THE REPUBLIC OF MOLDOVA
ACTING THROUGH THE MINISTRY OF FINANCE OF THE REPUBLIC OF MOLDOVA

AND

HIS MAJESTY THE KING IN RIGHT OF CANADA
AS REPRESENTED BY
THE MINISTER OF INTERNATIONAL DEVELOPMENT
ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS,
TRADE AND DEVELOPMENT

DONE THROUGH THE

SOVEREIGN LOANS PROGRAM

IN ACCORDANCE WITH THE

INTERNATIONAL FINANCIAL ASSISTANCE ACT
(S.C. 2018, C. 27, S. 659)

USD
TERM LOAN FACILITY AGREEMENT EQUIVALENT TO CAD 120,000,000

DATED 6 SEPTEMBER 2024

SUMMARY OF SOVEREIGN LOAN FACILITY TERMS

Borrower	The Republic of Moldova, acting through the Ministry of Finance of Republic of Moldova.
Lender	His Majesty the King in Right of Canada as represented by the Minister of International Development acting through the Department of Foreign Affairs, Trade and Development.
Purpose	The proceeds of the Loan Drawdowns shall be used to support the general budget of the Republic of Moldova, including contributing to the DPO for the purposes of (i) strengthening resilience of refugees and households; (ii) fostering sustainable growth through enhanced competition and private sector-led growth; and (iii) supporting climate resilience and the green energy transition of Republic of Moldova *provided that* the proceeds will not be used for any Prohibited Purposes.
Aggregate Principal Amount (see Clause 3.1 (*Principal*))	The USD equivalent of CAD 120,000,000 (one hundred and twenty million Canadian Dollars) made available in USD in two Loan Drawdowns (with the conversion from CAD to USD calculated for each Loan Drawdown at the exchange rate prevailing at the applicable Borrowing Date, in accordance with Clause 2.2(b) (*Borrowing*)).
Interest (see Clause 3.2 (*Interest*))	3.0161% per annum.[1] The interest rate was calculated at a fixed rate that equals the Lender's cost of borrowing as determined by reference to the zero-coupon yield curve for Government of Canada bonds published by the Bank of Canada prevailing at the Signature Date.
Term	10 years from the Effective Date
Conditions Precedent	As per Clause 6 (*Conditions Precedent*).
Loan Drawdown Dates	For the first Loan Drawdown, any Business Day between 15 September 2024 and 20 December 2024 (the "**First Availability Period**"). For the second Loan Drawdown, any Business Day between 15 April 2025 and 15 July 2025, *provided that* the first Loan Drawdown occurs within the First Availability Period.
First Loan Drawdown Repayment Date	The date which falls four (4) years from the Effective Date.

[1] To be determined shortly prior to signing based on Government of Canada's 10 year zero coupon bond rate (see https://www.bankofcanada.ca/rates/interest-rates/bond-yield-curves/) prevailing on the signing date.

Second Loan Drawdown Repayment Date	The date which falls five (5) years from the Effective Date.
Repayment Schedule	In respect of principal payments: Seven (7) consecutive, annual installments, commencing on the First Loan Drawdown Repayment Date. In respect of interest payments: Ten (10) annual payments of interest on outstanding principal, commencing on the first Interest Payment Date. Promptly following the first Loan Drawdown Date, Global Affairs Canada shall prepare the Repayment Schedule based on the pro forma set out in Schedule 2 (*Repayment Schedule*) and send a copy to the Borrower. Promptly following the second Loan Drawdown Date (if applicable), Global Affairs Canada shall send an updated repayment schedule to the Borrower (indicating the updated repayment dates, repayment installments and interest payments) in the form set out in Schedule 2 (*Repayment Schedule*).
Events of Default	As per Clause 9 (*Events of Default*).
Initiation Fee (see Clause 3.7)	The USD equivalent of CAD 100,000 (with the conversion from CAD to USD calculated at the exchange prevailing on applicable date as outlined in Clause 3.7 (*Initiation Fee*)).

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This **LOAN FACILITY AGREEMENT** ("**Agreement**") dated as of the Signature Date is made between **THE REPUBLIC OF MOLDOVA, ACTING THROUGH THE MINISTRY OF FINANCE OF THE REPUBLIC OF MOLDOVA** (the "**Borrower**") and **HIS MAJESTY THE KING IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF INTERNATIONAL DEVELOPMENT ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT** ("**Global Affairs Canada**").

WHEREAS the Borrower has requested Global Affairs Canada to make available a Facility to the Borrower with the proceeds to be used to support the general budget of the Republic of Moldova, including contributing to the DPO for the purposes of (i) strengthening resilience of refugees and households; (ii) fostering sustainable growth through enhanced competition and private sector-led growth; and (iii) supporting climate resilience and the green energy transition of Republic of Moldova *provided that* the proceeds will not be used for any Prohibited Purposes and, in accordance with the *International Financial Assistance Act* (Canada) and its regulations, Global Affairs Canada is prepared to make Loan Drawdowns thereunder on and subject to the terms and conditions hereof, accordingly the parties agree as follows:

1. DEFINITIONS

1.1 Defined Terms

For the purpose of this Agreement, capitalized words and phrases will have the meanings set forth in Schedule 1 (*Definitions*) hereto.

1.2 Terms Generally

(a) Words importing the singular number include the plural and *vice versa*.

(b) Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms.

(c) All forms of "include" will be deemed to be followed by the phrase "without limitation". The word "will" shall have the same meaning and effect as "shall".

(d) This Agreement, once signed by the parties, shall constitute a loan made under paragraph 3(1)(a) of the *International Financial Assistance Act* (Canada) solely for the purposes of Canadian law.

(e) The parties acknowledge that the parties hereto have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises as to any aspect of this Agreement, then this Agreement will be construed as if drafted jointly by each of the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(f) Unless the context requires otherwise:

(i) reference to any agreement or other document herein will be construed as referring to such agreement or other document as from time to time

amended (subject to any restrictions on such amendment set forth herein);

(ii) reference to any Person will be construed to include such Person's successors and assigns;

(iii) "herein", "hereof" and "hereunder", and similar words will be construed to refer to this Agreement in its entirety and not to any particular provision hereof; and

(iv) all references to sections, schedules and exhibits will be construed to refer to sections of, schedules and exhibits to, this Agreement, and all such schedules and exhibits will form part of this Agreement.

2. LOAN DRAWDOWNS, RECORDS AND DISBURSEMENTS

2.1 Facility

(a) Global Affairs Canada agrees on the terms and subject to the conditions of this Agreement, to make to or for the account of the Borrower a United States Dollar term loan facility during the Availability Period in an aggregate amount equal to the Commitment.

(b) The proceeds of the Facility will be used to support the general budget of the Republic of Moldova, including contributing to the DPO for the purposes of (i) strengthening resilience of refugees and households; (ii) fostering sustainable growth through enhanced competition and private sector-led growth; and (iii) supporting climate resilience and the green energy transition of the Republic of Moldova, *provided that* the proceeds will not be used for any Prohibited Purposes.

(c) Any portion of the Commitment which has not been advanced at the expiry of the Availability Period will be cancelled at the end of the Availability Period.

2.2 Borrowing

(a) The Borrower authorizes Global Affairs Canada to make advances to the Borrower as specified in the Loan Drawdown Request (each such advance made under this Agreement, will constitute a "**Loan Drawdown**"). Each Loan Drawdown will be advanced on a Business Day.

(b) The Borrower may provide Global Affairs Canada with one Loan Drawdown Request (which must request two Loan Drawdowns) during the First Availability Period, which shall be valid if it:

(i) specifies two proposed Loan Drawdowns;

(ii) specifies a proposed Borrowing Date for the first Loan Drawdown which is a Business Day within the First Availability Period;

(iii) specifies a proposed Borrowing Date for the second Loan Drawdown which is a Business Day within the Second Availability Period;

(iv) complies with the following additional conditions:

(A) the aggregate amount of both Loan Drawdowns is equal to (and not less than) the Commitment;

(B) the first Loan Drawdown is for an amount equivalent to CAD 81,000,000 with the conversion from CAD to USD calculated at the exchange rate prevailing on the date of the first Loan Drawdown; and

(C) the second Loan Drawdown is for an amount equivalent to CAD 39,000,000 with the conversion from CAD to USD calculated at the exchange rate prevailing on the date of the second Loan Drawdown; and

(v) is submitted not later than 11:00 a.m., Ottawa time, at least five (5) Business Days before the date of the proposed Borrowing of the first Loan Drawdown requested therein (unless otherwise agreed to in advance by Global Affairs Canada).

(c) Global Affairs Canada will, subject to the satisfaction of the terms of this Agreement (including but not limited to the Loan Drawdown Request complying with this Clause 2.2 (*Borrowing*) and applicable conditions precedent in Clause 6 (*Conditions Precedent*) being satisfied or waived), make available Loan Drawdowns in the amounts requested, *provided that* from the proceeds of the first Loan Drawdown, Global Affairs Canada will be entitled to retain the Initiation Fee and transfer costs due hereunder and unpaid by the Borrower on the date that the first Loan Drawdown is made. Notwithstanding any such retention of the Initiation Fee and transfer costs owing to Global Affairs Canada, the Borrower will be deemed in each case to have received a Loan Drawdown in the amount requested by the Borrower.

(d) The transfer costs associated with the Loan Drawdowns will be payable by the Borrower.

(e) Promptly following the first Loan Drawdown Date, Global Affairs Canada shall prepare the Repayment Schedule based on the pro forma set out in Schedule 2 (*Repayment Schedule*) and send a copy to the Borrower. Promptly following the second Loan Drawdown Date (if applicable), Global Affairs Canada shall send an updated Repayment Schedule to the Borrower (indicating the updated repayment dates, repayment installments and interest payments) in the form set out in Schedule 2 (*Repayment Schedule*).

3. REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST AND FEES

3.1 Principal

(a) The Borrower will repay to Global Affairs Canada the full principal amount of all outstanding Loan Drawdowns in seven (7) consecutive annual installments as set forth in the Repayment Schedule. Repayment of the first Loan Drawdown will commence on the First Loan Drawdown Repayment Date. Repayment of the second Loan Drawdown will commence on the Second Loan Drawdown Repayment Date. The final installment will be in the amount necessary to repay the Loan Drawdowns in full, in each case as set forth in the Repayment Schedule.

(b) Any amount of principal that is repaid by the Borrower may not be re-borrowed.

3.2 Interest

(a) Subject to sub-clause 3.2(b) below, the Borrower will pay to Global Affairs Canada on each Interest Payment Date interest on the unpaid principal amount of all Loan Drawdowns at a rate of 3.0161% per annum, as set forth in the Repayment Schedule.

(b) Interest shall accrue on the unpaid principal amount of all Loan Drawdowns starting from the date that funds are disbursed in relation to each such Loan Drawdown pursuant to the Loan Drawdown Request, as set forth in the Repayment Schedule.

3.3 Default Interest

Notwithstanding the foregoing and subject to applicable law, if the Borrower fails to pay any amount due and payable hereunder, the Borrower will pay to Global Affairs Canada, on demand, interest on such amount (other than unpaid interest) at the applicable Post-Default Rate, for the period from and including the due date thereof to but excluding the date such overdue amount is paid in full.

3.4 Interest and Fee Determinations

Each determination by Global Affairs Canada of a rate of interest or other amounts owing to Global Affairs Canada will be conclusive evidence of such rate or such other amounts in the absence of manifest error. Interest will be calculated on the basis of a year of 365 days for the actual number of days (including the first day but excluding the last day) elapsed in the period for which such interest is payable.

3.5 Deferral of Payments

(a) Following the occurrence of any Deferral Event, the Borrower may, by following the Deferral Procedure, submit a request to Global Affairs Canada to defer Deferred Payment Amounts (the "**Deferral Request**").

(b) Global Affairs Canada shall consider any Deferral Request and confirm to the Borrower within a reasonable timeframe whether such Deferral Request is agreed to by it (as determined by Global Affairs Canada in its sole discretion,

with GAC using reasonable efforts to make any such determination within 30 Business Days of receipt of a Deferral Request). If Global Affairs Canada agrees to any Deferral Request, then the relevant Deferred Payment Amounts shall be deferred during the relevant Deferral Period in accordance with paragraph (c) below.

(c) If a Deferral Request is agreed to by Global Affairs Canada, the relevant Deferred Payment Amounts (including interest that has accrued thereon) shall, on the last day of the relevant Deferral Period, be added to the outstanding principal amount of the Loan, with such additional principal amount payable pro rata over the remaining term of the Loan. Promptly following agreement on any Deferral Request, Global Affairs Canada shall send an updated Repayment Schedule to the Borrower reflecting the deferral of the Deferred Payment Amounts.

(d) The Borrower may make one (1) Deferral Request in any twelve (12) month period and a maximum of two (2) Deferral Requests over the term of the Loan, *provided that* for any Deferral Request, the relevant Deferral Date must occur on or prior to the date falling nine years after the Effective Date.

(e) In respect of any Deferral Request that is agreed to by Global Affairs Canada, the Borrower shall use commercially reasonable efforts to provide Global Affairs Canada with summary reports from time to time to keep Global Affairs Canada informed of the progress of its relief and recovery programs, and, whenever available, the economic loss assessment consequential upon the occurrence of the applicable Deferral Event.

(f) Notwithstanding anything herein to the contrary, at no time shall the Final Maturity Date (scheduled to occur ten years after the Effective Date) be deferred or otherwise extended as a result of any Deferral Request (and any Deferral Request that purports to defer or otherwise extend the Final Maturity Date shall not be valid).

(g) In this Clause 3.5, the following terms have the following meanings:

"**Deferral Date**" means the next repayment date (as set out in the Repayment Schedule) following the date of the relevant Deferral Request, *provided that* the latest Deferral Date in respect of which a Deferral Request may be made shall be the date falling nine years after the Effective Date.

"**Deferral Event**" means any climate incident, natural disaster, pandemic or epidemic which in the opinion of Global Affairs Canada (acting in its sole discretion) has, or could reasonably be expected to have, an adverse impact on the Borrower's ability to repay the Loan.

"**Deferral Period**" means the period from (and including) a Deferral Date to (but excluding) the date falling one year after such Deferral Date.

"**Deferral Procedure**" means the Borrower providing, at its own expense, a notice to Global Affairs Canada describing in reasonable detail the particulars

of the applicable Deferral Event giving rise to the right to make such Deferral Request and confirming (i) the need for payment deferral of the relevant Deferred Payment Amounts in order to respond effectively to the Deferral Event, (ii) that, following the deferral, the relevant Deferred Payment Amounts which would otherwise have been paid under this Agreement will instead be used for response to, and recovery from, the Deferral Event and (iii) the relevant Deferral Date in respect of which such Deferral Request was made is on or prior to the date falling nine years after the Effective Date.

"**Deferred Payment Amounts**" means all principal and interest payments falling due on the Loan during the Deferral Period. Interest shall accrue on such amounts on a basis to be agreed (subject to interest not accruing on interest).

3.6 **Voluntary Prepayment**

The Borrower may prepay the Loan Drawdowns, in whole or in part from time to time, at any time after the First Loan Drawdown Repayment Date (or the date on which the Commitment is at zero, if earlier), subject to the following conditions:

(i) each partial prepayment will be in an amount at least equal to the next installment of principal under Clause 3.1 (*Principal*);

(ii) the Borrower will pay interest that has accrued on the principal amount being prepaid to the date of prepayment;

(iii) the Borrower will give not less than sixty (60) days irrevocable notice in accordance with sub-clause 4.1(c) (*Notices*) to Global Affairs Canada of its intention to make a prepayment, whereupon such prepayment will be due and payable on the date and in the amount specified in such notice;

(iv) partial prepayments will be applied to outstanding installments in inverse order of maturity; and

(v) any amount that is prepaid may not be re-borrowed.

3.7 **Initiation Fee**

The Borrower will pay to Global Affairs Canada the Initiation Fee of the USD equivalent of CAD 100,000 on or before the earlier of: (i) the last day of the First Availability Period; and (ii) the date on which the first Loan Drawdown Request is delivered hereunder. The exchange rate applicable to the Initiation Fee shall be the rate prevailing on the last day of the First Availability Period or the date on which the first Loan Drawdown Request is made, as applicable. The Initiation Fee shall be payable as a separate payment to Global Affairs Canada whether or not any Loan Drawdown occurs.

3.8 **Application of Payment**

All payments made by the Borrower or received by Global Affairs Canada under this Agreement will be applied: (i) first to all amounts then due and payable other than

principal and interest in such order as Global Affairs Canada may elect; (ii) then to interest due and payable; (iii) then to principal due and payable; and (iv) lastly to installments of principal not yet due in inverse order of maturity.

4. PAYMENT GENERALITY

4.1 Place and Manner of Payment

(a) *Payment*

All amounts payable by the Borrower hereunder will be paid to Global Affairs Canada in United States Dollars, in immediately available and transferable funds, without set-off or counterclaim, not later than 11:00 a.m. Ottawa time on the day such payment is due at such institution and to the credit of such account as Global Affairs Canada may from time to time notify the Borrower. Any payments received after 11:00 a.m. Ottawa time will be considered for all purposes as having been made on the next following Business Day.

(b) *Non-Business Days*

If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such payment will be due on the next succeeding Business Day, together with interest that has accrued to the date of payment.

(c) *Notices*

The Loan Drawdown Request and each notice of voluntary prepayment are irrevocable and will be effective only if received by Global Affairs Canada by 11:00 a.m. Ottawa time on the date that is three (3) Business Days prior to the proposed Borrowing Date (in the case of the Loan Drawdown Request) or sixty (60) days prior to the proposed date of prepayment (in the case of a voluntary prepayment notice), as the case may be. The Loan Drawdown Request will be in the form of Exhibit A (*Loan Drawdown Request*). Any notice of voluntary prepayment will specify the amount to be prepaid and the date of prepayment.

(d) *Loan Drawdown Accounts*

Global Affairs Canada will maintain in accordance with its usual practice one or more accounts evidencing the indebtedness of the Borrower to Global Affairs Canada hereunder. Such account(s) will be *prima facie* evidence of the obligations recorded therein, *provided that* any failure by Global Affairs Canada to maintain any account or any error therein will not affect the obligation of the Borrower to repay its indebtedness to Global Affairs Canada in accordance with this Agreement.

(e) *Currency of Account*

United States Dollars is the currency of account and payment for any sum due from the Borrower hereunder other than (i) costs, expenses and Taxes which will be paid in the currency in which they were incurred; and (ii) any amount

herein expressed to be payable in a currency other than United States Dollars which will be paid in that other currency.

(f) *Invoices*

Global Affairs Canada shall provide invoices referencing the applicable amount of principal and interest due five (5) Business Days before the applicable Principal Payment Date and Interest Payment Date as specified in the Repayment Schedule.

5. YIELD PROTECTION, TAXES AND OTHER PROVISIONS

5.1 Illegality

(a) Notwithstanding any other provision of this Agreement, if in the reasonable opinion of Global Affairs Canada:

(i) it is or becomes unlawful for Global Affairs Canada under the laws of any jurisdiction to make or maintain Loan Drawdowns or otherwise to perform any of its obligations under this Agreement, including without limitation, any illegality due to any economic or financial Sanctions administered or enforced by any Sanctions Authority or if Global Affairs Canada is advised in writing by a Sanctions Authority that penalties will be imposed by a Sanctions Authority as a result of a Loan Drawdown, any other business or financial relationship with the Borrower or its Ministries or other agencies;

(ii) there is any action related to the legality of this Agreement, the Loan Drawdowns or the capacity of Borrower to execute this Agreement or borrow the Loan Drawdowns, in each case which has a Material Adverse Effect;

(iii) it becomes illegal for the Borrower to carry out any of its obligations under this Agreement;

(iv) any of the authorizations or consents outlined in 6.3(a) (*Authorizations and Consents*) is declared null, void or is in any way affected in terms of its validity or enforceability; or

(v) there is any change to the laws of the Republic of Moldova that in the reasonable opinion of Global Affairs Canada adversely affects the Borrower's or Global Affairs Canada's capacity to carry out its obligations under this Agreement,

then Global Affairs Canada may notify the Borrower that the Loan Drawdowns are to be mandatorily prepaid, in which case (from the date of such notice): (i) Global Affairs Canada will have no further obligation to make any further Loan Drawdowns; and (ii) the Borrower will promptly (and in any event within 30 days of such notice) prepay the Loan Drawdowns in full together with accrued interest thereon and all other amounts then due.

5.2 **Taxes**

(a) Subject to sub-clause 5.2(c), all payments of principal, interest and other amounts due by the Borrower to Global Affairs Canada under this Agreement will be made free and clear of and without deduction for or on account of any Taxes.

(b) The Borrower will pay or cause to be paid all Taxes now or in the future levied in respect of this Agreement or any payment made hereunder.

(c) If the Borrower is prevented by operation of law or otherwise from making or causing to be made any payment hereunder without deduction for or on account of any Taxes, the amount of such payment will be increased by such amount as may be necessary so that Global Affairs Canada receives the full amount it would have received had such payment been made without such deduction.

(d) If paragraph (c) above applies and Global Affairs Canada so requires, the Borrower will deliver to Global Affairs Canada official tax receipts (or certified copies thereof) evidencing payment within thirty (30) days of the date of payment of such Taxes.

(e) If any sum payable by the Borrower is increased pursuant to sub-clause 5.2(c), the Borrower may give Global Affairs Canada notice of its intention to repay the Loan Drawdowns whereupon the Commitment of Global Affairs Canada will immediately be reduced to zero and the Borrower will on the next Interest Payment Date, repay the outstanding principal amount of the Loan Drawdowns, accrued interest and all other charges payable hereunder.

(f) The Borrower will, within three (3) Business Days of demand by Global Affairs Canada, pay to Global Affairs Canada an amount equal to the loss, liability or cost which Global Affairs Canada determines will be or has been (directly or indirectly) suffered for or on account of Tax by Global Affairs Canada in respect of this Agreement. This sub-clause does not apply to the extent a loss, liability or cost is compensated for by an increased payment under sub-clause 5.2(c). If Global Affairs Canada claims an indemnity under this sub-clause 5.2(f), the Borrower may give Global Affairs Canada notice of its intention to repay the Loan Drawdowns whereupon the Commitment of Global Affairs Canada will immediately be reduced to zero and the Borrower will on the next Interest Payment Date, repay the outstanding principal amount of the Loan Drawdowns, accrued interest and all other charges payable hereunder.

(g) Global Affairs Canada and the Borrower will co-operate in completing any procedural formalities necessary for the Borrower to make payments to Global Affairs Canada without any deduction if such formalities are not, in Global Affairs Canada's sole determination, prejudicial to it.

(h) If Global Affairs Canada receives a tax credit and determines that it is related to a payment made by the Borrower pursuant to sub-clauses 5.2(c) or (f), Global Affairs Canada will pay the Borrower an amount which Global Affairs Canada determines will leave it (after that payment) in the same after-tax position as it

would have been in had the payment by the Borrower pursuant to sub-clauses 5.2(c) or (f) not been required to be made by the Borrower.

5.3 Other Indemnity

The Borrower will, within three (3) Business Days of Global Affairs Canada's demand, indemnify and hold harmless Global Affairs Canada against any loss, costs, damage, liability or expense which Global Affairs Canada certifies as having been sustained or incurred by Global Affairs Canada as a consequence of (i) any default in repayment of principal or payment of interest or any other amount due hereunder; (ii) the occurrence of a Default; (iii) a Loan Drawdown not being prepaid in accordance with a notice of prepayment given by the Borrower to Global Affairs Canada; or (iv) funding or making arrangements for funding a Loan Drawdown but not made by reason of operation of any provision of this Agreement (other than by reason of default or negligence by Global Affairs Canada).

5.4 Mitigation by Global Affairs Canada

(a) Global Affairs Canada will, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 5.1 (*Illegality*) and Clause 5.2 (*Taxes*), it being understood that such mitigation does not limit the obligations of the Borrower hereunder. All costs and expenses incurred by Global Affairs Canada in connection with such mitigation will be borne by the Borrower.

(b) Global Affairs Canada is not required to mitigate if in its opinion (acting reasonably), to do so might be prejudicial to it. No provision of this Agreement will oblige Global Affairs Canada to disclose any information relating to its affairs (tax or otherwise), to investigate or claim any credit or repayment available to it or otherwise interfere with Global Affairs Canada's right to arrange its affairs (tax or otherwise) in whatever manner it sees fit.

6. CONDITIONS PRECEDENT

6.1 Initial Conditions Precedent to be satisfied on or prior to the Signature Date

Without prejudice to Clause 6.3 (*Conditions Precedent to the first Loan Drawdown*), the obligation of Global Affairs Canada to enter into this Agreement and comply with any of its obligations hereunder is subject to:

(a) Global Affairs Canada having obtained any necessary, customary or financial approvals of or within the Government of Canada (or of any body or entity therein);

(b) receipt by Global Affairs Canada, prior to the Signature Date, of a single letter signed by an authorized representative of the Borrower in the form of Exhibit C (*Borrower's Confirmation of Eligibility Letter*) confirming :

(i) that the Republic of Moldova is a country included in the OECD DAC List;

(ii) that the Republic of Moldova is a borrowing member of IBRD; and

(iii) the completion of all policy prior actions under the DPO; and

(c) the Borrower having obtained, and provided Global Affairs Canada with a copy of the decision (*hotărâre*) of the Government of the Republic of Moldova (or any person authorized in writing by such person on their behalf), authorizing the entry by the Borrower into this Agreement (the "**Government Decision**").

6.2 **Conditions Precedent to Effectivity**

This Agreement shall not become effective until the following steps have been completed:

(a) ratification of this Agreement by the Parliament of the Republic of Moldova, such that the entry by the Borrower into this Agreement, the Loan Drawdowns to be made hereunder and the performance by the Borrower of its obligations hereunder are duly authorised and legally binding on the Borrower;

(b) delivery by the Borrower to Global Affairs Canada of:

(i) a legal opinion (the "**Ministerial Opinion**") issued on behalf of the Borrower and signed by the Minister of Justice of Moldova in form and substance satisfactory to Global Affairs Canada, confirming, *inter alia*, that the Borrower has taken all necessary actions, made all payments, duly submitted all necessary documents for and obtained all other authorizations in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Agreement, including the ratification described in Clause 6.2(a), have been accomplished; and

(ii) a copy of the law adopted by the Parliament of the Republic of Moldova which ratifies this Agreement, as referred to in Clause 6.2(a); and

(c) confirmation by Global Affairs Canada of receipt of the Ministerial Opinion by providing the Borrower with a formal letter issued by the Embassy of Canada to Romania, Bulgaria and Moldova (the "**Diplomatic Confirmation Letter**"). This Agreement shall only enter into force on the date of issuance of the Diplomatic Confirmation Letter (the "**Effective Date**"), and the Diplomatic Confirmation Letter shall be appended as Schedule 3 (*Diplomatic Confirmation Letter*) and form an integral part of this Agreement.

6.3 **Conditions Precedent to the first Loan Drawdown**

Global Affairs Canada will have no obligation to make the first Loan Drawdown until each of the following documents or evidence of satisfaction of the following matters,

as the case may be, will have been delivered to Global Affairs Canada, each in form and substance satisfactory to Global Affairs Canada:

(a) *Authorizations and Consents*

(i) The Borrower has provided Global Affairs Canada with a signed closing certificate that:

(A) appends the Government Decision;

(B) confirms that the representations, warranties and covenants of the Borrower set out in this Agreement are true and correct in all material respects, and that there are no existing or ongoing events that would constitute an Event of Default, on and as of the date of the applicable Loan Drawdown Request and proposed Loan Drawdown Date;

(C) confirms that the confirmations in the letter delivered pursuant to Clause 6.1(b) (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*) remain valid and in full force and effect; and

(D) if and to the extent any such authorizations and consents apply, confirms that all other authorizations and consents necessary under the laws of the Republic of Moldova to authorize the entry by the Borrower into this Agreement and the performance by the Borrower of its obligations hereunder have been obtained, and appends any such further authorizations and consents.

(ii) The Borrower has provided a certificate signed by the Minister of Finance of the Republic of Moldova confirming the details of the bank account into which the proceeds of the Loan Drawdowns will be paid.

(iii) Global Affairs Canada shall have obtained any other necessary, customary or financial approvals of or within the Government of Canada (or of any body or entity therein).

(b) *Due Diligence*

Global Affairs Canada shall have completed all necessary due diligence checks in respect of the Borrower (if any) or any other similar checks required under any applicable laws and regulations.

(c) *Initiation Fee*

Global Affairs Canada will have received from the Borrower the Initiation Fee payable pursuant to this Agreement.

(d) *Duly completed Loan Drawdown Request*

Global Affairs Canada will have received a duly completed Loan Drawdown Request.

(e) *Opinion of Counsel*

A legal opinion from Turcan Cazac, Moldovan counsel to Global Affairs Canada, in form and substance satisfactory to Global Affairs Canada.

(f) *Representations and Warranties*

The representations and warranties made by the Borrower in this Agreement will continue to be true in all material respects on and as of the date of the making of the relevant Loan Drawdown.

(g) *No Default*

No Default will have occurred and be continuing or would result from the relevant Loan Drawdown.

(h) *No Material Adverse Effect*

No event or circumstance will have occurred which has resulted in, or would reasonably be expected to result, in a Material Adverse Effect since the date of the most recently published Annual Budget of the Borrower.

(i) *Appointment of Process Agent*

A letter from the Process Agent acknowledging that they accept service of process in respect of the Borrower.

6.4 **Conditions Precedent to the second Loan Drawdown**

Global Affairs Canada will have no obligation to make the second Loan Drawdown until each of the following documents or evidence of satisfaction of the following matters, as the case may be, will have been delivered to Global Affairs Canada, each in form and substance satisfactory to Global Affairs Canada:

(a) *Confirmations*

(i) The confirmations in the letter delivered pursuant to Clause 6.1(b) (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*) remain valid and in full force and effect.

(ii) The Borrower shall have taken all other necessary actions, made all payments, duly submitted all necessary documents for and obtained all other authorizations in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Agreement.

(b) *Representations and Warranties*

The representations and warranties made by the Borrower in this Agreement will continue to be true in all material respects on and as of the date of the making of the relevant Loan Drawdown.

(c) *No Default*

No Default will have occurred and be continuing or would result from the relevant Loan Drawdown.

(d) *No Material Adverse Effect*

No event or circumstance will have occurred which has resulted in, or would reasonably be expected to result, in a Material Adverse Effect since the date of the most recently published Annual Budget of the Borrower.

(e) *Authorizations and Consents*

Global Affairs Canada shall have obtained any other necessary, customary or financial approvals of or within the Government of Canada (or of any body or entity therein).

(f) *Borrower Second Loan Drawdown Certificate*

The Borrower shall, in connection with any second Loan Drawdown, deliver a certificate to Global Affairs Canada, in the form set out in Exhibit B (*Second Loan Drawdown Certificate*), no earlier than 30 calendar days and no later than 5 Business Days prior to the proposed Borrowing Date for the second Loan Drawdown, confirming the other conditions precedent set out in this Clause 6.4.

6.5 Waiver

The conditions set forth in Clauses 6.3 (*Conditions Precedent to the first Loan Drawdown*) to 6.4 (*Conditions Precedent to the second Loan Drawdown*) are inserted for the sole benefit of Global Affairs Canada and may be waived by Global Affairs Canada in whole or in part (with or without terms or conditions), in respect of any Loan Drawdown without prejudicing the right of Global Affairs Canada at any time to rely on such conditions in respect of any subsequent Loan Drawdown.

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties

The Borrower represents and warrants to Global Affairs Canada as follows, as of the Signature Date and acknowledges that Global Affairs Canada is relying upon such representations and warranties in entering into this Agreement and in making Loan Drawdowns hereunder:

(a) *Power and Authority*

It has the power, authority and capacity to enter into this Agreement and to perform its obligations thereunder.

(b) *Authorization; Binding Effect*

The entry into and performance by it of this Agreement and all other documents and instruments to be executed and delivered by it hereunder and the performance by it of the obligations hereunder have been duly authorized by all necessary governmental actions and Authorizations and all other related documents and instruments have been duly executed and delivered by it.

(c) *Enforceability, No Conflict*

Each of the documents delivered hereunder and purporting to be an obligation of the Borrower constitutes a valid and legally binding obligation of it enforceable against it in accordance with its terms and constitutes the unconditional sovereign obligation of the Borrower. The execution and delivery of this Agreement, the performance of the Borrower's obligations hereunder and the enforcement of the provisions of this Agreement by Global Affairs Canada (i) are not contrary to public policy or public order in the Republic of Moldova; (ii) do not and will not contravene any provision of the constitution of the Republic of Moldova or any law, regulation, ordinance, decree or other instrument having the force of law in the Republic of Moldova; (iii) do not conflict with, result in a breach of, or cause a default under, any other agreement, instrument, treaty, deed or other document to which the Borrower is a party or by which any of its property is bound and do not and will not result in the imposition of any Lien on any property of the Borrower.

(d) *Payment Obligations; Full faith and credit*

All of its payment obligations under this Agreement are treated as sovereign debts of the Republic of Moldova and are backed by the full faith and credit of the Republic of Moldova.

(e) *Governmental Authorization*

Other than (i) the Authorizations duly obtained and provided to Global Affairs Canada in accordance with Clauses 6.1 (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*) and 6.3(a) (*Authorizations and Consents)* of this Agreement, no other Authorization or other action by, or notice to or filing or registration with, any Governmental Authority (including any currency control and/or foreign exchange approval), and no other third-party consent or approval is necessary for the due execution, delivery and performance by it of this Agreement or for the legality, validity or enforceability thereof against the Borrower.

(f) *Financial Information*

All financial information that has been provided by the Borrower to Global Affairs Canada in connection with this Agreement is complete in all material respects and fairly represents the financial position of the Borrower.

(g) *No Default; No Material Adverse Effect*

No Default is continuing or could reasonably be expected to result from the making of any Loan Drawdown and since the end of the most recently completed fiscal year end of the Borrower, no event or circumstance has occurred which constitutes, or might reasonably be expected to constitute, or cause, a Material Adverse Effect.

(h) *Ranking of Obligations*

Its indebtedness under this Agreement ranks and will at all times rank at least *pari passu* in right of payment with all unsecured, unsubordinated External Indebtedness for which it is liable at any time, *provided that* it shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay such other External Indebtedness at the same time or as a condition of paying sums due under this Agreement and *vice versa*.

(i) *Proper Legal Form; No Immunity*

This Agreement and the execution, delivery and performance by the Borrower of this Agreement may be enforced in accordance with its terms against the Borrower in a proceeding at law in any competent court in the Republic of Moldova. Neither the Borrower nor any of its assets (save for assets of the public domain as defined by the law of the Republic of Moldova, which does not include bank or treasury accounts) has the benefit of any immunity in any jurisdiction from legal proceedings, the jurisdiction of the civil courts or any, judgment, attachment (whether before or after judgment), set-off or execution of a judgment or from any other legal process or remedy relating to its obligations under this Agreement or, to the extent the Borrower or any of its assets should be or become entitled to any such right of immunity, the Borrower has effectively waived such right pursuant to Clause 10.8 (*Waiver of Immunity*) to the fullest extent permitted under the laws of the Republic of Moldova.

(j) *Exclusion from Administrative Contract Classification*

This Agreement is not an administrative contract for the purposes of Administrative Code of the Republic of Moldova.

(k) *Compliance with Laws and Agreements*

It is in compliance with all applicable laws, regulations and requirements of the Republic of Moldova and applicable public international laws in respect of itself, its assets and all material agreements, charges and other instruments binding upon it or its assets, including any registration and publicity requirements. It conducts its activities in a responsible manner in accordance

with fundamental principles, such as respect for human rights, including protection from sexual exploitation and abuse, democratic principles, the rule of law, gender equality and the fight against corruption.

(l) *Compliance with Budget and Borrowing Legislation*

It is in compliance with all applicable laws, regulations and requirements relating to Annual Budgets and external loans for the borrowing by the Borrower hereunder. Each Borrowing by the Borrower hereunder would not cause any sovereign borrowing limit or other similar limits applicable to the Borrower to be exceeded and annual appropriations will be made in each relevant year during the term hereof in each Annual Budget in an amount sufficient to: (i) make the scheduled payments of principal and interest owing under this Agreement; and (ii) pay all fees, charges, and other amounts payable under this Agreement.

(m) *Use of Proceeds; Compliance with applicable law*

The use of the proceeds of the Loan Drawdowns to support the general budget of the Republic of Moldova, including contributing to the DPO for the purposes of (i) strengthening resilience of refugees and households; (ii) fostering sustainable growth through enhanced competition and private sector-led growth; and (iii) supporting climate resilience and the green energy transition of Republic of Moldova, is in compliance with applicable laws of the Republic of Moldova and is not used for any Prohibited Purposes.

(n) *Choice of Law, Submission to Arbitration*

The choice of law of this Agreement is valid and binding and the irrevocable submission by the Borrower to arbitration as set out in Clause 10.7 (*Governing Law; Submission to Arbitration*) is legal, valid, binding and enforceable and any decision rendered in an arbitration conducted in accordance with Clause 10.7 (*Governing Law; Submission to Arbitration*) would be enforced by the courts of the Republic of Moldova, subject to compliance with the applicable requirements of the 1958 New York Convention.

(o) *Full Disclosure*

All factual written information (including such information communicated electronically) furnished by, or on behalf of it, it to Global Affairs Canada in connection with this Agreement or any transaction contemplated thereby is, and all such information hereafter furnished by, or on behalf of it, to Global Affairs Canada will be, true, complete and accurate in all material respects on the date as of which such information is stated or certified. All factual written information (including such information communicated electronically) furnished by it, or on behalf of it, will not contain any untrue statement of a fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements are made.

(p) *Taxes*

Payment of any amount due by the Borrower under this Agreement in United States Dollars or in any other due currency is legal, valid and irrevocably binding upon the Borrower and is not subject to any deduction or withholding taxes, charges or other duties of any nature imposed by the Republic of Moldova.

(q) *Environmental Matters*

Its actions in relation to the use of the proceeds of the Loan Drawdowns comply with all applicable Environmental Laws of the Republic of Moldova.

(r) *Insolvency*

It is a sovereign state and is not subject to any insolvency procedure.

(s) *No Proceedings*

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which are reasonably likely to be adversely determined, and which, if so adversely determined, would reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief), been started or threatened against it or any of its assets.

(t) *Judgments, Etc.*

It is not subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to result in, a Material Adverse Effect.

(u) *No outstanding Cross Default*

There is no outstanding default in respect of External Indebtedness, and no outstanding External Indebtedness has become payable prior to its maturity by reason of default or security becoming enforceable, in each case subject to the aggregate amount of such External Indebtedness being equal to or in excess of USD 50,000,000 or its equivalent in any other currency.

(v) *Membership in the International Monetary Fund*

The Borrower is a member in good standing, and is eligible to use the resources, of the IMF and is able to draw or make use of funds available to it under any IMF funding program.

(w) *Anti-Bribery and Corruption Laws*

(i) The Borrower has conducted, is conducting and will conduct its business activities in compliance with applicable Anti-Bribery and Corruption Laws.

(ii) None of the Borrower or, to the best of the Borrower's knowledge, any of its Ministries, its Senior Officials, its official representatives, officers or other persons acting on its or their behalf have engaged in any activity which would breach any applicable Anti-Bribery and Corruption Laws.

(iii) To the best of the Borrower's knowledge and belief, no actions or investigations by any governmental or regulatory agency are ongoing or threatened against the Borrower, or any of its Ministries, its Senior Officials, its official representatives, officers or other persons acting on its or their behalf in relation to an alleged breach of the Anti-Bribery and Corruption Laws.

(iv) The Borrower has instituted and will maintain and enforce, policies and procedures designed to ensure compliance by the Borrower and its Ministries with the Anti-Bribery and Corruption Laws.

(x) *Sanctions: Laws*

Save as previously disclosed in writing by the Borrower to Global Affairs Canada,[2] neither it nor any of its ministers, officials, public servants, employees, advisors, official representatives or, to the best of its knowledge, any of its Ministries or other agencies subordinated to the government of the Republic of Moldova, or any member of the Parliament of the Republic of Moldova, is engaged, directly or indirectly, in any activity which is prohibited under the Sanctions, including without limitation, (A) any direct or indirect dealings involving or benefitting (i) a Person that is listed on, or owned or controlled by, or acting on behalf of a Person listed on, any list administered by a Sanctions Authority or otherwise the target of Sanctions; (ii) a Person located in, organized under, or owned or controlled by, or acting on behalf of, a Person located in or organized under the laws of countries subject to Sanctions by Canada as listed at https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng; (iii) a Person that is owned or controlled by, or acting for or on behalf of, or providing assistance, support or services of any kind to, or otherwise associated with any Person in (i) or (ii); (B) any business or making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in (i)-(iii); (C) any dealing in, or otherwise engaging in any transaction relating to any property or interests in property subject to prohibitions under Sanctions; (D) any direct or indirect activity that constitutes terrorism financing; and (E) any

[2] Marina Tauber is currently listed as having sanctions imposed against her (shown here). **Moldova** to confirm to GAC any further persons subject to sanctions.

transaction that evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose.

(y) *Sanctions: Not a Target*

Save as previously disclosed in writing by the Borrower to Global Affairs Canada, neither it nor any of its Ministries or other agencies subordinated to the government of the Republic of Moldova, and members of the Parliament of the Republic of Moldova nor, to the knowledge of the Borrower, any director, officer, public servant, employee, advisor or official representative of the Borrower or any of its Ministries or other agencies, is an individual or entity that is, or is owned or controlled by, or is acting on behalf of a Person that is (i) the subject of any Sanctions or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of territorial Sanctions, unless otherwise notified to Global Affairs Canada.

(z) *No License*

It is not a condition for the enforcement of any rights or remedies under this Agreement that Global Affairs Canada be licensed, qualified, registered or otherwise admitted to do business in the Republic of Moldova.

(aa) *Not Deemed Resident*

Global Affairs Canada will not, solely as a result of entering into and carrying out its obligations under this Agreement or taking any enforcement proceedings or exercising any remedies contemplated therein, be deemed to be resident, domiciled or carrying out a business in the Republic of Moldova.

(bb) *IBRD Borrowing Member*

It is eligible to receive loans from the IBRD.

(cc) *OECD DAC Eligibility*

It is eligible to receive funds from OECD DAC donors.

7.2 **Survival of Representations and Warranties**

The representations and warranties made in Clause 7.1 (*Representations and Warranties*) will survive the execution and delivery of this Agreement and will deemed to have been repeated by the Borrower (i) on each Borrowing Date; and (ii) in relation to the representations and warranties contained in sub-clauses 7.1(a) (*Power and Authority*), 7.1(b) (*Authorization; Binding Effect*), 7.1(c) (*Enforceability, No Conflict*), 7.1(d) (*Payment Obligations; Full Faith and Credit*), 7.1(g) (*No Default; No Material Adverse Effect*), 7.1(h) (*Ranking and Obligations*), 7.1(i) (*Proper Legal Form; No Immunity*), 7.1(j) (*Exclusion from Administrative Contract Classification*), 7.1(k) (*Compliance with Laws and Agreements*), 7.1(l) (*Compliance with Budget and Borrowing Legislation*), 7.1(n) (*Choice of Law, Submission to Arbitration*), 7.1(p) (*Taxes*), 7.1(q) (*Environmental Matters),* 7.1(r) (*Insolvency*), 7.1(s) (*No Proceedings*),

and 7.1(t) (*Judgments, Etc.*) on each Interest Payment Date, in each case with reference to the facts and circumstances then existing.

8. COVENANTS

8.1 Affirmative Covenants

The Borrower covenants and agrees with Global Affairs Canada that, unless compliance has been waived in writing by Global Affairs Canada and so long as any Loan Drawdown is outstanding and until payment is made in full by the Borrower hereunder:

(a) *Authorizations, Compliance with Laws*

It will (i) obtain and maintain in force (or where appropriate, promptly renew) all Authorizations required by law or regulation of its domicile to enable it to perform its obligations hereunder and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement; and (ii) at all times comply with all applicable laws and regulations relating to it, its activities, and its assets, in each case where failure to do so would reasonably be expected to impair its ability to perform its obligations under this Agreement. Without limiting the generality of the foregoing, the Borrower will not commit directly or indirectly and in whatever form, any act of corruption, bribery, fraud or negligence with respect to or involving any public or private entity, agent or employee in any jurisdiction.

(b) *Obligations pari passu*

The Borrower shall ensure that its payment obligations under this Agreement rank and will at all times rank at least *pari passu* in right of payment with all unsecured, unsubordinated External Indebtedness for which it is liable at any time, *provided that* it shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay such other External Indebtedness at the same time or as a condition of paying sums due under this Agreement and *vice versa*.

(c) *Reports on the Use of Proceeds*

(i) Global Affairs Canada and the Borrower shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out activities as outlined in the Policy-Based Program;

(ii) prior to each such exchange of views, the Borrower shall furnish to Global Affairs Canada for its review and comment a report on the progress achieved in carrying out the program, in such detail as Global Affairs Canada shall reasonably request; and

(iii) the Borrower shall promptly inform Global Affairs Canada of any situation that would have the effect of materially reversing the objectives of the Policy-Based Program or any action taken thereunder.

(d) *Notices*

Promptly after it becomes aware that any Default has occurred and is continuing (including any Default which occurs after requesting a Loan Drawdown but prior to the making of a Loan Drawdown), deliver to Global Affairs Canada a notice describing the Default and the action that it has taken or proposes to take with respect thereto.

(e) *Further Assurances*

It will, at its own cost and expense, execute and deliver to Global Affairs Canada all such documents, instruments and agreements and do all such other acts and things as may be reasonably required, in the opinion of Global Affairs Canada, to carry out the purpose of this Agreement or to enable Global Affairs Canada to exercise and enforce its rights under hereunder or thereunder.

(f) *Environmental Issues*

It will comply with all applicable Environmental Laws of the Republic of Moldova in relation to the use of the proceeds of the Loan Drawdowns, including obtaining and maintaining all relevant environmental permits necessary to ensure that there is no Material Adverse Effect.

(g) *Use of Proceeds*

It will use the proceeds of the Loan Drawdowns hereunder solely in accordance with Clause 2.1(b) (*Facility*).

(h) *Change in Law Notification*

It will notify Global Affairs Canada as soon as possible of any change in law, rule, regulation, act, decision of any competent tribunal, fact, or circumstance which could or would adversely affect the Borrower's ability to perform, or Global Affairs Canada's ability to enforce, its obligations under this Agreement.

(i) *Notice of Disputes*

It will notify Global Affairs Canada as soon as possible of any material dispute, litigation, arbitration or administrative proceedings that may exist or be threatened against the Borrower which relate to any External Indebtedness involving actions or claims in excess of USD 50,000,000.

(j) *Notice of Disputes with other Sovereign Entities or International Organizations*

It will notify Global Affairs Canada as soon as possible of any material dispute, litigation, arbitration or administrative proceedings that may exist between the Borrower and (i) any Governmental Authority; or (ii) any international

organization or entity (including the IMF, the World Bank or the Inter-American Development Bank), the value of which is equal to or exceeds USD 50,000,000 or its equivalent in any other currency.

(k) *Notice of breach of Sanctions*

It will notify Global Affairs Canada as soon as possible after it becomes aware that it is in breach of the representations set out in Clauses 7.1(x) (*Sanctions: Laws*) or 7.1(y) (*Sanctions: Not a Target*).

(l) *Inclusion of arbitral award in contingent debt*

The Borrower agrees, in the event that Global Affairs Canada commences arbitral proceedings against the Borrower under this Agreement, without prejudice to its defense of such arbitral proceedings, to include the potential amount of the arbitral award in the contingent debt of the Republic of Moldova until such arbitral proceedings have been completed (and any arbitral award satisfied).

(m) *Borrowing Limits*

It will comply with all borrowing limits and other requirements agreed by and between the IMF and the Republic of Moldova from time to time.

(n) *Know Your Customer*

If any law or regulation or policy obliges Global Affairs Canada to comply with "know your customer" or similar identification procedures, the Borrower shall promptly upon the request of Global Affairs Canada supply, or procure the supply of, such documentation and other evidence in such form as is reasonably requested by Global Affairs Canada in order for Global Affairs Canada to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws, regulations, and policies pursuant to the transactions contemplated in this Agreement.

(o) *Public disclosure*

The Borrower agrees to Global Affairs Canada publicly disclosing the following information related to the Loan Facility Agreement: the name of the Borrower; the financial service provided by Global Affairs Canada; and a description of the transaction contemplated by, and the core financial terms of, the Loan Facility Agreement.

8.2 **Negative Covenants**

The Borrower covenants and agrees with Global Affairs Canada that, unless compliance has been waived in writing by Global Affairs Canada and so long as any Loan Drawdown is outstanding and until payment in full by the Borrower hereunder:

(a) *Negative Pledge*

The Borrower shall not create, incur, assume or permit to arise or subsist any Liens, (other than Permitted Liens), upon the whole or any part of its existing or future assets or revenues or any part thereof to secure any External Indebtedness of the Borrower or any other person, or any guarantee granted by the Borrower in respect of any External Indebtedness of any other person unless, at the same time or prior thereto, the Borrower's obligations under this Agreement are secured equally and rateably therewith or have the benefit of such other arrangement as may be approved by the prior written consent of Global Affairs Canada, in each case to the extent permitted under the law of the Republic of Moldova.

(b) *Prohibition on Use of Proceeds; Sanctions*

It will not use the proceeds, contribute or otherwise make available the proceeds for any purpose which is prohibited under the Sanctions including without limitation, to any Person for the purpose of financing directly or indirectly the activities of any Person that (i) is listed on, or owned or controlled by a Person that is listed on, or acting on behalf of a Person listed on, any list administered by a Sanctions Authority or (ii) is in a country which is subject to Sanctions, to the extent such financing would be prohibited by the Sanctions.

(c) *Prohibition under Sanctions*

The Borrower and its directors, officers, public servants, employees and official representatives will not, and it will take all reasonable steps to ensure that its Ministries or other agencies subordinated to the government of the Republic of Moldova, and members of the Parliament of the Republic of Moldova will not, engage, directly or indirectly, in any activity which is prohibited under the Anti-Bribery and Corruption Laws or Sanctions (unless any such activity is conducted in compliance with a permit, certificate or other approval issued under the Sanctions), including without limitation, (A) any direct or indirect dealings involving or benefitting (i) a Person that is listed on, or owned or controlled by, or acting on behalf of a Person listed on, any list administered by a Sanctions Authority or otherwise the target of Sanctions; (ii) a Person located in, organized under, or owned or controlled by, or acting on behalf of, a Person located in or organized under the laws of countries subject to Sanctions by Canada as listed at https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng; (iii) a Person that is owned or controlled by, or acting for or on behalf of, or providing assistance, support or services of any kind to, or otherwise associated with any Person in (i) or (ii); (B) any business or making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in (i)-(iii); (C) any dealing in, or otherwise engaging in any transaction relating to any property or interests in property subject to prohibitions under Sanctions; and (D) any transaction that evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose.

9. EVENTS OF DEFAULT

9.1 Events of Default

The occurrence of any one or more of the following events will constitute an event of default under this Agreement (each an "**Event of Default**"):

(a) *Payment*

If the Borrower fails to pay any amount when due hereunder unless such amount is paid within five (5) calendar days of the relevant due date.

(b) *Representations and Warranties*

If any representation or warranty made in this Agreement or if any letter, certificate or opinion furnished to Global Affairs Canada pursuant to the provisions hereof proves to have been incorrect, incomplete or misleading in any material respect as of the time made or repeated or deemed to be made or repeated unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within thirty (30) days of the earlier of (i) Global Affairs Canada giving notice to the Borrower and (ii) the Borrower becoming aware of the failure to comply.

(c) *Failure to Perform*

If the Borrower defaults in the performance of any of its obligations under this Agreement, other than as specified in sub-clause 9.1(a) (*Payment*), and such default remains un-remedied for a period of thirty (30) days from the earlier of (i) the date that notice thereof is given to the Borrower by Global Affairs Canada; and (ii) the date upon which the Borrower has knowledge of such default.

(d) *Illegality/Invalidity*

If it becomes unlawful for the Borrower to perform any of its obligations under this Agreement, if any of its obligations under this Agreement cease to be valid, binding or enforceable, or if the Borrower contests or denies the validity of this Agreement or any of its obligations hereunder.

(e) *Suspension of or inability to make payments of External Indebtedness*

The Borrower: (i) suspends payments in any currency other than the lawful currency of the Republic of Moldova in respect of any External Indebtedness; (ii) is generally unable or admits its inability to pay its debts as they fall due; (iii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally; (iv) has proceedings commenced in relation to itself under any treaty, law, regulation or procedure, or financing document in respect of External Indebtedness, relating to reconstruction or readjustment of debts; or (v) has any event occur or proceeding taken with respect to itself in any jurisdiction which has an effect equivalent or similar to any of the foregoing

events including, without limiting the generality of the foregoing, an application to the Paris Club, the IMF or the World Bank.

(f) *Moratorium*

If:

(i) the Borrower or any Governmental Authority asserting or exercising governmental powers in the Republic of Moldova shall impose or adopt currency control laws, rules or regulations which prohibit or otherwise restrict the conversion, transfer or payment by the Borrower of United States Dollar amounts or amounts in any other currency due and payable to or in respect of Global Affairs Canada under this Agreement;

(ii) the Borrower and/or the Central Bank does not at all times exercise full control over the international reserves of the Republic of Moldova or the external assets of the Central Bank; or

(iii) a general moratorium, standstill, waiver, deferral, rescheduling or restructuring is declared with regard to (A) payments under this Agreement and/or (B) the payment of any other External Indebtedness.

(g) *Repudiation*

If the Borrower repudiates, rescinds, or evidences its intention to repudiate or rescind this Agreement or any other External Indebtedness.

(h) *Cross-Default*

If (i) the Borrower defaults in the payment of any External Indebtedness to any Person when due and such default continues beyond any applicable grace period set forth in the agreements or instruments evidencing or relating to such External Indebtedness, (ii) any External Indebtedness of the Borrower is declared to be or otherwise becomes or is capable of being declared due and payable prior to its specified maturity as a result of an event of default, or (iii) any commitment to make any External Indebtedness available to the Borrower is cancelled or suspended by a creditor of the Borrower as a result of an event of default. Other than with respect to any default in payment of any External Indebtedness to Global Affairs Canada, no Event of Default will occur under this sub-clause 9.1(h) if the aggregate principal amount of outstanding External Indebtedness mentioned in this sub-clause is less than USD 50,000,000 (or its equivalent in any other currency or currencies).

(i) *Authorizations*

If any Authorization by a Governmental Authority necessary for the performance of any obligation of the Borrower under this Agreement ceases to be in full force and effect, including any Authorization to acquire and remit United States Dollars or failure to adopt a relevant resolution or obtain any

relevant Authorization regarding allocation of funds of the state budget to service the payments due hereunder.

(j) *Judgment, Arbitration*

If a final judgment or arbitral award is made in excess of USD 50,000,000 or equivalent currency and is unsatisfied after one hundred and twenty (120) days.

(k) *IMF Membership*

The Borrower ceases to be a member in good standing of the IMF and ceases to be entitled to use the general resources thereof in accordance with the Articles of Agreement of the IMF including ceasing to be eligible for disbursements from the IMF's emergency financing or if the IMF determines that the Borrower is no longer eligible for benefits under any IMF program.

(l) *Material Adverse Effect*

If any event or circumstance occurs which has or could reasonably be expected to result in a Material Adverse Effect.

9.2 **Default Remedies**

Upon the occurrence of an Event of Default, Global Affairs Canada, at its option, may by notice to the Borrower (i) cancel the Commitment whereupon it will immediately be cancelled; (ii) declare all or part of the indebtedness of the Borrower under this Agreement to be due and payable, whereupon it will become immediately due and payable; and/ or (iii) declare all or part of the indebtedness of the Borrower under this Agreement to be immediately due and payable on demand, whereupon it will become immediately due and payable on demand; in each case, all without presentment, protest or further notice of any kind, all of which are expressly waived by the Borrower, *provided that* if an Event of Default described in sub-clause 9.1(f) (*Moratorium*) occurs with respect to the Borrower, the Commitment (if not theretofore terminated) will automatically terminate and all indebtedness of the Borrower under this Agreement will automatically become and be immediately due and payable, without presentment, demand, protest or any notice of any kind, all of which are expressly waived by the Borrower.

10. MISCELLANEOUS

10.1 No Waiver

No failure on the part of Global Affairs Canada to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. Any waiver by Global Affairs Canada of the strict compliance with any term of this Agreement will not be deemed to be a waiver of any subsequent Default.

10.2 **Notices**

Any notice, demand, waiver, consent, or any other communication under this Agreement must be in writing to be effective and will be hand-delivered or sent by registered mail or email to the following addresses:

for the Borrower,

Ministry of Finance

7 Constantin Tanase Street

Chisinau, MD 2005

Moldova

Attention: Public Sector Debt and External Assistance Department
Email: cancelaria@mf.gov.md

for Global Affairs Canada,

Sovereign Loans Program
Global Affairs Canada
125 Sussex Drive
Ottawa, Ontario K1A 0G2
Canada

Disbursement and repayment matters:

Attention: Director, Innovative Finance for International Assistance Division
Email: InnovationInvest@international.gc.ca

Financial and covenant reporting matters:

Attention: Director, Innovative Finance for International Assistance Division
Email: InnovationInvest@international.gc.ca

All other matters, including amendments, waivers and consents:

Attention: Director, Innovative Finance for International Assistance Division
Email: InnovationInvest@international.gc.ca

or such other address, email or to the attention of such other individual which either party may from time to time notify the other in writing. Any notice delivered by hand, by registered mail or by email will be deemed to have been given when received. In this section, "Business Day" means a day in the recipient's jurisdiction when banks are generally open for public business. Communications sent to an email address will be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement).

The Borrower agrees that email communications to Global Affairs Canada will be limited to the delivery to Global Affairs Canada of information, documents and other materials that it is obligated to furnish to Global Affairs Canada pursuant to this Agreement, such as all financial information, financial and other reports, certificates and other information materials, but excluding any such communication that provides or pertains to notice of any Default.

10.3 **Costs and Expenses**

The Borrower will reimburse Global Affairs Canada within five (5) Business Days of Global Affairs Canada's demand, for all of Global Affairs Canada's out-of-pocket costs and expenses incurred in respect of the enforcement of, or the preservation of rights under this Agreement, including the fees and expenses of independent legal counsel for Global Affairs Canada and all travel costs of Global Affairs Canada and its independent legal counsel.

10.4 **Successors and Assigns**

(a) This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) The Borrower may not transfer or assign any of its rights or obligations hereunder without the prior written consent of Global Affairs Canada.

(c) Global Affairs Canada may at any time, assign its rights and obligations hereunder in whole or in part to another Canadian Governmental Authority. If Global Affairs Canada transfers or assigns its rights or obligations hereunder and as a result the Borrower is obligated to make a payment to the new lender under Clause 5.2 (*Taxes*) on the day of such transfer or assignment, then the new lender is only entitled to receive payment under such Clause to the same extent as Global Affairs Canada would have been if the transfer or assignment had not occurred.

(d) Other than as provided in paragraph (c) above, Global Affairs Canada may only transfer or assign any of its rights or obligations hereunder with the prior written consent of the Borrower.

10.5 **Headings**

The table of contents and Clause headings in this Agreement are for ease of reference only and will not affect the interpretation of this Agreement.

10.6 **Counterparts; Delivery**

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), which taken together will constitute one and the same instrument. The parties agree that delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy thereof by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

10.7 **Governing Law; Submission to Arbitration**

(a) This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, which has not been settled by agreement of the parties, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules (in force as at the date of the Agreement), subject to the following:

(i) The parties to such arbitration shall be Global Affairs Canada on the one side and the Borrower on the other side.

(ii) The number of arbitrators shall be three (3).

(iii) The appointing authority for the purposes of the UNCITRAL Arbitration Rules shall be the Secretary-General of the Permanent Court of Arbitration.

(iv) Where the Secretary-General of the Permanent Court of Arbitration is to appoint an arbitrator, the Secretary-General of the Permanent Court of Arbitration shall be at liberty to choose any person they regard as suitable to act as arbitrator pursuant to the UNCITRAL Arbitration Rules.

(v) Except as the parties to such arbitration shall otherwise agree, the place of arbitration shall be The Hague, Netherlands.

(vi) The language to be used in the arbitral proceedings shall be English.

(vii) The law to be applied by the arbitral tribunal shall be the law of Ontario, Canada.

(viii) The governing law of this arbitration agreement shall be the law of Ontario, Canada.

(ix) Notwithstanding the provisions of the UNCITRAL Arbitration Rules, the arbitral tribunal shall not be authorized to take any interim measures of protection or provide any pre-award relief against Global Affairs Canada.

10.8 **Waiver of Immunity**

To the extent that the Borrower may be entitled in any jurisdiction to claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Borrower or its assets or revenues, the Borrower agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction. Notwithstanding the foregoing, the Borrower does not waive any immunity in respect

of assets of the public domain as defined by the law of the Republic of Moldova (including assets of public use or public utility or property so assigned to the public domain by the law of the Republic of Moldova).

10.9 **Commercial Activity**

The Borrower agrees that this Agreement and the transactions contemplated herein constitute commercial activity within the meaning of Section 5 of the *State Immunity Act* (Canada).

10.10 **Judgment Currency**

The obligation of the Borrower under this Agreement to make payments in United States Dollars will not be discharged or satisfied by any payment or recovery, whether pursuant to any judgment, arbitral award or otherwise, expressed in or converted into any other currency except to the extent of the amount of United States Dollars that is actually received by Global Affairs Canada as a result of such payment or recovery. If, as a result of the conversion of any payment or recovery from another currency into United States Dollars, Global Affairs Canada receives less than the full amount of United States Dollars payable by the Borrower to Global Affairs Canada under this Agreement, the Borrower agrees to pay Global Affairs Canada, within three (3) Business Days of Global Affairs Canada's demand, such additional amount as may be necessary to ensure that the amount received by Global Affairs Canada is not less than the full amount of United States Dollars payable by the Borrower to Global Affairs Canada under this Agreement and such amount will be due as a separate debt and will not be affected by judgment or arbitral award being obtained for any other sums due under this Agreement.

10.11 **Disclosure**

The parties hereto agree and acknowledge that each may, to the extent it is required by its legislation, regulations and policies in effect, make a disclosure of this Agreement and the information contained herein, including the name of the Borrower, financial service provided and date of related agreement, a description of the transactions contemplated herein (including the purpose of the financing and any projects to be financed out of the proceeds of this Agreement) and the core financial terms of this Agreement (including the amount of Global Affairs Canada support, payment dates and the rate of interest).

10.12 **Severability of Provisions**

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of that prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of that provision in any other jurisdiction.

10.13 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, with respect thereto.

10.14 **Survival**

Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Clauses 5.2 (*Taxes*), 5.3 (*Other Indemnity*) and 10.3 (*Costs and Expenses*), will in each case survive any termination of this Agreement, the payment in full of all Loan Drawdowns and the termination of the Commitment.

10.15 **Use of English Language**

(a) The governing language of this Agreement is English. This Agreement has been negotiated and executed in the English language.

(b) All documents and communications given or delivered pursuant to this Agreement (including, without limitation, any amendments or supplements) will be in the English language or accompanied by an English translation thereof. The English language version of any such document will for purposes of this Agreement, and absent manifest error, determine the meaning of the matters set forth therein.

10.16 **Amendments**

(a) No amendment may be made to this Agreement unless expressly agreed in writing between the parties.

(b) An amendment to this Agreement shall be subject to approval by the Government of the Republic of Moldova, and shall not be subject to ratification by the Parliament of the Republic of Moldova if it results in an alteration that:

(i) does not increase the amount or duration of any financial obligation of the Borrower under this Agreement; and

(ii) does not expand the covenants on the Borrower set out in Clause 8 (*Covenants*).

(c) An amendment to this Agreement not falling under Clause 10.16(b) shall be subject to ratification by the Parliament of the Republic of Moldova.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

THE REPUBLIC OF MOLDOVA
ACTING THROUGH THE
MINISTRY OF FINANCE OF THE REPUBLIC OF MOLDOVA

By: .....
Name:
Title:

Date:

Digitally signed by Belous Victoria
Date: 2024.09.06 14:54:56 EEST
Reason: MoldSign Signature
Location: Moldova
MOLDOVA EUROPEANĂ

HIS MAJESTY THE KING IN RIGHT OF CANADA
AS REPRESENTED BY
THE MINISTER OF INTERNATIONAL DEVELOPMENT,
ACTING THROUGH THE
DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

By: .....
Name: Buchan, Gavin
Title:

Date:

Digitally signed by Buchan, Gavin
Date: 2024.09.06 09:57:50 +03'00'

Ambassador of Canada to the Republic of Moldova
Ambassadeur du Canada auprŁs de la RØpubliquede la Moldavie

SCHEDULE 1
DEFINITIONS

In this Agreement, the following terms will have the following meanings:

"**Annual Budget**" means the annual state budget for the Republic of Moldova.

"**Anti-Bribery and Corruption Laws**" means any law, regulation, order, decree or directive having the force of law and relating to anti-bribery, corruption, kickbacks or similar business practices, including the US Foreign and Corrupt Practices Act 1977.

"**Authorization**" means any consent, registration, filing, agreement, certificate, license, approval, permit, authority or exemption.

"**Availability Period**" means the First Availability Period and the Second Availability Period.

"**Borrowing**" means the borrowing by the Borrower of a Loan Drawdown.

"**Borrowing Date**" means the date that a Loan Drawdown is advanced to the Borrower hereunder.

"**Business Day**" means a day on which banks are open for business in both Ottawa, Canada and Chişinău, Republic of Moldova but does not in any event include a Saturday or a Sunday.

"**Canadian Dollars**" and "**CAD**" means the lawful currency of Canada.

"**Central Bank**" means the National Bank of Moldova.

"**Commitment**" means the obligation of Global Affairs Canada to make two Loan Drawdowns to the Borrower, in an aggregate principal amount equal to the USD equivalent of CAD 120,000,000.

"**Default**" means an event that, with notice or lapse of time, or both, would, unless cured, become an Event of Default.

"**Diplomatic Confirmation Letter**" has the meaning set forth in Clause 6.2 (*Conditions Precedent to Effectivity*).

"**DPO**" means the World Bank Development Policy Operation P181479 entitled "Moldova Supporting Growth and Resilience Development Policy Operation Project".

"**Environmental Laws**" means all requirements under any law, rule, regulation, order, or judgment, decree, license, agreement or other restriction in the Republic of Moldova relating to pollutions, contamination, or the treatment, disposal, storage, or discharge of hazardous materials or substances, or the protection of the environment.

"**Event of Default**" has the meaning set forth in Clause 9 (*Events of Default*).

"**External Indebtedness**" means all Indebtedness that is not (a) issued pursuant to agreements or evidenced by instruments that expressly submit the resolution of all disputes to the exclusive

jurisdiction of the courts of the Republic of Moldova or (b) governed by the law of the Republic of Moldova.

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2.1 (*Facility*).

"**Final Maturity Date**" means the date which is ten (10) years following the Effective Date.

"**First Availability Period**" means the period between 15 September 2024 and 20 December 2024.

"**First Loan Drawdown Repayment Date**" means the date which falls four (4) years after the Effective Date.

"**Governmental Authority**" means the government of any nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other authority exercising executive, legislative, judicial, monetary, taxing, regulatory or administrative functions of or pertaining to government, including any supra-natural bodies such as the European Union or European Central Bank.

"**Government Decision**" has the meaning set forth in Clause 6.1 (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*).

"**IBRD**" means the International Bank for Reconstruction and Development.

"**IMF**" means the International Monetary Fund.

"**Indebtedness**" means for any person (a) all indebtedness of or guaranteed by such person for or in connection with borrowed money, and (b) all obligations of or guaranteed by such person (other than those specified in (a)) evidenced by debt securities, debentures, notes or other similar instruments; *provided that* Indebtedness shall not include commercial agreements not having the commercial effect of a borrowing.

"**Initiation Fee**" means a non-refundable initiation fee in an amount equal to the USD equivalent of CAD 100,000 calculated pursuant to Clause 3.7 (*Initiation Fee*).

"**Interest Payment Date**" means the date which falls twelve (12) months after the Effective Date and each subsequent date falling twelve (12) months thereafter up until the Final Maturity Date, as specified in the Repayment Schedule, *provided that* if any such date is not a Business Day, the relevant Interest Payment Date will be the next occurring Business Day.

"**International Financial Assistance Act S.C. 2018, c. 27, s. 659**" means the Act of the Canadian Parliament passed to support the delivery of international financial assistance enacted by section 659 of chapter 27 of the Statutes of Canada, 2018, in force June 23, 2019, the most recently amended version of which can be viewed at https://laws-lois.justice.gc.ca/eng/acts/I-19.3.

"**Lien**" means any mortgage, lien, claim, pledge, hypothecation, encumbrance, charge or other security interest granted or arising by operation or law with respect to the assets of any person or any preferential arrangement that has the effect of security for any debt, liability or other obligations.

"**Loan Drawdown**" has the meaning given to that term in Clause 2.2 (*Borrowing*).

"**Loan Drawdown Date**" means the date of a Loan Drawdown (made in accordance with Clause 2.2 (*Borrowing*)).

"**Loan Drawdown Request**" means a notice substantially in the form set out in Exhibit A (*Loan Drawdown Request*) and satisfactory to Global Affairs Canada.

"**Material Adverse Effect**" means a material adverse change in or effect on (a) the political, economic or financial condition of the Borrower; (b) the ability of the Borrower to perform its payment or other obligations under this Agreement; (c) the legality, validity or enforceability of this Agreement; or (d) the rights and remedies available to Global Affairs Canada under the Loan Facility Agreement.

"**Ministerial Opinion**" has the meaning set forth in Clause 6.2 (*Conditions Precedent to Effectivity*).

"**Ministries**" means each ministry, or central government department headed by a minister or equivalent postholder, of the Borrower or the central government thereof.

"**OECD DAC**" means the Organisation for Economic Co-operation and Development's Development Assistance Committee.

"**Permitted Liens**" means:

(a) any Lien existing as of the date of this Agreement;

(b) any Lien arising by operation of law and in the ordinary course of business which is not the result of any default or omission by the Borrower and which has not been foreclosed or otherwise enforced against the assets to which it applies;

(c) any Lien existing on any property at the time of its acquisition;

(d) any Lien upon any property to secure External Indebtedness incurred for the purpose of financing the acquisition or construction of such property (or property which forms part of a class of assets of a similar nature where the Lien is by reference to the constituents of such class from time to time);

(e) any Lien arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Borrower in the ordinary course of its business arrangements on the supplier's standard or usual terms and not arising as a result of any default or omission by the Borrower;

(f) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of the Borrower;

(g) any Lien in favour of Global Affairs Canada; and

(h) any renewal or extension of any Lien described in the preceding paragraphs, *provided that* the principal amount of the External Indebtedness secured thereby is not increased.

"**Person**" means any individual, corporation, limited liability company, voluntary association, partnership, joint venture, trust or Governmental Authority or other entity.

"**Policy-Based Program**" means the program document dated 19 May 2024 entitled "Moldova - Supporting Growth and Resilience Development Policy Operation Project".

"**Post-Default Rate**" means, the rate per annum equal to the aggregate of 2% per annum and the rate of interest payable pursuant to sub-clause 3.2(a) (*Interest*).

"**Principal Payment Date**" means the First Loan Drawdown Repayment Date, and each subsequent date falling twelve (12) months thereafter up until the Final Maturity Date, as specified in the Repayment Schedule, *provided that* if any such date is not a Business Day, the relevant Principal Payment Date will be the next occurring Business Day.

"**Process Agent**" means the representative appointed by the Republic of Moldova to accept service of legal documents on behalf of the Republic of Moldova, which the Parties have agreed shall be the Embassy of the Republic of Moldova in Canada.

"**Prohibited Purposes**" means:

(a) any prohibition that the Borrower is also subject to under the Policy-Based Program in respect of the use of proceeds of the Policy-Based Program (which shall apply, mutatis mutandis, as a prohibition on the use of proceeds by the Borrower of the Loan Drawdowns); and

(b) any manner that is inconsistent with the purposes of the Official Development Assistance Accountability Act of Canada, which would be any use of proceeds of the Loan Drawdowns that:

(i) is inconsistent with a central focus on poverty reduction;

(ii) does not take into account the perspectives of the poor; and

(iii) is inconsistent with:

(A) the principles of the Paris Declaration on Aid Effectiveness of March 2, 2005;

(B) sustainable development and democracy promotion; and/or

(C) the promotion of international human rights standards.

"**Repayment Schedule**" means the Repayment Schedule delivered by Global Affairs Canada to the Borrower in accordance with Clause 2.2 (*Borrowing*) or Clause 3.5 (*Deferral of Payments*), prepared by Global Affairs Canada based on the pro forma schedule set out in Schedule 2 (*Repayment Schedule*).

"**Sanctions**" means economic or financial sanctions administered, enacted or enforced by any Sanctions Authority including without limitation, any restriction on Global Affairs Canada's, or other organs' or agencies' of Canada, ability to conduct business with any Person in any country relevant to the transaction, pursuant to all applicable Canadian laws regarding

sanctions and export controls (all such applicable laws currently in effect, all such new applicable laws in effect in the future or each as amended from time to time), such as the *United Nations Act, Special Economic Measures Act, Export and Import Permits Act, Freezing Assets of Foreign Corrupt Officials Act, Criminal Code, Defense Production Act, Proceeds of Crime (Money Laundering) and Terrorist Financing Act, Anti-Terrorism Act,* or any other similar Canadian statute or regulation, or as listed at https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng.

"**Sanctions Authority**" means (a) Canada; (b) the United Nations; (c) the United States or (d) the Republic of Moldova or the respective governmental institutions, agencies and subdivisions of any of the foregoing.

"**Second Availability Period**" means the period between 15 April 2025 and 15 July 2025.

"**Second Loan Drawdown Repayment Date**" means the date which falls five (5) years after the Effective Date.

"**Senior Official**" means any minister, deputy minister, or state secretary of any Ministry of the Republic of Moldova.

"**Signature Date**" means the date of the last signature on the signature page.

"**State Immunity Act R.S.C., 1985, c. S-18**" means the Act of the Canadian Parliament passed to provide for state immunity in Canadian courts, enacted by chapter S-18 of the Revised Statutes of Canada, 1985, in force from June 24, 1985 the most recently amended version of which can be viewed at https://laws-lois.justice.gc.ca/eng/acts/S-18/page-1.html.

"**Taxes**" means all present or future taxes, levies, duties, deductions, withholdings, assessments, fees and other charges imposed by any Governmental Authority (other than any Taxes imposed by any Governmental Authority in Canada if such Taxes are imposed or measured by reference to the net income of Global Affairs Canada), including income taxes, sales or value-added taxes, goods and services taxes, stamp taxes and royalties together with any fines, penalties and interest applicable thereto.

"**United States Dollars**" and "**USD**" means the lawful currency of the United States of America.

SCHEDULE 2
REPAYMENT SCHEDULE[3]

Principal Payment Date (months from Signature Date)	Principal Payment Amount (USD)	Outstanding Principal Amount (USD)	Interest Payment Date (months from Signature Date)	Interest Payment Amount (USD)	Principal Payment and Interest Payment Totals (USD)

[3] All numbers are indicative and subject to confirmation.

SCHEDULE 3
DIPLOMATIC CONFIRMATION LETTER

EXHIBIT A
LOAN DRAWDOWN REQUEST

[*Date*]

Department of Foreign Affairs, Trade and Development
125 Sussex Drive
Ottawa, Canada K1A 0G2

Attention: Innovative Finance Bureau

Re: Term loan facility agreement dated as of [•] 2024 between The Republic of Moldova, acting through the Ministry of Finance of the Republic of Moldova and His Majesty in right of Canada as represented by the Minister of International Development acting through the Department of Foreign Affairs, Trade and Development

Global Affairs Canada Loan Drawdown Request

1. This Loan Drawdown Request is delivered to you pursuant to Clauses 2.2 (*Borrowing*) and 6 (*Conditions Precedent*) of the loan agreement dated as of [•] 2024 entered into between yourselves and ourselves (the "**Agreement**"). All defined terms set forth in this Loan Drawdown Request will have the respective meanings set forth in the Agreement.

2. We request Loan Drawdowns as follows:

   (a) [Proposed first Loan Drawdown Borrowing Date: [•]

   (b) Amount of first Loan Drawdown: USD [•]

   (c) Proposed second Loan Drawdown Borrowing Date: [•]

   (d) Amount of second Loan Drawdown: CAD [•]

   (e) Beneficiary/Location/Account Number for deposit: [•]]

3. All of the representations and warranties contained in Clause 7 *(Representations and Warranties)* of the Agreement are true and correct on and as of the date hereof as though made on and as of the date hereof.

4. All of the covenants contained in Clause 8 (*Covenants*) of the Agreement have been performed, and all of the other conditions precedent to the Loan Drawdown requested hereby and all other terms and conditions contained in the Agreement to be complied with by the Borrower have been fully met.

5. No event or circumstance has occurred (or will occur as a result of the Loan Drawdown being requested) which has resulted in, or would reasonably be expected to result in, a Material Adverse Effect since the date of the last financial information of the Borrower delivered to Global Affairs Canada.

6. No Default has occurred and is continuing, nor will any Default occur as a result of the Loan Drawdown being requested.

7. All items delivered or referred to in connection with Clauses 6.1 (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*), 6.2 (*Conditions Precedent to Effectivity*) and 6.3(a) (*Authorizations and Consents*) of the Agreement remain valid and in full force and effect.

Dated this _____ day of ____.

THE REPUBLIC OF MOLDOVA, ACTING THROUGH THE MINISTRY OF FINANCE OF MOLDOVA

By: .....
Name:
Title:

EXHIBIT B
SECOND LOAN DRAWDOWN CERTIFICATE

[*Date*]

Department of Foreign Affairs, Trade and Development
125 Sussex Drive
Ottawa, Canada K1A 0G2

Attention: Innovative Finance Bureau

Re: Term loan facility agreement dated as of [•] 2024 between The Republic of Moldova, acting through the Ministry of Finance of the Republic of Moldova and His Majesty in right of Canada as represented by the Minister of International Development acting through the Department of Foreign Affairs, Trade and Development

Second Loan Drawdown Certificate

1. This certificate (the "**Second Loan Drawdown Certificate**") is delivered to you pursuant to Clause 6.4(f) (*Borrower Second Loan Drawdown Certificate*) of the loan agreement dated as of [•] 2024 entered into between yourselves and ourselves (the "**Agreement**"). All defined terms set forth in this second Loan Drawdown will have the respective meanings set forth in the Agreement.

2. We refer to the Loan Drawdown Request dated [•], pursuant to which we requested two Loan Drawdowns. This Second Loan Drawdown Certificate is being delivered as a conditions precedent to the proposed second Loan Drawdown.

3. All of the representations and warranties contained in Clause 7 *(Representations and Warranties)* of the Agreement are true and correct on and as of the date hereof as though made on and as of the date hereof.

4. All of the covenants contained in Clause 8 (*Covenants*) of the Agreement have been performed, and all of the other conditions precedent to the second Loan Drawdown and all other terms and conditions contained in the Agreement to be complied with by the Borrower have been fully met.

5. No event or circumstance has occurred (or will occur as a result of the second Loan Drawdown being requested) which has resulted in, or would reasonably be expected to result in, a Material Adverse Effect since the date of the last financial information of the Borrower delivered to Global Affairs Canada.

6. No Default has occurred and is continuing, nor will any Default occur as a result of the second Loan Drawdown being requested.

7. All items delivered or referred to in connection with Clauses 6.1 (*Initial Conditions Precedent to be satisfied on or prior to the Signature Date*), 6.2 (*Conditions Precedent to*

Effectivity) and 6.3(a) (*Authorizations and Consents*) of the Agreement remain valid and in full force and effect.

Dated this _____ day of ____.

THE REPUBLIC OF MOLDOVA, ACTING THROUGH THE MINISTRY OF FINANCE OF MOLDOVA

By: .....
Name:
Title:

EXHIBIT C
CONFIRMATION OF BORROWER'S ELIGIBILITY LETTER

[*Letterhead of the Ministry of Finance of the Republic of Moldova*]

To: Sovereign Loans Program
Global Affairs Canada
125 Sussex Drive
Ottawa, Ontario K1A 0G2
Canada

[•] 2024

Dear Sir or Madam:

Re: CAD 120,000,000 Term Loan Facility Agreement for the Republic of Moldova

Reference is made to the Facility Agreement dated as of [•] 2024 (the "**Facility Agreement**") among the Republic of Moldova, acting through the Minister of Finance of the Republic of Moldova as borrower (the "**Borrower**") and His Majesty the King in Right of Canada, as represented by the Minister of International Development acting through the Department of Foreign Affairs, Trade and Development acting as lender (the "**Lender**"). Capitalized terms used but not defined herein shall have the meanings ascribed to thereto in the Facility Agreement.

The undersigned, [*name*], certifies that [s]he is the [Minister of Finance] of the Republic of Moldova, and that, as such, is authorised to deliver this letter pursuant to clause 6.1(b) of the Facility Agreement in the name and on behalf of the Borrower, and further certifies:

1. that the Republic of Moldova is a country included in the Organisation for Economic Co-operation and Development's Development Assistance Committee List;

2. that the Republic of Moldova is a borrowing member of the International Bank for Reconstruction and Development of the World Bank Group; and

3. the completion of all policy prior actions under the World Bank Development Policy Operation P181479 entitled "Moldova Supporting Growth and Resilience Development Policy Operation Project ".

IN WITNESS WHEREOF, the undersigned has executed this certificate on the date first above written.

By:

[Name]

[Minister of Finance]