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;
 - (ii) the acquired company, business or undertaking is incorporated or established, and carries on its principal business in, the and is engaged in a business substantially the same as that carried on by the Borrower;
 - (iii) the consideration (including associated costs and expenses) for the acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition (when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition and any financial indebtedness or other assumed actual or contingent liability, in each case remaining in any such acquired companies or businesses at the time of acquisition (the "**Total Purchase Price**") together with the amount of any investment in any Permitted Joint Venture) does not in any financial year of the Borrower exceed in aggregate EUR 10,000,000 (ten million euros) or its equivalent in other currency;
 - (iv) the acquired company has a positive EBITDA; and
 - (v) the Borrower will comply with the financial covenants set out in Article 6.12 (*Financial covenants*) pro forma including the acquisition and will meet the financial covenants set out in Article 6.12 (*Financial covenants*) for the next 4 testing dates based on a certificate signed by two directors (one of which the CFO) of the Borrower, such certificate must give calculations showing in reasonable detail that the Borrower would have remained in compliance and will remain in compliance.

6.16 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

- (a) the Borrower is a legal entity established in accordance with Ukrainian law, being duly authorised to execute postal services in Ukraine; 100% of the shares of the Borrower is owned by Ukraine, and the management of the corporate rights of Ukraine over the Borrower are exercised, at the date of this Agreement, by the Ministry of Infrastructure of Ukraine;;
- (b) the Borrower is the state-owned national postal service provider in Ukraine;
- (c) the Project has an investment nature and concerns an object which has an all-national importance and an infrastructure development which has a strategic importance and the implementation of which promotes the development of Ukraine's economy for the purposes of the Law of Ukraine on the State Budget for the current year and, therefore, the Borrower's obligations under this Contract can be supported by the guarantee under the Guarantee Agreement in accordance with Ukrainian legislation in effect at the time the guarantee is granted;
- (d) it has the power to execute, deliver and perform its obligations under this Contract and all necessary actions have been taken to authorise the execution, delivery and performance of the same by it;
- (e) this Contract constitutes its legally valid, binding and enforceable obligations;
- (f) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) contravene or conflict with 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) contravene or conflict with any provision of its constitutional laws;
- (g) there has been no Material Adverse Change since 25 March 2020;



- (h) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
 - (i) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it any unsatisfied judgement or award;
 - (j) it has obtained all necessary Authorisations in connection with this Contract and the Project and all such Authorisations are in full force and effect and admissible in evidence;
 - (k) at the date this Contract is signed, no Security exists over its assets;
 - (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 companies generally;
 - (m) the Guarantee Agreement and the guarantee provided thereunder are legal, valid, binding and enforceable in accordance with their terms, and the guarantee under the Guarantee Agreement was granted for the benefit of the Bank in full compliance with all applicable legal requirements and procedures;
 - (n) 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;
 - (o) it is not (and will not, after the disbursement of the Loan, be) in breach of any restrictions applicable to it, on the incurring of financial indebtedness;
 - (p) it is in compliance with all undertakings under this Article 6;
 - (q) to the best of its knowledge, having made all reasonable enquiries, no funds invested in the Project by the Borrower are of illicit origin, including products of Money Laundering or linked to the Financing of Terrorism;
 - (r) neither the Borrower, its officers and directors nor any other person acting on its or their behalf or under its or their control has committed nor will commit:
 - (i) any Prohibited Conduct in connection with the Project or any transaction contemplated by the Contract; or
 - (ii) any illegal activity related to the Financing of Terrorism or Money Laundering; and
 - (s) the Project (including, without limitation, the negotiation, award and performance of contracts financed or to be financed by the Loan) has not involved or given rise to, any Prohibited Conduct;
 - (t) it is not a Sanctioned Person, or in breach of any Sanctions; and, to the best of its knowledge and belief, none of the Relevant Persons is a Sanctioned Person or in breach of any Sanctions.
- The representations and warranties set out above shall survive the execution of this Contract and are, except paragraph (d) above, deemed repeated on each Scheduled Disbursement Date and each Payment Date.

6.17

Onward Disbursement of the Loan

The Borrower undertakes and agrees to keep each Loan in the Project Accounts and only to disburse monies out of the Project Accounts to a contractor employed in connection with the Project, and no other party, upon receipt by the Borrower and/ or the technical supervision company of an invoice from that contractor and the presentation of that invoice by the Borrower.

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ARTICLE 7
Security

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

7.1 Pari Passu ranking

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

7.2 Guarantee

The obligations of the Bank under this Contract are conditional upon the prior execution and delivery to the Bank of the Guarantee Agreement in form and substance satisfactory to it. The Borrower hereby acknowledges and consents to the terms of the Guarantee Agreement.

7.3 Negative pledge

- (a) The Borrower shall not create or permit to subsist any Security over any of its assets, without a prior written consent of the Bank.
- (b) For the purposes of this Article 7.3 (*Negative pledge*), 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.
- (c) Paragraph (a) above does not apply to any Security, listed below:
 - (i) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (ii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Borrower for the purpose of:
 - (1) hedging any risk to which the Borrower is exposed in its ordinary course of trading; or
 - (2) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;
 - (iii) any lien arising by operation of law and in the ordinary course of trading;
 - (iv) any Security over or affecting any asset acquired by the Borrower after the date of this Contract if:
 - (1) the Security was not created in contemplation of the acquisition of that asset by the Borrower;
 - (2) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by the Borrower; and
 - (3) the Security is removed or discharged within 6 months of the date of acquisition of such asset;

- (v) any Security entered into pursuant to this Contract;
- (vi) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Borrower in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Borrower; or
- (vii) any Security granted to Ukraine by the Borrower in connection with the sovereign guarantee issued or to be issued by Ukraine to guarantee the obligations of the Borrower vis-à-vis EIB and/or EBRD as lenders;
- (viii) any Security granted to lenders securing working capital facilities of the Borrower;
- (ix) any Security granted to EBRD by the Borrower in connection with a facility agreement to be entered into between EBRD and the Borrower for the financing of movable postal offices in the amount of appx. UAH 700,000,000.00 (seven hundred million hryvnia); and
- (x) any Security securing indebtedness the principal amount of which, when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by the Borrower other than permitted under paragraphs (i) to (x) above, does not exceed EUR 20,000,000.00 (twenty million euros) (or its equivalent in another currency or currencies).

7.4

Clauses by Inclusion

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

ARTICLE 8

Information and visits

8.1

Information concerning the Project

The Borrower shall:

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

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 and in the English language 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 the price, design, plans,

timetable or to the expenditure programme for the Project or the general financing plan for the Project;

- (c) promptly inform the Bank, in the English language, of:
 - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any 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; and
 - (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 non-compliance by it with any applicable Environmental Law;
 - (iv) a genuine allegation, complaint or information with regard to any Prohibited Conduct related to the Project; and
 - (v) any suspension, revocation or modification of any Environmental Approval;
 - (vi) the suspension or cancellation of the Project;
 - (vii) any material alteration to any laws, constitutional documents or shareholding structure relating to the Borrower with a material effect on the Project after the date of this Contract;
 - (viii) any Security granted or purported to be granted by the Borrower over any of assets forming part of the Project in favour of a third party; and
 - (ix) any disposal of any material assets forming part of the Project;
 - (x) any changes to the initial procurement plan(s);
- (d) retain, in a single location, for inspection during six (6) years from the conclusion of each contract financed by means of the Credit, the full terms of the contract itself, as well as all material documents pertaining to the procurement process and to the execution of the contract and procure that the Bank may inspect the contractual documents that the contractor is obliged to retain under its supply contract;
- (e) provide to the Bank, if so requested:
 - (i) a certificate of its insurers showing fulfilment of the requirements of Article 6.5(c);
 - (ii) annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums.

8.2 Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
 - (i) as soon as they become available but in any event within 180 (one hundred and eighty) days after the end of each of the relevant financial years its audited consolidated annual report, balance sheet, profit and loss account, cash flow statement and auditors report for that financial year together with a Compliance Certificate as set out in Schedule C.3 reported on by the Borrower's auditors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.12 and with evidence of such compliance and related calculations;
 - (ii) as soon as they become available but in any event within 90 (ninety) days after the end of the first 6 months of the relevant financial years, its interim unaudited semi-annual report, balance sheet, profit and loss account and cash flow statement for the first half-year together with a Compliance Certificate as set out in Schedule C.3 signed by the general manager or an authorised representative of the Borrower confirming compliance with the financial covenants pursuant to Article 6.12 and with evidence of such compliance and related calculations (for the purposes of this point (ii) only, (1)

Relevant Period shall mean the period of twelve months ending on the last day of the first 6 months of the relevant financial year of the Borrower; (2) the calculation of the financial covenants shall be based on the unaudited IFRS financial statements of the Borrower); and

- (iii) from time to time, such further information on its general financial situation as the Bank may reasonably require;
 - (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 following the Borrower becoming aware of:
 - (i) any material alteration to any laws, statutes, by-laws, memoranda and articles of association applicable to the Project after the date this Contract is signed;
 - (ii) any fact which obliges it to prepay any financial indebtedness or any EU 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 or any event referred to in Article 7, other than related to granting any Security permitted under Article 7.3 (c);
 - (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) to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or its controlling entities or members of the Borrower's management bodies in connection with Prohibited Conduct related to the Loan or the Project;
 - (ix) any investigations concerning the integrity of the members of the Borrower's governing body (including, but not limited to the Investigation) or managers or if any member thereof becomes a Sanctioned Person; and
 - (x) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending which might if adversely determined result in a Material Adverse Change.
 - (d) deliver to the Bank 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 and the Guarantor, including, but not limited to "know your customer" (KYC) or similar identification procedures, when requested and within a reasonable time.
- 8.3 Investigations and information**
- The Borrower undertakes:
- (a) to take such action as the Bank shall reasonably request to investigate and/or terminate any alleged or suspected act of the nature described in Article 6.6;
 - (b) to inform the Bank of the measures taken to seek damages from the persons responsible for any loss resulting from any such act; and
 - (c) to facilitate any investigation that the Bank may make concerning any such act.

8.4

Visits by the Bank, Rights of Access and Investigations

- (a) The Borrower shall allow persons designated by the Bank, as well as persons designated by the competent EU Institutions including the Court of Auditors of the European Union, the European Commission and the European Anti-Fraud Office to:
- (i) visit the sites, installations and works comprising the Project and to conduct such checks as they may wish for purposes connected with this Contract and the financing of the Project,
 - (ii) interview representatives of the Borrower, and not obstruct contacts with any other person involved in or affected by the Project; and
 - (iii) 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 applicable laws.
- (b) The Borrower shall facilitate investigations by the Bank and by other competent European Union institutions or bodies in connection with any alleged or suspected occurrence of a Prohibited Conduct and shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article.
- (c) The Borrower acknowledge 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 including the Court of Auditors of the European Union, the European Commission and the European Anti-Fraud Office as are necessary for the performance of their task in accordance with the laws of the European Union.

ARTICLE 9

Charges and expenses

9.1

Taxes, duties and fees

The Borrower shall pay any tax, levy, impost, duty or other charge or withholding of a similar nature (including any interest payable in connection with any failure to pay or any delay in paying any of the same), including any stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any security for the Loan to the extent applicable.

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

9.2

Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and in the amendment, creation, management, enforcement and realisation of any security for the Loan, as well as expenses of the Bank under Article 8.3.

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 or application

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of) any law or regulation or compliance with any law or regulation which occurs after the date of this Contract, in accordance with or as a result of which:

- (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract; or
- (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.

The Bank shall provide documentary evidence for any such increased costs where it is reasonably practicable to do so.

- (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 payment or partial discharge that takes place in a manner other than as expressly set out in this Contract.

- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10

Events of default

10.1 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.

10.1A Immediate demand

The Bank may make such demand immediately without prior notice or any judicial or extra judicial step:

- (a) if the Borrower or the Guarantor does not pay on the due date any amount payable pursuant to this Contract or the Guarantee Agreement (as the case may be) 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 the Guarantor, 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 the Guarantor in, pursuant to, or for the purposes of entering into, the Guarantee Agreement or in connection with the negotiation or performance of this Contract or the Guarantee Agreement, is or proves to have been incorrect, incomplete or misleading in any material respect at the time it was made or deemed to be made;
- (c) if, following any default of the Borrower or the Guarantor in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:
 - (i) either the Borrower or the Guarantor 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
- (d) if the Borrower is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;
 - (e) if any corporate 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 an order is made or an effective resolution is passed for the winding up of the Borrower, or the Borrower ceases to be authorised national postal service provider in Ukraine, 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 business or activities;
 - (f) if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, or if or over, any part of the assets of the Borrower or any property forming part of the Project;
 - (g) if:
 - (i) the Borrower defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union or financial instrument entered into with the Bank;
 - (ii) there is an acceleration of any loan granted by the Bank to the Borrower or any loan granted by the EU to the Borrower;
 - (h) if any expropriation, attachment, sequestration, distress or execution or any analogous process arising from judicial or arbitral proceedings in any jurisdiction affects any asset or assets of the Borrower or any property forming part of the Project and is not discharged within 30 (thirty) days;
 - (i) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date this Contract is signed or with the Guarantor's condition at the date the Guarantee is signed;
 - (j) if the Borrower is not in compliance with the financial covenants set out in Article 6.12 (*Financial covenants*); or
 - (k) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or this Contract is not effective in accordance with its terms or is alleged by the Borrower to be ineffective in accordance with its terms.

10.1B Demand after notice to remedy

The Bank may also make such demand without prior notice 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 or the Guarantor fails to comply with any obligation under the Guarantee Agreement, other than those referred to in Article 10.1.A; or
 - (b) if any fact 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.

10.3 Indemnity

10.3A 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 that would accrue thereafter on the amount prepaid over the period from the date of prepayment to the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

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

10.3B 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 0.15% (fifteen basis points) *per annum* calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Maturity Date.

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

10.3C 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

11.1 Governing Law

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

11.2 Arbitration

(a) Any dispute arising out of or connected with this Contract, including a dispute as to the validity or existence of this Contract and/or this Article 11.2, shall be resolved by arbitration in The Hague conducted in the English language by three arbitrators pursuant to the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL"), save that, unless the parties agree otherwise:

- (i) the third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the parties. If he is not chosen by the two arbitrators within 30 days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, he shall be appointed by the ICC International Court of Arbitration (the "ICC Court");

- (ii) no arbitrator shall be of the same nationality as any party (and for the purposes of this Article, the nationality of the Bank shall be deemed to be Luxembourg);
 - (iii) neither party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the dispute;
 - (iv) the tribunal shall not take or provide and the Borrower shall not seek from any judicial authority, any interim measures or pre-award relief against the Bank; and
 - (v) the parties agree to waive any right of appeal against the arbitration award.
- (b) The appointing authority shall be the ICC Court. This Article 11.2 and any arbitration under this Article 11.2 shall be governed by Dutch law.

11.3 Waiver of immunity

The Borrower irrevocably agrees that, to the extent that the Borrower may in any jurisdiction claim for itself or its assets immunity from suit, enforcement, attachment or other legal process, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

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 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.

11.6 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.

11.7 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.

11.8 Amendments

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

No amendments to the Finance Contract which have the effect of:

- (a) extending the period for the performance by Borrower of its obligations under the Finance Contract;
 - (b) increasing the amount of the Loan Outstanding or the Credit; or
 - (c) changing the interest rate applicable to the Loan under the Finance Contract,
- shall be made without the prior written consent of the Guarantor.

11.9 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 and 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 or the Guarantor 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, 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*).





12.1B Addresses

The address and electronic mail address (and the department or officer, if any, 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 100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address: ops-nc2-projects@elb.org
For the Borrower	Attention: Operations Division 22 Kreschatyk Street, Kyiv 01001 Ukraine E-mail address: LogisticsNetwork@ukrposhta.ua

12.1C 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 Entry into force

This Contract shall become effective on the date (the "**Date of Effectiveness**") on which the Bank has confirmed in writing that the Contract has become effective, and it received evidence that the law of Ukraine ratifying the Guarantee Agreement became effective.

If the Date of Effectiveness does not occur within 24 (twenty-four months) from the date of this Contract, this Contract shall not come into force and no further action shall be necessary or required.

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12.4 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A	Technical Description and Reporting
Schedule B	Definition of EURIBOR
Schedule C	Forms for Borrower

The following Annexes are attached hereto:

Annex 1	Authorisation of signatory on behalf of the Borrower
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IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in four (4) originals in the English language and have caused Kinga Soltész, Senior Legal Counsel and Igor Smelyansky, CEO to initial each page of this Contract on their behalf.

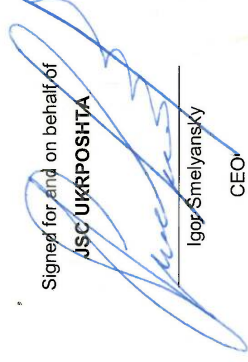
At Brussels, this 6 October 2020.

Signed for and on behalf of
EUROPEAN INVESTMENT BANK



Liliyana Pavlova
Vice President

Signed for and on behalf of
JSC UKRPOSHTA



Igor Smelyansky
CEO



SCHEDULE A

A.1 TECHNICAL DESCRIPTION

Purpose, Location

The project relates to the design, roll-out, implementation and operation of the modernisation of the promoter's parcel logistics network in Ukraine. With the decline of mail services and the increasing demand for parcel services, the promoter has to modernize and digitalize the provision of it services, with a special focus on the adaptation to parcel delivery and related services.

Description

The project includes investments in new sorting machines, as well as construction of new logistic sites (hubs and depots), together with investment in the related logistic IT systems. For the new sites, the promoter will follow a mix of own construction and renting of sites built by real-estate developers. The EIB project relates to the financing of the construction of one logistic Hub and six Depots to be built by the promoter and the acquisition and installation of the sorting machinery for all sites. The construction of new sites, accounting for over 60% of the total project costs, include the construction of a new Hub with a 20 000 sqm ground floor area in Lviv and the construction of six new Depots in Bila Tserkva, Lubny, Zhytomyr, Kryvyi Rih, Kherson and Vinnytsia with total ground floor area of around 27 000 sqm. The machinery components, amounting to over 20% of the project costs, includes the installation of 63 simple gravity sorters as well as 24 simple semi-automated ones in 19 Depot's of the promoter's network and one 12k cross belt, 2 Optisorters and 3 simple-automated sorters in 3 network Hubs.

The technical indicators of the different equipment to be installed are the following:

Equipment	Theoretical (units/hour)	efficiency (units/hour)	Operational (units/hour)	efficiency (kWh)	Energy consumption
Simple gravity RCS 20pcs		1500		1125	64
Simple semi-automated RCS 20pcs		3800		2850	161
Cross belt 12k up to 80- 100 slides		12000		9600	542

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The main project elements are shown in the table below.

	Site	Total ground floor area	Total first floor area	Equipment
4LB	Site East			1 x Transporter, up to 60 sq dm, 2 Storage units, 100 sq dm, 1 Computer
	Depot 2			1 x Crane lift 12x40 to 90, 100 sq dm
	Site	2776	126	Single set of radio-aided WCS 2000, 1 Computer
DEPOT	Depot Bala Tsekvu	3 168	266	4 Storage units WCS 2000
	Depot Luby	3 168	266	4 Storage units WCS 2000
	Depot Zhytomyr	4 096	575	7 Storage units WCS 2000
	Depot Luby			2 Storage units WCS 2000
	Depot Katerynk			3 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000
	Depot Pivkyn			4 Storage units WCS 2000
	Depot Ozerovsk			4 Storage units WCS 2000
	Depot Ozerovsk			1 Storage unit WCS 2000
	Depot Masaren			6 Storage units WCS 2000
	Depot Luby			4 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000
	Depot Ozerovsk			2 Storage units WCS 2000
	Depot Katerynk	4 096	266	7 Storage units WCS 2000
	Depot Katerynk	5 427	575	8 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000
	Depot Katerynk	5 427	575	8 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000
	Depot Katerynk			2 Storage units WCS 2000

For the construction of the sites, the promoter will follow a mix of own construction and renting of sites built by real-estate developers. At the time of the appraisal, the project includes the construction of one logistic Hub (Lviv) and of six Depots (Bila Tsekvu, Luby, Zhytomyr, Katerynk, Kherson and Vinnytsia) to be built by the promoter. The sites not to be built by the promoter will be rented from real estate developers. The promoter is currently actively searching for sites and scoping developers' interest to collaborate with them, but the final names and number of the own built sites might vary with the progress of the project implementation. The rental costs of sites built by real estate developers are not included in the ELB project scope.

In addition to the infrastructure and the machinery, the project foresees the acquisition of the logistics-related IT software and solutions. Main part of the IT will be spent in the Track & Trace software and the Warehouse Management System (WMS). The project also includes a Transport Management System (TMS) and Data Warehouse and Business Intelligence System for logistics.

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Calendar

The project will be implemented from the beginning 2020 until the end of 2022. The expected timeframe for the different sites is shown below:

Start year		End year	Hub/Depot name
2020		2021	Hub Kyiv East
2020		2021	Hub Dnipro
2020		2021	Hub Lviv
2020		2021	Depot Bila Tserkva
2020		2021	Depot Lubny
2020		2021	Depot Zhytomyr
2020		2021	Depot Luhny
2020		2021	Depot Kaharlyk
2020		2021	Depot Ivankiv
2020		2021	Depot Pavlograd
2020		2021	Depot Baryshivka
2021		2022	Depot Chervonohrad
2021		2022	Depot Ivano-Frankivsk
2021		2022	Depot Mukachevo
2021		2022	Depot Lutsk
2021		2022	Depot Kovel
2021		2022	Depot Drohobych
2022		2022	Depot Kryvyi Rih
2022		2022	Depot Kherson
2022		2022	Depot Nikopol
2022		2022	Depot Vinnytsia
2022		2022	Depot Bershad
2022		2022	Depot Turchyn

Other:

Minor changes (<10%) in the project scope, costs of the time plan might occur during the normal course of operation.

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

1. Dispatch of information: designation of the person responsible

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

	Financial Contact	Technical Contact
Company	<i>Ukrposhta</i>	
Contact person	<i>Maxim Paliy</i>	
Title	<i>Mr</i>	
Function / Department financial and technical	<i>Chief Financial Officer</i>	
Address		
Phone	<i>+380443232008</i>	
Fax		
Email	<i>pali-mo@ukrposhta.ua</i>	

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being.
The Borrower shall inform the EIB immediately in case of any change.

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2. Information on the project's implementation

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

Document / Information	Deadline	Frequency of reporting
Project Progress Report - An update on the <i>Technical Description</i> as defined in Annex A.1 explaining the reasons for significant changes vs. <i>Initial scope</i> ; - Update on the date of completion of each of the project's components as defined in Annex A.1, explaining reasons for any possible delay; - Update on the cost of the project split by the description of Annex A.1, explaining reasons for any possible cost variations vs. <i>initial budgeted cost</i> ; - A description of any major issue with impact on the environment; - Update of the procurement plan; - Update on the project's demand or usage and comments; - Any significant issue that has occurred and any significant risk that may affect the project's operation; - Any legal action concerning the project that may be on-going; - Non-confidential project-related pictures, if available.	31.3.2021 31.3.2022 31.3.2023	2021, 2022, 2023

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

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

Document / information	Date of delivery to the Bank
<p>Project Completion Report, including:</p> <ul style="list-style-type: none">- A final Technical Description of the project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.;- The date of completion of each of the main project's components, explaining reasons for any possible delay;- The final cost of the project, explaining reasons for any possible cost variations vs. initial budgeted cost;- Employment effects of the project: person-days required during implementation as well as permanent new jobs created;- A description of any major issue with impact on the environment or social impacts;- Update on procurement procedures and explanation of deviations from the procurement plan);- Update on the project's demand or usage and comments;- Any significant issue that has occurred and any significant risk that may affect the project's operation;- Non-confidential project-related pictures, if available.- An update on the following Monitoring Indicators:	31.3.2024

Outputs	Baseline	Target at project completion	Expected at project completion
Project maximum transport capacity	0.00 Mtn/yr	157,143.00 Mtn/yr	Operational efficiency of roads (km² set (construction))
Outcomes			
Annual production (Industry)	53.00 Mtyr	90.00 Mtyr	Number of domestic and international parcels in m³ in units
Total potential sales resulting from the project			
	86.00 MEUR	155.00 MEUR	Revenue of domestic and international parcels in m³ in EUR, including African Conversion rate (LAF) 1:5 EUR 0.035
Core results			
Employment	3 - Good		
Rating			
Employment during construction - temporary jobs	Baseline	Target at project completion	Expected at project completion
Employment during operation - new permanent jobs	0.00 FTE	570.00 person years	
Fiscal revenues (Private Sector)	Baseline	Target at project completion	Expected at project completion
Energy - annual efficiencies realized (Energy saved MWh/a)	0.00 MWh/a		

15/4/24



The financing for this project benefits from an EU guarantee to the Bank under Decision No 466/2014/EU of the European Parliament and of the Council. Pursuant to Article 9 (2) of this Decision, the Bank "shall require the project promoters to carry out thorough monitoring during project implementation until completion, inter alia, on the economic, development, social, environmental and human rights impact of the investment project. The EIB shall verify on a regular basis the information provided by the project promoters and make it publicly available if the project promoter agrees. Where possible, project completion reports related to EIB financing operations shall be published excluding confidential information."

Accordingly, and without prejudice to the Bank's obligation to make publicly available any project-related environmental information under Aarhus Convention, the Bank shall make publicly available all information provided by the Borrower in the Project Progress Reports and Project Completion Report provided that such information is expressly marked by the Borrower as "for publication on the EIB website".

Alternatively, the Borrower may also decide to publish this information on its own website and provide the EIB with the corresponding link (URL) which will be used as a source for EIB publication.

The EIB will not take any responsibility for the content of such information made public on its website. Documents marked as "for publication on the EIB website" will be published as received and will not be edited by the EIB. Only functioning URLs that link to the relevant project-related information will be published by the EIB.

4. Information required 3 years after the Project Completion Report

The Borrower shall deliver to the Bank the following information 3 years after the project completion report at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
Update on the Monitoring Indicators as defined in the above Monitoring Indicators Table.	
Language of reports	English

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SCHEDULE B

Definition of EURIBOR

"**EURIBOR**" means:

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

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

- (i) "**available**" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), or any successor to that function of EMMI, as determined by the Bank; and
- (ii) "**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

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

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

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

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



Money Market Institute, as the administrator of the EURIBOR, (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (v) the European Central Bank.

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



SCHEDULE C

Forms for Borrowers

C.1 Form of Disbursement Offer/Acceptance (Articles 1.2B and 1.2C)

To: JSC UKRPOSHTA
From: European Investment Bank
Date:
Subject: Disbursement Offer/Acceptance for the Finance Contract between European Investment Bank and JSC UKRPOSHTA dated 6 October 2020 (the "Finance Contract")
FI number 88.215 Serapis number 2017-0553

Dear Sirs,

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

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

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

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

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

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

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

Yours faithfully,

EUROPEAN INVESTMENT BANK

We hereby accept the above Disbursement Offer:

For and behalf of the JSC UKRPOSHTA

Date:

15/11/21



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

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

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

Disbursement Account N°:

Disbursement Account Holder/Beneficiary:

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

Bank name and address:

Bank identification code (BIC):

Payment details to be provided:

Please transmit information relevant to:

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

.....

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

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C.2 Form of Certificate from Borrower (Article 1.4B)

To: European Investment Bank
From: JSC UKRPOSHTA
Date:
Subject: Finance Contract between European Investment Bank and JSC UKRPOSHTA dated 6 October 2020
(the "Finance Contract")
FI number 88.215 Serapis number 2017-0553

Dear Sirs,

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

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

- (a) no Prepayment Event has occurred and is continuing unremedied or unwaived;
- (b) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.1, save as previously communicated by us;
- (c) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A.1;
- (d) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default or a Prepayment Event has occurred and is continuing unremedied or unwaived;
- (e) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (f) the representations and warranties to be made or repeated by us under Article 6.16 are true in all respects;
- (g) we are in compliance with the financial covenants pursuant to Article 6.12 and attached is evidence of such compliance and related calculations;
- (h) the Guarantee Agreement is valid, binding and enforceable and continues in full force and effect; and
- (i) no Material Adverse Change has occurred, as compared with our situation at the date of the Finance Contract.

Yours faithfully,
For and on behalf of **JSC UKRPOSHTA**
Date:

15.10.20



C.3 Form of Compliance Certificate

To: European Investment Bank
From: JSC UKRPOSHTA
Date:
Subject: Finance Contract between European Investment Bank and JSC UKRPOSHTA dated 6 October 2020
(the "**Finance Contract**")
FI number 88.215 Serapis number 2017-0553

Dear Sirs,

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

We hereby confirm:

- (i) [insert details and computations of covenants to be certified];
- (ii) [insert information regarding asset disposal];
- (iii) [no Security of the type prohibited under Article 7.3 has been created or is in existence;]
- (iv) [no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived. [If this statement cannot be made, this certificate should identify any potential event of default that is continuing and the steps, if any, being taken to remedy it].

Yours faithfully,

For and on behalf of:

[JSC UKRPOSHTA / auditor of the Borrower]

15/11/20



ANNEX I

Authorisation of Signatory on Behalf of the Borrower

15/4/20