Grant Agreement

dated 07.03.2025

between

KfW, Frankfurt am Main

("**KfW**")

and

Republic of Moldova

Represented by the Ministry of Finance

(the "**Recipient**")

for

EUR 33,000,000.00

- Promotion of Energy Security of Vulnerable Groups in the Republic of Moldova (Sector Budget Funding) - Phase II -

BMZ-No. 2025 67 014

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On the basis of the verbal note No. Wz-1-440.00 NW FZ 2022 issued on November 14, 2022 by the Federal Republic of Germany to the Republic of Moldova, the Note No. DI/2/290 issued on November 16, 2022 by the Ministry of Foreign Affairs and European Integration of the Republic of Moldova to the Federal Republic of Germany, and the verbal note No. Wz-1-440.00 NW FZ 2025 issued on February 7, 2025 by the Federal Republic of Germany to the Republic of Moldova the Recipient and KfW hereby enter into the following grant agreement (the "**Agreement**"):

1. Amount and Purpose of the Grant

1.1 KfW shall extend to the Recipient a grant not exceeding

EUR 33,000,000.00 (in words: thirty three million Euros)

(the "**Grant**").

This Grant shall not be repayable unless otherwise stipulated in Article 3.2.

1.2 The Grant shall be made available to the budget of the Recipient to finance government measures targeted at enhancing energy affordability for vulnerable households (the "**Programme**"). The Recipient and KfW shall determine the details of the Programme by a separate agreement (the "**Separate Agreement**").

2. Disbursement

2.1 KfW shall disburse the Grant in one single disbursement in full to the Recipient without undue delay after signing of this Agreement and the Separate Agreement. By the Separate Agreement, the Recipient and KfW shall determine the disbursement conditions and procedures. The Grant shall be disbursed to the following bank account, held by the Recipient:

Account holder name: Ministry of Finance of the Republic of Moldova- State Treasury

Bank Account:	326159784
IBAN:	MD25NBPBBC132111A01344PX
Beneficiary Bank:	National Bank of Moldova
SWIFT BIC:	NBMDMD2X
Correspondent bank:	De Nederlandsche Bank N.V., Amsterdam
IBAN:	NL90FLOR0600126226
Swift Bic:	FLORNL2ACAC

This duly signed Agreement and the corresponding Separate Agreement are deemed to be a request for disbursement.

It is the obligation of the Recipient to supply KfW with complete and correct bank details for disbursements in EUR including correspondent bank details if relevant. KfW shall not be liable for any damage, loss, costs or liability caused by failed bank transfers including, without limitation, if the amount requested by the Recipient cannot be credited to the bank account specified above in the currency foreseen unless such damage, loss, costs or liability was caused by KfW's gross negligence or willful misconduct.

If KfW determines that the information provided above is incomplete or incorrect, KfW is, without incurring any liability (other than in the case of KfW's gross negligence or willful misconduct), entitled to complete or replace the bank account details by using publicly available information (such as Bank Check for determining the correspondent bank).

KfW shall not be liable for delays caused by transferring banking institutions in the disbursement or remittance of any payments by KfW. If, however, KfW is responsible for any delay, its liability will, other than in cases of gross negligence or willful misconduct, be limited to the payment of interest accrued.

2.2 KfW shall have the right to refuse to make disbursements after 31.12.2025.

3. Suspension of Disbursement and Repayment

3.1 KfW may not suspend disbursements unless

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a) the Recipient fails to perform its obligations to KfW to make payments when due,

b) obligations under this Agreement or under separate agreements pertinent to this Agreement have been violated,

c) the Recipient is unable to prove that the budget including the disbursed amounts has been used to implement the Programme as stipulated herein and in the Separate Agreement, or

d) the fulfilment of KfW's obligations under this Agreement violates applicable law, or

e) extraordinary circumstances arise that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Programme as stipulated herein and in the Separate Agreement., or

3.2 If any of the situations specified in Article 3.1 b), c) or d) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days, KfW may,

a) in the case of Article 3.1 b) or d) demand the immediate repayment of all disbursed amounts;

b) in the case of Article 3.1 c) demand the immediate repayment of the entire or parts of the disbursed amount if the Recipient is unable to prove that the budget including the disbursed amounts has been used to implement the Programme.

4. Costs and Public Charges

The Recipient shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement, as well as all transfer and conversion costs accruing in connection with the disbursement of the Grant.

5. Contractual Statements and Power of Representation

5.1 The Minister of Finance of Moldova and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her shall represent the Recipient in the execution of this Agreement. The power of representation shall not expire until its express revocation by the representative of the Recipient authorised at the time has been received by KfW.

5.2 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

For KfW:

KfW
Postfach 11 11 41
60046 Frankfurt am Main
Federal Republic of Germany
Fax: +49 69 7431-2944

For the Recipient:

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

6. The Programme

6.1 The Recipient shall

a) implement the Programme in line with its relevant legislation and regulations;

b) ensure that the contracts for the supplies and services to be financed from the budget including the Grant are awarded in accordance with the procurement guidelines of the Recipient;

c) introduce the Grant into the national budget, make payments from the budget and keep the budgetary books and records in accordance with the national laws and provisions and in accordance with the requirements set forth in this Agreement or the Separate Agreement pertaining thereto;

d) furnish KfW with any and all such information and reports on the Programme and its further progress as agreed upon in this Agreement or the Separate Agreement pertaining thereto;

e) of its own accord promptly inform KfW of any and all circumstances that preclude or seriously jeopardize the implementation or the purpose of the

Programme.The Recipient and KfW shall determine the details pertinent to Article 6.1 by the Separate Agreement.

7. Publication and Transfer of Programme-related Information

7.1 To comply with internationally accepted principles of utmost transparency and efficiency in the development cooperation, KfW publishes selected information (including results of environmental and social categorization and assessment as well as ex post evaluation reports) about the Programme and its financing during pre-contractual negotiations, while the Programme-related agreement(s) is (are) being implemented and in the post-contractual stage (hereinafter referred to as the **"Entire Period"**).

The information is published regularly on KfW´s website for its business area "KfW Development Bank" (http://transparenz.kfw-entwicklungsbank.de/).

The publication of information (either by KfW or third parties in accordance with Article 7.3 below) about the Programme and its financing does not include any contractual documentation or any sensitive financial or business-related detailed information about the parties involved in the Programme or its financing, such as

a) information about internal financial data;

b) business strategies;

c) internal corporate guidelines and reports;

d) personal data of natural persons;

e) KfW's internal rating of the parties' financial position.

7.2 KfW shares selected information about the Programme and its financing during the Entire Period with the entities mentioned below, particularly to ensure transparency and efficiency:

a) subsidiaries of KfW;

b) the Federal Republic of Germany and its competent bodies, authorities, institutions, agencies or entities;

c) other implementing organisations involved in German bilateral development cooperation, particularly the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH;

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d) international organisations involved in collecting statistical data and their members, especially the Organisation for Economic Cooperation and Development (OECD) and its members.

7.3 Furthermore, the Federal Republic of Germany has requested, KfW to share selected information about the Programme and its financing throughout the Entire Period with the following entities, which publish the sections relevant to the purpose:

a) Federal Republic of Germany for the purposes of the International Aid Transparency Initiative (https://www.bmz.de/de/ministerium/zahlen-fakten/internationale-transparenzstandards-59280);

b) Germany Trade & Invest (GTAI) for the purposes of market information (https://www.gtai.de/gtai-de/trade);

c) OECD for the purpose of reporting financial flows in the framework of development cooperation (https://data-explorer.oecd.org/);

d) German Institute for Development Evaluation (DEval) for the purposes of evaluating the overall German development cooperation to ensure transparency and efficiency (http://www.deval.org/de/).

7.4 KfW further reserves the right to transfer (including for the purposes of publication) information about the Programme and how it is financed during the Entire Period to other third parties so as to safeguard legitimate interests.

The information is not transferred by KfW to other third parties if the legitimate interests of the Recipient in the information not being transferred outweigh KfW's interests in it being transferred. The legitimate interests of the Recipient particularly include the confidentiality of the sensitive information mentioned in Article 7.1, which is excluded from publication.

Furthermore, KfW is entitled to transfer information to third parties if this is necessary due to statutory or regulatory requirements or to assert or defend claims or other legal rights in court or administrative proceedings.

8. Miscellaneous Provisions

8.1 The Recipient undertakes to comply at all times with the obligations set out in the Annex (*Compliance Covenants Recipient*).

8.2 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting therefrom shall be filled by a provision consistent with the purpose of this Agreement.

8.3 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.

8.4 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

8.5 The legal relations established by this Agreement between KfW and the Recipient shall terminate with the end of the useful life of the Programme, but not later than 15 years after the signing of this Agreement.

Done in 2 originals in the English language.

Frankfurt am Main, [date] 07.03.2025

KfW

[signature]

Name: Jens Hagen
Title: Head of Division

V. Vitkin
[signature]

Name: Vera Vitkin
Title: Portfolio Manager

Chișinău 06.03.2025
[place, date]

Republic of Moldova

Represented by the Ministry of Finance

[signature]

Name: Victoria Belous
Title: Minister

Annex

Compliance Covenants Recipient

Annex

Compliance Covenants Recipient

1. DEFINITIONS

Coercive Practice: the impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of the person with a view to influence improperly the actions of a person.

Collusive Practice: an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.

Corrupt Practice: the promising, offering, giving, making, insisting on, receiving, accepting or soliciting, directly or indirectly, of any illegal payment or undue advantage of any nature, to or by any person, with the intention of influencing the actions of any person or causing any person to refrain from any action.

Fraudulent Practice: any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.

EU List: EU list of non-cooperative tax jurisdictions as defined and updated from time to time by the EU Commission including the associated Annex I and Annex II (for further details please see https://www.consilium.europa.eu/de/policies/eu-list-of-non-cooperative-jurisdictions). Annex I includes jurisdictions that are classified as non-cooperative and Annex II includes further jurisdictions ('Annex II Jurisdictions' or 'Committed Jurisdictions') that have taken sufficient commitments to address their identified deficiencies and as such have not been considered as non-cooperative for the time being.

Obstructive Practice: (i) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or the making of false statements to investigators, in order to materially impede an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice, or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) any act intended to materially impede the exercise of KfW's access to contractually required information in connection with an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice.

Person: any natural person, legal entity, partnership or unincorporated association.

Sanctionable Practice: any Coercive Practice, Collusive Practice, Corrupt Practice, Fraudulent Practice or Obstructive Practice (as such terms are defined herein), which (i) is

unlawful under German or other applicable law, and (ii) which has, or potentially could have, a material legal or reputational effect on this Agreement between the Recipient and KfW or its implementation.

Sanctions: the economic, financial or trade (including goods, technologies or services and financial assistance in connection therewith) sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctioning Body

Sanctioning Body: any of the United Nations Security Council, the European Union and the Federal Republic of Germany.

Sanctions List: any list of specially designated persons, groups or entities which are subject to Sanctions, as issued by any Sanctioning Body.

Tax Avoidance Practice: any act of taking advantage of the technicalities of a tax system and/or jurisdiction or of mismatches between two or more tax systems and/or jurisdictions without any sound business reasons except for the sole purpose of reducing tax liability.

2. INFORMATION UNDERTAKING

The Recipient shall

a) promptly make available to KfW on demand all relevant "know your customer" or similar information about the Recipient as KfW may request;

b) promptly furnish to KfW on demand all Programme-related information and documents of the and its (sub)contracting and other related parties which KfW requires to fulfil its obligations to prevent any Sanctionable Practice, money laundering and/or terrorism financing as well as for the continuous monitoring of the business relationship with the Recipient which is necessary for this purpose;

c) inform KfW, promptly and of its own accord, as soon as it becomes aware of or suspects any Sanctionable Practice, act of money laundering and/or terrorism financing related to the Programme;

d) furnish to KfW any and all such information and reports on the Programme and its further progress as KfW may request for the purposes of this Annex;

e) enable KfW and its agents at any time to inspect all other Programme-related documentation of the Recipient and its (sub)contracting and other related parties, and to visit the Programme and all installations related thereto for the purposes of this Annex;

f) inform KfW, promptly and of its own accord, in case the intends to allocate funds provided by KfW to (sub)contracting and / or other related parties, which are located and/or registered in any country listed in non cooperative jurisdictions as of EU List Annex I; and

g) inform KfW, promptly and of its own accord, as soon as it becomes aware of or suspects any Tax Avoidance Practice related to the Programme.

3. REPRESENTATION AND WARRANTY

3.1 With regard to German law or the law of the country of the Recipient, the Recipient represents and warrants that none of the Persons acting in relation to the Programme on the Recipient's behalf has committed or is engaged in any Sanctionable Practice, money laundering ,financing of terrorism or any Tax Avoidance Practice.

3.2 The representation and warranties set forth in this Article is made for the first time by execution of this Agreement. They will be deemed to be repeated upon each drawing of the Grant (if any) and at any time the Grant or any part thereof is used, in each case by reference to the circumstances prevailing at that date.

4. POSITIVE UNDERTAKINGS

The Recipient undertakes, as soon as the Recipient or KfW becomes aware of or suspects any Sanctionable Practice, act of money laundering, financing of terrorism or any Tax Avoidance Practice, to fully cooperate with KfW and its agents, in determining whether such compliance incident has occurred. In particular, the Recipient shall respond promptly and in reasonable detail to any notice from KfW and shall furnish documentary support for such response upon KfW's request.

5. NEGATIVE UNDERTAKINGS

The Recipient undertakes

a) to ensure that in relation to the Programme its activities will not give rise to any Sanctionable Practice, money laundering or financing of terrorism;

b) not to enter into any transactions or engage directly or indirectly in any other activities in relation to the Programme that would constitute a breach of Sanctions; and

c) not to allocate funds provided by KfW to any Person located and/or registered in any jurisdiction maintained in Annex I of the EU List without prior consent of KfW and will not engage in any other activity that would constitute a Tax Avoidance Practice.