

EXECUTION VERSION

(Operation Numbers 54122 and 55285)

**AMENDMENT AGREEMENT NO. 1
to the Loan Agreement dated 27 June 2023**

**(RLF - Moldovan Railways Crisis Response
and
Moldovan Railways Crisis Response – Loan Increase)**

between

REPUBLIC OF MOLDOVA

and

**EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Dated 14 June 2024

**AMENDMENT AGREEMENT NO. 1
TO A LOAN AGREEMENT DATED 27 JUNE 2023**

This amendment agreement dated 14 June 2024 (the "Amendment Agreement") is made by and between:

- (1) **REPUBLIC OF MOLDOVA** (the "Borrower"); and
- (2) **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**, an international organisation formed by treaty ("EBRD").

WHEREAS:

(A) The Borrower entered into a loan agreement dated 27 June 2023 with EBRD (the "Original Agreement"), pursuant to which EBRD has agreed to lend to the Borrower an amount not to exceed EUR 23,000,000 (the "Loan"), subject to the provisions of the Original Agreement;

(B) State Enterprise "Calcea Ferata din Moldova" (the "Project Entity") entered into a project agreement dated 27 June 2023 with EBRD (the "Project Agreement"), pursuant to which the Project Entity has agreed to carry out the Project in accordance with the terms and conditions of the Project Agreement;

(C) The Borrower has requested that EBRD provide a further loan in an amount of up to EUR 18,205,000;

(D) The Borrower has contracted a loan from the European Investment Bank ("EIB") in the amount not exceeding EUR 41,205,000 million to assist in financing the Project, subject to the terms and conditions set forth in the agreement (the "EIB Co-financing Agreement") between the Borrower and the EIB;

(E) The EIB has extended an investment grant in an amount of up to EUR 12,000,000 financed by the European Union Neighbourhood Investment Programme to assist in financing the Project, subject to the terms and conditions set forth or referred to in an agreement (the "EIB EU NIP Grant Agreement") entered into among the EIB, the Borrower and the Project Entity; and

(F) The Borrower and EBRD wish to amend the Original Agreement in certain respects, on and subject to the provisions of this Amendment Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions and Interpretation

- (a) In this Amendment Agreement:

"Amendment Effective Date" has the meaning given in Section 3 (*Amendment Effective Date*) of this Amendment Agreement.

“Original Agreement” has the meaning given in the preamble.

“SLA Amendment Agreement” has the meaning given in paragraph (a) (2) of Section 3 (*Amendment Effective Date*).

“EIB Co-financing Agreement” has the meaning given in the preamble.

“EIB EU NIP Grant Agreement” has the meaning given in the preamble.

(b) Terms defined in the Original Agreement (whether directly or by reference to any other agreement or instrument) shall, unless otherwise defined herein, have the same meaning in this Amendment Agreement. The provisions of Section 1.03 the Original Agreement shall have effect as if set out in this Amendment Agreement in full, mutatis mutandis.

(c) The Original Agreement and this Amendment Agreement shall be read and construed as a single document.

Section 2. Amendment and Continuity

(a) With effect on and from the Amendment Effective Date, the Original Agreement shall be amended by the amendments set out below and in the Schedule I to this Amendment Agreement and the parties further agree that the text set out in Schedule II to this Amendment Agreement is the text of the Original Agreement as so amended by this Amendment Agreement, provided that if there are any discrepancies between Schedules I and II, Schedule I shall prevail.

(b) The provisions of the Original Agreement shall, save as amended by this Amendment Agreement, continue in full force and effect.

Section 3. Amendment Effective Date

(a) Subject to paragraph (b) below, the Amendment Effective Date shall be the date upon which the Bank dispatches to the Borrower notice of the Bank’s acceptance of the following conditions precedent having been satisfied or, in the sole discretion of EBRD waived, whether in whole or in part:

(1) this Amendment Agreement has been duly authorised or ratified by, and executed and delivered on behalf of the Borrower in two originals;

(2) the Subsidiary Loan Agreement shall have been amended in form and substance satisfactory to the Bank (the “SLA Amendment Agreement”) and such SLA Amendment Agreement has been duly authorised or ratified by, and executed and delivered on behalf of the Borrower and the Project Entity and all conditions precedent to its effectiveness, or to the right of the Project Entity to make drawdowns thereunder, except only the effectiveness of this Amendment Agreement, have been fulfilled;

(3) no event of suspension set out in Section 7.01(a) or event of acceleration set out in Section 7.06 of the Standard Terms and Conditions shall have occurred and be continuing;

(4) the EIB Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make drawdowns thereunder, except only the effectiveness of this Amendment Agreement, have been fulfilled;

(5) the EIB EU NIP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the recipient to make drawdowns thereunder, except only the effectiveness of this Amendment Agreement, have been fulfilled;

(6) a legal opinion (in form and substance satisfactory to EBRD), issued by the Ministry of Justice on behalf of the Borrower and delivered to EBRD, confirming on behalf of the Borrower that this Amendment Agreement has been duly authorised or ratified by, and executed and delivered on behalf of the Borrower and constitutes a valid and legally binding obligation of the Borrower, enforceable in accordance with its terms.

(7) a legal opinion (in form and substance satisfactory to EBRD), issued by the chief legal counsel of the Project Entity and delivered to EBRD, confirming, on behalf of the Project Entity that the SLA Amendment Agreement has been duly authorised or ratified by, and delivered on behalf of, the Borrower and the Project Entity and constitutes a valid and legally binding obligation of the Borrower and the Project Entity, enforceable in accordance with its terms.

(b) This Amendment Agreement shall terminate if the Amendment Effective Date shall not have occurred by the first anniversary of the date of this Amendment Agreement, unless the Bank, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Section 4. Further Assurances

The Borrower shall, at its own expense, do all such acts and things necessary or desirable (as determined by EBRD) to give effect to the amendments effected or to be effected pursuant to this Amendment Agreement.

Section 5. Miscellaneous

(a) All references to "the Agreement" in the Original Agreement and all reference to the Original Agreement in all instruments and agreements executed thereunder shall refer to the Original Agreement as amended by this Amendment Agreement.

(b) This Amendment Agreement and the documents referred to herein constitute the entire obligation of the parties hereto with respect to the subject matter hereof and shall supersede any prior expressions of intent or understandings with respect to their subject matter.

(c) This Amendment Agreement may be amended only by an instrument in writing duly executed by the parties hereto and, for the avoidance of doubt, it may have to be

authorized and/or ratified (as may be required at the relevant time under the laws applicable to the Borrower).

(d) This Amendment Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

(e) The provisions of Article VI of the Original Agreement and Article VIII and X of the Standard Terms and Conditions, including without limitation, Section 8.04 of the Standard Terms and Conditions, mutatis mutandis, are hereby incorporated by reference into, and made a part of this Amendment Agreement as if fully set forth herein.

(f) Nothing in this Amendment Agreement shall be construed as a waiver, renunciation or other modification of any immunities, privileges or exemptions of the Bank accorded under the Agreement Establishing the European Bank for Reconstruction and Development, international convention or any applicable law.

IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorised representatives, have caused this Amendment Agreement to be signed in four copies and delivered at Chişinău, Republic of Moldova as of the day and year first above written.

REPUBLIC OF MOLDOVA

By: _____

Name: Andrei Spina

Title: Minister of Infrastructure and Regional Development

**EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

By: _____

Name: Arvid Tuekner

Title: Managing Director, Ukraine and Moldova

SCHEDULE I

AMENDMENTS TO THE ORIGINAL AGREEMENT

The Original Agreement shall be amended as follows:

- (a) The cover page reference to (Operation Number 54122) shall be deleted in its entirety and replaced with the following:

(Operation Numbers 54122 and 55285)

- (b) The cover page reference to "(RLF - Moldovan Railways Crisis Response)" shall be deleted in its entirety and replaced with the following:

(RLF - Moldovan Railways Crisis Response

and

Moldovan Railways Crisis Response – Loan Increase)

- (c) The second paragraph of the preamble is hereby deleted in their entirety and replaced with the following:

WHEREAS, the Borrower intends to implement the Project as described in Schedule I which is designed to assist in financing of the rehabilitation of approx. 128.3km of railway lines on Valcinets – Balti – Ungheni – Chisinau – Cainari section;

- (d) The seventh paragraph of the preamble is hereby deleted in their entirety and replaced with the following:

WHEREAS, the Borrower has contracted a loan from the European Investment Bank ("EIB") in the amount not exceeding EUR 41,205,000 million to assist in financing the Project, subject to the terms and conditions set forth in the agreement (the "EIB Co-financing Agreement") between the Borrower and the EIB;

- (e) An eighth and a ninth paragraphs are hereby included in the preamble, to read as follows:

WHEREAS, the EIB has extended an investment grant in an amount of up to EUR 12,000,000 financed by the European Union Neighbourhood Investment Programme to assist in financing the Project, subject to the terms and conditions set forth or referred to in an agreement (the "EIB EU NIP Grant Agreement") entered into among the EIB, the Borrower and the Project Entity; and

WHEREAS, the Bank has agreed on the basis of, inter alia, the foregoing to make a loan to the Borrower in the amount of EUR 41,205,000, to be provided in three Tranches (as such term is defined below), subject to the terms and conditions set forth or referred to in this Agreement and in the project agreement originally dated 27 June 2023 between the Project Entity and the Bank, as may be amended from

time to time (the "Project Agreement" as defined in the Standard Terms and Conditions).

(f) Paragraph (b) of Section 1.01 (*Incorporation of Standard Terms and Conditions*) is hereby deleted in its entirety and replaced with the following:

(b) Section 3.05 (*Commitment Charge and Front-End Commission*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"(a) The Borrower shall pay to the Bank a commitment charge at the rate specified in the Loan Agreement, payable on the total of the Available Amount plus any amount of the Loan that is subject to a Reimbursement Commitment and is not yet drawn down, provided that the Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment shall be 0.5% per annum greater than the rate of the Commitment Charge specified in the Loan Agreement. The Commitment Charge shall accrue:

(1) with respect to Tranche 1, from the date sixty (60) days after the date of the Loan Agreement;

(2) with respect to Tranche 2, from the date sixty (60) days after the Tranche 2 Availability Date; and

(3) with respect to Tranche 3, from the date sixty (60) days after the Tranche 3 Availability Date.

or, in the case of Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment, from the date of issuance of such unconditional Reimbursement Commitment and shall accrue and be calculated on the same basis as interest under Section 3.04(b)(ii). The Commitment Charge shall be payable on each Interest Payment Date (even though no interest may be payable on such date) commencing on the first Interest Payment Date following the Effective Date.

(b) The Borrower shall pay to the Bank a Front-End commission equal to one per cent (1%) (or such other amount specified in the Loan Agreement) of the principal amount of the relevant Tranche.

(c) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Effective Date, or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 1.

(d) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 1 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 1 within seven (7) days after the Effective Date.

(e) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Tranche 2

Availability Date or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 2.

(f) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 2 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 2 within seven (7) days after the Tranche 2 Availability Date.

(g) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Tranche 3 Availability Date or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 3.

(h) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 3 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 3 within seven (7) days after the Tranche 3 Availability Date.

(i) All capitalized terms used in this Section 3.05 and not otherwise defined in these Standard Terms and Conditions shall have the meaning ascribed to those terms in the Loan Agreement."

(g) Paragraph (c) of Section 1.01 (Incorporation of Standard Terms and Conditions) is hereby deleted in its entirety and replaced with the following:

(c) The definition of the "Loan Repayment Date" contained in Section 2.02 (Definitions) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"Loan Repayment Date" means Tranche 1 Repayment Date, Tranche 2 Repayment Date or Tranche 3 Repayment Date (as these terms are defined in the Loan Agreement)."

(h) The following definitions are hereby added in the correct place (in alphabetical order) in Section 1.02 (Definitions):

"EIB Co-financing Agreement" has the meaning assigned to it in the preamble to this Agreement.

"EIB EU NIP Grant Agreement" has the meaning assigned to it in the preamble to this Agreement.

"Tranche 3" means the amount of the Loan referred to in Section 2.01(b)(3).

"Tranche 3 Availability Date" means 14 June 2024.

"Tranche 3 Repayment Date"

means any day falling on one of the dates specified in this Agreement for repayment of the principal of Tranche 3, provided, however, that, if any Tranche 3 Repayment Date would otherwise fall on a day which is not a Business Day, such Tranche 3 Repayment Date shall be changed to the next succeeding Business Day in the same calendar month or, if there is no succeeding Business Day in the same calendar month, the immediately preceding Business Day.

(i) The following definition of Section 1.02 (*Definitions*) is hereby deleted in its entirety and replaced with the following:

"Tranche 2 Availability Date"

means 24 April 2024.

(j) The following definition of Section 1.02 (*Definitions*) is hereby deleted in its entirety:

"Tranche 2 Availability Notice"

(k) Paragraph (b) of Section 2.01 (*Amount and Currency*), is hereby deleted in its entirety and replaced with the following:

The Loan shall consist of three (3) Tranches, as follows:

- (1) Tranche 1 in the amount of EUR 12,000,000 (twelve million Euro);*
- (2) Tranche 2 in the amount of EUR 11,000,000 (eleven million Euro); and*
- (3) Tranche 3 in the amount of EUR 18,205,000 (eighteen million two hundred and five thousand Euro).*

(l) Paragraphs (c) and (d) of Section 2.01 (*Amount and Currency*) are hereby deleted in their entirety. (m) A new sub-paragraph (C) is hereby added to paragraph (e)(1) of Section 2.02 (*Other Financial Terms of the Loan*) to read as follows:

(C) Tranche 3 shall be repaid in equal (or as nearly equal as possible) semi-annual instalments on each Interest Payment Date, with the first Tranche 3 Repayment Date being the first Interest Payment Date falling on or immediately after the date which is three (3) years from the date of the Tranche 3 Availability Date and the last Tranche 3 Repayment Date being the Interest Payment Date falling on or immediately before the date which is fifteen (15) years from the date of the Tranche 3 Availability Date.

(m) A new sub-paragraph (3) is hereby added to paragraph (f) of Section 2.02 (*Other Financial Terms of the Loan*), to read as follows:

(3) with respect to Tranche 3, the date which is three (3) years after the Tranche 3 Availability Date or such later date that the Bank may in its discretion establish and notify to the Borrower.

(n) Paragraph (b) of Section 2.03 (*Drawdowns*), is hereby deleted in its entirety and replaced with the following:

(b) Notwithstanding Section 3.05(c) and Section 3.05(e) of the Standard Terms and Conditions, the Borrower has opted not to have the Front-end Commission paid out of the Available Amount and shall instead pay the Front-end Commission out of its own resources. The payment of the Front-end Commission by the Borrower shall be made pursuant to Section 3.05(d) (for Tranche 1, Tranche 2 and Tranche 3) of the Standard Terms and Conditions.

(o) Paragraph (c) of Section 4.01 (*Suspension*), is hereby deleted in its entirety and replaced with the following:

(c) The Project Entity shall have failed to perform any of its obligations under any of the Project Agreement, the EU Investment Grant Agreement, EIB EU NIP Grant Agreement or the Subsidiary Loan Agreement.

(p) Schedule I (*Description of the Project*), is hereby deleted in its entirety and replaced with the following:

SCHEDULE 1 - DESCRIPTION OF THE PROJECT

1. The purpose of the Project is to assist the Borrower in co-financing the rehabilitation of the superstructure on the approx. 128.3km of railway lines on Valcinets – Balti – Ungheni – Chisinau – Cainari rail section.

2. The Project consists of the following Parts, subject to such modifications thereof as the Bank and the Borrower may agree upon from time to time:

Part A: Civil works, design and acquisition of goods (i.e. rails, sleepers, ballast, fastenings, etc.) to be financed from the proceeds of the Loan Agreement, the EU Investment Grant Agreement, EIB EU NIP Grant Agreement and EIB Co-financing Agreement. The Borrower and/or the Project Entity will cover all taxes and duties which are collected on the Borrower's territory.

Part B: Supervision and PIU support services to be financed from the proceeds of the Loan Agreement and EIB Co-financing Agreement. The Borrower and/or the Project Entity will cover all taxes and duties which are collected on the Borrower's territory.

Part C: Provision of technical cooperation consultancy support to assist the Project Entity with the Project implementation to be financed from the TC Grant, namely:

- a. *project manager for coordinating all aspects of the Project implementation among key stakeholders to ensure the implementation is carried out in line with relevant legal agreements;*
- b. *environmental and social (E&S) expert to support the implementation of the ESAP in line with the ESP in relation to the Project;*
- c. *lender's monitor consultant to oversee the implementation of the Project, as well as the Project during the construction phase, on behalf of the Bank and directly reporting to the Bank, to monitor the performance of Project Entity and to ensure that all Project requirements are met in line with relevant legal agreements;*
- d. *procurement support consultant to assist the PIU with tendering and contracting of materials for the Project; and*
- e. *railway safety assessment for a detailed review of railway safety practices, scoping of priority areas of improvement and preparation of the Railway Safety Development Plan.*

3. The Project is expected to be completed by 4 December 2027.

(r) Schedule 2 (*Categories and Drawdowns*), is hereby deleted in its entirety and replaced with the following:

SCHEDULE 2 - CATEGORIES AND DRAWDOWNS

- 1. The table attached to this Schedule sets forth the Categories, the amount of the Loan allocated to each Category and the percentage of expenditures to be financed in each Category.*
- 2. Notwithstanding the provisions of paragraph 1 above, no Drawdown shall be made in respect of expenditures incurred prior to the date of the Loan Agreement.*

Attachment to Schedule 2

<i>Category</i>	<i>Amount of the Loan Allocated in the Loan Currency</i>	<i>Percentage of Expenditures to be Financed</i>
<i>1) Civil works, design and acquisition of goods for Part A of the Project (as described in Schedule 1 of the Loan Agreement</i> - <i>Tranche 1</i> - <i>Tranche 2</i> - <i>Tranche 3</i>	38,815,062	35.5% of contract value excluding any Taxes
<i>2) Supervision and PIU support services for Part B of the Project (as described in Schedule 1 of the Loan Agreement.</i> - <i>Tranche 1</i> - <i>Tranche 2</i> - <i>Tranche 3</i>	2,389,938	50% of contract value excluding any Taxes
Total	41,205,000	

SCHEDULE II

**AGREED TEXT OF THE ORIGINAL AGREEMENT
AS AMENDED BY THE AMENDMENT AGREEMENT NO. 1**

Agreed text of the amended Loan Agreement
(Operation Numbers 54122 and 55285)

LOAN AGREEMENT

**(RLF - Moldovan Railways Crisis Response
and
Moldovan Railways Crisis Response – Loan Increase)**

between

REPUBLIC OF MOLDOVA

and

**EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Originally dated 27 June 2023
as amended on 14 June 2024

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LOAN AGREEMENT

AGREEMENT dated 27 June 2023 and as amended on the date first above written, between **REPUBLIC OF MOLDOVA** (the “Borrower”) and **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** (the “Bank”).

PREAMBLE

WHEREAS, the Bank has been established to provide financing for specific projects to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in certain countries committed to and applying the principles of multiparty democracy, pluralism and market economics;

WHEREAS, the Borrower intends to implement the Project as described in Schedule 1 which is designed to assist in financing of the rehabilitation of approx. 128.3km of railway lines on Valcinets – Balti – Ungheni – Chisinau – Cainari section;

WHEREAS, the Project will be carried out by State Enterprise “Calea Ferata din Moldova” (the “**Project Entity**”), a state company owned by the Public Property Agency and operating under statute, the policies set by the Ministry of Infrastructure and Regional Development, with financial assistance from the Borrower;

WHEREAS, the Borrower has requested assistance from the Bank in financing part of the Project;

WHEREAS, the Bank has agreed to make available an investment grant in an amount of up to EUR 19,590,000 financed by European Union via Neighbourhood, Development and International Cooperation Instrument Global Europe to assist in financing the Project (the “**EU Investment Grant**”), subject to the terms and conditions to be set forth or referred to in an agreement (the “**EU Investment Grant Agreement**”) to be entered into among the Bank, the Borrower and the Project Entity;

WHEREAS, the Bank intends to make available technical cooperation funds on a grant basis to assist the Project Entity with financing of Part C of the Project (as described in Schedule 1) (the “**TC Grant**”);

WHEREAS, the Borrower has contracted a loan from the European Investment Bank (“**EIB**”) in the amount not exceeding EUR 41,205,000 million to assist in financing the Project, subject to the terms and conditions set forth in the agreement (the “**EIB Co-financing Agreement**”) between the Borrower and the EIB;

WHEREAS, the EIB has extended an investment grant in an amount of up to EUR 12,000,000 financed by the European Union Neighbourhood Investment Programme to assist in financing the Project, subject to the terms and conditions set forth or referred to in an agreement (the “**EIB EU NIP Grant Agreement**”) entered into among the EIB, the Borrower and the Project Entity; and

WHEREAS, the Bank has agreed on the basis of, inter alia, the foregoing to make a loan to the Borrower in the amount of EUR 41,205,000, to be provided in three Tranches (as such term is defined below), subject to the terms and conditions set forth or referred to in this Agreement and in the project agreement originally dated 27 June 2023 between the

Project Entity and the Bank, as may be amended from time to time (the "Project Agreement" as defined in the Standard Terms and Conditions).

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I - STANDARD TERMS AND CONDITIONS; DEFINITIONS

Section 1.01. Incorporation of Standard Terms and Conditions

All of the provisions of the Bank's Standard Terms and Conditions dated 5 November 2021 are hereby incorporated into and made applicable to this Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications (such provisions as so modified are hereinafter called the "Standard Terms and Conditions"):

(a) The definition of the "Available Amount" contained in Section 2.02 (*Definitions*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"**Available Amount**" means (i) until but not including the Tranche 2 Availability Date, so much of Tranche 1 of the Loan as shall not, from time to time, have been cancelled or drawn down or made subject to a conditional or unconditional Reimbursement Commitment; and (ii) from and including the Tranche 2 Availability Date, so much of the Loan as shall not, from time to time, have been cancelled or drawn down or made subject to a conditional or unconditional Reimbursement Commitment (and all capitalised terms used in this definition and which are not otherwise defined herein shall have the meanings ascribed to those terms in the Loan Agreement)."

(b) Section 3.05 (*Commitment Charge and Front-End Commission*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

"(a) The Borrower shall pay to the Bank a commitment charge at the rate specified in the Loan Agreement, payable on the total of the Available Amount plus any amount of the Loan that is subject to a Reimbursement Commitment and is not yet drawn down, provided that the Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment shall be 0.5% per annum greater than the rate of the Commitment Charge specified in the Loan Agreement. The Commitment Charge shall accrue:

(1) with respect to Tranche 1, from the date sixty (60) days after the date of the Loan Agreement;

(2) with respect to Tranche 2, from the date sixty (60) days after the Tranche 2 Availability Date; and

(3) with respect to Tranche 3, from the date sixty (60) days after the Tranche 3 Availability Date.

or, in the case of Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment, from the date of issuance of such unconditional Reimbursement Commitment and shall accrue and be calculated on the same basis as interest under Section 3.04(b)(ii). The Commitment Charge shall be payable on each Interest Payment Date (even though no interest may be payable on such date) commencing on the first Interest Payment Date following the Effective Date.

(b) The Borrower shall pay to the Bank a Front-End commission equal to one per cent (1%) (or such other amount specified in the Loan Agreement) of the principal amount of the relevant Tranche.

(c) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Effective Date, or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 1.

(d) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 1 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 1 within seven (7) days after the Effective Date.

(e) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Tranche 2 Availability Date or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 2.

(f) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 2 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 2 within seven (7) days after the Tranche 2 Availability Date.

(g) Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Available Amount on the Tranche 3 Availability Date or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable pursuant to Section 3.05(b) with respect to Tranche 3.

(h) In the event that the Borrower opts under the Loan Agreement to pay the Front-end Commission with respect to Tranche 3 out of its own resources, the Front-end Commission shall be due and payable with respect to Tranche 3 within seven (7) days after the Tranche 3 Availability Date.

(i) All capitalized terms used in this Section 3.05 and not otherwise defined in these Standard Terms and Conditions shall have the meaning ascribed to those terms in the Loan Agreement.”

(c) The definition of the “Loan Repayment Date” contained in Section 2.02 (*Definitions*) of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

““Loan Repayment Date” means Tranche 1 Repayment Date, Tranche 2 Repayment Date or Tranche 3 Repayment Date (as these terms are defined in the Loan Agreement).”

Section 1.02. Definitions

Wherever used in this Agreement (including the Preamble and Schedules), unless stated otherwise or the context otherwise requires, the terms defined in the Preamble have the respective meanings given to them therein, the terms defined in the Standard Terms and Conditions have the respective meanings given to them therein and the following terms have the following meanings:

“Borrower's Authorised Representative” means the Minister of Finance of the Borrower

“ClientNet” means the Bank’s online portal for the transmission of documents and information between the Bank and its clients, and any replacement website as the Bank may from time to time notify the Borrower.

“Contract for Design” means the contract for the design of railway superstructure rehabilitation works on required sections as mentioned in Schedule 1 between the Project Entity and a contractor for design selected by the Project Entity, on terms and conditions satisfactory to the Bank.

“EIB Co-financing Agreement” has the meaning assigned to it in the preamble to this Agreement.

“EIB EU NIP Grant Agreement” has the meaning assigned to it in the preamble to this Agreement.

“Enforcement Policy and Procedures” means the Bank’s Enforcement Policy and Procedures dated 4 October 2017.

“Environmental and Social Action Plan” or “ESAP” has the meaning assigned to it in the Project Agreement.

“Environmental and Social

Policy” or “ESP”	means the Bank’s Environmental and Social Policy dated 25 April 2019
“EU Investment Grant”	has the meaning assigned to it in the preamble to this Agreement.
“EU Investment Grant Agreement”	has the meaning assigned to it in the preamble to this Agreement.
“Fiscal Year”	means the Borrower’s fiscal year commencing on 1 st January and ending on 31 st December of each year.
“Loan Currency”	means Euro.
“Paris Agreement”	means an international treaty adopted at the 21 st session of the Conference of Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/2015/10/Add.1).
“Project”	has the meaning ascribed to it in Schedule 1.
“Project Entity”	has the meaning assigned to it in the preamble to this Agreement.
“Project Implementation Unit” or “PIU”	has the meaning assigned to it in the Project Agreement.
“Railway Safety Development Plan”	has the meaning assigned to it in the Project Agreement.
“Standard Terms and Conditions”	means the Bank’s Standard Terms and Conditions dated 5 November 2021.
“Subsidiary Loan Agreement”	means the loan agreement, to be entered into between the Project Entity and the Borrower pursuant to Section 3.01(a), as such loan agreement may be amended from time to time.
“TC Grant”	has the meaning assigned to it in the preamble to this Agreement.
“Tranche”	means any of Tranche 1 or Tranche 2.
“Tranche 1”	means the amount of the Loan referred to in Section 2.01(b)(1).
“Tranche 1 Repayment Date”	means any day falling on one of the dates specified in this Agreement for repayment of the principal of Tranche 1, provided, however, that, if any Tranche 1 Repayment Date would otherwise fall on a day which is not a Business Day, such Tranche 1 Repayment Date shall be changed to the

next succeeding Business Day in the same calendar month or, if there is no succeeding Business Day in the same calendar month, the immediately preceding Business Day.

“Tranche 2” means the amount of the Loan referred to in Section 2.01(b)(2).

“Tranche 2 Availability Date” 24 April 2024.

“Tranche 2 Repayment Date” means any day falling on one of the dates specified in this Agreement for repayment of the principal of Tranche 2, provided, however, that, if any Tranche 2 Repayment Date would otherwise fall on a day which is not a Business Day, such Tranche 2 Repayment Date shall be changed to the next succeeding Business Day in the same calendar month or, if there is no succeeding Business Day in the same calendar month, the immediately preceding Business Day.

“Tranche 3” means the amount of the Loan referred to in Section 2.01(b)(3).

“Tranche 3 Availability Date” means 14 June 2024.

“Tranche 3 Repayment Date” means any day falling on one of the dates specified in this Agreement for repayment of the principal of Tranche 3, provided, however, that, if any Tranche 3 Repayment Date would otherwise fall on a day which is not a Business Day, such Tranche 3 Repayment Date shall be changed to the next succeeding Business Day in the same calendar month or, if there is no succeeding Business Day in the same calendar month, the immediately preceding Business Day.

Section 1.03. Interpretation

In this Agreement, a reference to a specified Article, Section or Schedule shall, except where stated otherwise in this Agreement, be construed as a reference to that specified Article or Section of, or Schedule to, this Agreement.

ARTICLE II - PRINCIPAL TERMS OF THE LOAN

Section 2.01. Amount and Currency

- (a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of EUR 23,000,000 (twenty three million Euro).
- (b) The Loan shall consist of three (3) Tranches, as follows:
 - (1) Tranche 1 in the amount of EUR 12,000,000 (twelve million Euro); and
 - (2) Tranche 2 in the amount of EUR 11,000,000 (eleven million Euro); and
 - (3) Tranche 3 in the amount of EUR 18,205,000 (eighteen million two hundred and five thousand Euro).

Section 2.02. Other Financial Terms of the Loan

- (a) The Minimum Drawdown Amount shall be EUR 500,000.
- (b) The Minimum Prepayment Amount shall be EUR 1,000,000.
- (c) The Minimum Cancellation Amount shall be EUR 1,000,000.
- (d) The Interest Payment Dates shall be 20 February and 20 August of each year.
- (e) (1) The Borrower shall repay the Loan as follows:
 - (A) Tranche 1 shall be repaid in equal (or as nearly equal as possible) semi-annual instalments on each Interest Payment Date, with the first Tranche 1 Repayment Date being the first Interest Payment Date falling on or immediately after the date which is three (3) years from the date of this Agreement and the last Tranche 1 Repayment Date being the Interest Payment Date falling on or immediately before the date which is fifteen (15) years from the date of this Agreement;
 - (B) Tranche 2 shall be repaid in equal (or as nearly equal as possible) semi-annual instalments on each Interest Payment Date, with the first Tranche 2 Repayment Date being the first Interest Payment Date falling on or immediately after the date which is three (3) years from the date of the Tranche 2 Availability Date and the last Tranche 2 Repayment Date being the Interest Payment Date falling on or immediately before the date which is fifteen (15) years from the date of the Tranche 2 Availability Date.
 - (C) Tranche 3 shall be repaid in equal (or as nearly equal as possible) semi-annual instalments on each Interest Payment Date, with the first Tranche 3 Repayment Date being the first Interest Payment Date falling on or immediately after the date which is three (3) years from the date of the Tranche 3 Availability Date and the last Tranche 3 Repayment Date being the

Interest Payment Date falling on or immediately before the date which is fifteen (15) years from the date of the Tranche 3 Availability Date.

(2) Notwithstanding the foregoing, in the event that (i) the Borrower does not draw down the entire amount of a Tranche prior to the respective first Loan Repayment Date specified in this Section 2.02.(e), and (ii) the Bank extends the Last Availability Date for the respective Tranche specified in Section 2.02.(f) below to a date which falls after such first Loan Repayment Date, then the amount of each drawdown made on or after the first Loan Repayment Date shall be allocated for repayment in equal amounts to the several Loan Repayment Dates relating to that Tranche which fall after the date of such drawdown (with the Bank adjusting the amounts so allocated as necessary so as to achieve whole numbers in each case). The Bank shall, from time to time, notify the Borrower of such allocations.

(f) The Last Availability Date shall be:

(1) with respect to Tranche 1, the date which is three (3) years after the date of this Agreement or such later date that the Bank may in its discretion establish and notify to the Borrower; and

(2) with respect to Tranche 2, the date which is three (3) years after the Tranche 2 Availability Date or such later date that the Bank may in its discretion establish and notify to the Borrower.

(3) with respect to Tranche 3, the date which is three (3) years after the Tranche 3 Availability Date or such later date that the Bank may in its discretion establish and notify to the Borrower.

(g) The rate of the Commitment Charge shall be 0.5% per annum.

(h) The Loan is subject to a Variable Interest Rate.

Section 2.03. Drawdowns

(a) The Available Amount may be drawn down from time to time in accordance with the provisions of Schedule 2 to finance expenditures made (or, if the Bank so agrees, to be made) in respect of the reasonable cost of goods, works and services required for the Project.

(b) Notwithstanding Section 3.05(c) and Section 3.05(e) of the Standard Terms and Conditions, the Borrower has opted not to have the Front-end Commission paid out of the Available Amount and shall instead pay the Front-end Commission out of its own resources. The payment of the Front-end Commission by the Borrower shall be made pursuant to Section 3.05(d) (for Tranche 1, Tranche 2 and Tranche 3) of the Standard Terms and Conditions.

ARTICLE III - EXECUTION OF THE PROJECT

Section 3.01. Other Affirmative Project Covenants

In addition to the general undertakings set forth in Articles IV and V of the Standard Terms and Conditions, the Borrower shall, unless the Bank otherwise agrees:

- (a) Make available to the Project Entity the proceeds of the Loan pursuant to a subsidiary loan agreement on terms and conditions which are consistent with this Agreement, and which is in form and substance satisfactory to the Bank (the "Subsidiary Loan Agreement");
- (b) Exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank, to comply with the provisions of this Agreement and to accomplish the purposes for which the Loan is made;
- (c) Not, except as the Bank otherwise agrees, assign, amend, abrogate or waive any provision of the Subsidiary Loan Agreement;
- (d) Cause the Project Entity to perform all of its obligations under the Project Agreement, including without limitation its obligations relating to:
 - (1) establishment and operation of the PIU as provided for in Section 2.03 of the Project Agreement;
 - (2) procurement of goods, works and services as well as consultancy services from the Project as provided for in Section 2.04 of the Project Agreement;
 - (3) environmental and social matters as provided for in Section 2.05 of the Project Agreement;
 - (4) employment and use of consultants to assist in the implementation of the Project as provided for in Section 2.06 of the Project Agreement;
 - (5) preparation and submission of reports on matters relating to the Project and to the Project Entity's operations as provided for in Section 2.07 of the Project Agreement;
 - (6) maintenance of procedures, records and accounts, preparation, auditing and submission to the Bank of financial statements and furnishing to the Bank any other relevant information relating to the Project or the Project Entity's operations as provided for in Section 3.01 of the Project Agreement; and
 - (7) compliance with all covenants regarding financial and operational aspects of the Project and the Project Entity as provided for in Sections 3.02 and 3.03 of the Project Agreement.
- (e) Provide adequate funds and other resources, including human resources, for the completion of the Project and to finance directly or cause the Project Entity to finance

directly Part B of the Project as described in Schedule 1 (namely, civil works, design and supervision services);

(f) Procure that the Project Entity oversees overall Project implementation and management and carries out the Project with due diligence an efficiency and cause the Project Entity to apply the funds received from the Borrower under the Subsidiary Loan Agreement exclusively for the completion of the Project and in accordance with the Schedule 2;

(g) Procure that the Project Entity implements the ESAP;

(h) Take all action necessary to provide assistance and support, as may be required, to the consultants appointed under the Project to implement their respective assignments under the terms of reference acceptable to the Bank and appointed in line with EBRD Procurement Rules; and

(i) Exempt from taxes (including, without limitation, VAT) and duties (including, without limitation, any customs duties) all goods, works and services (including consultancy services), procured by the Borrower/Project Entity for the Project and financed from the proceeds of the Loan or any technical cooperation funds made available by the Bank, or provide for their reimbursement.

(j) Ensure that the Project Entity shall establish and at all times during the execution of the Project operates the PIU with adequate resources and suitable qualified personnel, under the terms of reference acceptable to the Bank, for the purpose of coordinating, managing, monitoring and evaluating all aspects of Project implementation, including the procurement of goods and services for the Project, and implementation of other related components required to complete the Project, including design, supervision and works contracts.

ARTICLE IV - SUSPENSION; ACCELERATION; CANCELLATION

Section 4.01. Suspension

The following are specified for purposes of Section 7.01(a)(xvii) of the Standard Terms and Conditions:

(a) The legislative and regulatory framework applicable to the railway sector in the territory of the Borrower shall have been amended, suspended, abrogated, repealed or waived in a manner other than as approved by the Bank in writing;

(b) Control of the Project Entity shall have been transferred to a party other than the Borrower; and

(c) The Project Entity shall have failed to perform any of its obligations under any of the Project Agreement, the EU Investment Grant Agreement, EIB EU NIP Grant Agreement or the Subsidiary Loan Agreement.

ARTICLE V - EFFECTIVENESS

Section 5.01. Conditions Precedent to Effectiveness

The following are specified for purposes of Section 9.02(c) of the Standard Terms and Conditions as additional conditions to the effectiveness of this Agreement and the Project Agreement:

- (a) This Agreement has been ratified by Parliament of the Republic of Moldova;
- (b) The Project Agreement has been executed and delivered and all conditions precedent to its effectiveness, have been fulfilled;
- (c) The Subsidiary Loan Agreement, in form and substance satisfactory to the Bank, has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Project Entity to make drawdowns thereunder, except only the effectiveness of this Agreement, have been fulfilled; and
- (d) The EU Investment Grant Agreement has been executed and delivered and all conditions precedent to the right of the Borrower to make drawdowns thereunder, except for any condition precedent to disbursement under this Agreement, have been fulfilled.

Section 5.02. Legal Opinions

(a) For purposes of Section 9.03(a) of the Standard Terms and Conditions, the legal opinion or opinions shall be given on behalf of the Borrower by the Minister of Justice and the following are specified as additional matters to be included in the opinion or opinions to be furnished to the Bank:

- (1) the Subsidiary Loan Agreement has been duly authorised or ratified by, and delivered on behalf of, the Borrower and the Project Entity and constitutes a valid and legally binding obligation of the Borrower and the Project Entity, enforceable in accordance with its terms.
- (2) the EU Investment Grant Agreement has been duly authorised or ratified by, and executed and delivered on behalf of, the Borrower and the Project Entity and constitutes a valid and legally binding obligation of the Borrower and the Project Entity, enforceable in accordance with its terms.
- (3) the Project Agreement has been duly authorised and delivered on behalf of the Project Entity and constitute valid and legally binding obligations of the Project Entity enforceable in accordance with their terms.

Section 5.03. Termination for Failure to Become Effective

The date 180 days after the date of this Agreement is specified for purposes of Section 9.04 of the Standard Terms and Conditions.

Section 5.04. Conditions Precedent to first Drawdown

The Borrower's right to make a first drawdown shall be subject to the prior fulfilment, in form and substance satisfactory to EBRD, or at the sole discretion of EBRD the waiver, whether in whole or part and whether subject to conditions or unconditional, of the following conditions precedent:

- (a) The PIU shall have been established at the Project Entity, with staff and terms of reference acceptable to the Bank;
- (b) The Borrower shall have established or updated the responsible steering committee to support the implementation of the Project and provide necessary assistance and approvals to the Project Entity and the railway sector in general;
- (c) The Borrower shall have provided evidence, in form and substance satisfactory to the Bank, of its ability to co-finance the Project in line with Section 3.01(e) of this Agreement; and
- (d) The Borrower shall have provided evidence, in form and substance satisfactory to the Bank that it has entered into the Contract for Design.

ARTICLE VI - MISCELLANEOUS

Section 6.01. Notices

- (a) The following addresses are specified for purposes of Section 10.01 of the Standard Terms and Conditions, except that any notice shall be deemed to be delivered if by hand, mail, or in pdf or similar format by electronic mail:

For the Borrower:

Republic of Moldova
Ministry of Finance
7 Constantin Tanase Street
Chisinau, MD 2005
Moldova

Attention: Minister of Finance

Email: cancelaria@mf.gov.md

For EBRD:

European Bank for Reconstruction and Development
5 Bank Street
London E14 4BG
United Kingdom

Attention: Operation Administration Department / Operation Nos. 54122 and 55285

Telephone: +44 20 7338 6000
Email: oad@ebrd.com

(b) The Bank may invite the Borrower to register to use ClientNet or another form of electronic communication and, if the Borrower and the Bank agree to use ClientNet or such other form of electronic communication, any notice, application or other communication from the Borrower to the Bank or from the Bank to the Borrower (other than any notice, application or other communication that is required by this Agreement or any other Financing Agreement to be in an original, certified or hard copy), may, subject to the terms and conditions of ClientNet or such other form of electronic communication, be given or made by posting such notice, application or other communication on ClientNet or sent in accordance with the terms agreed concerning such other form of electronic communication.

(c) Any notice, application or other communication delivered by hand, airmail or facsimile transmission or via ClientNet or another agreed form of electronic communication will only be effective when actually received (or made available) in readable form, provided that any notice, application or other communication that is received (or made available) after 5.00 p.m. in the place in which the party to whom the relevant notice, application or communication is sent has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(d) The following are the names, titles and email addresses of the persons designated as the initial contacts of the Borrower for purposes of any invitation the Bank may send to the Borrower regarding ClientNet:

<i>Name</i>	<i>Title</i>	<i>E-mail address</i>	<i>Language - English, Russian, French</i>
Elena Matveeva	Head of the Public Debt Department	elena.matveeva@mf.gov.md	English, Russian
Alexandru Rodideal	Head of the External Debt and On-Lending Division, Public Debt Department	alexandru.rodideal@mf.gov.md	English, Russian
Alexandrina Sorbală	Consultant of the External Debt and On-Lending Division, Public Debt Department	alexandrina.sorbală@mf.gov.md	English, Russian

Eduard Calancea	Deputy General Director	<u>eduard.calancea@railway.md</u>	English
Vasile Codreanu	Deputy Head, Rail track maintenance department	<u>vasile.codreanu@railway.md</u>	English
Filipp Ivanov	Adviser to the General Director	<u>filipp.ivanov@railway.md</u>	English

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorised representatives, have caused this Agreement to be signed in four copies and delivered at Chişinău, the Republic of Moldova as of the day and year first above written.

REPUBLIC OF MOLDOVA

By: _____
Name:
Title:

**EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

By: _____
Name:
Title:

SCHEDULE 1 - DESCRIPTION OF THE PROJECT

1. The purpose of the Project is to assist the Borrower in co-financing the rehabilitation of the superstructure on the approx. 128.3km of railway lines on Valcinets – Balti – Ungheni – Chisinau – Cainari rail section.

2. The Project consists of the following Parts, subject to such modifications thereof as the Bank and the Borrower may agree upon from time to time:

Part A: Civil works, design and acquisition of goods (i.e. rails, sleepers, ballast, fastenings, etc.) to be financed from the proceeds of the Loan Agreement, the EU Investment Grant Agreement, EIB EU NIP Grant Agreement and EIB Co-financing Agreement. The Borrower and/or the Project Entity will cover all taxes and duties which are collected on the Borrower's territory.

Part B: Supervision and PIU support services to be financed from the proceeds of the Loan Agreement and EIB Co-financing Agreement. The Borrower and/or the Project Entity will cover all taxes and duties which are collected on the Borrower's territory.

Part C: Provision of technical cooperation consultancy support to assist the Project Entity with the Project implementation to be financed from the TC Grant, namely:

- (a) project manager for coordinating all aspects of the Project implementation among key stakeholders to ensure the implementation is carried out in line with relevant legal agreements;
- (b) environmental and social (E&S) expert to support the implementation of the ESAP in line with the ESP in relation to the Project;
- (c) lender's monitor consultant to oversee the implementation of the Project, as well as the Project during the construction phase, on behalf of the Bank and directly reporting to the Bank, to monitor the performance of Project Entity and to ensure that all Project requirements are met in line with relevant legal agreements;
- (d) procurement support consultant to assist the PIU with tendering and contracting of materials for the Project; and
- (e) railway safety assessment for a detailed review of railway safety practices, scoping of priority areas of improvement and preparation of the Railway Safety Development Plan.

3. The Project is expected to be completed by 4 December 2027.

SCHEDULE 2 - CATEGORIES AND DRAWDOWNS

1. The table attached to this Schedule sets forth the Categories, the amount of the Loan allocated to each Category and the percentage of expenditures to be financed in each Category.
2. Notwithstanding the provisions of paragraph 1 above, no Drawdown shall be made in respect of expenditures incurred prior to the date of the Loan Agreement.

Attachment to Schedule 2

Category	Amount of the Loan Allocated in the Loan Currency	Percentage of Expenditures to be Financed
1) Civil works, design and acquisition of goods for Part A of the Project (as described in Schedule 1 of the Loan Agreement - Tranche 1 - Tranche 2 - Tranche 3	38,815,062	35.5% of contract value excluding any Taxes
2) Supervision and PIU support services for Part B of the Project (as described in Schedule 1 of the Loan Agreement. - Tranche 1 - Tranche 2 - Tranche 3	2,389,938	50% of contract value excluding any Taxes
Total	41,205,000	