

FRAMEWORK AGREEMENT N° CGE 1041 01 Z et 01 C

FRAMEWORK AGREEMENT FOR A CREDIT FACILITY

dated as of the 15th of November

between

L'AGENCE FRANCAISE DE DEVELOPPEMENT

The Lender

and

GEORGIA

The Borrower

TABLE OF CONTENTS

1. DEFINITIONS AND CONSTRUCTION	7
1.1 Definitions.....	7
1.2 Construction.....	7
2. PURPOSE	7
2.1 General conditions for credit facilities.....	7
2.2 Terms and conditions applicable to each Facility.....	7
3. DURATION OF THE FRAMEWORK AGREEMENT	7
4. AVAILABILITY OF A FACILITY	8
4.1 Financial Conditions Proposal.....	8
4.2 Facility Approval.....	8
5. AMOUNT, PURPOSE AND CONDITIONS OF UTILISATION	8
5.1 Facility(ies).....	8
5.2 Amount.....	8
5.3 Purpose.....	9
5.4 Monitoring.....	9
5.5 Conditions Precedent.....	9
6. DRAWDOWN OF FUNDS	10
6.1 Availability of Drawdowns.....	10
6.2 Drawdown Request.....	10
6.3 Payment Completion.....	11
6.4 Deadline for the first Drawdown.....	11
6.5 Deadline for Drawdown of the Funds.....	11
7. INTEREST APPLICABLE TO EACH FACILITY	12
7.1 Interest Rate applicable to each Facility.....	12
7.2 Calculation and payment of interest.....	13
7.3 Late payment and default interest.....	14
7.4 Communication of Interest Rates.....	14
8. CHANGE TO THE CALCULATION OF INTEREST APPLICABLE TO EACH FACILITY	14
8.1 Market Disruption.....	14
8.2 Replacement of Screen Rate.....	15
9. FEES APPLICABLE TO EACH FACILITY	16
9.1 Commitment fees applicable to each Facility.....	16
9.2 Appraisal Fee applicable to each Facility.....	17
10. FACILITIES REPAYMENT	17
11. PREPAYMENT AND CANCELLATION OF FACILITIES	17
11.1 Voluntary prepayment under a Facility.....	17

11.2	Mandatory prepayment under a Facility.....	18
11.3	Cancellation of a Facility by the Borrower.....	18
11.4	Cancellation of a Facility by the Lender.....	18
11.5	Restrictions.....	19
12.	ADDITIONAL PAYMENT OBLIGATIONS.....	19
12.1	Costs and expenses.....	19
12.2	Cancellation Indemnity under a Facility.....	19
12.3	Prepayment Indemnity under a Facility.....	19
12.4	Taxes and duties.....	20
12.5	Additional Costs.....	20
12.6	Currency indemnity.....	21
12.7	Due dates.....	21
13.	REPRESENTATIONS AND WARRANTIES UNDER THE FRAMEWORK AGREEMENT AND EACH FACILITY.....	21
13.1	Power and authority.....	21
13.2	Validity and admissibility in evidence.....	22
13.3	Binding obligations.....	22
13.4	No filing or stamp taxes.....	22
13.5	Transfer of funds.....	22
13.6	No conflict with other obligations.....	22
13.7	Governing law and enforcement.....	23
13.8	No default.....	23
13.9	No misleading information.....	23
13.10	Program Documents.....	23
13.11	Pari passu ranking.....	23
13.12	Origin of funds, Acts of Corruption, Fraud and Anti-Competitive Practices.....	23
13.13	No Material Adverse Effect.....	23
14.	UNDERTAKINGS UNDER THE FRAMEWORK AGREEMENT.....	24
14.1	Compliance with laws and regulations.....	24
14.2	Authorisations.....	24
14.3	Program Documents.....	24
14.4	Implementation and preservation of the Program.....	24
14.5	Environmental and social responsibility.....	24
14.6	Additional financing.....	25
14.7	Pari passu ranking.....	25
14.8	Monitoring missions and inspections.....	25
14.9	Program evaluation.....	26
14.10	Sanctions – Embargo.....	26
14.11	Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices.....	26

14.12 Implementation Arrangements.....	27
14.13 Documents attesting the achievement of DLRs	27
14.14 Audit	27
14.15 Visibility and Communication	27
15. INFORMATION UNDERTAKINGS UNDER THE FRAMEWORK AGREEMENT AND EACIL FACILITY	28
15.1 Financial Information.....	28
15.2 Progress Report.....	28
15.3 Co-Financing.....	28
15.4 Information - miscellaneous.....	28
16. EVENTS OF DEFAULTS UNDER THE FACILITIES.....	28
16.1 Events of Default.....	28
16.2 Acceleration	30
16.3 Notification of an Event of Default.....	30
17. ADMINISTRATION OF FACILITIES	31
17.1 Payments.....	31
17.2 Set-off.....	31
17.3 Business Days	31
17.4 Currency of payment.....	31
17.5 Day count convention	31
17.6 Place of payment.....	31
17.7 Payment Systems Disruption	32
18. MISCELLANEOUS	33
18.1 Certifications and determinations.....	33
18.2 Assignment.....	33
18.3 Confidentiality- Disclosure of information.....	33
18.4 Limitation.....	33
18.5 No Hardship	34
18.6 Language.....	34
18.7 Partial invalidity.....	34
18.8 No waiver.....	34
18.9 Legal effect.....	34
18.10 Entire agreement	34
18.11 Amendments	34
19. NOTICES.....	35
19.1 Communications in writing and addresses.....	35
19.2 Delivery.....	35
19.3 Electronic communications.....	36
20. GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE.....	36

A-2

A-3

20.1	Governing Law.....	36
20.2	Arbitration.....	36
20.3	Service of process	37
	SCHEDULE 1 OF THE FRAMEWORK AGREEMENT - PROGRAM DESCRIPTION	39
	SCHEDULE 2 - DEFINITIONS & CONSTRUCTION.....	42
	SCHEDULE 3 - CONDITIONS PRECEDENT.....	55
	SCHEDULE 4 - FORM FOR THE AVAILABILITY OF A FACILITY	57
	SCHEDULE 5 - FORM FOR THE DRAWDOWNS UNDER A FACILITY.....	61
	SCHEDULE 6 - INFORMATION THAT MAY BE PUBLISHED ON THE FRENCH GOVERNMENT WEBSITE AND THE LENDER'S WEBSITE.....	67

FRAMEWORK AGREEMENT FOR A CREDIT FACILITY

BETWEEN:

GEORGIA, represented by Mr. Lasha KHUTSISHVILI, in his capacity as Minister of Finance of Georgia, duly authorised to sign the Framework Agreement,

("Georgia" or the "Borrower");

AND

AGENCE FRANCAISE DE DEVELOPPEMENT, a French public entity governed by French law, with its registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Cyrille BELLIER, in his capacity as Head of Department for Eastern Europe, Middle East and Asia of the French Development Agency, duly authorised to sign the Framework Agreement,

("AFD" or the "Lender");

(hereinafter jointly referred to as the "Parties" and each a "Party").

WHEREAS:

- (A) In the context of the program as defined in Schedule 1 (*Program Description*) of the Framework Agreement (the "Program"), the Borrower intends to implement one or several Program Tranches.
- (B) Pursuant to resolution n°C20220450 of the Board of Directors dated 7th of July, 2022, the AFD is authorized to enter into this Framework Agreement for making Facilities available.
- (C) The Borrower and AFD have agreed to establish in advance the terms and conditions by which the Borrower can request that AFD make Facilities available for the full or partial financing of the Program Tranches, which AFD may accept or refuse.
- (D) The International Bank for Reconstruction and Development (the "IBRD" or the "Co-Financier") accepted to make available a facility of three hundred fifty-eight millions five hundred thousand Euros (EUR 358,500,000) to the Borrower for the purposes of co-financing the Program pursuant to the terms and conditions of a loan agreement signed on the 30th March, 2022 (the "Co-Financier Loan Agreement").

THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

Capitalised words and expressions used in the Framework Agreement (including the Schedules of the Framework Agreement) shall have the meaning given to them in Schedule 2 (*Definitions & Construction*) of the Framework Agreement, except as otherwise provided in the Framework Agreement.

1.2 Construction

Words and expressions used in the Framework Agreement shall be construed pursuant to the provisions of Schedule 2 (*Definitions & Construction*) of the Framework Agreement, unless a contrary indication appears.

2. PURPOSE

2.1 General conditions for credit facilities

As from the Effective Date and as long as the Framework Agreement remains in full force in accordance with Clause 3 (*Duration of the Framework Agreement*), the Borrower may, at any time, request that AFD make available to it a Facility for the purposes of the financing, in full or in part, of a Program Tranche, by delivering to AFD a duly completed Facility Request.

Upon receipt of a Facility Request, AFD may, on a case-by-case basis, on a discretionary basis without any commitment, decide to accept or to refuse to make the requested Facility available.

For as long as a Facility Request has not been accepted by AFD in accordance with Clause 4 (*Availability of a Facility*), AFD has no obligation to make the requested Facility available to the Borrower.

2.2 Terms and conditions applicable to each Facility

AFD and the Borrower agree that the terms and conditions applicable to each Facility that AFD may, on a discretionary basis, accept to make available to the Borrower, will be those set out in this Framework Agreement and in the related Facility Approval.

3. DURATION OF THE FRAMEWORK AGREEMENT

The Framework Agreement comes into force on the Effective Date and will remain in full force and effect until the date that falls three (3) years as from the Signing Date (the "Final Date").

Each Party may terminate the Framework Agreement at any time until the Final Date, without indemnities (other than those due under the outstanding Facilities), subject to the delivery of a notification to the other Party by registered letter with acknowledgment of receipt at least fifteen (15) calendar days before the anticipated termination date as indicated in such notification (the "Termination Date").

As from the date falling three months before the Final Date, or as from the date of the delivery of the termination notice referred to above, the Borrower shall not deliver to AFD any Facility Request, but the Framework Agreement will continue to produce its effects regarding the outstanding Facilities as long as any amount remains due under the Finance Documents.

4. AVAILABILITY OF A FACILITY

4.1 Financial Conditions Proposal

Upon receipt of a duly completed Facility Request, AFD may, without any obligation, send to the Borrower a Financial Conditions Proposal, which will set out the financial conditions that would be applicable to the requested Facility if AFD accepted to make such Facility available to the Borrower.

The delivery of a Financial Conditions Proposal shall not be considered in any case as a commitment from AFD to make the requested Facility available.

The Borrower shall accept such financial conditions by countersigning and dating the Financial Conditions Proposal.

4.2 Facility Approval

AFD may accept a Facility Request at the financial conditions set out in the Financial Conditions Proposal as countersigned by the Borrower.

In this event, AFD will send to the Borrower a Facility Approval. As from the date of acceptance by the Borrower of the terms and conditions set out in the Facility Approval and subject to the fulfilment of the conditions precedent listed in Clause 5.5 (Conditions Precedent), the AFD will undertake to make the requested Facility available.

The Borrower will accept the terms of such Facility Approval by countersigning it.

Each Facility will be governed by the terms and conditions of the Finance Documents.

5. AMOUNT, PURPOSE AND CONDITIONS OF UTILISATION

5.1 Facility(ies)

The Lender may accept to make available to the Borrower, subject to the provisions of the Finance Documents, one or more Facility(ies) in a maximum aggregate amount as set out in the relevant Facility Approval, not exceeding the maximum aggregate amount set out in the Clause 5.2 (Amount) below.

5.2 Amount

Provided that this shall in no case be considered as a commitment from AFD to grant any Facility to the Borrower:

- (i) the aggregate amount of the Facilities that may be granted under the Framework Agreement cannot exceed one hundred million euros (100,000,000 EUR);
- (ii) the amount of the first Facility will be fifty million euros (50,000,000 EUR); and
- (iii) the number of Facilities made available under the Framework Agreement cannot exceed 2.

5.3 Purpose

The Borrower shall apply all amounts borrowed by it under the Facilities exclusively towards financing budget expenditures intended to implement the Program as described in Schedule 1 (Program Description).

5.4 Monitoring

The Lender shall not be held responsible for the use of any amount borrowed which is not in accordance with the provisions of the Finance Documents.

5.5 Conditions Precedent

- (a) No later than on the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I (Conditions Precedent to the Signing of the Framework Agreement) of Schedule 3 (Conditions Precedent) of the Framework Agreement, in form and substance satisfactory to the Lender.
- (b) A Facility Request may not be delivered to the Lender unless the Lender has received all of the documents set out in Part II (Conditions Precedent to the signing of Each Facility) of the Schedule 3 (Conditions Precedent) of the Framework Agreement and has notified to the Borrower that such documents comply with the requirements of this Schedule in form and substance.
- (c) Upon delivery of a Facility Request and on the Facility Approval Signing Date, the Borrower represents that each representation set out in Clause 13 (Representations and warranties under the Framework Agreement and Each Facility) is accurate.
- (d) A Drawdown Request may not be delivered to the Lender unless:
 - (i) in the case of the first Drawdown, the Lender has received all of the documents listed in Part III (Conditions Precedent to the First Drawdown Under a Facility) and Part IV (Conditions Precedent to all Drawdowns Under a Facility, including the First Drawdown) of Schedule 3 (Conditions Precedent) of the Framework Agreement and has notified the Borrower that such documents are satisfactory in form and substance; and
 - (ii) in the case of any subsequent Drawdown, the Lender has received all of the documents set out in Part IV (Conditions Precedent to all Drawdowns Under a Facility including the First Drawdown) of Schedule 3 (Conditions Precedent) of the Framework Agreement and has notified the Borrower that such documents are satisfactory in form and substance.
- (e) The Lender will have to make a Drawdown available only if, on the applicable date of the Drawdown Request and on the applicable Drawdown Date, no Payment Systems Disruption Event has occurred and the conditions set out in the Finance Documents have been fulfilled, including:
 - (i) no Event of Default is continuing or would result from the proposed Drawdown;
 - (ii) no Co-Financier has suspended its payments in relation to the Program;
 - (iii) the Drawdown Request has been made in accordance with the terms of Clause 6.2 (Drawdown Request) of the Framework Agreement; and

(iv) each representation given by the Borrower in relation to Clause 13 (*Representations and warranties under the Framework Agreement and each Facility*) of the Framework Agreement is true.

(f) Notwithstanding the provisions of Part IV (*Conditions Precedent to all Drawdowns under a Facility including the first Drawdown*) of Schedule 3 (*Conditions Precedent*) of the Framework Agreement, if any of the DLRs of Schedule 1 (*Program Description*) have not been achieved by the date by which the said DLR is set to be achieved, or such later date as the Lender has established by notice to the Borrower, the Lender may, by notice to the Borrower,

- (i) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the relevant Facility then allocated to said DLR which, in the opinion of AFD, corresponds to the extent of achievement of the said DLR;
- (ii) reallocate all or a portion of the proceeds of the relevant Facility then allocated to said DLR to any other DLR of Schedule 1 (*Program Description*); and/or
- (iii) cancel all or a portion of the proceeds of the relevant Facility then allocated to said DLR.

6. **DRAWDOWN OF FUNDS**

6.1 **Availability of Drawdowns**

Any amount under a Facility will be made available to the Borrower during the Availability Period related to this Facility, in several Drawdowns, up to the available amount of such Facility, provided that the number of Drawdowns shall not exceed fifteen (15).

6.2 **Drawdown Request**

Provided that the conditions set out in Clause 5.5 (*Conditions Precedent*) of the Framework Agreement are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request as described below:

(i) An electronic copy of the Drawdown Request duly completed and signed, together with all the supporting documents required for the relevant conditions precedent (fulfilment) shall at first be submitted to the Co-Financier, simultaneously with submission of the relevant Withdrawal Application under the Co-Financier Loan Agreement, in accordance with the conditions and terms of the Co-Financier Loan Agreement; and

(ii) A hard copy of the duly completed and signed Drawdown Request shall be delivered by mail by the Borrower to the AFD office Director, at the address specified in Clause 19.1 (*Communications in writing and addresses*).

(iii) Payments will be made in accordance with the instructions in the Disbursement and Financial Information Letter (DFIL), updated if necessary, issued by the Co-Financier.

Each Drawdown Request is irrevocable and will be regarded as having been duly completed if:

- (a) the Drawdown Request is substantially in the form set out in Part I (*Form of Drawdown Request*) of Schedule 5 (*Forms for the Drawdowns under a Facility*) of the Framework Agreement;

- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown;
- (c) the amount of the Drawdown complies with the conditions of Clause 5.2 (*Amount*) of the Framework Agreement and those of the Facility Approval; and
- (d) the conditions set out in Clause 5.5(d) are satisfied.

Any documentary evidence, such as bills or paid invoices, shall include the reference number and date of the relevant payment order. The Borrower undertakes to keep possession of the documentary evidence originals, to make such evidence available to the Lender at any time and to provide the Lender with Certified copies or duplicates of such evidence as the Lender may request.

6.3 Payment Completion

Subject to Clause 17.7 (*Payment Systems Disruption*) of the Framework Agreement, if each of the conditions set out in Clause 5.5 (*Conditions Precedent*) of the Framework Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.

The Lender shall provide the Borrower with a letter of Drawdown confirmation substantially in the form set out in Part II (*Form of Confirmation of Drawdown and rate*) of Schedule 5 (*Forms for the Drawdowns under a facility*) of the Framework Agreement.

6.4 Deadline for the first Drawdown

The first Drawdown of a Facility shall occur on or before the date falling fourteen (14) months after the date of the Facility Approval.

If the first Drawdown does not occur in the above-mentioned period, the Lender may cancel the Facility in accordance with Clause 11.4 (*Cancellation of a Facility by the Lender*) of the Framework Agreement.

The deadline for the first Drawdown shall not be postponed without prior consent of the Lender.

Any postponement of the deadline for the first Drawdown shall be (i) subject to new financial conditions, applicable to Drawdowns and (ii) in writing between the Parties as an amendment.

6.5 Deadline for Drawdown of the Funds

The full drawdown of a Facility shall occur on or before the Deadline for Drawdown set out in the relevant Facility Approval.

If the full drawdown does not occur within the above-mentioned period, the Lender may cancel the Available Credit in accordance with Clause 11.4 (*Cancellation of a Facility by the Lender*) of the Framework Agreement.

The Deadline for Drawdown shall not be postponed without prior consent of the Lender.

Any postponement of the Deadline for Drawdown shall be (i) subject to new financial conditions, applicable to Drawdowns of the Available Credit and (ii) in writing between the Parties as an amendment.

7. INTEREST APPLICABLE TO EACH FACILITY

7.1 Interest Rate applicable to each Facility

7.1.1 Selection of Interest Rate

For each Drawdown, the Borrower may select a fixed Interest Rate or a floating Interest Rate, which shall apply to the amount set out in the relevant Drawdown Request, by stating the selected Interest Rate, i.e., fixed or floating, in the Drawdown Request delivered to the Lender substantially in the form set out in Part I (*Form of Drawdown Request*) of the Schedule 5 (*Forms for the Drawdowns under a facility*) of the Framework Agreement, subject to the following conditions:

(i) Floating Interest Rate

Regardless of the amount of the requested Drawdown, the Borrower may select a floating Interest Rate, which shall be the percentage rate per annum, being the aggregate of:

- six-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 8 (*Change to the calculation of interest applicable to each Facility*) of the Framework Agreement; and
- the Margin.

Notwithstanding the above, in the case of the first Drawdown, if the first Interest Period is less than one hundred and thirty-five (135) days, the applicable EURIBOR shall be:

- one-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 8 (*Change to the calculation of interest applicable to each Facility*) of the Framework Agreement, if the first Interest Period is less than sixty (60) days; or
- three-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 8 (*Change to the calculation of interest applicable to each Facility*) of the Framework Agreement if the first Interest Period is between sixty (60) days and one hundred and thirty-five (135) days.

(ii) Fixed Interest Rate

Provided that the amount of a requested Drawdown is equal to or greater than three million Euros (EUR 3,000,000), the Borrower may select a fixed Interest Rate, which shall be the Fixed Reference Rate increased or decreased by any fluctuation of the Index Rate for the period from the Facility Approval Signaling Date until the relevant Rate Setting Date.

The Borrower may specify in the Drawdown Request a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request

shall be cancelled and the Drawdown amount specified in the cancelled Drawdown Request shall be credited to the Available Credit.

7.1.2 Conversion from a floating Interest Rate to a fixed Interest Rate

(i) Rate Conversion upon the Borrower's request

At any time, the Borrower may request that the Lender converts the floating Interest Rate applicable to a Drawdown or several Drawdowns to a fixed Interest Rate, provided that the amount of such Drawdown or aggregate amount of Drawdowns (as applicable) is equal to or exceeds three million Euros (EUR 3,000,000).

To this effect, the Borrower shall send to the Lender a Rate Conversion Request substantially in the form set out in Part III (*Form of Rate Conversion Request*) of Schedule 5 (*Forms for the Drawdowns under a facility*) of the Framework Agreement. The Borrower may specify in the Rate Conversion Request a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified by the Borrower in the Rate Conversion Request, such Rate Conversion Request will be automatically cancelled.

The fixed Interest Rate will be effective two (2) Business Days after the Rate Setting Date.

(ii) Rate Conversion mechanics

The fixed Interest Rate applicable to the relevant Drawdown(s) shall be determined in accordance with Clause 7.1.1(ii) (*Fixed Interest Rate*) of the Framework Agreement on the Rate Setting Date referred to in subparagraph (i) above.

The Lender shall promptly send to the Borrower a letter of confirmation of Rate Conversion substantially in the form set out in Part IV (*Form of Rate Conversion Confirmation*) of Schedule 5 (*Forms for the Drawdowns under a facility*) of the Framework Agreement.

A Rate Conversion is final and effected without costs.

7.2 Calculation and payment of interest

The Borrower shall pay accrued interest on Drawdown(s) on each Payment Date.

The amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period shall be equal to the sum of any interest owed by the Borrower on the amount of the Outstanding Principal in respect of each Drawdown. Interest owed by the Borrower in respect of each Drawdown shall be calculated on the basis of:

- (i) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;
- (ii) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and

- (iii) the applicable Interest Rate determined in accordance with the provisions of Clause 7.1 (Interest Rate applicable to each Facility) of the Framework Agreement.

7.3 Late payment and default interest

- (a) **Late payment and default interest on all amounts due and unpaid (except for interest)**

If the Borrower fails to pay any amount payable by it to the Lender under the Finance Documents (whether a payment of principal, a Prepayment Indemnity, any fees or incidental expenses of any kind except for any unpaid overdue interest) on its due date, interest shall accrue on the overdue amount, to the extent permitted by law, from the due date up to the date of actual payment (both before and after an arbitral award, if any) at the Interest Rate applicable to the current Interest Period (default interest) increased by three point five per cent. (3.5%) (late-payment interest). No formal prior notice from the Lender shall be necessary.

- (b) **Late payment and default interest on unpaid overdue interest**

Interest which has not been paid on its due date shall bear interest, to the extent permitted by law, at the Interest Rate applicable to the ongoing Interest Period (default interest), increased by three point five per cent. (3.5%) (late-payment interest), to the extent that such interest has been due and payable for at least one (1) year. No formal prior notice from the Lender shall be necessary.

The Borrower shall pay any outstanding interest under Clause 7.3 (Late payment and default interest) of the Framework Agreement immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

- (c) Receipt of any payment of late payment interest or default interest by the Lender shall neither imply the grant of any payment extension to the Borrower, nor operate as a waiver of any of the Lender's rights hereunder.

7.4 Communication of Interest Rates

The Lender shall promptly notify the Borrower of the determination of each Interest Rate in accordance with the Finance Documents.

8. CHANGE TO THE CALCULATION OF INTEREST APPLICABLE TO EACH FACILITY

8.1 Market Disruption

- (a) If a Market Disruption affects the interbank market in the Eurozone and it is impossible:

- (i) for the fixed Interest Rate, to determine the fixed Interest Rate applicable to a Drawdown, or
(ii) for the floating Interest Rate, to determine the applicable EURIBOR for the relevant Interest Period,

the Lender shall inform the Borrower.

(b) Upon the occurrence of the event described in paragraph (a) above, the applicable Interest Rate, as the case may be, for the relevant Drawdown or for the relevant Interest Period will be the sum of:

- (i) the Margin; and
- (ii) the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdown(s) from whatever source it may reasonably select. Such rate shall be notified to the Borrower as soon as possible and, in any case, prior to (1) the first Payment Date for interest owed under such Drawdown for the fixed Interest Rate or (2) the Payment Date for interest owed under such Interest Period for the floating Interest Rate.

8.2 Replacement of Screen Rate

8.2.1 Definitions

"Relevant Nominating Body" means any central bank, regulator, supervisor or working group or committee sponsored or chaired by, or constituted at the request of any of them.

"Screen Rate Replacement Event" means any of the following events or series of events:

- (a) the definition, methodology, formula or means of determining the Screen Rate has materially changed;
- (b) a law or regulation is enacted which prohibits the use of the Screen Rate, it being specified, for the avoidance of doubt, that the occurrence of this event shall not constitute a mandatory prepayment event;
- (c) the administrator of the Screen Rate or its supervisor publicly announces:
 - (i) that it has ceased or will cease to provide the Screen Rate permanently or indefinitely, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;
 - (ii) that the Screen Rate has ceased or will cease to be published permanently or indefinitely; or
 - (iii) that the Screen Rate may no longer be used (whether now or in the future);
- (d) a public announcement is made about the bankruptcy of the administrator of that Screen Rate or any other insolvency proceedings against it, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate; or
- (e) in the opinion of the Lender, the Screen Rate has ceased to be used in a series of comparable financing transactions.

"Screen Rate" means EURIBOR or, following the replacement of this rate by a Replacement Benchmark, the Replacement Benchmark.

"Screen Rate Replacement Date" means:

- with respect to the events referred to in items a), d) and e) of the above definition of Screen Rate Replacement Event, the date on which the Lender has knowledge of the occurrence of such event, and,
- with respect to the events referred to in items b) and c) of the above definition of Screen Rate Replacement Event, the date beyond which the use of the Screen Rate will be prohibited or the date on which the administrator of the Screen Rate permanently or indefinitely ceases to provide the Screen Rate or the date beyond which the Screen Rate may no longer be used.

8.2.2 Each Party acknowledges and agrees for the benefit of the other Party that if a Screen Rate Replacement Event occurs and in order to preserve the economic balance of the Framework Agreement, the Lender may replace the Screen Rate with another rate (the "Replacement Benchmark") which may include an adjustment margin in order to avoid any transfer of economic value between the Parties (if any) (the "Adjustment Margin") and the Lender will determine the date from which the Replacement Benchmark and, if any, the Adjustment Margin shall replace the Screen Rate and any other amendments to the Framework Agreement required as a result of the replacement of the Screen Rate by the Replacement Benchmark.

8.2.3 The determination of the Replacement Benchmark and the necessary amendments will be made in good faith and taking into account: (i) the recommendations of any Relevant Nominating Body, or (ii) the recommendations of the administrator of the Screen Rate, or (iii) the industry solution recommended by professional associations in the banking sector or, (iv) the market practice observed in a series of comparable financing transactions on the replacement date.

8.2.4 In case of replacement of the Screen Rate, the Lender will promptly notify the Borrower of the replacement terms and conditions to replace the Screen Rate with the Replacement Benchmark, which will be applicable to Interest Periods starting at least two Business Days after the Screen Rate Replacement Date.

8.2.5 The provisions of 8.2 (Replacement of Screen Rate) shall prevail over the provisions of Clause 8.1 (Market Disruption).

9. FEES APPLICABLE TO EACH FACILITY

9.1 Commitment fees applicable to each Facility

As from each Facility Approval Signing Date, the Borrower shall pay to the Lender a commitment fee of zero point five per cent (0.5%) per annum.

The commitment fee shall be computed at the rate specified above on the amount of the Available Credit pro-rated for the actual number of days elapsed increased, if applicable, by the amount of any Drawdowns to be made available by the Lender in accordance with any pending Drawdown Requests.

The first commitment fee shall be calculated for the period from (i) the Facility Approval Signing Date (excluded) up to (ii) the immediately following Payment Date (included). Subsequent commitment fees shall be calculated for periods starting on the day immediately following a Payment Date (included) and ending on the next Payment Date (included).

The accrued commitment fee shall be payable: (i) on each Payment Date within the Availability Period; (ii) on the Payment Date following the last day of the Drawdown Period; (iii) in the

event an Available Credit is cancelled in full, on the Payment Date following the effective date of such cancellation and (iv) in the event all Available Credits are cancelled in full, on the effective date of such cancellation.

9.2 Appraisal Fee applicable to each Facility

Prior to the Drawdown and no later than ninety (90) days after the Facility Approval Signing Date, the Borrower shall pay to the Lender an appraisal fee of zero point five per cent (0.5%) calculated on the maximum amount of each Facility.

10. FACILITIES REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of each Facility in several instalments as set out in the Facility Approval and payable on each Payment Date.

At the end of the Drawdown Period, the Lender shall deliver to the Borrower an amortisation schedule in respect of each Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clause 11.3 (Cancellation of a Facility by the Borrower) of the Framework Agreement and Clause 11.4 (Cancellation of a Facility by the Lender) of the Framework Agreement.

11. PREPAYMENT AND CANCELLATION OF FACILITIES

11.1 Voluntary prepayment under a Facility

The Borrower shall not be entitled to prepay the whole or any part of a Facility prior to the expiration date of a ten (10) years period starting on the relevant Facility Approval Signing Date.

As from the date referred to in the previous paragraph, the Borrower may prepay the whole or any part of a Facility, subject to the following conditions:

- (a) the Borrower shall notify the Lender of its intention to prepay by not less than thirty (30) Business Days' written and irrevocable notice prior to the contemplated prepayment date;
- (b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;
- (c) the contemplated prepayment date shall be a Payment Date;
- (d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under the Finance Documents;
- (e) there is no outstanding amount; and
- (f) in case of a partial prepayment, the Borrower shall have given evidence, satisfactory to the Lender, that it has sufficient committed funding available for the purpose of financing the relevant Program Tranche as determined in the Financing Plan.

On the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the Prepayment Indemnities due and payable pursuant to Clause 12.3 (Prepayment Indemnity under a Facility) of the Framework Agreement.

11.2 Mandatory prepayment under a Facility

The Borrower shall immediately prepay the whole or part of a Facility or Facilities, if applicable, affected by one of any of the following events, upon receipt of a notice from the Lender:

- (a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by the Finance Documents or to fund or maintain the Facility;
- (b) Additional Costs: the amount of any Additional Costs referred to in Clause 12.5 (Additional Costs) of the Framework Agreement is significant and the Borrower has refused to pay such Additional Costs;
- (c) Default: the Lender declares an Event of Default in accordance with Clause 16 (Events of Defaults under the Facilities) of the Framework Agreement;
- (d) Prepayment to a Co-Financier: the Borrower prepays all or part of any amounts owed to a Co-Financier, in which case the Lender shall be entitled to request that the Borrower prepays, as the case may be, the Facilities or an amount of the outstanding Facilities in proportion with the amount prepaid to the Co-Financier;
- (e) Prepayment of another Facility granted in the context of this Framework Agreement: the Borrower prepays whole or part of any amounts owed by it under another Facility granted by the Lender to the Borrower in accordance with the Framework Agreement, in which case the Lender shall be entitled to request that the Borrower prepays, in proportion with the amount so prepaid, the outstanding amounts under the Facility.

In the case of each of the events specified in paragraphs (a), (b) and (c) and above, the Lender reserves the right, after having notified the Borrower in writing, to exercise its rights as a creditor in the manner specified in paragraph (b) of Clause 16.2 (Acceleration) of the Framework Agreement.

11.3 Cancellation of a Facility by the Borrower

Prior to the Deadline for Drawdown, the Borrower may cancel the whole or any part of the Available Credit under a Facility by giving the Lender a three (3) Business Days' prior notice.

Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower.

11.4 Cancellation of a Facility by the Lender

The Available Credit under a Facility shall be immediately cancelled upon delivery of a notice to the Borrower which shall be immediately effective, if:

- (a) the Available Credit is not equal to zero on the Deadline for Drawdown;
- (b) the first Drawdown has not occurred on the expiry date of a fourteen (14) month period from the Facility Approval by the competent organs of the Lender, as mentioned in paragraph 2 of the Facility Approval;
- (c) an Event of Default has occurred and is continuing; or
- (d) an event referred to in Clause 11.2 (Mandatory prepayment under a Facility) of the Framework Agreement has occurred;

except where, in the case of paragraphs (a) and (b) of this Clause, the Lender has proposed to postpone the Deadline for Drawdown or the deadline for the first Drawdown on the basis of new financial conditions which will apply to any Drawdowns under the Available Credit and the Borrower has agreed on the proposition.

11.5 Restrictions

- (a) Any notice of prepayment or cancellation given by a Party pursuant to Clause 11 (*Prepayment and cancellation of facilities*) of the Framework Agreement shall be irrevocable, and, unless otherwise provided in a Finance Document, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.
- (b) The Borrower shall not prepay or cancel all or any part of a Facility except at the times and in the manner expressly provided for in the Finance Documents.
- (c) Any prepayment under a Finance Document shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 12.3 (*Prepayment Indemnity under a Facility*) of the Framework Agreement.
- (d) Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.
- (e) The Borrower may not re-borrow the whole or any part of a Facility which has been prepaid or cancelled.

12. ADDITIONAL PAYMENT OBLIGATIONS

12.1 Costs and expenses

12.1.1 If any significant amendment to the Finance Documents is required, the Parties shall enter into a consultation period of ten (10) Business Days in order to evaluate the amount of the relevant costs (including legal fees), reasonably incurred in responding to, evaluating, negotiating or complying with that requirement and which might be borne by the Borrower.

12.1.2 Parties shall reimburse to each other costs and expenses in connection with the enforcement of a final arbitral award rendered by the arbitration provided in Clause 20.2 (*Arbitration*) of the Framework Agreement.

12.2 Cancellation Indemnity under a Facility

If a Facility is cancelled in full or in part in accordance with the terms of Clauses 11.3 (*Cancellation of a Facility by the Borrower*) and/or 11.4 (*Cancellation of a Facility by the Lender*) paragraphs (a), (b) and (c) of the Framework Agreement, the Borrower shall pay a cancellation indemnity computed at two point five per cent (2.5%) on the cancelled amount of the Facility.

Each cancellation indemnity is payable on the Payment Date immediately following a cancellation of all or part of the Facility.

12.3 Prepayment Indemnity under a Facility

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of a Facility in accordance with Clauses 11.1 (*Voluntary prepayment under a Facility*)

or 11.2 (Mandatory prepayment under a Facility) of the Framework Agreement, the Borrower shall pay to the Lender an indemnity equal to the aggregate amount of:

- the Prepayment Indemnity; and
- any costs arising out of the break of any interest rate hedging swap transactions put in place by the Lender in connection with the amount prepaid.

12.4 Taxes and duties

12.4.1 Registration costs

The Borrower shall pay directly, or, if applicable, reimburse the Lender in case of an advance made by the Lender, the costs of all stamp duty, registration and other similar taxes payable in respect of any Finance Document and any potential amendment to the Finance Documents to which the Lender is party.

12.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under the Finance Documents to which the Lender is party shall be free of any Withholding Tax.

If a Withholding Tax is required by law, the Borrower undertakes to gross-up the amount of any such payment to such amount which leaves the Lender with an amount equal to the payment which would have been due if no payment of Withholding Tax had been required.

The Borrower shall reimburse to the Lender all expenses and/or Taxes for the Borrower's account which have been paid by the Lender (if applicable), with the exception of any Taxes due in France.

12.5 Additional Costs

In this Clause, "Additional Costs" means:

- (i) any cost arising after the Facility Approval Signing Date out of one of the events referred to in this Clause and not taken into account by the Lender to compute the financial conditions of the Facility; or
- (ii) any reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender as a result of (i) making any Facility available to the Borrower or (ii) entering into or performing its obligations under any of the Finance Documents.

If the Lender incurs any Additional Cost as a result of (i) the coming into force of any new law or regulation, or any amendment to, or any change in the interpretation or application of any existing law or regulation; or (ii) compliance with any law or regulation made after the Facility Approval Signing Date and intends to request its payment by the Borrower, the Lender shall notify such request to the Borrower (the "Lender's Notice").

Following the Lender's Notice, the Borrower and the Lender shall enter into a consultation period of ten (10) Business Days in order to evaluate the amount of the relevant Additional Costs and to find the decision on payment of such costs suitable for both Parties. If so requested by the Borrower, the Lender shall provide the Borrower with explanatory documents related to the Additional Costs object of the Lender's Notice. If the Parties fail to reach an agreement following the consultation period, the Borrower shall notify the Lender its refusal to pay the

Additional Costs within twenty (20) Business Days following the reception of the Lender's Notice

12.6 Currency indemnity

If any sum due by the Borrower under the Finance Documents to which the Lender is party, or any order, judgment or award given or made in relation to such a sum, has to be converted from the currency in which that sum is payable into another currency, for the purpose of:

- (i) making or filing a claim or proof against the Borrower; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings.

the Borrower shall indemnify, within three (3) Business Days of the Lender's request and as permitted by law, the Lender against the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under the Finance Documents to which the Lender is party.

The Borrower waives any right it may have in any jurisdiction to pay any amount due under the Finance Documents to which the Lender is party in a currency or currency unit other than that in which it is expressed to be payable.

12.7 Due dates

Any indemnity or reimbursement payable by the Borrower to the Lender under Clause 12 (*Additional payment obligations*) of the Framework Agreement is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 12.3 (*Prepayment indemnity under a Facility*) of the Framework Agreement is due and payable on the date of the relevant prepayment.

13. REPRESENTATIONS AND WARRANTIES UNDER THE FRAMEWORK AGREEMENT AND EACH FACILITY

All the representations and warranties set out in this Clause are made by the Borrower for the benefit of the Lender on the Effective Date and on each Facility Approval Signing Date.

All the representations and warranties in this Clause are also deemed to be made by the Borrower on the date on which all of the conditions precedent listed in Part III of Schedule 3 (*Conditions precedent to the First Drawdown Under a Facility*) of the Framework Agreement are satisfied, on the date of each Drawdown Request, on each Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 13.9 (*No misleading information*) of the Framework Agreement are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

13.1 Power and authority

The Borrower has the power to enter into, perform and deliver the Finance Documents and Program Documents and to perform all contemplated obligations. The Borrower has taken all

necessary action to authorise its entry into, performance and delivery of the Finance Documents and Program Documents and the transactions contemplated by those Finance Documents and Program Documents:

13.2 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable the Borrower to lawfully enter into, and exercise its rights and comply with its obligations under the Finance Documents and Program Documents; and
- (b) to make the Finance Documents and the Program Documents admissible in evidence in the courts of the jurisdiction of the Borrower or in arbitration proceedings as defined under Clause 20 (*Governing Law, Enforcement and Choice of Domicile*) of the Framework Agreement.

have been obtained and are in full force and effect, and no circumstances exist which could result in the revocation, non-renewal or modification, in whole or in part, of any such Authorisations.

13.3 Binding obligations

The obligations expressed to be assumed by the Borrower under the Finance Documents and the Program Documents comply with all laws and regulations applicable to the Borrower in its jurisdiction and are legal, valid, binding and enforceable obligations which are effective in accordance with their written terms.

13.4 No filing or stamp taxes

Under the laws of the jurisdiction of the Borrower, it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction (except for the registration of each Facility in the "Registry of State Loan" of Georgia) or that any stamp, registration or similar taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated therein.

13.5 Transfer of funds

All amounts due by the Borrower to the Lender under the Finance Documents whether as principal or interest, late payment interest, Cancellation Indemnity, Prepayment Indemnity, incidental costs and expenses or any other sum are freely transferable to France or to any other country.

This representation shall remain in full force and effect until full repayment of all sums due to the Lender. In the event that the repayment dates of the Facility are extended by the Lender, no further confirmation of this representation shall be necessary.

The Borrower shall obtain Euros necessary for compliance with this representation in due course.

13.6 No conflict with other obligations

The entry into and performance by the Borrower of, and the transactions contemplated by, the Finance Documents and the Program Documents do not conflict with any domestic or foreign law or regulation applicable to it, its constitutional documents (or any similar documents) or any agreement or instrument binding upon the Borrower or affecting any of its assets.

13.7 Governing law and enforcement

- (a) The choice of French law as the governing law of the Finance Documents will be recognised and enforced by the courts and arbitration tribunals in the jurisdiction of the Borrower.
- (b) Any judgment obtained in relation to the Finance Documents in a French court or any award by an arbitration tribunal will be recognised and enforced in the jurisdiction of the Borrower.

13.8 No default

No Event of Default is continuing or is reasonably likely to occur.

No breach of the Borrower is continuing in relation to any other agreement binding upon it, or affecting any of its assets, which has, or is reasonably likely to have, a Material Adverse Effect.

13.9 No misleading information

All information and documents supplied by the Borrower to the Lender were true, accurate and up-to-date as at the date they were provided or, if appropriate, as at the date at which they are stated to be given and have not been varied, revoked, cancelled or renewed on revised terms, and are not misleading in any material respect as a result of an omission, the occurrence of new circumstances or the disclosure or non-disclosure of any information.

13.10 Program Documents

The Program Documents represent the entire agreement relating to the Program. The Program Documents have not been amended, terminated or suspended without the prior approval of the Co-Financier since the date on which they were agreed with the Co-Financier.

13.11 Pari passu ranking

The Lender's claims under the Finance Documents to which the Lender is party rank at least *pari passu* with the claims of all the other unsecured and unsubordinated creditors of the Borrower.

13.12 Origin of funds, Acts of Corruption, Fraud and Anti-Competitive Practices

The Borrower represents and warrants that:

- (i) the funds invested in the Program, other those provided by the State, are not of Illicit Origin;
- (ii) the Program has not given rise to any Act of Corruption, Fraud or Anti-Competitive Practice.

13.13 No Material Adverse Effect

The Borrower represents and warrants that no event or circumstance which is likely to have a Material Adverse Effect has occurred or is likely to occur.

14. UNDERTAKINGS UNDER THE FRAMEWORK AGREEMENT

The undertakings in this Clause 14 (*Undertakings under the Framework Agreement*) take effect on the Effective Date and remain in full force and effect for as long as any amount is outstanding under the Finance Documents.

14.1 Compliance with laws and regulations

The Borrower shall comply:

- (a) in all respects with all laws and regulations to which it and/or the Program is subject, particularly in relation to all applicable environmental protection, safety and labour laws; and
- (b) with all of its obligations under the Program Documents.

14.2 Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any applicable law or regulation to enable it to perform its obligations under the Finance Documents and the Program Documents and to ensure the legality, validity, enforceability and admissibility in evidence of any Finance Document or Program Document.

14.3 Program Documents

The Borrower shall provide the Lender with a copy of any amendment to any Program Documents that are linked to the DLRs described in Schedule 1 (*Program Description*) and shall not (and shall not agree to) make any material amendment to any Program Document without obtaining the Co-Financiers' prior consent.

14.4 Implementation and preservation of the Program

The Borrower shall:

- (i) implement the Program in accordance with the generally accepted safety principles and in accordance with technical standards in force; and
- (ii) maintain the Program assets in accordance with all applicable laws and regulations and in good operating and maintenance conditions, and use such assets in compliance with their purpose and all applicable laws and regulations.

14.5 Environmental and social responsibility

14.5.1 Implementation of environmental and social measures

In order to promote sustainable development, the Parties agree that it is necessary to promote compliance with internationally recognised environmental and labour standards, including fundamental conventions of the International Labour Organization ("ILO") and the international environmental laws and regulations applicable in the Borrower's jurisdiction.

For such purpose, the Borrower shall, with respect to its business activities in the context of the Program, comply with international standards for the protection of the environment and labour laws, particularly the fundamental conventions of the ILO and the international

environmental conventions, in accordance with the applicable laws and regulations of Georgia.

14.5.2 Environmental and social (ES) complaints management

- (a) The Borrower (i) confirms that it has received a copy of the ES Complaints-Management Mechanism's Rules of Procedure and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a complaint, and (ii) acknowledges that these ES Complaints-Management Mechanism's Rules of Procedure have, as between the Borrower and the Lender, the same contractually binding effect as this Framework Agreement.
- (b) The Borrower expressly authorises the Lender to disclose to the experts (as defined in the ES Complaints-Management Mechanism's Rules of Procedure) and to parties involved in the compliance review and/or conciliation processes, the Program documents concerning environmental and social matters necessary for processing the environmental and social complaint, including, without limitation, those listed in Schedule 3 (*Non-exhaustive list of environmental and social documents which the Borrower permits to be disclosed in connection with ES complaints-management mechanism's rules of procedure*).

14.6 Additional financing

The Borrower shall not amend or alter any Financing Plan without obtaining the Lender's prior written consent and shall finance any additional costs not anticipated in the Financing Plan on terms which ensure that the Facility(ies) will be repaid.

14.7 Pari passu ranking

The Borrower undertakes (i) to ensure that the claims of the Lender under the Finance Documents rank at all times at least *pari passu* with the other present and future unsecured and unsubordinated obligations of the Borrower, (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Borrower in favour of the Lender, if so requested by the Lender.

14.8 Monitoring missions and inspections

The Borrower hereby authorizes the Lender and its representatives to carry out monitoring missions, the purpose of which will be to assess the implementation of the Program on technical, financial and institutional aspects.

The Borrower shall co-operate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such inspections; the timing and format of which shall be determined by the Lender following consultation with the Borrower. If a significant problem is identified regarding the implementation of the Program, and the Lender intends to carry on an additional inspection out of scope of its standard monitoring missions, the Lender shall notify such request to the Borrower (the "Lender's Inspection Notice").

Following the Lender's Inspection Notice, the Lender shall determine the timing and format of such inspection following consultation with the Borrower. Such consultation period shall not exceed twenty (20) Business Days. The Borrower shall co-operate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such

inspection, and shall reimburse to the Lender for all costs reasonably incurred by the Lender in respect of a maximum of one inspection per year.

The Borrower shall retain and make for monitoring missions and inspections by the Lender, all documents relating to the expenses of the Program for a period of ten (10) years from the date of the last Drawdown under the Facility.

14.9 Program evaluation

The Borrower acknowledges that the Lender, in coordination with the Co-financier, may carry out, or procure that a third party carries out on its behalf, an evaluation of the Program. This evaluation will be used to produce a performance report containing information on the Program, such as: total amount and duration of the Facility, objectives of the Program, expected and actual performance of the Program, assessment of its relevance, efficiency, impact and viability/sustainability, main conclusions and recommendations.

The main objective of the evaluation will be the articulation of credible and independent judgement on the key issues of relevance, implementation (efficiency) and effects (effectiveness, impact and sustainability).

Evaluators will need to take into account in a balanced way the different legitimate points of view that may be expressed and conduct the evaluation impartially.

The Borrower will be involved as closely as possible in the evaluation, from the drafting of the Terms of Reference to the delivery of the final report.

The Borrower agrees on the publication of this performance report, in particular, on the Lender's Website.

14.10 Sanctions – Embargo

The Borrower shall:

- (i) ensure that any person, group or entity participating in the implementation of the Program is not listed on any Financial Sanctions List (including in particular the fight against terrorist financing); and
- (ii) not finance any supplies or sectors which are subject to an Embargo by the United Nations, the European Union or France.

14.11 Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices

The Borrower undertakes:

- (i) to ensure that the funds, other than those of State origin, invested in the Program will not be of an Illicit Origin;
- (ii) To ensure that the Program shall not give rise to any Act of Corruption, Fraud or Anti-Competitive Practice;
- (iii) as soon as it becomes aware of, or suspects, any Act of Corruption, Fraud or Anti-Competitive Practice, to inform the Lender without any delay;
- (iv) in the event referred to in paragraph (ii) above or at the Lender's request if the Lender suspects that the acts or practices referred to in paragraph (ii) have occurred, take all necessary actions to remedy the situation in a manner

satisfactory to the Lender and within the time period determined by the Lender, and

- (v) to notify the Lender without any delay if it has knowledge of any information which leads it to suspect any Illicit Origin of any funds invested in the Program.

14.12 Implementation Arrangements

- (i) The Borrower, primarily through the MoES and MoLHSA, shall be responsible for the overall implementation, monitoring, and evaluation of the Program, and shall maintain, throughout the implementation of the Program, all such relevant entities or their agencies and affiliates of the Borrower, each assigned with technical, social, environmental, fiduciary, and other appropriate Program-related responsibilities, powers, capacity, staffing, and resources.
- (ii) The Borrower shall establish and thereafter maintain throughout the implementation of the Program, a ministerial-level committee ("Human Capital Steering Committee" or HCSC"), chaired by MOF, with representatives from MoES, MoLHSA, and other relevant ministries and entities, to oversee the overall coordination of the Program implementation, with staffing and resources appropriate to fulfil its functions under the Program.
- (iii) The Borrower shall establish and thereafter maintain throughout the implementation of the Program, a unit ("Program Coordination Unit" or "PCU") to coordinate and monitor the Program implementation (including implementation, monitoring, and reporting on environmental and social aspects), within the MoF, consisting of members from MoF, MoES and MoLHSA, with staffing and resources appropriate to fulfil its functions under the Program.

14.13 Documents attesting the achievement of DLRs

The Borrower shall deliver to the Lender a copy of the documents sent to the co-financier attesting the achievement of the DLRs described in Schedule 1. (*Program Description*).

14.14 Audit

The Borrower shall implement annual audits of the 2022-2027 Portion of the Human Capital Development Program, including relevant financial statements. Each audit of the financial statements shall cover the period of one fiscal year of the Borrower. The audited financial statements shall be submitted to the Co-Financier within 12 months of the end of each fiscal year. A copy shall be sent by mail by the Borrower to the AFD office Director, at the address specified in Clause 19.1. (*Communications in writing and addresses*).

14.15 Visibility and Communication

The Borrower shall implement visibility and communication actions related to the implementation of the Program in accordance with the terms of the Visibility and Communication Guide, and acknowledges having fully read and understood the aforementioned guide.

According to the Visibility and Communication Guide, the Program is subject to communication and visibility obligations of LEVEL 1.

15. INFORMATION UNDERTAKINGS UNDER THE FRAMEWORK AGREEMENT AND EACH FACILITY

The undertakings in this Clause 15 (*Information Undertakings under the Framework Agreement and each Facility*) take effect on the Effective Date and remain in full force and effect for as long as any amount is outstanding under the Finance Documents.

15.1 Financial Information

The Borrower shall supply to the Lender any information that the Lender may reasonably require in relation to the Borrower's foreign and domestic debt as well as the status of any guaranteed loans.

15.2 Progress Report

Until the Technical Completion Date, the Borrower shall supply to the Lender through the Co-Financier on a quarterly basis a technical and financial progress report in relation to the implementation of the Program in the format and content defined by the Co-Financier. The Borrower shall furnish each progress report to the Co-Financier no later than two (2) months after the end of each calendar quarter, covering such calendar quarter.

15.3 Co-Financing

The Borrower shall promptly inform the Lender of any cancellation (in whole or in part) or any prepayment by a Co-Financier.

15.4 Information - miscellaneous

The Borrower shall supply to the Lender:

- (a) promptly upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);
- (b) promptly, details of any decision or event which might affect the organisation, completion or operation of the Program.

16. EVENTS OF DEFAULTS UNDER THE FACILITIES

16.1 Events of Default

Each of the events or circumstances set out in this Clause 16.1 (*Events of Default*) is an Event of Default under a Facility, or Facilities if applicable.

(a) Payment Default

The Borrower does not pay on the due date any amount payable by it under a Finance Document in the manner required under the Finance Documents. However, without prejudice to Clause 7.3 (*Late payment and default interest*) of the Framework Agreement, no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower within five (5) Business Days of the due date.

(b) Undertakings and Obligations

The Borrower does not comply with any term of the Finance Documents, including, without limitation, any of the undertakings it has given pursuant to Clause 14

(Undertakings under the Framework Agreement) of the Framework Agreement and Clause 15 (Information Undertakings under the Framework Agreement and each Facility) of the Framework Agreement.

Save for the undertakings given pursuant to Clauses 14.5 (Environmental and social responsibility), 14.10 (Sanctions – Embargo) and 14.11 (Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices) of the Framework Agreement in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (b) if the non-compliance is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the date of the Lender's notice of failure to the Borrower, and (B) the Borrower becoming aware of the breach, or within the time limit determined by the Lender in the case referred to in subparagraph (iv) of Clause 14.11 (Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices) of the Framework Agreement.

(c) **Misrepresentation**

A representation or warranty made by the Borrower in the Finance Documents, including under Clause 13 (Representations and warranties under the Framework Agreement and each Facility) of the Framework Agreement, or in any document delivered by or on behalf of the Borrower under or in relation to the Finance Documents, is incorrect or misleading when made or deemed to be made.

(d) **Cross Default**

- (i) Subject to paragraph (iii), any Financial Indebtedness of the Borrower is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.
- (ii) Subject to paragraph (iii), a creditor has cancelled or suspended its commitment towards the Borrower pursuant to any Financial Indebtedness, or has declared the Financial Indebtedness due and payable prior to its specified maturity, or requested prepayment in full of the Financial Indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.
- (iii) No Event of Default will occur under this Clause 16.1 (d) if the relevant amount of Financial Indebtedness or the commitment for Financial Indebtedness falling within paragraphs (i) and (ii) above is less than forty millions Euros (EUR 40,000,000) (or its equivalent in any other currency(ies)).

(e) **Unlawfulness**

It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

(f) **Material adverse change**

Any event (including a change in the political situation of the country of the Borrower) or any measure which is likely, according to the Lender's opinion, to have a Material Adverse Effect occurs or is likely to occur.

(g) **Authorisations**

Any Authorisation required for the Borrower in order to perform or comply with its obligations under the Finance Documents or its other material obligations under any Program Documents or required in the ordinary course of the Program is not obtained

within the required timeframe or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(h) Judgments, rulings or decisions having a Material Adverse Effect

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower has or is reasonably likely, according to the opinion of the Lender, to have a Material Adverse Effect, occurs or is likely to occur.

(i) Suspension of free convertibility and free transfer

Free convertibility and free transfer of any of the amounts due by the Borrower under the Finance Documents, or any other facility provided by the Lender to the Borrower or any other borrower of the jurisdiction of the Borrower, is challenged.

(j) Event of default under a Facility granted by the Lender to the Borrower under the Framework Agreement

An event of default occurs under a Finance Document entered into in relation to a Facility made available by the Lender to the Borrower in accordance with the Framework Agreement.

16.2 Acceleration

On and at any time after the occurrence of an Event of Default, the Lender may, without providing any formal demand or commencing any judicial or extra-judicial proceedings, by written notice to the Borrower:

- (a)** cancel the Available Credit under the relevant Facility, or Facilities if applicable, which will be immediately reduced to zero, and/or
- (b)** declare that all or part of the relevant Facility, or Facilities if applicable, together with any accrued or outstanding interest and all other amounts outstanding under the Finance Documents, are immediately due and payable.

Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 16.1 (*Events of Default*) of the Framework Agreement, the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdown under the relevant Facility, or Facilities if applicable; and/or (ii) suspend the finalisation of any Finance Document under the Framework Agreement or the agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any drawdown under any facility granted by the Lender to the Borrower under the Framework Agreement or any loan agreement entered into between the Borrower and the Lender.

If any drawdowns are postponed or suspended by a Co-Financier under an agreement between such Co-Financier and the Borrower, the Lender reserves the right to postpone or suspend any Drawdowns under the relevant Facility.

16.3 Notification of an Event of Default

In accordance with Clause 15.4 (*Information - miscellaneous*) of the Framework Agreement, the Borrower shall promptly notify the Lender upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

17. ADMINISTRATION OF FACILITIES

17.1 Payments

All payments received by the Lender under the Finance Documents shall be applied towards the payment of expenses, fees, interest, principal amounts or any other sum due under the Finance Documents in the following order:

- 1) incidental costs and expenses;
- 2) fees;
- 3) late-payment interest and default interest;
- 4) accrued interest;
- 5) principal repayments.

Any payments received from the Borrower shall be applied first in or towards payment of any sums due and payable under the Facility or under other loans extended by the Lender to the Borrower, should it be in the Lender's interest to apply these sums to such other loans, in the order set out above.

17.2 Set-off

Without prior approval of the Borrower, the Lender may, at any time, set-off due and payable obligations owed by the Borrower against any amounts held by the Lender on behalf of the Borrower or any due and payable obligations owed by the Lender to the Borrower. If the obligations are in different currencies, the Lender may convert either obligation at the prevailing currency exchange rate for the purpose of the set-off.

All payments made by the Borrower under the Finance Documents shall be calculated and made without set-off. The Borrower is prohibited from making any set-off.

17.3 Business Days

Without prejudice to the calculation of the Interest Period which will remain unchanged, any payment is due on a day which is not a Business Day, the due date for that payment shall be the next Business Day if the next Business Day is in the same calendar month, or the preceding Business Day if the next Business Day is not in the same calendar month.

17.4 Currency of payment

The currency of each amount payable under a Finance Document is Euros, except as provided in Clause 17.6 (*Place of payment*) of the Framework Agreement.

17.5 Day count convention

Any interest, fee or expense accruing under a Finance Document will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days in accordance with European interbank market practice.

17.6 Place of payment

- (a) Any funds to be transferred by the Lender to the Borrower under a Facility will be paid to the Borrower's Account or any other account specifically designated for such purpose by the Borrower, provided that the Lender has given its prior consent on the selected bank.

- (b) The Borrower shall pay directly or, if applicable, reimburse the Lender in case of an advance made by the Lender, the amount of all costs and expenses in connection with the transfer of funds to, or for the account of, the Borrower from Paris to any other place agreed with the Lender, as well as any transfer fees and expenses in connection with the payment of all sums due under the Facility.
- (c) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 11:00 am (Paris time) to the following bank account:

RIB Code: 30001 00064 00000040235 03

IBAN Code: FR76 3000 1000 6400 0000 4023 503

Banque de France SWIFT code (BIC): BDFEFRPPCCT

opened by the Lender at the Banque de France (head office/main branch) in Paris or any other account notified by the Lender to the Borrower.

- (d) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below (the caption numbers are referring to SWIFT MT-202 and 103 protocol):
- Principal: name, address, bank account number (field 50)
 - Principal's bank: name and address (field 52)
 - Reference: name of the Borrower, name of the Program Tranche, reference number of the [Framework Agreement/Facility Approval].
- (e) Applicable exchange rates will be the exchange rates obtained by the Lender through a Reference Financial Institution on the date of the Drawdown.
- (f) All payments made by the Borrower shall comply with this Clause 17.6 (Place of payment) in order for the relevant payment obligation to be deemed discharged in full.

17.7 Payment Systems Disruption

If the Lender determines (in its discretion) that a Payment Systems Disruption Event has occurred or the Borrower notifies the Lender that a Payment Systems Disruption Event has occurred, the Lender:

- (a) may, and shall if requested by the Borrower (subject to paragraph (b) below), enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;
- (b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and
- (c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 17.7 (Payment Systems Disruption)

18. MISCELLANEOUS

18.1 Certifications and determinations

In any litigation or arbitration arising out of or in connection with any Finance Document, entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

Any certification or determination by the Lender of a rate or amount under a Finance Document will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18.2 Assignment

The Borrower may not assign or transfer, in any manner whatsoever, all or any of its rights and obligations under a Finance Document without the prior written consent of the Lender.

The Lender may assign or transfer any of its rights and/or obligations under the Finance Documents to any other third party and may enter into any sub-participation agreement relating thereto.

18.3 Confidentiality - Disclosure of information

(a) The Parties shall not disclose the content of any Finance Document to any third party without the prior consent of the other Party except to any person to whom such Party has a disclosure obligation under any applicable law, regulation or judicial ruling.

(b) Notwithstanding any existing confidentiality agreement, the Lender may disclose any information or documents in relation to the Program or the Finance Documents to: (i) its auditors, rating agencies, legal advisors or supervisory bodies; (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under the Finance Documents; and (iii) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under the Finance Documents; and (iv) any Co-Financier.

(c) Furthermore, the Borrower hereby expressly authorizes the Lender:

(i) to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and

(ii) to publish on the Lender's Website:

Information relating to the Program and its financing as listed in Schedule 7 (Information that may be published on the French Government Website and the Lender's Website).

18.4 Limitation

The statute of limitations of any claims under the Finance Documents shall be ten (10) years, except for any claim of interest due under the Finance Documents.

18.5 No Hardship

Each Party hereby acknowledges that the provisions of article 1195 of the French Code civil shall not apply to it with respect to its obligations under the Agreement and it shall be not entitled to make any claim under article 1195 of the French Code civil.

18.6 Language

The language of the Framework Agreement is English. If the Framework Agreement is translated into another language, the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.

All notices given or documents provided under, or in connection with, any Finance Document shall be in English.

AFD may request that a notice or document provided under, or in connection with, a Finance Document which is not in English is accompanied by a certified English translation, in which case, the English translation shall prevail unless the document is a statutory document of a company, legal text or other official document.

18.7 Partial invalidity

If, at any time, a term of a Finance Document is or becomes illegal, invalid or unenforceable, neither the validity, legality nor enforceability of the remaining provisions of such Finance Document will in any way be affected or impaired.

18.8 No waiver

Failure to exercise, or a delay in exercising, on the part of AFD of any right under a Finance Document shall not operate as a waiver of that right.

Partial exercise of any right shall not prevent any further exercise of such right or the exercise of any other right or remedy under the applicable law.

The rights and remedies of AFD under a Finance Document are cumulative and not exclusive of any rights and remedies under the applicable law.

18.9 Legal effect

The Schedules annexed to the Framework Agreement and the recitals hereof form part of the Framework Agreement and have the same legal effect.

The Schedules of each Facility Approval form part of the Facility Approval and have the same legal effect.

18.10 Entire agreement

As of the Signing Date, the Framework Agreement represents the entire agreement between the Parties in relation to the matters set out herein, and supersedes and replaces all previous documents, agreements or understandings which may have been exchanged or communicated as part of the negotiations in connection with the Framework Agreement.

18.11 Amendments

No amendment may be made to the Framework Agreement or a Facility Approval unless expressly agreed in writing between the Parties.

19. NOTICES

19.1 Communications in writing and addresses

Any notice, request or other communication to be given or made under or in connection with the Framework Agreement shall be given or made in writing and, unless otherwise stated, may be given or made by fax or by letter sent by the post office to the address and number of the relevant Party set out below:

For the Borrower:

MINISTRY OF FINANCE OF GEORGIA

Address: 16 Gorgasali Street, 0114 Tbilisi, Georgia

Telephone: +995 32 2261450

E-mail: publicdebt@mof.ge

Attention: Public Debt Management Department

For the Lender:

AFD – REGIONAL REPRESENTATIVE OFFICE FOR SOUTH CAUCASUS

Address: 34 I. Chavchavadze Street- BC "Pixel" FL. 8th- 0179 Tbilisi - GEORGIA

Attention: Director of the AFD Regional Representative Office for South-Caucasus

With a copy to:

AFD – PARIS HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Paris Cedex 12, France

Telephone: + 33 1 53 44 31 31

Facsimile: + 33 1 44 87 39 65

Attention: AFD Director for Eastern Europe, Middle East and Asia

or such other address, fax number, department or officer as one Party notifies to the other Party.

19.2 Delivery

Any notice, request or communication made or any document sent by a Party to the other Party in connection with the Framework Agreement will only be effective:

- (i) if by fax, when received in a legible form; and
- (ii) if by letter sent through the post office, when delivered to the correct address and, where a particular person or a department is specified as part of the address details provided Clause 19:1 (*Communications in writing and addresses*), if

such notice, request or communication has been addressed to that person or department.

19.3 Electronic communications

- (a) Any communication made by one person to another under or in connection with the Framework Agreement may be made by electronic mail or other electronic means if the Parties:
- (iii) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (iv) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (v) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

20. GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

20.1 Governing Law

The Framework Agreement is governed by French law.

20.2 Arbitration

Any dispute arising out of or in connection with the Framework Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the date of commencement of arbitration proceedings, by one or more arbitrators to be appointed in accordance with such Rules.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause is governed by French law and shall remain in full force and effect if the Framework Agreement is declared void or is terminated or cancelled and following expiry of the Framework Agreement. The Parties' contractual obligations under the Framework Agreement are not suspended if a Party initiates legal proceedings against the other Party.

The Parties expressly agree that, by signing the Framework Agreement, the Borrower irrevocably waives all rights of immunity in respect of jurisdiction or performance on which it could otherwise rely, provided, however, that immunity is not waived with respect to: (i) present or future "premises of the mission" including any bank accounts as defined in the Vienna Convention on Diplomatic Relations signed in 1961, "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963 or otherwise used by a diplomat or consular mission of Georgia or any agency or instrumentality thereof (except as may be necessary to effect service of process), (ii) property of a military character or under the control of a military authority or defence agency, (iii) property located in Georgia and dedicated to a public, governmental or cultural use (as opposed to a commercial use) or (iv) for the avoidance of doubt, (A) property of the National Bank of Georgia, whether or not held in a Georgian or a non-

Georgian bank or any other financial institution, or (B) property located in Georgia of any type covered by Article 2 of the Law of Georgia on "Enforcement Proceedings". Georgia reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of or in the United States of America under any United States federal or State securities law.

20.3 Service of process

Without prejudice to any applicable law, for the purposes of serving judicial and extrajudicial documents in connection with any action or proceedings referred to above, the Borrower irrevocably chooses its registered office at the address set out in Clause 19.1 (*Communications in writing and addresses*) for service of process, and AFD chooses the address "AFD SIEGP" set out in Clause 19.1 (*Communications in writing and addresses*) for service of process.

Made in two (2) originals, in Tbilisi, on the 15th of November.

THE BORROWER

GEORGIA



Represented by:

Mr. Lasha KIUITSISHVILI
Minister of Finance of Georgia

THE LENDER

AGENCE FRANCAISE DE DEVELOPPEMENT



Represented by:

Mr. Cyrille BELLIER
Head of Department - Eastern Europe, Middle East and Asia



Co-signatory, Mr. Richard Requena, Chargé d'Affaires of the Embassy of the Republic of France to Georgia.

SCHEDULE 1 OF THE FRAMEWORK AGREEMENT - PROGRAM DESCRIPTION

Program objectives

The AFD uncommitted credit facility supports the implementation of the 2022-2027 Portion of the Human Capital Development Program. This program of US\$3,988 million is composed of a set of subprograms that have been organized in three results areas:

- Efficiency for a better value for money of human capital expenditures
- Inclusion for quality of human capital expenditures for all beneficiaries
- Connectivity of digital systems across all areas of human capital provision

The credit facility to be financed by AFD would operate as a program cofinancing with the IBRD's Program for Results (PforR) to the Human Capital Development Program (358.5 MEUR). The PforR is implemented through 3 result areas, 4 disbursement linked indicators (DLI) and 27 disbursement linked results (DLR). The AFD Facilities, if confirmed, will complement the PforR by allocating more financial resources to 8 of the 27 DLRs. The PforR covers a 6-year period from 2022 to 2027. The contribution of AFD to the Program for Results (PforR) to the Human Capital Development Program, if confirmed, will be divided in two Program Tranches which would cover the following DLRs:

Disbursement linked indicators (DLR)	Indicative timeframe	Amount of the Facility allocated and Disbursement Formula
PROGRAM TRANCHE 1		
DLR 2.1.1: By December 31, 2023, or such later date as may be established by the IBRD, National Authorization Council for General Education has provided the authorization to operate High Schools based on the new Competency-based National Curriculum for Upper Secondary Levels	31/12/2023 or such later date as may be established by the Co-Financier	10 MEUR Subject to a minimum of 100 High Schools and maximum of 300 High Schools authorized: EUR 10,000 per school for the first 100 High Schools; EUR 45,000 equivalent per school for the next 200 High Schools
DLR 2.2: MoHLSA has adopted an order or an equivalent legally binding document, satisfactory to the Bank, to define clinical pathways and clarify the scope of primary and hospital care for at least the following selected ambulatory-care sensitive conditions: heart disease, chronic obstructive pulmonary disease, Type 2 diabetes, and mental health conditions	As described in Program Documents	10 MEUR
DLR 2.4: SESA has adopted a methodology, through SESA Director's order, satisfactory to the Bank and consistent with ESCO, to identify skills in shortage (including skills required for green jobs) and for skills forecasting as a basis used for referrals to vocational training and other SESA ALMPs	As described in Program Documents	10 MEUR
DLR 3.2: Increase in the number of Vulnerable Unemployed Persons who participate in SESA ALMPs		5 MEUR For each calendar year, for every 5,000 Vulnerable Unemployed Persons participating in SESA ALMPs, EUR 425,718.76.

DLR 4.3: At least 100 primary health care and ambulatory providers have provided telemedicine consultations that are covered by the UHC Program for at least 12 consecutive months	As described in Program Documents	15 MEUR
PROGRAM TRANCHE 2	Indicative timeframe	Amount of the Facility allocated
DLR 2.1.6: By June 30, 2026, or such later date as may be established by the Bank, the Borrower, through a legally authorized body, has provided the authorization to operate at least 200 kindergartens in rural or mountainous areas on the basis of having met the quality standards set out in the Law on Early and Preschool Education or other official document, including for nutrition, education, and physical environment; all in a manner satisfactory to the Bank	30/06/2026, or such later date as may be established by the Co-Financier	10 MEUR
DLR 2.3: The Government of Georgia (GoG) has adopted a decree, satisfactory to the Bank, to revise: (i) the type and number of services covered by the government for primary care as part of the benefits package and (ii) the performance-based payments received by primary care providers all for Selected Non-communicable Diseases in order to incentivize the appropriate level of care	As described in Program Documents	25 MEUR
DLR 4.4: An Integrated Reporting System for Social Protection, satisfactory to the Bank, is established by the MoLHSA's IT Agency and is functioning, and can generate reports on the coverage of social and employment services administered by government agencies at the central and local levels in order to detect gaps and overlaps, reduce exclusion and inclusion errors, and improve the integration among social protection services/programs, including other governmental programs supporting households vulnerable to climate change.	As described in Program Documents	15 MEUR
Total		160 MEUR

The technical ministries, MoLHSA and the MoES, are responsible for the implementation of the Human Capital Development Program in the areas targeted by each Facility.

Disbursement projections

Disbursement projections are based on the achievements of the DLRs, in particular:

(a) for those DLRs specifying timing for the achievement in the DLR title of the table above, this timing is the basis for the projection

(b) for those DLRs, not specifying the timing for the achievement in the DLR Title of Table 1, projection is derived from the estimated timing of the achievements, described in the Program Documents,

The tentative disbursement plan is the following:

Tranche 1:

DLR	2023	2024	2025	2026	Total (en MEUR)
2.1.1	10				10
2.2		10			10
2.4	10				10
3.2	0.5	1.0	1.5	2.0	5
4.3		15			15
				40	

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Total 20.5 26.0 1.5 2 50

Tranche 2:

DLR	2023	2024	2025	2026	Total (en M EUR)
2.1.6				10	10
2.3			25		25
4.4				15	15
Total			25	25	50

Monitoring and evaluation arrangements

The Program Coordination Unit (PCU) established under the Public Debt Management Department of the MoF will monitor the implementation of the Program. It coordinates the verification process, facilitates requests for disbursements upon achievement of the DLRs selected by AFD and prepares the progress reports. For oversight of the functioning of the PCU, there would be a high-level "Human Capital Steering Committee", chaired by the MoF with representation by each relevant line ministry or entity responsible for delivering the results. The committee would meet quarterly (or as needed) to review progress.

Implementation process: Each sectoral ministry (MoHLSA and MoES) will have the responsibility for the activities they implement.

Verification arrangements: The institutions responsible for verification include the SAO MoES and MoHLSA, who will carry out verification protocols that are specified for each result. The IBRD will carry out due diligence on the verification of all deliverables according to the nature of DLRs and verification arrangements.

Budgeting and Planning: The budget of the Program is included in the budgets of MoES and MoHLSA for their respective activities. The program budget and planning are prepared and approved on an annual basis following the budget procedures for ministries in the GoG. There are line items (six-digit or eight-digit codes from the Program Budget of the GoG) that would constitute the program expenditure framework. These would be used to define the boundaries of required audit function.

Indicative financing plan

The overall financing plan of the Program for Results is the following:

	Amount (EUR M)
AFD Facility	100
- Program Tranche 1	50
- Program Tranche 2	50
IBRD Program for Results	358.5
Total	458.5

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SCHEDULE 2 – DEFINITIONS & CONSTRUCTION

PART I - DEFINITIONS

<p>2022-2027 Portion of the Human Capital Development Program</p>	<p>means the portion of the Human Capital Development Program that will be implemented in the period 2022-2027. This portion of the program consists of US\$5,988 million equivalent spending, of which the IBRD will support EUR 358.5 million over the 6 year duration of the program and AFD will support EUR100 million over the first 4 years duration.</p>
<p>Act of Corruption</p>	<p>means any of the following:</p> <p>(a) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or</p> <p>(b) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.</p>
<p>Anti-Competitive Practices</p>	<p>means:</p> <p>(a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply;</p> <p>(b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or</p>

A-2

A-6

	(c) any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.
Authorisation(s)	means any authorisation, consent, approval, resolution, permit, licence, exemption, filing, notarisation or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act, or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.
Authority(ies)	means any government or statutory entity, department or commission exercising a public prerogative, or any administration, court, agency or State or any governmental, administrative, tax or judicial entity.
Availability Period	means the period from and including the Facility Approval Signing Date up to the Deadline for Drawdown.
Available Credit	means, at any given time, the maximum principal amount of the Facility specified in the relevant Facility Approval less: <ul style="list-style-type: none"> (i) the aggregate amount of the Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and (iii) any portion of the Facility which has been cancelled pursuant to Clauses 11.3 (Cancellation of a Facility by the Borrower) and/or 11.4 (Cancellation of a Facility by the Lender) of the Framework Agreement.
Borrower's Account	means the account with the following details: <ul style="list-style-type: none"> • IBAN code: GE65NB0331100001150207 • Bank SWIFT code: BNLNGE22 opened in the name of the Borrower with the State Treasury, Ministry of Finance of Georgia.
Business Day	means a day (other than a Saturday or Sunday) on which banks are open for general business in Paris, and which is a TARGET Day in the event that a Drawdown has to be done on such day.
Certified	means for any copy, photocopy or other duplicate of an original document, the certification by any duly authorised

		person, as to the conformity of the copy, photocopy or duplicate with the original document.
Co-Financier(s)		means the International Bank for Reconstruction and Development ("IBRD").
Co-Financing		means the Program for Results or PforR financed by the IBRD in the context of the Program as described in Schedule 1 - Program Description.
Co-Financing Agreement		means the agreement to be entered into between the Lender and the Co-Financier, providing terms and conditions under which, among others, the Lender and the Co-Financier shall co-finance the Program and a number of monitoring works that the Lender delegates to the Co-Financier with respect to the Facility and the Program implementation.
Co-Financier Agreement	Loan	has the meaning given to that term in the recitals of the Framework Agreement.
Deadline for Drawdown		means the date after which no further Drawdown may occur, as set out in the Facility Approval.
Disbursement and Financial Information Letter or DFIL		means the Disbursement and Financial Information Letter issued by the Co-Financier to the Borrower (after prior consultation with the Lender) providing instructions with respect to drawdowns (disbursements) under the Facility and the Co-Financier Loan Agreement, in accordance with the Co-Financing Agreement.
Disbursement Linked Result or DLR		means the result as set forth in Schedule 1 - Program Description, on the basis of the achievement of which, the amount of the Facility allocated to said result may be withdrawn in accordance with the provisions of said Schedule 1 - Program Description.
Disbursement Notice		means the notice sent by the Co-Financier to the Lender advising the Lender to make available to the Borrower the requested Drawdown, in accordance with the Co-Financing Agreement.
Drawdown		means a drawdown of all or part of the Facility made, or to be made, available by the Lender to the Borrower pursuant to the terms and conditions set out in Clause 6 (Drawdown of Funds) of the Framework Agreement or the principal amount outstanding of such Drawdown which remains due and payable at a given time.
Drawdown Date		means the date on which a Drawdown is made available by the Lender.

Drawdown Period	means the period from the first Drawdown Date up to the day following immediately the earlier of the following dates: <ul style="list-style-type: none"> - the date on which the Available Credit is zero; and - the Deadline for Drawdown.
Drawdown Request	means a request substantially in the form set out in Part I (Form for a drawdown request) of Schedule 5 (Forms for the Drawdowns under a facility) of the Framework Agreement.
Embargo	means any sanction of a commercial nature aiming at prohibiting any import and/or export (supply, sale or transfer) of one or several goods, products or services going to and/or coming from a country for a given period as published and amended from time to time by the United Nations, the European Union or France.
ES Complaints-Management Mechanism's Rules of Procedure	means the contractual terms contained in the Environmental and Social Complaints-Management Mechanism's Rules of Procedure, which is available on the Website, as amended from time to time.
Effective Date	means the date upon which the Parliament of Georgia will have ratified the Framework Agreement, such ratification occurring no later than one hundred and twenty (120) days after the Signing Date.
EURIBOR	means the inter-bank rate applicable to Euro for any deposits denominated in Euro for a period comparable to the relevant period, as determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00 am Brussels time, two (2) Business Days before the first day of the Interest Period.
Euro(s) or EUR	means the single currency of the member states of the European Economic and Monetary Union, including France, and having legal tender in such Member States.
Event of Default	means any event or circumstance set out in Clause 16.1 (Events of Default) of the Framework Agreement.
Facility	means any facility that the Lender may make available to the Borrower in accordance with the terms and conditions of a Facility Approval entered into between the Borrower and the Lender.
Facility Approval	means an approval related to a Facility substantially in the form set out in Part III (Form of Facility Approval) of the

	Schedule 4 (<i>Form for the Availability of a Facility</i>) of the Framework Agreement.
Facility Approval Signing Date	means the date of execution of the Facility Approval by the Borrower.
Facility Request	means a request substantially in the form set out in Part I (<i>Form of Facility Request</i>) of the Schedule 4 (<i>Form for the Availability of a Facility</i>) of the Framework Agreement.
Final Date	has the meaning given to that term in Clause 3 (<i>Duration</i>) of the Framework Agreement.
Financial Conditions Proposal	means a proposal substantially in the form set out in Part II (<i>Form of Financial Conditions Proposal</i>) Schedule 4 (<i>Form for the Availability of a Facility</i>) of the Framework Agreement.
Financial Indebtedness	<p>means any financial indebtedness in relation to:</p> <ul style="list-style-type: none"> - any amount borrowed at short, medium or long term; - any amount raised pursuant to the issue of bonds, notes, commercial paper or any other similar instrument; - any amount raised under any other transaction (including any forward sale or purchase agreement, operations on promissory notes or receivables, factoring) having the commercial effect of a borrowing; - any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account); or - the amount of any liability in respect of any guarantee, indemnity or other commitment.
Financial Sanctions List	<p>means the list(s) of persons, groups or entities which are subject to financial sanctions by the United Nations, the European Union and/or France.</p> <p>For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses:</p>

	<p>For the lists maintained by the United Nations, the following website may be consulted:</p> <p>https://www.un.org/securitycouncil/fr/content/un-sc-consolidated-list</p> <p>For the lists maintained by the European Union, the following website may be consulted:</p> <p>https://ec.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en</p> <p>For the lists maintained by France, the following website may be consulted:</p> <p>https://www.tresor.economie.gouv.fr/services-aux-entreprises/sanctions-economiques/dispositif-national-de-gel-des-avoirs</p>
Finance Documents	means, the Framework Agreement and, with regards to each Facility, the Facility Request, the Financial Conditions Proposal, the Facility Approval, and any other document in relation thereto and defined as such by the Parties.
Financing Plan	means the financing plan of the Program set out in the Schedule 1 to the Framework Agreement.
Fixed Reference Rate	means a percentage as set out in the Facility Approval.
Framework Agreement	means this framework agreement for an uncommitted credit facility entered into between the Borrower and AFD, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or violate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.
Fraud against the Financial Interests of the European Union	means any intentional act or omission intended to damage the European Union budget and involving: (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.
GoG	Government of Georgia.

Grace Period	means the period from the Facility Approval Signing Date up to and including the date of the first repayment in principal of the Facility.
Human Capital Development Program	Means the GoG's program for human capital 2022-2031 that provides a set of policy priorities for the development of human capital and its effective engagement in the development of the country. The content of this GoG program is elaborated in two strategies prepared by MoES and MoHLSA.
Human Capital Steering Committee or HCSC	means a ministerial-level committee, chaired by the MoF, with representatives from the MoES and MoHLSA, and other relevant ministries and entities, that has the responsibility to oversee the overall coordination of the PforR implementation.
Illicit Origin	means funds obtained through: <ul style="list-style-type: none"> (a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "Designated categories of offences" (http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf); (b) any Act of Corruption; or (c) any Fraud against the Financial Interests of the European Union, if or when applicable.
Index Rate	means the TEC 10 daily index, the ten-year constant maturity rate displayed on a daily basis on the relevant quotation page of the Reference Financial Institution or any other index which may replace the TEC 10 daily index. The Index Rate as at the Facility Approval Signing Date is set out in the Facility Approval.
Interest Period(s)	means each period from a Payment Date (inclusive) up to the next Payment Date (exclusive). For each Drawdown under the relevant Facility, the first interest period shall start on the Drawdown Date (inclusive) and end on the next successive Payment Date (exclusive).
Interest Rate	means the interest rate expressed as a percentage and determined in accordance with Clause 7.1 (Interest Rate applicable to each Facility) of the Framework Agreement.
Margin	means the rate as set out in the Facility Approval.
Market Disruption Event	means the occurrence of one of the following events:

	<p>(i) EURIBOR is not determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00am Brussels time, two (2) Business Days before the first day of the relevant Interest Period or on the Rate Setting Date; or</p> <p>(ii) before close of business of the European interbank market, two (2) Business Days prior to the first day of the relevant Interest Period or on the Rate Setting Date, the Borrower receives notification from the Lender that: (i) the cost to the Lender of obtaining matching resources in the relevant interbank market would be in excess of EURIBOR for the relevant Interest Period; or (ii) it cannot or will not be able to obtain matching resources on the relevant interbank market in the ordinary course of business to fund the relevant Drawdown for the relevant time period.</p>
Material Adverse Effect	<p>means a material and adverse effect on:</p> <p>(a) the relevant Program Tranche, insofar as it would jeopardise its implementation and operation in accordance with the Finance Documents and/or the Program Documents;</p> <p>(b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under the Finance Documents and the Program Documents;</p> <p>(c) the validity or enforceability of any Finance Document and any Program Documents; or</p> <p>(d) any right or remedy of the Lender under any Finance Document.</p>
MoES	Ministry of Education and Science of Georgia.
MoF	Ministry of Finance of Georgia.
MoILHSA	Ministry of Internally displaced persons from the occupied territories, Labour, Health and Social Affairs of Georgia.
Outstanding Principal	means, in respect of any Drawdown, the outstanding principal amount due by the Borrower in respect of such Drawdown;
Payment Dates	means 15 March and 15 September of each year.
Payment Systems Disruption Event	<p>means either or both of:</p> <p>(a) a material disruption to the payment or communication systems or to the financial markets;</p>

	<p>which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out), provided that the disruption is not caused by, and is beyond the control of, any of the Parties; or</p> <p>(b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party:</p> <ul style="list-style-type: none"> (i) from performing its payment obligations under the Finance Documents; or (ii) from communicating with the other Parties in accordance with the terms of the Finance Documents. <p>and which (in either case) is not caused by, and is beyond the control of, either Party.</p>
Program Coordination Unit or PCU	means the unit established to coordinate and monitor the PforR implementation, within the MoF, consisting of members from the MoF, MoES and MoLHSA.
Prepayment Indemnity	<p>means the indemnity calculated by applying the following percentage to the amount of the Facility or the Facilities which is repaid in advance:</p> <ul style="list-style-type: none"> - if the repayment occurs prior to the 5th anniversary (exclusive) of the Signing Date: two point five per cent (2.5%); - if the repayment occurs between the 5th anniversary (inclusive) and the 10th anniversary (exclusive) of the Signing Date: two per cent (2%); - if the repayment occurs between the 10th anniversary (inclusive) and the 15th anniversary (exclusive) of the Signing Date: one point five per cent (1.5%); - if the repayment occurs after the 15th anniversary (inclusive) of the Signing Date: one per cent (1%).
Program	has the meaning given to that term in the recitals of the Framework Agreement.
Program Documents	<p>means the following documents:</p> <ul style="list-style-type: none"> - Results Framework Matrix included in Annex 1 of the Project Appraisal Document of the IBRD

	<ul style="list-style-type: none"> - Disbursement linked indicators, disbursement arrangements and verification protocols for each DLR cofinanced by AFD as described in Annex 2 of the Project Appraisal Document of the IBRD - DFIL
Program for Results or PforR	means the contribution of the IBRD (358.5 MEUR) to the 2022-2027 Portion of the Human Capital Development Program. The PforR is implemented through 3 result areas, 4 disbursement linked indicators (DLI) and 26 disbursement linked results (DLR).
Program Tranches	means Program Tranche 1 and Program Tranche 2 as described in <i>Schedule 1 of the Framework Agreement - Program Description</i> .
Public Official	means any holder of legislative, executive, administrative or judicial office whether appointed or elected, serving on permanent basis or otherwise, paid or unpaid, regardless of rank, or any other person defined as a public official under the domestic law of the Borrower's jurisdiction, and any other person exercising a public function, including for a public agency or organisation, or providing a public service.
Rate Conversion	means the conversion of the floating rate applicable to all or part of the Facility into a fixed rate pursuant to Clause 7.1 (<i>Interest Rate applicable to each Facility</i>) of the Framework Agreement.
Rate Conversion Request	means a request substantially in the form attached as Part III (<i>Form of rate conversion request</i>) of the Schedule 5 (<i>Forms for the Drawdowns under a facility</i>) of the Framework Agreement.
Rate Setting Date	<p>means:</p> <p>I. In relation to any interest period for which an interest rate is to be determined:</p> <p>(i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, provided that the Drawdown Request is received by the Lender at least two (2) full Business Days prior to said Wednesday; and</p> <p>(ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, if the Drawdown Request was not received by the</p>

	<p>Lender at least two (2) full Business Days prior to the first Wednesday specified in paragraph (a) above; and</p> <p>II - In the case of a rate conversion:</p> <p>(i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request from the Borrower, provided such date is at least two (2) full Business Days before the first Wednesday; and</p> <p>(ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request from the Borrower, if such date does not precede the first Wednesday specified above by at least two (2) full Business Days.</p>
Reference Financial Institution	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognised by the banking industry.
SAO	means the State Audit Office of Georgia
Schedule(s)	means any schedule or schedules to the Framework Agreement, as the case may be.
Signing Date	means the date of execution of the Framework Agreement by all the Parties.
TARGET Day	means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer 2 (TARGET2) system, or any successor thereto, is open for payment settlement in Euros.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with a failure to pay or any delay in the payment of any such amounts).
Technical Completion Date	means the date for the technical completion of the Program Tranche as set out in the Facility Request.
Termination Date	has the meaning given to that term in Clause 3 (Duration).

Visibility and Communication Guide	means all contractual provisions binding on the Borrower relating to the communication and visibility of projects financed by AFD and contained in the document entitled "Visibility guide for projects supported by AFD - Level I", a copy of which has been given to the Borrower before the Signing Date.
Website	means the website of AFD (http://www.afd.fr) or any other such replacement website.
Withdrawal Application	has the meaning given to it under the Co-Financier Loan Agreement.
Withholding Tax	means any deduction or retention in respect of a Tax on any payment made under or in connection with the Finance Documents.

PART II - INTERPRETATION

- (a) "assets" includes present and future properties, revenues and rights of every description;
- (b) any reference to the "Borrower", a "Party", "ARD" or a "Lender" includes its successors in title, permitted assigns and permitted transferees;
- (c) any reference to a Finance Document or other document or security is a reference to such Finance Document or to such other document or security as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Finance Documents;
- (d) a "guarantee" includes any *cautionnement*, *aval* and any *garantie* which is independent from the debt to which it relates;
- (e) "indebtedness" means any obligation of any person whatsoever (whether incurred as principal or as surety) for the payment or repayment of money, whether present, future, actual or contingent;
- (f) a "person" includes any person, company, corporation, partnership, trust, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal personality);
- (g) a "regulation" includes any legislation, regulation, rule, decree, official directive, instruction, request, advice, recommendation, decision or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, supervisory authority, regulatory authority, independent administrative authority, agency, department or any division of any other authority or organisation (including any regulation issued by an industrial or commercial public entity) having an effect on any of the Finance Documents or on the rights and obligations of a Party;
- (h) a "provision of law" is a reference to that provision as amended;
- (i) unless otherwise provided, a time of day is a reference to Paris time;
- (j) the Section, Clause and Schedule headings are for ease of reference only and do not affect the interpretation of a Finance Document;
- (k) unless otherwise provided, words and expressions used in any other document relating to the Framework Agreement or in any notice given in connection with the Framework Agreement have the same meaning in that document or notice as in the Framework Agreement;
- (l) an Event of Default is "continuing" if it has not been remedied or if the Lender has not waived any of its rights relating thereto; and
- (m) words importing the plural shall include the singular and vice-versa.

SCHEDULE 3 – CONDITIONS PRECEDENT

The following applies to all documents delivered by the Borrower as a condition precedent:

- if the document which is delivered is not an original but a photocopy, the original Certified copy shall be delivered to the Lender;
- supporting documents, such as memoranda or receipted invoices, may be provided in the form of copies or duplicates certified as true copies by the Borrower and must include the references and dates of the payment orders;
- the final version of a document the draft of which was previously sent to and agreed upon by the Lender, shall not materially differ from the agreed draft;
- documents not previously sent and agreed upon, shall be in form and substance satisfactory to the Lender.

PART I – CONDITIONS PRECEDENT TO THE SIGNING OF THE FRAMEWORK AGREEMENT

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a Certified copy of the Decree of the GoG on authorization of the MoF to sign the Framework Agreement and on approving the terms and conditions of this Framework Agreement, including the financial ones;
 - (ii) a Certified copy of the Order n°148 dated 1st of April 2021 of the Prime Minister of Georgia appointing Mr. Lasha KHUTSISHVILI as Minister of Finance of Georgia;
 - (iii) a Certified copy of the passport of Mr. Lasha KHUTSISHVILI, Minister of Finance of Georgia together with his specimen of signature;
 - (iv) A certificate issued by a duly authorized representative of the Borrower listing the person(s) authorized to sign, on behalf of the Borrower, the Facility Requests, the Financial Conditions Proposals, the Facility Approvals and any certificate in connection with the Framework Agreement or to take all other measures and/or sign all other necessary documents (such as, as the case may be, the Drawdown Requests) on behalf of the Borrower under the Finance Documents;
 - (v) A specimen of the signature of each person listed in the certificate mentioned in paragraph (iv) above.
- (b) Delivery to the Lender by its legal counsel of a finalized draft of a legal opinion satisfactory in form and substance to the Lender, certifying (i) the legal capacity of the Borrower to sign the Framework Agreement and the Facility Approval and the execution of the related obligations, (ii) the applicability of the French law for the Framework Agreement and the Facility Approval, and (iii) the enforceability of an arbitral award given by an arbitral court under a dispute arising during the execution of the Framework Agreement or the Facility Approval (the "Legal Opinion").
- (c) Signature of the Co-Financing Agreement between AFD and the IBRD.

A.B.

A.B.

PART II - CONDITIONS PRECEDENT TO THE SIGNING OF THE APPROVALS OF EACH FACILITY

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a Certified copy of the Decree of the Government of Georgia on authorization of the Ministry of Finance of Georgia to sign the Facility Approval and on approving the terms and conditions of the Facility Approval, including the financial ones, if applicable;
 - (ii) Delivery by the Borrower to the Lender of a letter duly signed by the MoF confirming that the drawdown of such Facility will not breach any borrowing limit, or any other similar limit binding on the Borrower; and
 - (iii) updated versions of documents mentioned in Part I (a) (ii) to (v) of this Schedule if any of the authorized signatories have changed since the signing of the Framework Agreement.
- (b) Delivery by the Lender's counsel to the Lender of a draft of the Legal Opinion substantially in the form of the draft given pursuant to (b) of Part I of this Schedule 3 (*Conditions Precedent*) in the event amendments to this draft would be required.

PART III - CONDITIONS PRECEDENT TO THE FIRST DRAWDOWN UNDER A FACILITY

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a certified copy of the Resolution of the Parliament of Georgia relating to the ratification of the Framework Agreement, and, if applicable, the relevant Facility Approval;
 - (ii) a letter duly signed by the MoF stating that the Facility is included in the "Registry of State Loan" of Georgia;
 - (iii) a letter duly signed by the MoF confirming that the forecasted drawdown amounts under the Facility is included in the Borrower's relevant year's budget; and
 - (iv) A duly executed legal opinion from the Ministry of Justice of Georgia on the Framework Agreement, in form and substance satisfactory to the Lender.
- (b) Delivery to the Lender of the duly executed Legal Opinion in the form of the draft given pursuant to (b) of Part I or (b) of Part II, as applicable, by the legal advisers of the Lender in the jurisdiction of the Borrower.
- (c) Payment by the Borrower to the Lender of all fees and expenses due and payable under the Finance Documents.

PART IV - CONDITIONS PRECEDENT TO ALL DRAWDOWNS UNDER A FACILITY INCLUDING THE FIRST DRAWDOWN

- (a) Delivery by the Borrower to the Lender through the Co-Financier of evidence that the Disbursement Linked-Result related to the Drawdown Request has been achieved.
- (b) Delivery by the Co-Financier to the Lender of the Disbursement Notice advising the Lender to make the requested Drawdown available to the Borrower.

SCHEDULE 4 - FORM FOR THE AVAILABILITY OF A FACILITY

PART I - Form of Facility Request

(On the Borrower's letterhead)

From: Borrower (the "Borrower")
To: Agence Française de Développement (the "Lender")

On: [date]

Subject: Facility Request

Name of the Borrower - framework agreement n°[●]

We refer to the framework agreement n°[●] entered into between the Borrower and the Lender on [●] (the "Framework Agreement"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement.

We request that Lender makes a Facility available to us on the following terms:

Amount of the Facility: [insert amount in letters] ([●])

Program Tranche subject of the Facility: [●]

Technical Completion Date: [●]

This Facility Request is irrevocable.

On the date hereof, the Borrower represents that the representations and warranties given pursuant to Clause 13 (*Representations and warranties under the Framework Agreement and each Facility*) of the Framework Agreement are accurate.

We attach to this Facility Request the following documents specified in Part II of Schedule 3 of the Framework Agreement:

[List of documents]

Yours sincerely,

.....
Authorised signatory of the Borrower

PART II – Form of Financial Conditions Proposal

(On AFD letterhead)

From: Agence Française de Développement (the "Lender")
To: Borrower (the "Borrower")

On: [date]

Subject: Financial Conditions Proposal

Name of the Borrower – framework agreement n°[●]

We refer to the framework agreement n°[●] entered into between the Borrower and the Lender on [●] (the "Framework Agreement"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement.

Under a Facility Request dated [●], the Borrower has requested that the Lender makes available to it a Facility in an amount of [insert amounts in letters] Euros ([insert amount in figures] EUR), subject to the conditions set out in the Framework Agreement.

In accordance with Clause 4 (*Availability of a*) of the Framework Agreement, provided that this shall in no case be considered as a commitment from AFD to grant the Facility requested under the Facility Request, if AFD accepted to make the Facility available to the Borrower, the financial terms of such Facility would be as follows:

- Amount : [insert amounts in letters] Euros ([insert amount in figures] EUR)
- [(3/6 months) EURIBOR plus Margin: [insert percentage in letters] (●)% per annum]
- [indicative Fixed Interest Rate] : [insert percentage in letters] (●)% per annum.

[In addition, if AFD accepted to make the Facility available to the Borrower, the Framework Agreement applicable to the Facility would be amended as follows:

(indicate the reference of the article and proposed modification)

Yours sincerely,

.....
Authorised signatory of Agence Française de Développement

We hereby accept the terms and conditions of this Financial Conditions Proposal.

.....
Authorised signatory of the Borrower
Date: [●]

PART III – Form of Facility Approval

(On AFD letterhead)

From: Agence Française de Développement (the "Lender")

To: [Borrower] (the "Borrower")

On: [date]

Subject: Facility Approval

Name of the Borrower – framework agreement n°[●]

We refer to the framework agreement n°[●] entered into between the Borrower and the Lender on [●] (the "Framework Agreement"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement.

1. Whereas

We understand that the Borrower intends to implement [Program Tranche 1]/[Program Tranche 2] as further described in Schedule 1 – Program description to the Framework Agreement.

Under a Facility Request dated [●], the Borrower has requested that the Lender makes available to it a Facility for the purposes of the financing in part of this Program Tranche in accordance with the Framework Agreement.

In accordance with Clause 4 (*Availability of a Facility*) of the Framework Agreement, on [●], the Lender has delivered to the Borrower a Financial Conditions Proposal, which has been accepted by the Borrower on [●].

2. Facility

Subject to the acceptance by the Borrower of the terms and conditions of this Facility Approval and as from the date of such acceptance by the Borrower, the Lender, pursuant to a resolution n° [●] *[insert the number of the resolution]* of the [●] *[insert the decision making body of AFD]* dated [●] *[insert the date of the resolution]*, makes a Facility available to the Borrower in a total maximum amount in principal of [●] *[insert amount in letters]* Euros (EUR [●] *[insert amount in figures]*), subject to the provisions of the Finance Documents.

3. Availability of the Facility and repayment

The Deadline for Drawdown applicable to the Facility is [●].

The Grace Period terminates on [●].

4. Financial terms

The financial terms of the Facility are as follows:

- Amount : [●] *[insert amount in letters]* Euros ([●] *[insert amount in figures]* EUR)
- [(3/6 months) EURIBOR plus Margin: [●] *[insert percentage in letters]* ([●]%) per annum)
- Fixed Reference Rate : [●] *[insert percentage in letters]* ([●]%)
- Index Rate as at the Facility Approval Signing Date: [●] *[insert percentage in letters]* ([●]%)

5. Effective Global Rate (Taxe Effectif Global)

In order to comply with Articles L.313-1 to L.314-5 and R.314-1 et seq. of the French Consumer Code and L.313-4 of the French Monetary and Financial Code, the Lender informs the

Borrower, which the Borrower recognizes and accepts, that the effective global rate (*taux effectif global*) applicable to the Facility may be evaluated at an annual rate of [insert the rate in letters] per cent (insert the rate in figures %) on the basis of a three hundred and sixty-five (365) day year, and for an interest period of six (6) months at a period rate of [insert the rate in letters] per cent (insert the rate in figures %), subject to the following:

- (a) the above rates are given for information purposes only;
- (b) the above rates are calculated on the basis that:
 - (i) the Facility is drawn in full on the Facility Approval Signing Date at a fixed rate; and
 - (ii) the fixed rate for the duration of the Facility would be equal to [e] per cent. ([e]%), and
- (c) the above rates take into account the fees and costs payable by the Borrower under this Facility Approval, assuming that such fees and costs will remain fixed and will apply until the repayment in full of the Facility.

6. Representations

On the Facility Approval Signing Date, the Borrower represents that the representations and warranties given pursuant to Clause 13 (*Representations and warranties under the Framework Agreement and each Facility*) of the Framework Agreement are accurate.

7. [Amendment to the Framework Agreement under a Facility]

[For the purpose of this Facility Approval, the following provisions of the Framework Agreement are amended as follows:]

8. Governing law, arbitration and service of process

This Facility Approval is governed by French law.

The provisions of Clause 20.2 (*Arbitration*) and 20.3 (*Service of process*) of the Agreement shall apply *mutatis mutandis* to this Facility Approval.

Yours sincerely,

.....
Authorized signatory of *Agence Française de Développement*

We hereby accept the terms and conditions of this Facility Approval

.....
Authorized signatory of the Borrower
Date: [●]

A. D.

A. B.

SCHEDULE 5 – FORM FOR THE DRAWDOWNS UNDER A FACILITY

PART I – Form for a Drawdown Request

[on the Borrower's letterhead]

To: Agence Française de Développement
[insert the name of the AFD office set out in Clause 19 of the Framework Agreement] office
[insert the address of the AFD office set out in Clause 19 of the Framework Agreement]

Attention: AFD Director

From: *[name and address of the Borrower set out in Clause 19 of the Framework Agreement]*

On: *[date]*

Ref.: Drawdown Request

Borrower's Name – Framework Agreement n° *[●]*

Dear Sirs,

1. We refer to the framework agreement n° *[●]* entered into between the Borrower and the Lender dated *[●]* (the "Framework Agreement") and the facility approval dated *[●]* (the "Facility Approval"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement or the Facility Approval.
2. This letter is a Drawdown Request.
3. We irrevocably request that the Lender makes a Drawdown available on the following terms:
Amount: EUR *[●]* or, if less, the Available Credit.
Interest Rate: *[fixed/floating]*
4. The Interest Rate will be determined in accordance with the provisions of Clause 7 (*Interest Rate applicable to each Facility*) and Clause 8 (*Change to the calculation of Interest applicable to each Facility*) of the Framework Agreement and Clause 4 (*Financial Terms*) of the Facility Approval. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate *[(subject to the paragraph below, if applicable)]*, including when the Interest Rate is determined by reference to a Replacement Benchmark plus any Adjustment Margin as notified by the Lender following the occurrence of a Screen Rate Replacement Event.
For fixed Interest Rate only: If the Interest Rate applicable to the requested Drawdown is greater than *[●insert percentage in letters]* (*[●]*%), we request that you cancel this Drawdown Request.
5. We confirm that each condition specified in Clause 5.5 (*Conditions Precedent*) of the Framework Agreement is satisfied on the date of this Drawdown Request and that no Event of

1 Includes only if the paragraph starting with "For fixed Interest Rate only" is included in the Drawdown Request.

Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.

6. The proceeds of this Drawdown should be credited to the [Borrower's Account][the following account]²:

(a) Name [of the Borrower/the Final Beneficiary/the Implementing Agency]: [•]

(b) Address [of the Borrower/the Final Beneficiary/the Implementing Agency]: [•]

(c) IBAN Account Number: [•]

(d) SWIFT Number: [•]

(e) Bank and bank's address: [•]

(f) [if currency other than Euro] correspondent bank and account number of the Borrower's bank: [•]

7. This Drawdown Request is irrevocable.

8. We have attached to this Drawdown Request all relevant supporting documents specified in Schedule 3 (Conditions Precedent) to the Framework Agreement [and in the Facility Approval]³:

[List of supporting documents]

Yours sincerely,

.....
Authorised signatory of Borrower

² Per Clause 17.6 of the Framework Agreement, the prior consent of the Lender is needed for a Drawdown to be paid to an account other than the Borrower's Account as defined in the framework agreement.
³ To be used only to add a new condition precedent to the drawdowns specific to the facility. Otherwise to be deleted.

A-B

A-B

PART II – Form of Confirmation of Drawdown and Rate

[on Agence Française de Développement letterhead]

To: *[name and address of the Borrower set out in Clause 19 of the Framework Agreement]*

Attention: *[name set out in Clause 19 of the Framework Agreement]*

From: Agence Française de Développement

Date: [●]

Ref: Drawdown Request dated [●]

Borrower's Name – Framework Agreement n° [●]

Dear Sirs,

1. We refer to the framework agreement n° [●] entered into between the Borrower and the Lender dated [●] (the "Framework Agreement") and the facility approval dated [●] (the "Facility Approval"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement or the Facility Approval.
2. By a Drawdown Request dated [●], the Borrower has requested that the Lender makes available a Drawdown in the amount of EUR [●], pursuant to the terms and conditions of the Framework Agreement and the Facility Approval.
3. The Drawdown which has been made available according to your Drawdown Request is as follows:
 - Amount: *[● amount in words]* ([●])
 - Applicable interest rate: *[● percentage in words]* ([●]%) per annum (equal to the aggregate of the six-month EURIBOR (equal to [●]%) per annum) and the Margin)¹
 - Effective global rate (for a 6-month period): *[● percentage in words]* ([●]%)
 - Effective global rate (per annum): *[● percentage in words]* ([●]%)
 - Drawdown Date: [●]

For fixed-Interest Rate loans only

For information purposes only:

- Rate Setting Date: [●]
- Fixed Reference Rate: *[● percentage in words]* ([●]%) per annum

¹ If the six-month EURIBOR is not available on the date of confirmation of drawdown due to the occurrence of a Screen Rate Replacement Event, the Replacement Benchmark, the precise terms and conditions of replacement of such Screen Rate with a Replacement Benchmark and the related total effective rates will be communicated to the Borrower in a separate letter.
To be deleted in case of fixed Interest Rate.

- Index Rate: [~~percentage in words~~] ([~~•~~]%)
- Index Rate on the Rate Setting Date: [~~•~~].

[It being specified that the above Interest Rate may vary in accordance with the provisions of clauses 7.1.1(i) (*Floating Interest Rate*) and 8.2 (*Replacement of Screen Rate*) of the Framework Agreement.]⁶

Yours sincerely,

.....

Authorised signatory of *Agence Française de Développement*

⁶To be deleted in case of fixed Interest Rate.

A-B

A.B.

PART III – Form of Rate Conversion Request

[on the Borrower's letterhead]

To: Agence Française de Développement
[insert the name of the AFD office set out in Clause 19 of the Framework Agreement] office.
[insert the address of the AFD office set out in Clause 19 of the Framework Agreement]

Attention: AFD Director

From: *[name and address of the Borrower set out in Clause 19 of the Framework Agreement]*

On: *[date]*

Ref.: Rate Conversion Request

Borrower's Name – Framework Agreement n° [●]

Dear Sirs,

1. We refer to the framework agreement n° [●] entered into between the Borrower and the Lender dated [●] (the "Framework Agreement") and the facility approval dated [●] (the "Facility Approval"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement or the Facility Approval.
2. Pursuant to Clause 7.1.2 (Conversion from a floating Interest Rate to a fixed Interest Rate) of the Framework Agreement, we hereby request that you convert the floating Interest Rate of the following Drawdowns:
 - *[list the relevant Drawdowns]*,into a fixed Interest Rate in accordance with the terms of the Framework Agreement.
3. This rate conversion request will be deemed null and void if the applicable fixed Interest Rate exceeds *[insert percentage in letters] [●%]*.

On the date hereof, we represent that the representations and warranties given pursuant to Clause 13 (Representations and warranties under the Framework Agreement and each Facility) of the Framework Agreement are accurate.

Yours sincerely,

.....

Authorised signatory of Borrower

A.B.

A.B.

PART IV - Form of Rate Conversion Confirmation

[on Agence Française de Développement letter head]

To: *[name and address of the Borrower set out in Clause 19 of the Framework Agreement]*

Attention: *[name set out in Clause 19 of the Framework Agreement]*

From: Agence Française de Développement

Date: [●]

Ref: Rate Conversion Request dated [●]

Borrower's Name - Framework Agreement n° [●]

Dear Sirs,

1. We refer to the framework agreement n° [●] entered into between the Borrower and the Lender dated [●] (the "Framework Agreement") and the facility approval dated [●] (the "Facility Approval"). Capitalised words and expressions used but not defined herein have the meaning given to them in the Framework Agreement or the Facility Approval.
2. We refer also to your Rate Conversion Request dated [●]. We confirm that the fixed interest rate applicable to the Drawdown(s) referred to in your Rate Conversion Request delivered in accordance with Clause 7.1.2 (Conversion from a floating interest rate to a fixed interest rate) of the Framework Agreement is:
 - [●]% per annum.
3. This fixed interest rate, calculated in accordance with Clause 7.1.1 (Selection of Interest Rate) of the Framework Agreement will apply to the Drawdown(s) referred in your Rate Conversion Request from [●] (effective date).
4. Further, we notify you that:
 - the effective global rate per annum of the Facility is [●]% and
 - the [semi-annual OR quarterly] effective global rate of the Facility is [●]%

Yours sincerely,

.....

Authorised representative of Agence Française de Développement

**SCHEDULE 6 - INFORMATION THAT MAY BE PUBLISHED ON THE FRENCH
GOVERNMENT WEBSITE AND THE LENDER'S WEBSITE**

1. Information regarding the Program

- Number and name in AFD's book;
- Description;
- Operating sector;
- Place of implementation;
- Expected starting date;
- Expected Technical Completion Date;
- Status of implementation updated on a semi-annual basis;

2. Information regarding the financing of the Program

- Kind of financing (loan, grant, co-financing, delegated funds);
- Principal amount of the Facility;
- Amount of the Facility which has been drawn down (updated as the implementation of the Program goes);
- Designation of the Borrower;