
LOAN NUMBER 8727-UA

Loan Agreement

(Access to Long Term Finance Project)

between

JOINT STOCK COMPANY "THE STATE EXPORT-IMPORT BANK OF
UKRAINE"

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated *June 26*, 2017

LOAN NUMBER 8727-UA

LOAN AGREEMENT

AGREEMENT dated _____, 2017, between Joint Stock Company "THE STATE EXPORT-IMPORT BANK OF UKRAINE" ("Borrower" or "Ukreximbank") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred and fifty million Dollars (USD150,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions.

Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are March 15 and September 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section III of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower, the Guarantor and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that the Borrower's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 30 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) At least one Subsidiary Financing Agreement, satisfactory to the Bank, has been executed on behalf of the Borrower and a PFI in accordance with the provisions of paragraph 5 (b) (i) of Section I.A of Schedule 2 to this Agreement.
 - (b) The Borrower shall have adopted the Operational Manual satisfactory to the Bank.
- 5.02. The Additional Legal Matter consists of the following, namely the Subsidiary Financing Agreement executed under Section 5.01 (a) has been duly authorized by the Borrower and the relevant PFI and is legally binding upon the Borrower and the relevant PFI in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the Chairman of the Borrower.

6.02. The Borrower's Address is:

Joint Stock Company "The State Export-Import Bank of Ukraine"
127, Antonovycha Str.
Kyiv-150, 03150
Ukraine

Telex:

Facsimile:

831258 EXIMB UX

38044 247 8082

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:

Facsimile:

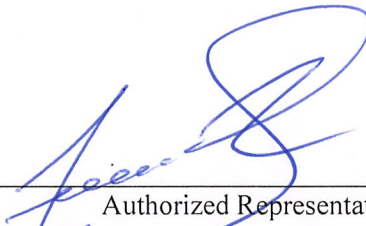
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1-202-477-6391

AGREED at Kyiv, Ukraine, as of the day and year first above written.

JOINT STOCK COMPANY "THE STATE EXPORT-IMPORT
BANK OF UKRAINE"

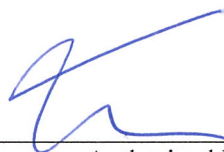
By



Authorized Representative
Name: Aleksandr Hrytsenko
Title: Chairman of the Board

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative
Name: Satu Kähkönen
Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve access to longer term finance for export oriented small and medium enterprises.

The Project consists of the following part:

Part A: Credit facility to provide financing to export oriented SMEs

(i) Ukreximbank on-lending through PFIs

The establishment and operation of a credit facility within Ukreximbank for the provision of financing (through Subsidiary Financing Agreements) to selected PFIs to provide financing (through Sub-financing) to private export oriented SMEs to finance the cost of carrying out Sub-projects.

(ii) Ukreximbank direct lending as a PFI

The establishment and operation of a credit facility within Ukreximbank for the provision of Sub-loans to private export oriented SMEs to finance the cost of carrying out Sub-projects.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Other Arrangements

1. Except as the Bank shall otherwise agree, the Borrower shall, throughout the implementation of the Project, maintain its Project Implementation Unit and ensure that said Unit functions at all times in a manner and with staffing and budgetary resources necessary and appropriate for implementation of the Project and satisfactory to the Bank.
2. The Borrower shall: (a) maintain the Operational Manual in form and content satisfactory to the Bank; (b) duly perform all its obligations under the Operational Manual; and (c) not assign, amend, abrogate or waive the Operational Manual, or any provision thereof, without obtaining the prior approval of the Bank. In case of any conflict between the terms of the Operational Manual and those of this Agreement, those of this Agreement shall prevail.
3. The Borrower shall, throughout the implementation of the Project, comply with the applicable prudential regulations of the NBU.
4. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
5. For the purposes of carrying out Part A (i) of the Project, the Borrower shall:
 - (a) select Commercial Banks as PFIs pursuant to criteria set forth in paragraph 1 of Section I.B of this Schedule and the Operational Manual;
 - (b)
 - (i) provide financing to the PFIs in an amount equivalent to part of the proceeds of the Loan allocated from time to time to Category (1) set forth in Section III.A of this Schedule under Subsidiary Financing Agreements to be entered into between the Borrower and each such PFI, and which Subsidiary Financing Agreements shall have been approved by the Bank and shall include without limitation, the terms and conditions set forth in Section I.B of this Schedule, and provided that the PFI continues to satisfy the eligibility criteria set forth in paragraph 1 in Section I.B. of this Schedule;
 - (ii) take or cause to be taken all action necessary or appropriate on its part to enable the PFIs to perform in accordance with the

provisions of their respective Subsidiary Financing Agreements all the obligations of the PFIs therein set forth, and not take or permit to be taken any action that would prevent or interfere with such performance; and

- (iii) exercise the Borrower's rights under the Subsidiary Financing Agreements in such manner as to protect the interests of the Bank and the Guarantor and to accomplish the purposes of the Loan, and, except as the Bank shall otherwise give its prior approval, not assign, amend, abrogate or waive any such agreement or any provision thereof;
- (c) ensure that, except as the Bank shall otherwise agree, the aggregate amount of outstanding Sub-financing to any single SME from all PFIs together with the aggregate amount of outstanding Sub-loans from Ukreximbank to the same SME shall not exceed the equivalent of USD 8,000,000; and
- (d) monitor the overall execution of the Project and the carrying out by the PFIs of their obligations under their respective Subsidiary Financing Agreements in accordance with policies and procedures satisfactory to the Bank.

6. For the purposes of carrying out Part A (ii) of the Project, the Borrower shall:

- (a) (i) Make Sub-loans to SMEs under Sub-loan Agreements to be entered into between the Borrower and an SME, on the terms and conditions set forth in the Operational Manual, including, without limitation, the terms and conditions set forth in Section I.C of this Schedule with the following modifications:
 - (A) all references to "PFI" shall be treated as references to "Ukreximbank";
 - (B) the term "Sub-financing" shall be replaced with "Sub-loan";
 - (C) paragraph 3 shall be modified to read as follows:

"3. Except as the Bank shall otherwise agree, each Sub-loan shall be provided on terms, including those relating to the maturity, interest rate, charges and/or fees, determined in accordance with Ukreximbank's investment and lending policies and practices, provided that:

- (a) the interest rate, charges and/or fees, in the aggregate, to be applied to the principal amount thereof withdrawn and outstanding from time to time, shall not be less than the Subsidiary Finance Rate applicable from time to time pursuant to paragraph 3(a) of Section I.B of this Schedule; and
 - (b) each Sub-loan by Ukreximbank to SMEs to finance a Sub-project shall have a minimum maturity period of: (i) thirty six (36) months for an Investment Sub-project to an SME, and (ii) twelve (12) months for a Working Capital Sub-project;
- (ii) exercise its rights and carry out its obligations under each Sub-loan Agreement in a manner acceptable to the Bank, and to protect its interests, and the interests of the Guarantor and the Bank; and
- (iii) not assign, amend, abrogate or waive any of its Sub-loan Agreements, or any provision thereof, without the prior approval of the Bank.
- (b) Ensure that, except as the Bank shall otherwise agree, the aggregate amount of outstanding Sub-loans to any single SME together with aggregate amount of outstanding Sub-financing from all PFIs to the same SME shall not exceed the equivalent of USD 8,000,000.
- (c) Supervise, monitor and report on the carrying out of Sub-projects by SMEs, in accordance with the provisions of this Agreement and those of the Operational Manual.
- (d) Use its best efforts to utilize all repayments of Subsidiary Financing by PFIs under Part A (i) of the Project and all repayments of Sub-loans by SMEs under Part A (ii) of the Project (to the extent repayments are not required to meet the Borrower's payment and repayment obligations to the Bank) to finance additional development projects to further the development of exporters.

B. Terms and Conditions of the Borrower's provision of Subsidiary Financing to PFIs

PFI Eligibility Criteria

1. For the purposes of carrying out the Project, except as the Bank shall otherwise agree, the Borrower shall select Commercial Banks as PFIs based on the acceptance by the Borrower of the PFI's credit risk as well as in accordance with the criteria and procedures set forth in the Operational Manual, including that:
 - (a) A Commercial Bank, may be selected as a PFI only if it is duly established and operating in the territory of the Guarantor and in respect of which the Borrower shall have determined, and the Bank shall have agreed with the determination, that the Commercial Bank, as the case may be:
 - (i) has total assets exceeding UAH1,000,000,000 on average during the last two fiscal years of the Commercial Bank preceding the signing of its Subsidiary Financing Agreement;
 - (ii) is in compliance with applicable banking regulations and prudential regulations of the Guarantor and the NBU which is confirmed: (A) in each semiannual period by a financial report submitted by the Commercial Bank's management; and (B) at the end of each fiscal year of the Guarantor and Borrower by the NBU in response to the Commercial Bank's request;
 - (iii) is operating pursuant to investment and financing policies and procedures acceptable to the Bank, the Borrower and the Guarantor and has undertaken to maintain said policies and procedures;
 - (iv) has adequate organization, management, staff and other resources necessary for its efficient operation; and
 - (v) applies appropriate procedures for appraisal, supervision, and monitoring of Sub-projects, including for the efficient evaluation and supervision of the procurement and environmental elements of Sub-projects.

Terms of Subsidiary Financing to PFIs

2. The principal amount to be provided, out of the proceeds of the Loan, to a PFI under its respective Subsidiary Financing Agreement, shall be the equivalent of the aggregate amount of the principal of all Sub-financing to be made out of the proceeds of the Loan pursuant to the Subsidiary Financing Agreement providing for such Subsidiary Financing.

3. (a) Each Subsidiary Financing shall be subject to interest, charges and/or fees applied to the principal amount thereof withdrawn and outstanding from time to time and which interest, charges and/or fees, in the aggregate, shall not be less than the rate payable under Section 2.05 of this Agreement plus: (i) any premium, charges and fees payable under this Agreement; (ii) the administrative costs of the Borrower; and (iii) a risk margin acceptable to the Bank ("Subsidiary Finance Rate");
- (b) The Subsidiary Financing to each PFI shall be made available up to an amount not exceeding the equivalent of USD50,000,000.
4. The right of a PFI to use the proceeds of its respective Subsidiary Financing shall be:
 - (a) suspended upon failure of such PFI to perform any of its obligations under its respective Subsidiary Financing Agreement, or to continue to satisfy the eligibility criteria set forth in paragraph 1(a) of Section I.B of this Schedule, as the case may be; and
 - (b) terminated if such right shall have been suspended pursuant to subparagraph (a) hereof for a continuous period of sixty (60) days.

Conditions of Subsidiary Financing to PFIs

5. Each Subsidiary Financing Agreement shall contain provisions pursuant to which the PFI concerned undertakes to:
 - (a) Carry out activities under the Project and conduct its operations and affairs in accordance with appropriate financial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower, with qualified management and staff in adequate numbers, and in conformity with the investment and lending policies and procedures referred to in the Operational Manual, and provide, promptly as needed, the funds, facilities, services and other resources required for the purpose;
 - (b) (i) Provide, except as the Bank shall otherwise agree, Sub-financing to SMEs on the terms and conditions set forth in the Operational Manual, including, without limitation, the terms and conditions set forth in Section I.C of this Schedule;
 - (ii) ensure that, except as the Bank shall otherwise agree: the aggregate amount of outstanding Sub-financing to any single SME from all PFIs together with the aggregate amount of

outstanding Sub-loans from Ukreximbank to the same SME shall not exceed the equivalent of USD8,000,000;

- (iii) exercise its rights in relation to each such Sub-financing in such a manner as to protect its interests and the interests of the Borrower, the Guarantor and the Bank, comply with its obligations under its respective Subsidiary Financing Agreement and achieve the purposes of the Project;
 - (iv) not assign, amend, abrogate or waive any of its agreements providing for Sub-financing, or any provision thereof, without the prior approval of the Borrower;
 - (v) select and appraise Sub-projects and supervise, monitor and report on the carrying out by the SMEs of Sub-projects, all in accordance with the Operational Manual and ensure that no Excluded Activities are included in any Sub-project;
 - (vi) ensure that each Sub-project shall comply with environmental and social review procedures set forth in the Operational Manual, which includes the Environmental and Social Management Framework. To that end, PFIs shall require each SME applying for a Sub-financing to furnish evidence satisfactory to the Bank, showing that the Sub-project, in respect of which the application has been prepared, is in accordance with such procedures;
 - (vii) ensure that for Sub-projects which require an Environmental and Social Management Plan, the SME concerned shall carry out such plan in a timely manner, requiring such Environmental and Social Management Plan to be in compliance with the Operational Manual and Environmental and Social Management Framework, and shall include adequate information on the carrying out of such Environmental and Social Management Plans in the progress reports referred to in sub-paragraph (c) (ii) of this paragraph; and
 - (viii) ensure that goods, works, non-consulting services and consultants' services to be financed out of the proceeds of the Loan shall be used exclusively in the carrying out of the Sub-project;
- (c) (i) exchange views with and furnish all such information to the Bank or the Borrower, as may be reasonably requested by the Bank and the Borrower, with regard to the progress of its activities under the Project, the performance of its obligations under its respective

Subsidiary Financing Agreement, and other matters relating to the purposes of the Project;

- (ii) prepare and submit to the Borrower quarterly reports on Sub-financing disbursements and repayments, and annual reports on the progress made in achieving the objectives of the Sub-projects;
- (iii) promptly inform the Bank and the Borrower of any condition that interferes or threatens to interfere with the progress of its activities under its respective Subsidiary Financing Agreement;
- (d) (i) maintain records and accounts adequate to reflect, in accordance with sound accounting practices, its operations and financial condition;
- (ii) furnish to the Bank and the Borrower such information concerning said records and accounts as the Bank and/or the Borrower shall from time to time reasonably request; and
- (e) assume the risk of each Sub-financing.

C. Terms and Conditions of PFIs' provision of Sub-financing to SMEs

SME Eligibility Criteria

1. Each Sub-financing shall be provided to a small and medium enterprise only if it has been established, to the satisfaction of the Borrower and PFI, that the following have been satisfied and shall be maintained during the duration of the respective Sub-financing, it:
 - (a) is an SME;
 - (b) is an export oriented enterprise or an enterprise involved in domestic supply chains with sales against export oriented enterprises of at least fifty percent (50%) of its total sales, or other enterprise the revenues of which are generated in foreign currency in the territory of the Guarantor, or which are foreign currency linked in accordance with the laws of the Guarantor, as determined in accordance with the criteria and procedure set out in the Operational Manual;
 - (c) is a Private Enterprise;
 - (d) has a satisfactory financial structure and the organization, management, staff and financial and other resources required for the efficient carrying out of its operations, including the carrying out of the Sub-project; and

- (e) satisfies the requirements of the Environmental and Social Management Framework.

Sub-project Eligibility Criteria

- 2. Unless otherwise agreed between the Bank and the Borrower, each Sub-financing shall be provided for a Sub-project which is determined, on the basis of an appraisal carried out in accordance with procedures acceptable to the Bank:
 - (a) to be technically feasible and economically, financially and commercially viable;
 - (b) to be in compliance with all requirements pertaining to environmental and social protection applicable under the laws and regulations of the Guarantor and with the Environmental and Social Management Framework. To that end, the PFI shall require each SME applying for Sub-financing to furnish evidence satisfactory to the PFI, the Borrower and the Bank, showing that the Sub-project in respect of which the application has been made, has been prepared in accordance with such procedures, such evidence to include, *inter alia*, an Environmental and Social Management Plan prepared in accordance with the requirements of the Environmental and Social Management Framework for a Sub-project submitted for approval;
 - (c) not to be supporting or include the purchase of land; and
 - (d) not to be supporting or include any of the Excluded Activities.

Terms of Sub-financing to SMEs

- 3. Except as the Bank shall otherwise agree, each Sub-financing shall be provided on terms, including those relating to the maturity, interest rate, charges and/or fees determined in accordance with the PFI's investment and lending policies and practices, provided that:
 - (a) the interest rate, charges and/or fees, in the aggregate, to be applied to the principal amount thereof withdrawn and outstanding from time to time, shall not be less than the Subsidiary Finance Rate applicable from time to time pursuant to paragraph 3(a) of Section I.B of this Schedule plus the PFI's administrative costs and an appropriate risk margin; and
 - (b) each Sub-financing by PFIs to SMEs to finance an Investment Sub-project shall have a minimum maturity period of twenty four (24) months, and each Sub-financing by PFIs to SMEs for a Working Capital Sub-project shall have a minimum period of six (6) months.

4. Sub-financing to SMEs shall be provided for Working Capital Sub-projects and Investment Sub-projects.
5. No expenditures for a Sub-project shall be eligible for financing out of the proceeds of the Loan unless such expenditures shall have been made no earlier than three hundred and sixty (360) days prior to the date on which the PFI shall have received the Sub-financing application and any information required under paragraph 5 of Section I.B and paragraph 7 of Section I.C of this Schedule in respect of such Sub-financing.

Conditions of Sub-financing to SMEs

6. Each Sub-financing shall be provided on further conditions whereby the PFI shall obtain, by written contract with the SME or by other appropriate legal means rights adequate to protect its interests and the interests of the Guarantor, the Bank and the Borrower, including the right to:
 - (a) Require the SME to carry out and operate the facilities financed under the Sub-project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards, and in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of finance proceeds other than the Borrower, and to maintain adequate records.
 - (b) Without limitation to the generality of the provisions of the preceding paragraph (a), require the SME to carry out and operate the Sub-project in accordance with the Environmental and Social Management Framework and the provisions of the Operational Manual.
 - (c) For any Sub-project which needs an Environmental and Social Management Plan, require the SME to carry out such plan in a timely manner.
 - (d) Require the goods, works, non-consulting services and consultants' services to be financed out of the proceeds of the Sub-financing shall be used exclusively in the carrying out of the Sub-project.
 - (e) Inspect, by itself or jointly with representatives of the Bank, the Borrower or the Guarantor, if the Bank or the Borrower or the Guarantor shall so request, such goods and the sites, works, plants and construction included in the Sub-project, the operation thereof, and any relevant records and documents.
 - (f) Require that the SME shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be

consistent with sound business practice; and without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Sub-financing to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the SME to replace or repair such goods.

- (g) Obtain all such information as the Bank or the Borrower shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the SME and to the benefits to be derived from the Sub-project.
- (h) Require, except as the Bank shall otherwise agree, that the SME shall:
 - (i) Submit to the Borrower a cash flow statement or other form of financial reporting in accordance with the Operational Manual.
 - (ii) Have a ratio of debt obligation to equity as set forth and defined in the Operational Manual.
 - (iii) Have a ratio of debt service coverage as set forth and defined in the Operational Manual.
- (i) Suspend and terminate the right of the SME to the use of the proceeds of the Sub-financing upon failure by such SME to perform its obligations under its contract with the PFI.

Approval Procedures for Sub-financing to SMEs

- 7. Each Sub-financing shall be approved by the PFI on the basis of:
 - (a) a description of the SME and an appraisal of the Sub-project, including a description of the expenditures proposed to be financed out of the proceeds of the Loan;
 - (b) the proposed terms and conditions of the Sub-financing, including the schedule of amortization of the Sub-financing;
 - (c) evidence of compliance with the Operational Manual and with the Environmental and Social Management Framework; and
 - (d) such other information as the Bank or the Borrower shall reasonably request.

8. Unless otherwise agreed with the Bank, the Borrower shall ensure that the following Sub-financing shall not be approved without the Bank's prior approval: the first two Sub-financing by each PFI.
9. A prior approval by the Bank will be required for every Sub-financing to be provided to a SME in an amount exceeding the equivalent of USD 6,000,000.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. (a) The Borrower shall monitor and evaluate the progress of the Project (including progress in implementation of the Environmental and Social Management Framework and plans prepared in accordance with said framework) and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty five (45) days after the end of the period covered by such report.
- (b) Without limitation on the provisions of sub-paragraph (a) above, the Borrower shall list, in the Project Report, basic information relating to each Sub-project approved for financing under the Project, including the location and nature of the Sub-project, and the date on which Sub-project activities began and were completed. Additionally, the Borrower agrees that the Bank may disclose the foregoing information to the public in accordance with the Bank's Access to Information Policy.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have:
 - (a) the Financial Statements for the Project audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be

furnished to the Bank not later than six (6) months after the end of such period; and

- (b) its entity financial statements audited in accordance with standards set forth in Section 5.09(b) of the General Conditions. Each audit of such entity financial statements shall cover the period of one fiscal year of the Borrower and be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the “Disbursement Guidelines for Investment Project Financing” dated January 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance the Front-end Fee in accordance with Section 2.07 (b) of the General Conditions and Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (Expressed in Dollar)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Sub-financing under Part A (i), and Sub-loans under Part A (ii)	149,625,000	100% of amount of Sub-financing under Part A (i) disbursed under a contract referred to in paragraph 6 of Section I.C of Schedule 2 to this Agreement, and of Sub-loans under Part A (ii) disbursed under a Sub-loan Agreement
(2) Front-end Fee	375,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance

Category	Amount of the Loan Allocated (Expressed in Dollar)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
		with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL	<u>150,000,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed USD30,000,000 may be made for payments made prior to this date but on or after December 15, 2015, for Eligible Expenditures.

2. The Closing Date is 31 March 2022.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
March 15 and September 15 Beginning March 15, 2022 through Sep 15, 2051	1.64%
On March 15, 2052	1.60%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any

amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. "Access to Information Policy" means the World Bank Policy on Access to Information dated July 1, 2010.
2. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. "Borrower's Legislation" means Presidential Decree No. 189/200-pn dated April 27, 2000 "On Corporatisation of the State Export-Import Bank of Ukraine", published in the newspaper "Official Gazette of Ukraine" No. 18 dated May 19, 2000, Resolution of the Cabinet of Ministers of Ukraine No.1020, dated June 27, 2000, "On Establishment of the Open Joint Stock Company "The State Export-Import Bank of Ukraine", published in the newspaper "Official Gazette of Ukraine" No. 26 dated July 14, 2000, the Law of Ukraine "On Banks and Banking Activities" No. 2121-III dated December 7, 2000, published in the "Governmental Courier" newspaper № 8 dated January 17, 2001, the Law of Ukraine "On Joint Stock Companies" No. 514-VI dated September 17, 2008, published in the "Governmental Courier" newspaper № 202 dated October 29, 2008, Resolution of the Cabinet of Ministers of Ukraine No. 1250 dated August 10, 2000 "On Approval of the Articles of Incorporation of Joint Stock Company "The State Export-Import Bank of Ukraine", published in the newspaper "Official Gazette of Ukraine" No. 33 dated September 1, 2000.
4. "Category" means a category set forth in the table in Section III.A.2 of Schedule 2 to this Agreement.
5. "Commercial Bank" means an institution registered and operating as a commercial bank under the Guarantor's Banking Law (Law No.2121-III dated December 7, 2000, published in the Official Gazette No. 8 dated January 17, 2001, as amended) and other applicable laws and regulations of the Guarantor pertaining to banking.
6. "Displaced Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.

7. “Environmental and Social Management Framework” means Environmental and Social Review Procedures disclosed by the Borrower on its website on November 24, 2016, and in the Bank’s *Infoshop* on November 29, 2016, which set forth policies and procedures for environmental and social screening of Sub-projects, for conducting environmental and social assessments and specifying requirements for environmental and social mitigation measures to be included in Environmental and Social Management Plans; and such document constitutes an integral part of the Operational Manual.
8. “Environmental and Social Management Plan” means any specific environmental and social management plan, satisfactory to the Bank, to be carried out by an SME under a Sub-project, as may be required pursuant to the due observance of the Environmental and Social Management Framework by the Borrower, PFIs and SMEs, and in accordance with the provisions of this Agreement, wherein shall have been defined specific details of measures to manage potential environmental and social risks and mitigate, reduce and/or offset adverse environmental and social impacts associated with the implementation of activities under the Sub-project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same such Environmental and Social Management Plan may be amended and supplemented from time to time, satisfactory to the Bank.
9. “Excluded Activities” means, collectively:
 - (a) any of the activities listed, or activities that produce and/or use materials listed, in the Operational Manual and which are classified and referred to as part of the negative list in said manual;
 - (b) an investment that entails land acquisition or involuntary resettlement or would give rise to Displaced Persons;
 - (c) an investment that involves the potential use of, or discharge into, international waterways (or detailed design and engineering studies of such investment), as such waterways shall have been described more specifically in the Operational Manual;
 - (d) an investment that involves the construction of a new dam or will rely on the performance of an existing dam or a dam under construction;
 - (e) an investment that involves natural habitats, indigenous peoples, forests; and
 - (f) an investment that is placed in a disputed area.

10. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
11. "Guarantor" means Ukraine.
12. "Investment Sub-project" means any investment for productive purposes which has been selected and approved in accordance with the criteria and procedures set forth in this Agreement and further detailed in the Operational Manual.
13. "National Bank of Ukraine" or "NBU" means the Guarantor's central bank established further to Law "On National Bank of Ukraine" No. 679-XIV dated May 20, 1999 published in the "governmental courier" newspaper dated June 22, 1999.
14. "Operational Manual" means the manual to be adopted by the Borrower, setting out the operational and administrative procedures in respect of the preparation, approval, processing, financing, implementation, and supervision of Sub-projects, and the manual includes the Environmental and Social Management Framework.
15. "Participating Financial Institution" or "PFI" means any or each Commercial Bank selected by the Borrower pursuant to the criteria set forth in paragraph 1 of Section I.B of Schedule 2 to this Agreement and the Operational Manual.
16. "Private Enterprise" means, for purposes of Section I.C.1(c) of Schedule 2 to this Agreement, an enterprise where more than fifty percent (50%) of the shares or other equity interest thereof is held by persons or companies other than the Guarantor, any agency or subdivision thereof, or any local governmental authority, or entities controlled by the Guarantor or such agencies or subdivisions.
17. "Project Implementation Unit" means the unit established within the Borrower on March 9, 2010 by the Order of the Borrower No. 117 and referred to in paragraph 1 of Section 1.A of Schedule 2 to this Agreement.
18. "Small or Medium Enterprise" or "SME" means, for purpose of the Project, an enterprise that: (a) employs less than 1,000 employees; and (b) satisfies the appropriate criteria as set forth in paragraph 1 of Section I.C of Schedule 2 to this Agreement and the Operational Manual, and to which the Borrower or PFI proposes to make or has made a Sub-loan or a Sub-financing.
19. "Sub-financing" means financing made or proposed to be made by a PFI (under Part A (i) of the Project) to an SME, out of the proceeds of the Loan allocated from time to time to Category (1) of the table set forth in paragraph 2 of Section III.A of Schedule 2 to this Agreement, for purposes of financing all or a portion of the expenditures incurred by an SME for goods, works, non-consulting services and consultants' services under a Sub-Project.

20. "Sub-loan" means financing made or proposed to be made by the Borrower (under Part A (ii) of the Project) directly to an SME, out of the proceeds of the Loan allocated from time to time to Category (1) of the table set forth in paragraph 2 of Section III.A of Schedule 2 to this Agreement, for purposes of financing all or a portion of the expenditures incurred by an SME for goods, works, non-consulting services and consultants' services under a Sub-project.
21. "Sub-loan Agreement" means an agreement entered or to be entered into between the Borrower and an SME pursuant to paragraph 6 (a) of Section I.A of Schedule 2 to this Agreement.
22. "Sub-project" means any Investment Sub-project or any Working Capital Sub-project, as the case may be, selected in accordance with paragraph 2 of Section I.C of Schedule 2 to this Agreement, which is proposed to be carried out by an SME, in whole or in part through the utilization of the proceeds of any Sub-loan or Sub-financing.
23. "Subsidiary Financing" means any financing provided by the Borrower to a PFI pursuant to a Subsidiary Financing Agreement.
24. "Subsidiary Financing Agreement" means an agreement entered or to be entered into between the Borrower and a PFI pursuant to paragraph 5 of Section I.B of Schedule 2 to this Agreement.
25. "UAH" means Ukraine Hryvnia, the Guarantor's currency.
26. "Ukreximbank" means "Joint Stock Company The State Export-Import Bank of Ukraine" established and operating in Ukraine further to the Borrower's Legislation which is responsible for implementation of the Project.
27. "Working Capital Sub-project" means any financing for working capital to increase or support the existing levels of production of a SME.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

- (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
 - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
- 3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
- 4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:
 - "19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."
- 5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
- 6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:
 - "68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."
- 7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".