Европейска инвестиционна банка
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeerimispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
An Banc Eorpach Infheistíochta
Europska investicijska banka
Banca europea per gli investimenti
Eiropas Investīciju banka
Europos Investicijų bankas
Európai Beruházási Bank
Bank Ewropew tal-Investiment
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Banca Europeană de Investiții
Európska investičná banka
Evropska investicijska banka
Euroopan investointipankki
Europeiska investeringsbanken

BY COURIER

Ministry of Finance of the Republic of Moldova
Public Debt Department
7, Constantin Tanase Street
MD-2005 Chisinau
Republic of Moldova

For the attention of Ms Elena Matveeva,
Head of Public Debt Department

Luxembourg, 11 December 2017 JU OPS/CE&ENCA/GG/KO/lf/2017-2627

Ref: **MOLDOVA ROADS II (Serapis 2010 0154, FI no. 25.852)**

Finance contract between the Republic of Moldova (the "Borrower") and the European Investment Bank (the "Bank") dated 23 November 2010 as amended by the Modification to Contract No. 1 dated 28 November 2013 (the "Finance Contract")

MODIFICATION TO CONTRACT No. 2

Dear Sirs,

Capitalised terms used but not defined in this letter (the "Amendment Letter") have the meanings given to them in the Finance Contract.

We refer to your request contained in the letter from the Ministry of Finance of Moldova dated 7 December 2016, reference No. 13/1-7-387 and to our recent discussions to make certain amendments to the Finance Contract, namely, to extend the Final Availability Date from 31 December 2016 until 31 December 2018.

We agree to extend the Final Availability Date until 31 December 2018, subject to the terms and conditions set out herein and conditional upon the amendment to the Spread in the Finance Contract as set out below.

1. **Amendment**

The Finance Contract is hereby amended, with effect from the date of countersignature of this Amendment Letter, as follows:

(a) in **INTERPRETATION AND DEFINITIONS** of the Finance Contract, the words:

> ***"Final Availability Date" means 31 December 2016."***

are hereby deleted in their entirety and in lieu thereof the following words are inserted:

> ***"Final Availability Date" means 31 December 2018.".***

(b) in **INTERPRETATION AND DEFINITIONS** of the Finance Contract, the words:

> ***""Redeployment Rate" means the Fixed Rate in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Maturity Date as the Prepayment Amount."***

are hereby deleted in their entirety and in lieu thereof the following words are inserted:

> ***""Redeployment Rate" means the Fixed Rate in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Maturity Date as the Tranche in respect of which a prepayment is proposed or requested to be made. For those cases where the period is shorter than 48 months the most closely corresponding money market rate equivalent will be used, that is the Relevant Interbank Rate minus 0.125% (12.5***

basis points) for periods of up to 12 (twelve) months. For periods falling between 12 and 48 months as the case may be, the bid point on the swap rates as published by Reuters for the related currency and observed by the Bank at the time of calculation will apply."

(c) in **INTERPRETATION AND DEFINITIONS** of the Finance Contract, new definition of the Deferment Indemnity is added as follows:

""Deferment Indemnity" means an indemnity calculated on the amount of disbursement deferred or suspended at the percentage rate (if higher than zero) by which:

(a) the interest rate that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds

(b) the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

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

(d) Article 1.05A (*Grounds for deferment*) of the Finance Contract shall be deleted in its entirety and new Article 1.05A shall be introduced in lieu thereof as follows:

"1.05A Grounds for deferment

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Accepted Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date and not later than 60 days prior to the first repayment date of the Tranche indicated in the Disbursement Offer. In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If for an Accepted Tranche any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date (or the date expected for disbursement in case of a previous deferment), disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement (without prejudice to the right of the Bank to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.06B). In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred."

(e) Article 1.05B (*Deferment Indemnity*) of the Finance Contract shall be deleted in its entirety.

(f) Article 3.01B (*Floating Rate Tranches*) of the Finance Contract shall be supplemented by additional sentence as follows:

"If the Floating Rate for any Floating Rate Reference Period is below zero, it will be set at zero."

(g) in section Calendar of Schedule A (*Technical Description*) of the Finance Contract, the words:

"The works are expected to start early 2011 and will be completed in 2013."

are hereby deleted in their entirety and in lieu thereof the following words are inserted:

"The works are expected to be completed by 31 December 2018."

(h) Schedule B (*Definitions of EURIBOR and LIBOR*) of the Finance Contract shall be deleted in its entirety and replaced with Schedule B hereto.

(i) For the avoidance of doubt, a commitment fee as provided under Article 1.09 (*Commitment fee*) of the Finance Contract will continue to apply uninterrupted to the undisbursed portion of the Credit.

For avoidance of doubt, all other provisions of the Finance Contract:

(a) remain in full force and effect and valid; and

(b) apply, without any reservations, waivers or limitations despite the amendments set out herein.

2. General

This Amendment Letter shall be governed and construed in accordance with English law. The provisions of Article 11.01 (*Governing Law*) and Article 11.02 (*Arbitration*) of the Finance Agreement are hereby incorporated into, and made a part of, this Amendment Letter as if fully contained herein, *mutatis mutandis* and (without prejudice to the generality thereof) as if reference therein to "this Contract" were to "this Amendment Letter".

A person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this letter.

The Borrower irrevocably agrees to the extent permitted by applicable law, that, should any party take any proceedings anywhere in connection with this Amendment Letter, no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on behalf of it or with respect to its assets, any such immunity being irrevocably waived.

Notwithstanding anything herein to the contrary, nothing in this Amendment Letter or in the agreement constituted by the Borrower's acceptance of it constitutes a waiver, renunciation or other modification of any immunities, privileges or exemptions of the Bank.

No consents, waivers or amendments are given under this Amendment Letter in respect of any breach of, or default (howsoever defined) under the Finance Contract which might result from any other circumstance at any time other than in respect of the issues as specifically set out herein.

The agreement of the parties contained in this Amendment Letter shall only apply to the matters specifically referred to herein. Such agreement shall be without prejudice to any rights which the Bank or the Borrower may now or hereafter have in relation to any other circumstances or matters other than the issues as specifically referred to herein (and whether subsisting on the date hereof or otherwise).

No amendment fees will be charged by the Bank for the aforementioned proposed change.

Please indicate your agreement to the above by initialling all the pages of this Amendment Letter, and signing and dating each of the three originals of this Amendment Letter. Please then arrange for the return of all three duly signed originals to the Bank by registered mail or courier, together with copies of the signing authorities of those persons signing on behalf of the Borrower, marked for the attention of Mr Garth Grisbrook. The amendments set out in this Amendment Letter shall become effective on the date of signature by the Bank of such duly signed originals.

Yours faithfully,

EUROPEAN INVESTMENT BANK

L. RODRÍGUEZ CASTELLANOS
Head of Division

G. GRISBROOK
Head of Unit

Agreed to

for and on behalf of

REPUBLIC OF MOLDOVA

Name: OCTAVIAN ARMAȘU
Title: MINISTER OF FINANCE
Date: DECEMBER 12, 2017

Schedule B

Definitions of EURIBOR and LIBOR

A. EURIBOR

"EURIBOR" means:

(a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;

(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "Representative Period").

For the purposes of paragraphs (b) and (c) above:

"available" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank; and

"Screen Rate" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the "Reset Date") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period.

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

B. LIBOR USD

"LIBOR" means, in respect of USD:

(a) in respect of a relevant period of less than one month, the Screen Rate for a term of one month;

(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "Representative Period").

For the purposes of paragraphs (b) and (c) above:

"available" means "calculated and published" under the aegis of the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) for given maturities; and

"Screen Rate" means the rate of interest for deposits in USD for the relevant period as set by the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) and released by financial news providers at 11h00, London time, or at a later time acceptable to the Bank on the day (the "Reset Date") which falls 2 (two) London Business Days prior to the first day of the relevant period.

If such Screen Rate is not so released by any financial news provider acceptable to the Bank, the Bank shall request the principal London offices of 4 (four) major banks in the London interbank market selected by the Bank to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, London time, on the Reset Date, to prime banks in the London interbank market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If fewer than 2 (two) quotations are provided as requested, the Bank shall request the principal New York City offices of 4 (four) major banks in the New York City interbank market, selected by the Bank, to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, New York City time, on the day falling 2 (two) New York Business Days after the Reset Date, to prime banks in the European market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

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

C. LIBOR GBP

"LIBOR" means, in respect of GBP:

(a) in respect of a relevant period of less than one month, the Screen Rate for a term of one month;

(b) in respect of a relevant period or of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the Screen Rate is taken or from which the Screen Rates are interpolated being the "Representative Period").

For the purposes of paragraphs (b) and (c) above:

"available" means "calculated and published" under the aegis of the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) for given maturities; and

"Screen Rate" means the rate of interest for deposits in GBP for the relevant period as set by the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) and released by financial news providers at 11h00, London time, or at a later time acceptable to the Bank on the day (the "Reset Date") on which the relevant period starts or, if that day is not a Business Day in London, on the next following day which is such a Business Day.

If such Screen Rate is not so released by any financial news provider acceptable to the Bank, the Bank shall request the principal London offices of 4 (four) major banks in the London interbank market, selected by the Bank, to quote the rate at which GBP deposits in a comparable amount are offered by

each of them at approximately 11h00, London time, on the Reset Date, to prime banks in the London interbank market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If fewer than 2 (two) quotations are provided as requested, the rate will be the arithmetic mean of the rates quoted at approximately 11h00, London time, on the Reset Date by major banks in London (selected by the Bank) for loans in GBP in a comparable amount to leading European banks for a period equal to the Representative Period.

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

D. GENERAL

For the purposes of the foregoing definitions:

(a) "London Business Day" means a day on which banks are open for normal business in London and "New York Business Day" means a day on which banks are open for normal business in New York.

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

(c) The Bank shall inform the Borrower without delay of the quotations received by the Bank.

(d) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of:

(i) EMMI and EURIBOR ACI (or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank) in respect of EURIBOR; or

(ii) the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited, as determined by the Bank) in respect of LIBOR,

the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.