

AFD AGREEMENT No. CEC 1067 01 D

CREDIT FACILITY AGREEMENT

dated as of August 12th, 2024

between

AGENCE FRANÇAISE DE DEVELOPPEMENT

the Lender

and

CORPORACION NACIONAL DE FINANZAS POPULARES Y SOLIDARIAS

the Borrower



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CREDIT FACILITY AGREEMENT

BETWEEN:

- (1) **CORPORACION NACIONAL DE FINANZAS POPULARES Y SOLIDARIAS**, a public financial institution incorporated under the laws of Ecuador whose registered office is at Plataforma Gubernamental de Gestión Financiera, Piso 4 Av. Amazonas, 170102, Quito Ecuador, registered under number RUC 1768168480001, and represented by Tatiana WITT, in her capacity as General Manager duly authorised to sign this Agreement,

(“CONAFIPS” or the “Borrower”);

AND

- (2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity (*établissement public*) governed by French law with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Jean-Philippe BERTHELEMY, in his capacity as Deputy Director for Ecuador, who is duly authorised to sign this Agreement,

(“AFD” or the “Lender”);

(hereinafter jointly referred to as the “Parties” and each a “Party”);

WHEREAS:

- (A) The Borrower intends to provide Eligible Loans in order to fund Eligible Investments to be implemented by Final Beneficiaries as further described in Schedule 2 (*Project Description*) (the “Project”).
- (B) The Borrower has requested that the Lender makes available a facility for the purpose(s) of financing fully the Project.
- (C) The Republic of Ecuador, represented by its Ministry of Economy and Finance, has agreed to enter into the Guarantee Agreement which template is set out in Schedule 133 of this Agreement as Guarantor for the purpose of providing a personal and several guarantee to the Lender as Beneficiary thereunder, for the Borrower’s payment obligations and certain other obligations under this Agreement, in accordance with Articles 2288 and seq. of the French Civil Code and as detailed more fully therein.
- (D) Pursuant to a resolution No. C20231075 of its Foreign States Committee dated 22 November 2023, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.

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IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1 (*Definitions*), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*), unless the contrary intention appears.

2. FACILITY, PURPOSE AND CONDITIONS OF UTILIZATION

2.1 Facility

Subject to the terms of the Financing Documents, the Lender makes available to the Borrower a Facility in a maximum amount of thirty million US Dollars (USD 30,000,000).

2.2 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility exclusively towards financing the Project, in accordance with the Project's description as set out in Schedule 2 (*Project Description*) and Technical Assistance programme.

2.3 Monitoring

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

2.4 Conditions Precedent

(a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 (*Conditions Precedent*).

(b) A Drawdown Request may not be delivered to the Lender unless:

(i) in the case of the first Drawdown, the Lender has received all of the documents as listed in Part II of Schedule 4 (*Conditions Precedent*) in form and substance satisfactory to the Lender and has notified the Borrower upon being so satisfied;

(ii) in the case of any subsequent Drawdown, the Lender has received all of the documents set out in Part III of Schedule 4 (*Conditions Precedent*) in form and substance satisfactory to the Lender and has notified the Borrower upon being so satisfied; and

(iii) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in the Financing Documents have been fulfilled, including:

1) no Event of Default is continuing or would result from the proposed Drawdown;

- 2) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (*Drawdown Request*);
- 3) each representation given by the Borrower in relation to Clause 10 (*Representations and warranties*) is true; and
- 4) the Borrower is up-to-date with all its payment obligations, including fees and commission due under the Agreement.

3. DRAWDOWN OF FUNDS

3.1 Drawdown Amounts

The Facility will be made available to the Borrower during the Availability Period, in minimum two (2) Drawdowns, provided that the number of Drawdowns does not exceed five (5).

The amount of the proposed Drawdown shall be of:

- a minimum of five million US Dollars (USD 5,000,000) or an amount equal to the Available Facility if such amount is less than five million US Dollars (USD 5,000,000); and
- a maximum of fifteen million US Dollars (USD 15,000,000).

The amount of the first Drawdown relative to components 1 and 2 as described in Schedule 2 (*Project Description*) shall be of a maximum of five million US Dollars (USD 5,000,000).


3.2 Drawdown Request

Subject to compliance with the terms of the Financing Documents and in particular Clause 2.4 (*Conditions Precedent*) are satisfied, the Borrower may draw on the Facility by delivering to the Lender a duly completed Drawdown Request. Each Drawdown Request shall be delivered by the Borrower to the AFD Agency Director at the address specified in Clause 16.1 (*Notices*).

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

- (a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*),
- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown of Funds;
- (c) the Drawdown Date is a Business Day falling within the Availability Period;
- (d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown Amounts*); and
- (e) all of the documents set out in Schedule 4 (*Conditions Precedent*) are attached to the Drawdown Request, and are in form and substance satisfactory to the Lender.

3.3 Payment Completion


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Subject to the provisions of Clause 14.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause 2.4(b) (*Conditions Precedent*) and 3.2 (*Drawdown Request*) of this Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.

The Lender shall provide the Borrower with a letter of confirmation of Drawdown substantially in the form set out in Schedule 5B (*Form of Drawdown and Rate Confirmation Letter*) as soon as possible.

3.4 Deadline for the first Drawdown

The first Drawdown shall occur at the latest on the Deadline for the First Drawdown.

In case the first Drawdown does not occur before the above-mentioned deadline, the Lender shall be entitled to cancel the Facility in accordance with Clause 8.4 (*Cancellation by the Lender*), except where the Lender and the Borrower have agreed to postpone the Deadline for the First Drawdown on the basis of new financial conditions which will apply to any Drawdown under the Facility and which shall be formalized in writing between the Parties.

3.5 Deadline for Drawdown of Funds

The full drawdown of the Facility shall occur at the latest on the Deadline for Drawdown of Funds.

In case the Facility is not drawn entirely before the above-mentioned deadline, the Lender shall be entitled to cancel the Available Facility in accordance with Clause 8.4 (*Cancellation by the Lender*), except where the Lender and the Borrower have agreed to postpone the Deadline for Drawdown of Funds on the basis of new financial conditions and which shall be formalized in writing between the Parties.

4. **INTEREST**

4.1 Interest Rate

4.1.1 Selection of Interest Rate

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

(a) Floating Interest Rate

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

- six-month Term SOFR as determined on the relevant Quotation Day, or, as applicable, the Replacement Benchmark plus any Replacement Benchmark Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of Interest*) of the Agreement; and
- the Margin.

Notwithstanding the above, for each Drawdown and in the case where the first Interest Period is less than one hundred and thirty-five (135) days, the applicable reference rate shall be:

- one-month Term SOFR as determined on the relevant Quotation Day, or, as applicable, the Replacement Benchmark plus any Replacement Benchmark Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of Interest*) of the Agreement, if the first Interest Period is less than sixty (60) days; or
- three-month Term SOFR as determined on the relevant Quotation Day, or, as applicable, the Replacement Benchmark plus any Replacement Benchmark Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of Interest*) of the Agreement if the first Interest Period is between sixty (60) days and one hundred and thirty-five (135) days.

(b) Fixed Interest Rate

Provided that the amount of a requested Drawdown is equal to or greater than five million US Dollars (USD 5,000,000), the Borrower may select a fixed Interest Rate for such requested Drawdown. The fixed Interest Rate shall be the Fixed Reference Rate for the relevant Drawdown calculated on the Rate Setting Date, plus the Margin.

The Borrower may specify a maximum amount for the fixed Interest Rate in respect of the relevant Drawdown in the Drawdown Request. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for the fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request shall be cancelled and the amount of the requested Drawdown specified in the cancelled Drawdown Request shall be credited to the Available Facility.

4.1.2 Minimum Interest Rate

The Interest Rate determined in accordance with Clause 4.1.1 (*Selection of Interest Rate*), regardless of the elected option, shall not be less than zero point twenty-five per cent (0.25%) per annum, notwithstanding any decline in the interest rates.

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

(a) Rate Conversion upon the Borrower's Request

The Borrower may request at any time that the Lender converts the floating Interest Rate applicable to a Drawdown or several Drawdowns to a fixed Interest Rate, provided that the amount of such Drawdown or aggregate amount of Drawdowns, as the case may be, is equal to or higher than five million US Dollars (USD 5,000,000).

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

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

(b) Rate Conversion Mechanics

The fixed Interest Rate applicable to the relevant Drawdown(s) shall be determined in accordance with Clause 5.1(a) above on the Rate Setting Date referred to in subparagraph (i) above. The Lender shall promptly send to the Borrower a letter of confirmation of Rate Conversion substantially in the form set out in Schedule 5D (*Form of Rate Conversion Confirmation*).

A Rate Conversion is final and at no costs.

4.2 Calculation and Payment of Interest

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

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

- (a) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;
- (b) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and
- (c) the applicable Interest Rate determined in accordance with the provisions of Clause 4.1 (*Interest Rate*).

4.3 Late Payment and Default Interest

4.3.1 Late payment and default interest on all amounts due and unpaid (except for interest)


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

4.3.2 Late Payment and Default Interest on unpaid overdue interest

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

The Borrower shall pay any outstanding interest under this Clause 4.3 (*Late Payment and Default Interest*) immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

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


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4.4 Communication of Interest Rates

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

4.5 Effective Global Rate (*taux effectif global*)

In order to comply with Articles L. 314-1 to L.314-5 and R.314-1 *et seq.* of the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, and the Borrower accepts, that the effective global rate (*taux effectif global*) applicable to the Facility may be valued at an annual rate of five point thirty three per cent per year (5,33%) on the basis of a three hundred and sixty-five (365) day year, and an Interest Period of six (6) months, at a period rate of two point sixty three per cent (2,63%), subject to the following:

- (a) the above rates are given for information purposes only;
- (b) the above rates are calculated on the basis that:
 - (i) drawdown of the Facility in full at fixed rate on the Signing Date; and
 - (ii) the fixed rate for the duration of the facility should be equal to five point eleven per cent (5.11%) per annum;
- (c) the above rate takes into account the commissions and costs payable by the Borrower under this Agreement, assuming that such commissions and costs will remain fixed and will apply until the expiry of the term of this Agreement.

These rates have been calculated at the dates indicated above, on the basis of the assumptions listed therewith and will not bind, for the future, the parties to this Agreement.

5. CHANGE TO THE CALCULATION OF INTEREST

5.1 Impossibility to fix the fixed Interest Rate on a Rate Setting Date

If, in respect of a fixed Interest Rate or the conversion from a floating Interest Rate to a fixed Interest Rate, the curve of reference rates or, following the replacement of Term SOFR by a Replacement Benchmark, the curve of that Replacement Benchmark forward rates, is not available on the relevant Rate Setting Date and it is impossible to determine the fixed Interest Rate applicable to a Drawdown or resulting from the conversion, the Lender shall inform the Borrower and offer the Borrower either to:

- (a) postpone the Rate Setting Date and, as the case may be, the Drawdown Date or conversion date; or
- (b) confirm that the fixed Interest Rate shall be determined by the Lender on the original Rate Setting Date, in which case the fixed Interest Rate will be determined by the Lender as the sum of:
 - (i) the Margin; and
 - (ii) the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdown from whatever source it may reasonably select,

which rate shall be notified to the Borrower as soon as possible, and in any event prior to the first (or, in the case of a conversion, the following) Payment Date under such Drawdown.

5.2 Unavailability of Screen Rate on a Quotation Day and temporary replacement of Screen Rate

If, in respect of a floating Interest Rate, Term SOFR is not available at close of business in Paris on the relevant Quotation Day or, following the replacement of Term SOFR by a Replacement Benchmark that is a term rate, the Replacement Benchmark is not available at close of business in Paris on the relevant Quotation Day, and it is impossible to determine the applicable Term SOFR (or, as applicable, Replacement Benchmark) for the relevant Interest Period, the Lender shall inform the Borrower.

The applicable Interest Rate for the relevant Interest Period will be the Sum of (1) the Margin and (2):

- (a) the most recent Term SOFR or, following the replacement of Term SOFR by a Replacement Benchmark that is a term rate, the Replacement Benchmark, as published for a period equal in length to the Interest Period on a day not more than five (5) US Government Securities Business Days prior to the Quotation Day;
- (b) if there was no publication of Term SOFR or, as applicable, the relevant Replacement Benchmark during the five (5) US Government Securities Business Days preceding the Quotation Day, the percentage rate per annum which is the aggregate of:
 - (i) the US Fed Rate; and
 - (ii) the applicable US Fed Rate Adjustment, rounded to five (5) decimal places, with 0.00005 being rounded upwards decimal places; or
- (c) if there was no publication of the US Fed Rate on the corresponding Quotation Day, the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdown from whatever source it may reasonably select, which rate shall be notified to the Borrower as soon as possible, and in any event prior to the following Payment Date under such Drawdown.

5.3 Permanent Replacement of Screen Rate

5.3.1 Definitions

“EU Benchmark Regulations” means EU Regulation 2016/1011, as supplemented by EU Regulation 2019/2089 of 27 November 2019 and EU Regulation 2021/168 of 10 February 2021.

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

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


- (a) the definition, methodology, formula or means of determining the Screen Rate has materially changed;
- (b) a law or regulation is enacted which prohibits the use of the Screen Rate, it being specified, for the avoidance of doubt, that the occurrence of this event shall not constitute a mandatory prepayment event;
- (c) the administrator of the Screen Rate or its supervisor publicly announces:

- (i) that it has ceased or will cease to provide the Screen Rate permanently or indefinitely, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;
 - (ii) that the Screen Rate has ceased or will cease to be published permanently or indefinitely; or
 - (iii) that the Screen Rate may no longer be used (whether now or in the future);
- the supervisor or the administrator of that Screen Rate publicly announces (iv) that the relevant Screen Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market or the economic reality that it is intended to measure and that such representativeness will not be restored (and such official statement expresses awareness that any such announcement or publication will engage certain contractual triggers that are activated by pre-cessation or cessation announcements or publications);
 - a public announcement is made about the bankruptcy of the administrator of that Screen Rate (v) or any other insolvency proceedings against it, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;
 - in the opinion of the Lender (vi), the Screen Rate has ceased to be used in a series of comparable financing transactions; or
 - in relation to Term SOFR only, any of the following events (vii):
 - the administrator of Term SOFR or its supervisor or any other competent authority has publicly announced that Term SOFR does not comply with the EU Benchmark Regulations or any other regulation applicable to benchmarks; or
 - the administrator of Term SOFR determines that Term SOFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and the circumstances or events leading to such determination are not (in the opinion of the Lender) temporary or Term SOFR is calculated in accordance with any such policy or arrangement for a minimum period of thirty (30) Business Days.

“Screen Rate” means Term SOFR or, following the replacement of this rate by a Replacement Benchmark, the Replacement Benchmark.

“Screen Rate Replacement Longstop Date” means:

- (a) with respect to the events referred to in items (i), (v) and (vi) of the above definition of Screen Rate Replacement Event, the date on which the Lender has knowledge of the occurrence of such event,
- (b) with respect to the events referred to in items (ii), (iii) and (vii)(1) of the above definition of Screen Rate Replacement Event, the date beyond which the use of the Screen Rate will be prohibited or the date on which the administrator of the Screen Rate permanently or indefinitely ceases to provide the Screen Rate or the date beyond which the Screen Rate may no longer be used,
- (c) with regards to the event referred to in item (iv) of the above definition of Screen Rate Replacement Event, the date upon which the Screen Rate ceases to be representative of the underlying market or the economic reality that it is intended to measure (as determined by the supervisor or the administrator of such Screen Rate, or any other relevant authority), and


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(d) with regards to the event referred to in item (vii)(2) of the above definition of Screen Rate Replacement Event, the date notified by the Lender to the Borrower.

- 5.3.2 Each Party acknowledges and agrees for the benefit of the other Party that if a Screen Rate Replacement Event occurs and in order to preserve the economic balance of the Agreement, the Lender may replace the Screen Rate with another rate (the "**Replacement Benchmark**") which may include an adjustment margin in order to avoid any transfer of economic value between the Parties (if any) (the "**Replacement Benchmark Adjustment Margin**") and the Lender will determine the date from which the Replacement Benchmark and, if any, the Replacement Benchmark Adjustment Margin shall replace the Screen Rate and any other amendments to the Agreement required as a result of the replacement of the Screen Rate by the Replacement Benchmark.
- 5.3.3 The determination of the Replacement Benchmark and the necessary amendments will be made in good faith by the Lender and taking into account, (i) the recommendations of any Relevant Nominating Body, or (ii) the recommendations of the administrator of the Screen Rate, or (iii) the industry solution recommended by professional associations in the banking sector or, (iv) the market practice observed in a series of comparable financing transactions on the replacement date.
- 5.3.4 In case of replacement of the Screen Rate, the Lender will promptly notify the Borrower of the replacement terms and conditions to replace the Screen Rate with the Replacement Benchmark that will apply to Drawdowns, or as the case may be, to Interest Periods starting at least two US Government Securities Business Days after the Screen Rate Replacement Longstop Date.
- 5.3.5 Notwithstanding the above, the provisions of Schedule 10 (*SOFR Terms*) shall apply to the determination of the Replacement Benchmark, Replacement Benchmark Adjustment Margin (if any) and other relevant amendments to Clauses 4 (*Interest*) to 5 (*Change to the calculation of Interest*) of this Agreement if a Screen Rate Replacement Event occurs in relation to Term SOFR or any Replacement Benchmark thereof as set out in Schedule 10 (*SOFR Terms*).

6. FEES

6.1 Commitment Fees

From the Signing Date onwards, the Borrower shall pay to the Lender a commitment fee of zero point fifty per cent (0.5%) per annum.

The commitment fee shall be computed on the amount of the Facility pro-rated for the actual number of days elapsed decreased by the amount of any Drawdowns made available and, as the case may be, by any amount of the Facility cancelled in accordance with the provisions of Clause 8.3 (*Cancellation by the Borrower*) and Clause 8.4 (*Cancellation by the Lender*).

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

The accrued commitment fee shall be payable (i) on each Payment Date as long as the Available Facility is higher than zero; (ii) on the Payment Date following the last day of the period from the date of the First Drawdown to the earlier of the date on which the Available Facility is reduced to zero and the Deadline for Drawdown of Funds; and (iii) in the event the Available Facility is cancelled in full, on the Payment Date following the effective date of such cancellation.

6.2 Appraisal Fee

No later than fifteen (15) calendar days after the Signing Date, the Borrower shall pay to the Lender an appraisal fee of zero point five percent (0.5%) calculated on the maximum amount of the Facility.

7. REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of the Facility in fourteen (14) equal semi-annual instalments, due and payable on each Payment Date.

The first instalment shall be due and payable on February 12th 2030 and the last instalment shall be due and payable on August 12th 2036.

At the end of the Availability Period, the Lender shall deliver to the Borrower an amortisation schedule in respect of the drawn Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).

8. PREPAYMENT AND CANCELLATION

8.1 Voluntary Prepayment

No voluntary prepayment of the whole or any part of the Facility is allowed prior to the expiration date of the Grace Period. As from the day following the expiration of the Grace Period, the Borrower may prepay the whole or any part of the Facility, subject to the following conditions:

- (a) the Borrower shall notify the Lender of its intention to prepay by not less than thirty (30) Business Days' written notice prior to the contemplated prepayment date;
- (b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;
- (c) the contemplated prepayment date shall be a Payment Date;
- (d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under this Agreement; and
- (e) there is no overdue outstanding amount.

No later than the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the prepayment indemnities due and payable pursuant to Clause 9.3 (*Prepayment Indemnity*).

8.2 Mandatory Prepayment

The Borrower shall immediately prepay whole or part of the Facility upon receipt of a notice from the Lender informing the Borrower of any of the following events:

- (a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by the Financing Documents or to fund or maintain the Facility;
- (b) Additional Costs: the amount of any Additional Costs referred to in Clause 9.5 (*Additional Costs*) is significant and the Borrower has refused to pay such Additional Costs;
- (c) Change of Control: a change of Control of the Borrower occurs;

- (d) Shareholding: the Borrower's shareholding has changed in the manner that is not satisfactory to the lender on the grounds that any new shareholder is linked to (i) money laundering, (ii) terrorism, (iii) any Prohibited Practice or (iv) lawsuits or a sentence against a shareholder in relation to a crime that is not subject to a statute of limitations under international law;
- (e) Default: the Lender declares acceleration in accordance with Clause 13 (*Events of Default*);
- (f) Failure to justify use of funds: the Borrower fails to justify in a manner satisfactory to the Lender the use of the funds in accordance with Clause 12.5 (*Reports on the use of funds*) in which case the Borrower will be required to reimburse the unjustified amount.
- (g) Failure to re-use the funds of the Facility: the Borrower has not informed the Lender of the use of the funds in case of a prepayment to the Borrower by a Counterpart Financial Institution or as described in Clause 11.14(g) (*Re-use of Facility amounts*), in which case the Borrower will be required to reimburse the amount not-used.

In the case of each of the events specified in the above paragraphs, the Lender reserves the right, after having notified the Borrower in writing, to exercise its rights as a creditor in the manner specified in of Clause 13.2 (*Acceleration*).

The Borrower will be required to pay at the latest on the Payment Date on which it makes the prepayment, the full amount of the indemnities due pursuant to Clause 8.3 (*Prepayment Indemnity*).

8.3 Cancellation by the Borrower

Prior to the Deadline for Drawdown of Funds, the Borrower may cancel the whole or any part of the Available Facility by giving the Lender a three (3) Business Days' prior notice. Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower.

8.4 Cancellation by the Lender


The Lender may cancel the whole or any part of the Available Facility upon delivery of a notice to the Borrower which shall be immediately effective, if:

- (a) the first Drawdown has not occurred on the Deadline for the First Drawdown; or
- (b) the Available Facility is not equal to zero on the Deadline for Drawdown of Funds; or
- (c) an Event of Default has occurred and is continuing; or
- (d) an event referred to in Clause 8.2 (*Mandatory Prepayment*) has occurred.

except where, in the case of paragraphs (a) and (b) of this Clause 8.4, the Lender and the Borrower have agreed to postpone the Deadline for the First Drawdown or the Deadline for Drawdown of Funds on the basis of new financial conditions which will apply to the Facility in accordance with Clause 3.4 or 3.5 as applicable.

8.5 Restrictions

Any notice of prepayment or cancellation given by a Party pursuant to this Clause 8 (*Prepayment and Cancellation*) shall be irrevocable, and, unless otherwise provided in this Agreement, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.


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The Borrower shall not prepay or cancel all or any part of the Facility except at the times and in the manner expressly provided for in this Agreement.

Any prepayment under this Agreement shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 9.3 (*Prepayment Indemnity*).

Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.

The Borrower may not re-borrow whole or any part of the Facility which has been prepaid or cancelled.

9. ADDITIONAL PAYMENT OBLIGATIONS

9.1 Costs and Expenses

The Borrower shall pay directly or, if applicable, shall reimburse the Lender in case of advance made by the Lender, the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the negotiation, preparation and signing of: (i) the Financing Documents or any other documents referred to in the Financing Documents (including any legal opinion) and (ii) any other documents relating to the Financing Documents executed after the Signing Date.

If an amendment to the Financing Documents is required, the Borrower shall reimburse to the Lender all costs (including legal fees) reasonably incurred in responding to, evaluating, negotiating or complying with that requirement.

The Borrower shall reimburse to the Lender all costs and expenses (including legal fees) incurred by it in connection with the enforcement or preservation of any of its rights under the Financing Documents.

The Borrower shall pay directly or, if applicable, reimburse the Lender in case of advance made by the Lender, the amount of all costs and expenses in connection with the transfer of funds to, or for the account of, the Borrower from Paris to any other place agreed with the Lender, as well as any transfer fees and expenses in connection with the payment of all sums due under the Facility.

9.2 Cancellation Indemnity

If the Facility is cancelled in full or in part in accordance with the terms of Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*) paragraphs (a), (b) and (c), the Borrower shall pay a cancellation indemnity equal to two point five percent (2,5%) of the cancelled amount of the Facility.

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

9.3 Prepayment Indemnity

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of the Facility in accordance with Clauses 8.1 (*Voluntary Prepayment*) or 8.2 (*Mandatory Prepayment*), the Borrower shall pay to the Lender an indemnity equal to the aggregate amount

of:

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

the sum of the above shall be defined as the “**Prepayment Indemnity**”.

9.4 Taxes and Duties

9.4.1 Registration Costs

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

9.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under this Agreement shall be free of any Withholding Tax.

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

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

9.5 Additional Costs

The Borrower shall pay to the Lender, within five (5) Business Days of the Lender’s request, Additional Costs incurred by the Lender as a result of: (i) the coming into force of any new law or regulation, or any amendment to or any change in, or any change in the interpretation or application of, any existing law or regulation; or (ii) compliance with any law or regulation made after the Signing Date.

In this Clause, “**Additional Costs**” means:

(i) any cost arising after the Signing Date out of one of the event referred to in the first paragraph of this Clause and not taken into account by the Lender to compute the financial conditions of the Facility; or


(ii) any reduction of any amount due and payable under any Financing Document,

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

9.6 Currency Indemnity

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

(a) making or filing a claim or proof against the Borrower; or


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- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, the Borrower shall indemnify the Lender against and, within three (3) Business Days of the Lender's request and as permitted by law, pay to the Lender, the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under the Financing Documents.

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

9.7 Due Dates

Any indemnity or reimbursement payable by the Borrower to the Lender under this Clause 9 (*Additional Payment Obligations*) is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 9.3 (*Prepayment Indemnity*) is due and payable on the date of the relevant prepayment.

10. REPRESENTATIONS AND WARRANTIES

All the representations and warranties set out in this Clause 10 (*Representations and warranties*) are made by the Borrower for the benefit of the Lender on the Signing Date. All the representations and warranties in this Clause 10 (*Representations and warranties*) are also deemed to be made by the Borrower on the date on which all of the conditions precedent listed in Part II of Schedule 4 (*Conditions Precedent*) are satisfied, on the date of each Drawdown Request, on each Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 10.10 (*No Misleading Information*) are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

10.1 Status

The Borrower and each of its Counterpart Financial Institutions is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

The Borrower and each of its Counterpart Financial Institutions has the power to own its assets and carry on its business as it is being conducted. The constitutional documents of the Borrower are in compliance with all applicable laws and regulations.

10.2 Power and Authority

The Borrower has the power to enter into, perform and deliver the Financing Documents to which it is a Party and to perform all contemplated obligations therein. The Borrower has taken all necessary action to authorize its entry into, performance and delivery of the Financing Documents to which it is a Party and the transactions contemplated thereunder.

10.3 Validity and Admissibility in Evidence

All Authorisations required:

- (a) to enable the Borrower to lawfully enter into, and exercise its rights and comply with its

obligations under the Financing Documents to which it is a Party; and

- (b) to make the Financing Documents to which it is a Party admissible in evidence in the courts of the jurisdiction of incorporation of the Borrower or in arbitration proceedings,

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

10.4 No filing or Stamp Taxes

Under the laws of the jurisdiction of incorporation of the Borrower, it is not necessary that the Financing Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes or fees be paid on or in relation to this Agreement or the transactions contemplated therein except for the registration requirement set out under Schedule 4 of this Agreement.

10.5 Binding Obligations

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

10.6 Free Transfer of Funds

All amounts due by the Borrower to the Lender under the Financing Documents are freely transferable to France or to any other country.

10.7 No Conflict with other Obligations

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

10.8 Governing Law and Enforcement

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

10.9 No Default

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

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

10.10 No Misleading Information

All information and documents supplied by the Borrower and each of its Counterpart Financial

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

10.11 Pari Passu Ranking

The Borrower's payment obligations under the Financing Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.

10.12 Taxes

All taxes due by the Borrower have been duly declared, registered and/or notified and have been paid by the time specified by the relevant tax authority, in accordance with the applicable accounting and tax rules, except for taxes which payment is contested in good faith in accordance with the appropriate procedures and, to the extent that a tax recovery demand has been issued, if the Borrower has obtained a suspension of payment from the tax authority; there is no outstanding or contemplated claim of the relevant tax authority which would affect the capacity of the Borrower to fulfil its payment obligations under this Agreement or to comply with the Financial Covenants.

10.13 No Proceedings Pending or Threatened

Save for any threatened or pending claims expressly disclosed by the Borrower, no litigation, arbitration or administrative proceedings of, or before, any court, arbitral tribunal or other authority which, if adversely determined, are reasonably likely to have a Material Adverse Effect, have, to the best of the Borrower's knowledge and belief, been started or threatened against it or any of its assets or any Counterpart Financial Institution.

10.14 Insolvency Proceedings

No corporate action, legal proceedings or other similar procedure or step has been taken in relation to the Borrower or any Counterpart Financial Institution, regarding the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or a composition, compromise, assignment or arrangement with any creditor of the Borrower and each of its Counterpart Financial Institutions.

10.15 Origin of funds and Prohibited Practices

The Borrower represents and warrants that:

- (a) the Borrower's equity and quasi equity and the funds invested in the Eligible Loans are not of an Illicit Origin; and
- (b) it has not been subject to a sentence pronounced less than five (5) years previously by a res judicata decision for a Prohibited Practice; and
- (c) it has not committed or participated in any act contrary to any anti-Money Laundering and counter-Terrorist Financing applicable law.

10.16 Insurances

The Borrower represents and warrants that it and its Counterpart Financial Institution have taken

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out all necessary insurance policies for the continuity of their operations and is up-to-date with the payment of any related premiums.

10.17 No Material Adverse Effect

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

11. **UNDERTAKINGS**

The undertakings in this Clause 11 (*Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under the Financing Documents.

11.1 Corporate Existence

The Borrower shall and shall require that each of its Counterpart Financial Institutions:

- (a) maintain its corporate existence and the general nature of its business and shall not amend or alter its corporate existence, its registered office, its corporate objectives or the nature of its business without the prior consent of the Lender;
- (b) not amend or alter its articles of association (or any equivalent constitutional documents) after the Signing Date in a manner which is likely to adversely affect the interests or rights of the Lender; and
- (c) not enter into any merger, demerger, consolidation or other similar corporate restructuring without the prior written consent of the Lender.

11.2 Compliance with Laws and Regulations

The Borrower shall and shall require that each of its Counterpart Financial Institutions:

- (a) comply with and shall reasonably ensure that the Final Beneficiaries comply with all laws and regulations to which it may be subject or which may be applicable to Eligible Loans and Eligible Investments, in particular relating to environmental protection, safety and labour laws, and prevention and fight against Prohibited Practices; and
- (b) file all of its tax returns and pay and discharge all Taxes within the time period allowed, unless and only to the extent that such payment is being contested by the Borrower in good faith and provision is made and maintained for those Taxes and is disclosed in the Borrower's Financial Statements; and
- (c) obtain, maintain in full force and effect and comply in all material respects with all provisions, conditions and restrictions (if any) set out in any agreement, authorisation, approval or decision of any administration, public authority or tribunal, and do all that is necessary under any applicable law or regulation to ensure that it performs its obligations pursuant to any such agreement, authorisation, approval or decision.

11.3 Authorisations

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

11.4 Pari Passu Ranking

The Borrower undertakes to ensure that its payment obligations under the Financing Documents at all times rank at least *pari passu* with its other current and future unsecured and unsubordinated payment obligations.

11.5 Security

The Borrower shall not create or allow to exist with respect to any new debt with a maturity of more than one (1) year (including, but not limited to, borrowings in the interbank market, negotiable debt instruments, bond issues), any Security over any of its assets or income streams or any personal guarantee except:

- where the aggregate value of the Security is less than five per cent (5%) of the value of the Borrower's balance sheet; or
- where prior written consent of the Lender has been obtained; and
- upon request by the Lender, if it grants to the Lender this Security or guarantee, or a similar Security or guarantee, with equivalent ranking.

11.6 Insurances

The Borrower shall maintain and shall require that each of the Counterpart Financial Institution maintains its insurances policies covering damages relating to its operations in accordance with the practice for such operations in full force and effect, and pay the premiums on the due dates.

11.7 Financial Year and Auditors

The Borrower shall not change its financial year end date without the prior approval of the Lender.

If there is a change of Auditors, the Borrower shall appoint as its Auditors a reputable auditing firm with the necessary experience to fulfil their duties as auditors.

The Borrower shall inform the Lender before changing its Auditors or alternate Auditors.

11.8 Financial Sanctions Lists and Embargo

The Borrower undertakes:

- (a) that no funds or economic resources are made available, directly or indirectly, to or for the benefit of persons, groups or entities listed on any Financial Sanctions List; and
- (b) not to finance, acquire or provide any supplies or services and/or intervene in sectors subject to United Nations, European Union or French Embargo.

11.9 Origin of Funds, absence of Prohibited Practices

The Borrower undertakes:

- (a) to use the funds of the Facility in accordance with the Lender Group's policy to prevent and combat Prohibited Practices as available on its Website;
- (b) to ensure that its equity and quasi equity and the funds invested in the Eligible Loans and Eligible Investments are not of Illicit Origin;

- (c) to allow and authorise the Lender (or any persons designated by the Lender) to audit the Borrower's anti-Money Laundering and anti-Terrorist Financing systems in accordance with the FATF recommendations;
- (d) that its activities shall not give rise to any Prohibited Practice;
- (e) as soon as it becomes aware of, or suspects, any Prohibited Practice, to inform the Lender without any delay;
- (f) in the event referred to in paragraph (f) above or at the Lender's request if the Lender suspects that the acts or practices referred to in paragraph (c) have occurred, to take all necessary actions to remedy the situation in a manner satisfactory to the Lender and within the time period determined by the Lender; and
- (g) to notify the Lender without any delay if it has knowledge of any information which leads it to suspect the Illicit Origin of its equity and quasi equity or any funds invested in the Eligible Loans and Eligible Investments.

11.10 Investigations

The Borrower shall allow the Lender or any third party mandated by the Lender, to carry out an investigation in the event of an allegation of Prohibited Practice. To this end, the Lender or any third party mandated by it is authorized to:

- (a) interview anyone who may have information about an alleged Prohibited Practice;
- (b) conduct audits and controls, both documentary and on-site, as the Lender may deem appropriate, including access to the accounting books and records or any other documentation relating to the Project held by the Borrower or any person or entity connected with the Project;
- (c) carry out visits of the sites, facilities and works related to the Project; and
- (d) achieve all the steps and actions necessary for these investigations.

The Borrower shall ensure that the tender documents, contracts and sub-contracts financed through the Facility allow the implementation of this Clause.

Non-compliance with this Clause by the Borrower could, at the discretion of the Lender, constitute a Non-Cooperative Practice.

11.11 Fight Against Money Laundering and Terrorist Financing

The Borrower undertakes:

- (a) to apply with respect to its customers the procedures of implementation of vigilance obligation in accordance with the Financial Action Task Force (FATF) standards on money laundering;
- (b) to authorise the Lender to carry out, or procure that a third party carries out on its behalf, verification on the Borrower's implementation of its vigilance obligation relating to the fight against money laundering and terrorist financing.

11.12 Financial Covenants

The Borrower shall at all times comply with the financial covenants set out in any law or


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regulation applicable to it.

The Borrower shall at all times:

- comply with the Regulatory Ratios; and
- ensure that its Non-Performing Loans Ratio is lower than five percent (5%).

11.13 Environmental and Social Responsibility

(a) Implementation of environmental and social measures

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

For such purpose and with respect to its business activities, the Borrower shall comply with international standards for the protection of the environment and labour laws, in accordance with the applicable laws and regulations of the country in which the Project is being implemented. The Borrower shall also request that the Counterpart Financial Institutions request that the Final Beneficiaries comply with such standards in the conduct of their business.

To comply with the environmental and labour standards set out above, the Borrower shall take into account its social and environmental responsibility, for example by:

- providing an exclusion list setting out the projects that the Borrower undertakes not to fund;
- implementing an environmental and social risk management policy in relation to the projects funded by the Borrower; and
- implementing a corporate social responsibility policy (the “CSR”).

On each anniversary of the signing of this Agreement, the Borrower shall deliver to the Lender an annual report in relation to its environmental and social responsibility policy.

(b) Environmental and social (ES) complaints management

- (i) The Borrower (i) confirms that it has received a copy of the ES Complaints-Management Mechanism’s Rules of Procedure and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a complaint, and (ii) acknowledges that these ES Complaints-Management Mechanism’s Rules of Procedure have, as between the Borrower and the Lender, the same contractually binding effect as this Agreement.
- (ii) The Borrower expressly authorises the Lender to disclose to the experts (as defined in the ES Complaints-Management Mechanism’s Rules of Procedure) and to parties involved in the compliance review and/or conciliation processes, the Project documents concerning environmental and social matters necessary for processing the environmental and social complaint, including, without limitation, those listed in Schedule 11).



(c) Borrower's Exclusion from All Financial Activities

The Borrower agrees to exclude from all of its financial activities the following items:

- (i) Production or trade in illicit products, as well as any illegal activity under national or international laws applicable in the destination countries;
- (ii) Production activities or other activities involving the use of forced labour¹ and/or child labour;²
- (iii) Trade, production, breeding or possession of animals, plants or any natural products in breach of the provisions of CITES;³
- (iv) Transboundary trade of wastes, except those consistent with the Basel Convention⁴ and its underlying regulations.

11.14 Specific undertakings

(a) Events affecting the Eligible Loans

The Borrower shall inform the Lender of any decision or event which might significantly impact the performance of an Eligible Investment or an Eligible Loan and/or its compliance with all or part of the Borrower's obligations under this Agreement.

(b) Implementation of the Project

The Borrower shall implement the Project and it shall procure that the Counterpart Financial Institutions implement the Project, and in particular in relation to the identification of the investments they are considering financing under this Agreement, exclusively according to the eligibility criteria defined in Schedule 2 (*Project Description*), excluding any other project in relation to the Final Beneficiary.

(c) Project Monitoring

The Borrower shall and shall ensure that each of the Counterpart Financial Institution allow the Lender and its representatives to carry out inspections in relation to the implementation of the Project, the Eligible Loans and Eligible Investments financed by the Facility or the accounting and financial position of the Borrower and of each of the Counterpart Financial Institution.

The Borrower shall and shall ensure that each of its Counterpart Financial Institutions (i) cooperate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such inspections, the timing and format of which shall, in each case, be determined by the Lender, after consultation with the Borrower; and (ii)

¹ "Forced labour" refers to any work or service performed involuntarily and exacted from an individual by threat of force or punishment as defined in the conventions of the ILO.

² Employees must be at least 14 years of age as defined in the ILO's Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory schooling or a minimum age for admission to employment or work. In such circumstances, the highest age requirement must be used

³ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington, 1973).

⁴ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal is available at: www.basel.int

provide access to its financial records and its employees. The Borrower undertakes to do all that is necessary to enable these inspections to also be carried out with one or more Counterpart Financial Institution.

The Borrower shall bear the costs of one monitoring and supervisory inspection per year.

The Borrower shall and shall ensure that each of the Counterpart Financial Institution keep and maintain available to the Lender, for a period of eight (8) years from the Latest Payment Date, all documentation relating to the Project (including, in particular, documents relating to Eligible Loans and Eligible Investments).

(d) Exclusivity

The Borrower shall not seek funding from an alternative lender for an Eligible Loan to be allocated on the Facility. Besides, no Eligible Loan shall be allocated on any financing entered into by the Borrower with any other financier or investor(s). However in the event of a partial funding of an Eligible Loan under the Facility, this restriction shall only apply to the part of the Eligible Loan to be allocated on the Facility.

(e) Final Beneficiaries

The Borrower shall ensure and shall ensure that the Counterpart Financial Institutions procure:

- that only Final Beneficiaries benefit from Eligible Loans and/an Eligible Investments; and
- obtain the prior consent of the Lender before any material modification of the facility agreements executed between the Borrower or the Counterpart Financial Institution and the Final Beneficiaries regarding the financing of Eligible Loans and/or Eligible Investments.

(f) Applicable exchange rate

For the purpose of the reports and information to be provided by the Borrower, Clause 12.5 (*Report on the use of funds*), in circumstances where the drawdowns made by the Borrower or the Counterpart Financial Institutions to one or more Final Beneficiaries for the financing of Eligible Loans or Eligible Investments in a currency other than US Dollars, the Borrower shall or shall ensure that the Counterpart Financial Institutions convert the amount of the drawdowns made in US Dollars at the exchange rate of the relevant currency in US Dollars as applied by the United States Federal Reserve, or by the central bank of the country in which the relevant currency on the date of the relevant drawdown(s).

(g) Re-use of Facility amounts

In the event of a prepayment to the Borrower by a Counterpart Financial Institution before the term of the Facility, the Borrower undertakes to inform the Lender of the use of the reimbursed amounts, in an annual report and shall use the funds within twelve (12) months from the repayment date to finance new Eligible Loans and/or Eligible Investments.

(h) Project Evaluation

The Borrower acknowledges that the Lender may carry out, or procure that a third party carries out on its behalf, an evaluation of the Project. Feedback from this evaluation will be used to produce a summary containing information on the Project, such as: total amount

and duration of the funding, objectives of the Project, expected and achieved quantified outputs of the Project, assessment of the relevance, effectiveness, impact and viability/sustainability of the Project, main conclusions and recommendations.

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

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

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

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

(i) Counterpart Financial Institutions

The Borrower shall ensure that all the undertakings that the Borrower has provided on behalf of the Counterpart Financial Institutions under the terms and conditions of this Agreement, and especially those set out in Clauses 11 (*Undertakings*) and 12 (*Information Undertakings*) are assumed and performed by the Counterpart Financial Institutions in the context of the implementation of the Project.

11.15 Visibility and Communication

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

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

12. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 12 (*Information Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under the Financing Documents.

12.1 General Information

(a) Financial information

The Borrower shall provide to the Lender:

as soon as they are available and in any event within 180 calendar days after the end of each financial year:

- its Financial Statements; and
- its annual report, if any

as soon as available and no later than ninety (90) days after the end of each financial half-year:



- its Semi-Annual Financial Statements.

as soon as they are available:

- recommendation letters sent by the Auditors.

The Borrower shall ensure that all of the Financial Statements provided in accordance with this Clause 12.1 (*General Information*) are prepared in accordance with the Applicable Accounting Principles.

- (b) Additional information, following the Lender's request:

The Borrower undertakes to provide, upon request of the Lender, any additional information relating to:

- (i) its financial and operational information, including a break-down of its outstanding credits by sector and duration, the distribution of risks, the analysis of its available resources according to origin and duration, its liquidity and its commitments to third-parties (including off-balance sheet commitments);
- (ii) its exposure to banking risks (liquidity, market, credit, operational, legal, regulatory and reputational risks) its procedures for mitigating these risks and its credit granting policy.

12.2 Financial Compliance Certificate

The Borrower shall supply to the Lender, together with the Annual Financial Statements provided pursuant to paragraph (a) of Clause 12.1 (*General Information*), a Financial Compliance Certificate in the form of Schedule 12.

12.3 Certificate of Compliance with the Laws Against Money Laundering and the Financing of Terrorism

The Borrower shall forward to the Lender annually, and at the latest fifteen (15) calendar days after the end of the previous financial year, a certificate of compliance with the laws against money laundering and the financing of terrorism substantially in the form set out in Schedule 7 (*Anti-Money Laundering and Anti-Terrorism Financing Certificate*).

12.4 Information and Miscellaneous

The Borrower shall provide to the Lender:

- (a) immediately upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);
- (b) promptly upon becoming aware of them, detailed information regarding any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, details of any incident or accident directly related to the implementation of the Eligible Loan or Eligible Investment which might have a significant impact on the Eligible Investment site, the working conditions of its employees or contractors' employees working on the construction of the said projects, the nature of

such incident or accident, together with details of any action taken or proposed to be taken, as applicable, by the Borrower to remedy it;

- (d) promptly, details of any decision or event which might affect the organisation, completion or operation of the Eligible Loans and/or Eligible Investments;
- (e) copies of any amendment to its constitutional documents which is required to be made by law;
- (f) details of any transaction which might/has result/ed in a change of ownership to the benefit of only one person or entity of five per cent (5%) or more of the share capital, or to a direct or indirect change of Control of the Borrower;
- (g) promptly, any further information regarding its financial condition, assets and operations or any documents or other communications given or received by it that the Lender may reasonably request; and
- (h) as soon as possible, throughout the duration of the business relationship, provide the Lender with any document or information about the Borrower that the Lender may request, to enable the Lender to fulfil its know-your-customer ("KYC") obligations under anti money laundering and anti-terrorist regulations, in particular for the purpose of updating its KYC information on the Borrower.

12.5 Reports on the use of funds

The Borrower shall deliver to the Lender:

- (a) no later than six (6) months after each Drawdown until the end of the Grace Period, then no later than twelve (12) months after the end of the Grace Period and up to full repayment of the Facility, a report on the use of the funds already paid (including those funds reimbursed by anticipation by a Final Beneficiary and re-affected by the Borrower in accordance with clause 11.14(g) (*Re-use of Credit funds*) satisfactory to the Lender and substantially in the form of Schedule 6 (*Reports on the use of funds*) dully signed by a Borrower's authorised signatory, unless if such report has been delivered as a condition precedent to a previous Drawdown to the contemplated Drawdown;
- (b) no later than twelve (12) months after the date of the last Drawdown, a Final Report on the use of funds substantially in the form of Schedule 6 (*Reports on the use of funds*) and satisfactory to the Lender, signed by a Borrower's authorised signatory, certifying that hundred per cent. (100%) of the funds drawn under the Facility have been paid by the Borrower and describing, for each Eligible Loan, the detail of proceeds paid.

12.6 Final Beneficiaries

The Borrower shall and shall ensure that the Counterpart Financial Institutions:

- (a) include in the facility agreement with the Final Beneficiaries a commitment to provide to the Lender any document (including the facility agreement with the Final Beneficiary) or information relative to the financing or the relevant Eligible Investment;
- (b) provide to the Lender, upon request, any information relating to the Final Beneficiaries including, among others:
 - information (including, upon modification, personal data) on the identity of each Final Beneficiary; and

- facility agreements executed between the Borrower and the Counterpart Financial Institutions and the Final Beneficiaries for the financing of the Eligible Investments.

For the avoidance of doubt, in case of any applicable confidentiality obligation or similar other legal restrictions, the Borrower shall provide to the Lender the requested information without any personal or privileged information to ensure the Lender will still be able to proceed with the monitoring of the Project.

13. EVENTS OF DEFAULT

13.1 Events of Default

Each of the events or circumstances set out in this Clause 13.1 (*Events of Default*) is an Event of Default.

(a) Payment Default

- (i) The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement. However, without prejudice to Clause 4.3 (*Late Payment and Default Interest*), no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower within five (5) Business Days of the due date.
- (ii) The Guarantor has failed to make payment of principal or interest or any other amount due to the Lender: (a) under the Guarantee Agreement or (b) under any other agreement between the Guarantor and the Lender.

(b) Undertakings and Obligations

The Borrower does not comply with any term of the Financing Documents, including, without limitation, any of the undertakings it has given pursuant to Clause 11 (*Undertakings*) and Clause 12 (*Information Undertakings*).

Save for the undertakings given pursuant to Clauses 11.8 (*Financial Sanctions Lists and Embargo*) and 11.9 (*Origin of Funds, absence of Prohibited Practices*) of this Agreement in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (b) if the non-compliance is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the Lender giving notice of failure to comply to the Borrower; and (B) the Borrower becoming aware of the breach or within the time limit determined by the Lender in the case referred to in subparagraph (d) of Clause 11.9 (*Origin of Funds, absence of Prohibited Practices*).

(c) Financing Documents

Any Financing Document, or any of the rights and obligations set out therein, ceases to be in full force and effect, is subject to a notice of termination or its validity, legality or enforceability is challenged.

No Event of Default will occur pursuant to this paragraph (c) if the challenge or notice of termination is withdrawn within fifteen (15) calendar days after the date on which the Lender informed the Borrower of such challenge or notice or the Borrower became aware of such challenge or notice.

(d) Misrepresentation

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A representation or warranty made by the Borrower in the Financing Documents, including under Clause 10 (*Representations and warranties*), or in any document delivered by or on behalf of the Borrower under or in relation to the Financing Documents, is incorrect or misleading when made or deemed to be made.

(e) Cross Default

- (i) Subject to paragraph (iii) below, any financial indebtedness of the Borrower (other than the Facility) is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.
- (ii) A creditor has cancelled or suspended its commitment towards the Borrower pursuant to any financial indebtedness or has declared the financial indebtedness due and payable prior to its specified maturity or requested prepayment in full of the financial indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.
- (iii) No Event of Default will occur under this clause 13.1(e) (*Cross Default*) if the relevant amount of financial indebtedness or the commitment for financial indebtedness falling within paragraphs (i) and (ii) is less than three millions US Dollars (USD 3,000,000) (or its equivalent in any other currency(ies)).

(f) Insolvency

The Borrower is unable, or admits its inability, to pay its debts as they fall due, suspends making payments of any of its debts or, by reason of actual or anticipated financial difficulties, begins negotiations with one or more of its creditors for the rescheduling or restructuring of any of its indebtedness.

(g) Insolvency Proceedings

A resolution of a meeting of the shareholders, directors or other officers of the Borrower is passed, judicial proceedings are commenced or any other analogous step or procedure is taken regarding the suspension of payments, a moratorium with any creditors or the liquidation, dissolution, administration, reorganisation or the restructuring of the Borrower or any similar procedure or arrangement.

(h) Unlawfulness

It is or becomes unlawful for the Borrower or the Guarantor to perform any of their obligations under the Financing Documents.

(i) Material Adverse Change

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

(j) Intervention by an Authority

An Authority:

- (i) seizes or expropriates all or part, or one or several, of the Borrower's assets which are required to continue its activities; or

- (ii) takes possession or control of all or part of any of the Borrower's assets which are required to continue its activities; or
- (iii) takes any measure with a view to the liquidation, winding-up, administration, reorganisation or restructuring of the Borrower; or
- (iv) takes any other measure that would prevent the Borrower from continuing all or part of its activities or operations.

(k) Authorisations

Any Authorisation required for the Borrower or for the Guarantor in order to perform or comply with their obligations under the Financing Documents or required in the ordinary course of Business is not obtained within the required timeframe or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(l) Judgments, Rulings or Decisions Having a Material Adverse Effect

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower or the Guarantor has or is reasonably likely to have a Material Adverse Effect or one or more steps or proceedings is/are commenced which has/have or is/are reasonably likely to have a Material Adverse Effect or makes/make it unlikely that the Borrower or the Guarantor will be able to perform any of their obligations under the Financing Documents.

(m) Audit

The Auditors refuse to certify or issue a qualified opinion regarding the Financial Statements of the Borrower, and this is likely to have a Material Adverse Effect.

(n) Suspension of Free Convertibility and Free Transfer

Free convertibility and free transfer of the amounts due by the Borrower under this Agreement, or any other facility provided by the Lender to the Borrower, is challenged.

(o) Repudiation

Any of the Borrower or the Guarantor, acting through its competent officers or authorities, rescinds or purports to rescind or repudiates or purports to repudiate any Financing Document or takes any measure tantamount to repudiation or any measure or action before any court or authority to rescind, or repudiate or challenge the validity or enforceability of the Financing Documents.

(p) Inability or failure to pay debts

The Borrower or the Guarantor become unable, admit in writing their inability, or fail generally, to pay their debts as they become due.

13.2 Acceleration

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

- (a) cancel the Available Facility; and/or

- (b) declare that all or part of the Facility, together with any accrued or outstanding interest and all other amounts outstanding under this Agreement, are immediately due and payable.

Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 13.1 (*Events of Default*), the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdowns under the Facility; and/or (ii) suspend the finalisation of any agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any loan under any loan agreement entered into between the Borrower and the Lender.

13.3 Notification of an Event of Default

In accordance with Clause 12.4 (*Information and Miscellaneous*), the Borrower shall promptly notify the Lender upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

14. ADMINISTRATION OF THE FACILITY

14.1 Payments

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

- (a) incidental costs and expenses;
- (b) fees;
- (c) late-payment interest and default interest;
- (d) accrued interest;
- (e) principal repayments.

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

14.2 Set-off

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

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

14.3 Business Days

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

14.4 Currency of Payment

The currency of each amount payable under this Agreement is US Dollars, except as provided in Clause 14.6 (*Place of Payment*).

14.5 Day Count Convention

Any interest, fee or expense accruing under this Agreement will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days.

14.6 Place of Payment

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

The Borrower may request that the funds are transferred in: (i) US Dollars to a bank account denominated in US Dollars; or (ii) the currency of legal tender, in the jurisdiction of incorporation of the Borrower, in the equivalent amount of the Drawdown at a market exchange rate on the day of the Drawdown and to a bank account denominated in that currency; or (iii) any other convertible currency to a bank account denominated in such currency.

- (b) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 11:00 am (Paris time) to the following bank account:

Agence Française de Développement

RIB: 31489 00010 00226560281 47

IBAN: FR76 3148 9000 1000 2265 6028 147

Crédit Agricole CIB SWIFT (BIC): BSUIFRPP

Opened by the Lender in the accounts of Crédit Agricole CIB à Paris, or any other account, which details have been conveyed by the Lender to the Borrower.

The corresponding bank is:

JP MORGAN CHASE BANK NEW YORK

BIC Swift: CHASUS33XXX

Adresse : 4 New York Plaza – Floor 15th

New York NY 10004

ABA : 021000021

Account number: 786419036

- (c) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below:

- Principal: name, address, bank account number

- Principal's bank: name and address
 - Reference: name of the Borrower, name of the Project, reference number of the Agreement
- (d) Applicable exchange rates will be the exchange rates obtained by the Lender through a Reference Financial Institution on the date of the Drawdown.
- (e) All payments made by the Borrower shall comply with this Clause 14.6 (*Place of Payment*) in order for the relevant payment obligation to be deemed discharged in full.

14.7 Payment Systems Disruption

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

- (a) may, and shall if requested by the Borrower, enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;
- (b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and
- (c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 14.7 (*Payment Systems Disruption*).

15. MISCELLANEOUS

15.1 Language

- (a) The language of this Agreement is English. If this Agreement is translated into another language, the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.
- (b) All notices given or documents provided under, or in connection with, this Agreement shall be in English or in Spanish.
- (c) The Lender may request that a notice or document provided under, or in connection with, this Agreement which is not in English or in Spanish is accompanied by a certified translation, in which case, the translation shall prevail unless the document is a constitutional document of a company, legal text or other official document.
- (d) Financial statements and certifications provided by the Borrower shall either be in English, in Spanish or in any other language that has been agreed upon by the Parties. Should this not be the case, they shall be translated by the Borrower.

15.2 Certifications and Determinations

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

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

15.3 Partial Invalidity

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

15.4 No Waiver

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

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

The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights and remedies under the applicable law.

15.5 Assignment

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

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

15.6 Legal Effect

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

15.7 Entire Agreement

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

15.8 Amendments

Any amendment to this Agreement shall be expressly agreed in writing between the Parties.

15.9 Confidentiality and disclosure of Information

- (a) Each Party shall not disclose the content of this Agreement to any third party without the prior consent of the other Party, except to:
 - (i) its shareholders, auditors and legal and other advisers; and
 - (ii) any other person to whom it has a disclosure obligation under any applicable law, regulation or judicial ruling; and
 - (iii) Proparco in its capacity as subsidiary of the Lender.

- (b) Furthermore, the Lender may disclose any information or documents in relation to the Project to: (i) its auditors, experts, rating agencies, legal advisers or supervisory bodies such as the European Anti-fraud Office (OLAF); (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under this Agreement, (iii) to the Counterpart Financial Institution(s), and/or (v) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under this Agreement.
- (c) Furthermore, the Borrower shall allow the Lender to communicate and publish on its Website (and on its open data platform) the information relating to the Project and its financing, as listed in Schedule 8 (*List of information the Borrower expressly authorises the Lender to publish on its Website*).
- (d) Furthermore, the Borrower shall ensure that the Final Beneficiaries allow the Lender to publish on its Website or by any other means, information related to the executed Eligible Loans and/or Eligible Investments which have been financed by the Facility.

15.10 No hardship

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

15.11 Statute of Limitation

The statute of limitations of any claims under this Agreement shall be five (5) years, except for any claim of interest due under this Agreement which shall be subject to the applicable statute of limitation.

16. NOTICES

16.1 Notices

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

For the Borrower:

CORPORACION NACIONAL DE FINANZAS POPULARES Y SOLIDARIAS

Address: Av. Amazonas entre Pereira y Unión Nacional de Periodistas

Plataforma Gubernamental de Gestión Financiera, Piso 4

Quito, Ecuador

Telephone: +593 2 380 1910

Email: TATIANA.WITT@finanzaspopulares.gob.ec

Attention: CONAFIPS General Manager

For the Lender:

AFD – QUITO OFFICE

Address: Av.Orellana E12-113 y San Ignacio

Edificio Latina Seguros, Piso 3

Quito, Ecuador

Telephone: +593 2 60 171 60/61/62

Email: AFDQUITO@afd.fr

Attention: AFD Deputy Director

With a copy to:

AFD – PARIS HEAD OFFICE

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

Telephone: + 33 1 53 44 31 31

Attention: Director of Latin America Department

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

16.2 Delivery

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


- (a) if by fax, when received in a legible form; and
- (b) if by letter, when delivered to the correct address,
- (c) and, where a particular person or a department is specified in Clause 16.1 (*Notices*), if such notice, request or communication has been addressed to that person or department.

16.3 Electronic Communications

Any communication made by one person to another under or in connection with this Agreement may be made by electronic mail or other electronic means if the Parties:

- (a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (b) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (c) notify each other of any change to their address or any other such information supplied by them.

Any electronic communication made between the Parties will be effective only when actually received in a readable form.


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17. GOVERNING LAW, ENFORCEMENT AND SERVICE OF PROCESS

17.1 Governing Law

This Agreement is governed by French law.

17.2 Arbitration

Any dispute, controversy or claim of any nature arising out of, relating to or having any connection with the Financing Documents, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of the Financing Documents where the Borrower is either a party, claimant, respondent or otherwise is necessary thereto, will not be referred to a court of any jurisdiction and will instead be referred to and finally resolved by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the Signing Date (the "ICC Rules"). There will be three arbitrators to be appointed in accordance with such ICC Rules. The provisions in the ICC Rules regarding the emergency arbitrator shall not apply.

The seat of arbitration shall be Paris and the language to be used of arbitration shall be English. The arbitration provisions of this Agreement will be governed by French law.

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

17.3 Service of Process

Without prejudice to any applicable law, the Borrower irrevocably chooses its registered office at the address provided in Clause 16 (*Notices*) for service of process and the Lender irrevocably chooses its registered office at the address "AFD – PARIS HEAD OFFICE" also listed in Clause 16 (*Notices*) for service of judicial and extrajudicial documents in connection with any action or proceedings referred to above.


18. DURATION

This Agreement comes into force on the Signing Date and remains in full force and effect for so long as any amount is outstanding under the Financing Documents.

Notwithstanding the above, the obligations under Clauses 12.4 (*Information and Miscellaneous*) and of subparagraph (b) of Clause to 15.9 (*Confidentiality and disclosure of Information*) shall survive and remain in full force and effect for a period of five (5) years after the last Payment Date; the provisions of Clause (b) (*Environmental and social (ES) complaints management*) shall continue to have effect whilst any complaint lodged under the ES Complaints-Management Mechanism's Rules of Procedure is still being processed or monitored.

Executed in three (3) originals, in Quito, on August 12th, 2024. **BORROWER**

CORPORACION NACIONAL DE FINANZAS POPULARES Y SOLIDARIAS



Represented by: Tatiana WITT

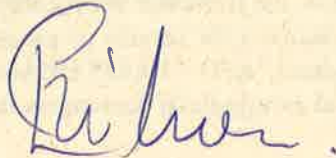
in her capacity as: General Manager **LENDER**

AGENCE FRANÇAISE DE DÉVELOPPEMENT

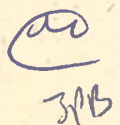


Represented by: Jean-Philippe BERTHELEMY

in his capacity as: Deputy Director AFD Ecuador

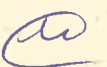


Co-signatory, His Excellency Mr. Philippe RICHOU, *Chargé d'affaires a.i.*, French Embassy




SCHEDULE 1A. DEFINITIONS

Acceleration	means the declaration by the Lender as immediately due and payable all or part of the Facility upon the occurrence of an Event of Default or of any event or circumstances provided for under Clause 13.1 (<i>Events of Default</i>) which may qualify as an Event of Default pursuant to Clause 13.2 (<i>Acceleration</i>).
Act of Corruption	means any of the following: (a) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or (b) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.
Act(s) of Terrorism	means: (i) any act prohibited by the United Nations Conventions and Protocols related to the fight against terrorism (which may be consulted on the following website: https://legal.un.org/ola/Default.aspx); (ii) any of the offences referred to in articles 3 to 10 of Directive (EU) 2017/541 of the European Parliament of 15 March 2017 on combating terrorism; or (iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or abstain from doing any act.
Additional Costs	means: (a) any cost resulting from the occurrence after the Signing Date of one of the event referred to in the first paragraph of Clause 9.5 (<i>Additional Costs</i>), which was not taken into


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	<p>account to set forth the financial conditions of the Facility; or;</p> <p>(c) any reduction of any amount due and payable under this Agreement,</p> <p>which is incurred or suffered by the Lender to the extent that it is attributable to the Lender making available the Available Facility or performing its obligations under this Agreement.</p>
Agreement	means this credit facility agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.
Anti-Competitive Practices	<p>means:</p> <p>(a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to (i) limit market access or free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply;</p> <p>(b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or</p> <p>(c) any bid offer or predatory pricing having, as its object and/or its effect, to eliminate from a market, or to prevent a company or one of its products from accessing the market.</p>
Applicable Accounting Principles	means the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), together with its pronouncements thereon from time to time.
Auditors	means the Borrower's auditors.
Authorisation(s)	means any authorisation, consent, approval, resolution, permit, licence, exemption, filing, notarisation or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.
Authority(ies)	means any government or any body, department or commission exercising a public prerogative, or any administration, court, agency or state or any governmental, administrative, tax or judicial entity.

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Availability Period	means the period from and including the Signing Date up to the Deadline for Drawdown of Funds.
Available Facility	means, at any given time, the maximum principal amount specified in Clause 2.1 (<i>Facility</i>) less (i) the aggregate amount of any Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending drawdown request; and (iii) any portion of the Facility which has been cancelled pursuant to Clauses 8.3 (<i>Cancellation by the Borrower</i>) and 8.4 (<i>Cancellation by the Lender</i>).
Banking Services Agreement	means the agreement to be executed between the Borrower and the Central Bank entitled " <i>contrato de servicios bancarios</i> " whose purpose is to secure payment of the debt service of the Facility.
Business Day	means a day (other than a Saturday or Sunday) on which banks are open for general business in Paris and New York.
Capital Adequacy Ratio	means the result obtained by dividing: <ul style="list-style-type: none"> (a) Total Capital; by (b) the aggregate of on-balance sheet and off-balance sheet assets, weighted for credit risk, in accordance with the provisions of the Basel Committee on Banking Supervision.
Central Bank	means Central Bank of Ecuador.
Certified	means for any copy, photocopy or other duplicate of an original document, the certification by a legal representative of the Borrower, or any other duly authorised person, as to the conformity of the copy, photocopy or duplicate with the original document.
Control	means, for any person or entity: <ul style="list-style-type: none"> (a) a direct or indirect holding of a percentage of a company's share capital granting that person or entity a majority of the voting rights at that company's general meetings; or (b) holding the majority of the voting rights pursuant to an agreement entered into with any other shareholder(s) which does not conflict with the company's interests; or (c) the power, by means of such person or entity's voting rights, to determine the outcome of any decision made at the company's general meetings; or (d) the power to appoint or dismiss the majority of the members of the company's administrative or supervisory board or its board of directors.

Cost to Income Ratio	means the result obtained by dividing: (a) Operational Costs; by (b) Operational Income.
Counterpart Financial Institutions	means the financial institutions to which the Borrower supplies credit for the purpose of enabling them to provide financing or refinancing the Eligible Investments of their Final Beneficiaries.
Deadline for Drawdown of Funds	means August 11 th 2029 , date after which no further Drawdown may occur.
Deadline for the First Drawdown	means February 12th 2025.
Drawdown	means the drawdown of all or part of the funds made available by the Lender to the Borrower in connection with the Facility pursuant to the conditions set out in Clause 3 (<i>Drawdown of Funds</i>) or the principal amount of such Drawdown which remains due and payable at a given time.
Drawdown Date	means the date on which a Drawdown is made available by the Lender.
Drawdown Period	means the period starting on the first Drawdown Date up to and including the first of the following date: (i) the date on which the Available Facility is equal to zero ; (ii) the Deadline for Drawdown of Funds.
Drawdown Request	means a request substantially in the form set out in Schedule 5A(<i>Form of Drawdown Request</i>)
Eligible Investment(s)	means the investment(s) and/or loan made in accordance with the conditions provided for in Schedule 2 (<i>Project Description</i>).
Eligible Loans	means the loans grand to one or more Final Beneficiary in order to finance the Eligible Investments and which will comply with the eligibility criteria listed in Schedule 2 (<i>Project Description</i>).
Embargo	means any economic sanction aiming at prohibiting any import and/or export (any supply, sale or transfer) of one or more several goods, products or services going to and/or from a country for a given period and as published and amended from time to time by the United Nations, the European Union or France.

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ES Complaints-Management Mechanism's Rules of Procedure	means the contractual terms contained in the Environmental and Social Complaints-Management Mechanism's Rules of Procedure, which is available on the Website, as amended from time to time.
Event of Default	means an event or circumstance set out in Clause 13.1 (<i>Events of Default</i>) or which may constitute an event or circumstance set out in Clause 13.1 (<i>Events of Default</i>).
Facility	means the credit facility made available by the Lender in accordance with this Agreement up to the maximum principal amount set out in Clause 2.1 (<i>Facility</i>).
Final Beneficiary	means each legal or natural person that is a client of one of the Counterpart Financial Institutions benefiting from a loan for the purpose of financing an Eligible Loan.
Final Report	means the final report as defined by Schedule 6 (<i>Funds use justification</i>).
Financial Compliance Certificate	means a letter in the form of Schedule 12 (<i>Form of Financial Compliance Ratio</i>), certified by a duly authorised signatory of the Borrower and accompanied by a document signed by the Auditors detailing that the Borrower has complied with its obligations under Clause 11.12 (<i>Financial Covenants</i>) on the date of the Financial Statements.
Financial Sanctions Lists	<p>means the list(s) of specially designated persons, groups or entities which are subject to financial sanctions by the United Nations, the European Union and France.</p> <p>For information purposes only and for the convenience of the Borrower, who may not rely on them, the following references or website addresses are provided:</p> <p>For the lists maintained by the United Nations, the following website may be consulted:</p> <p>https://www.un.org/securitycouncil/fr/content/un-sc-consolidated-list</p> <p>For the lists maintained by the European Union, the following website may be consulted:</p> <p>https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_fr</p> <p>For the lists maintained by France, the following website may be consulted:</p>


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	https://www.tresor.economie.gouv.fr/services-aux-entreprises/sanctions-economiques/dispositif-national-de-gel-des-avoirs
Financial Statements	means, for any given financial year, the Borrower's annual consolidated financial statements for the period ending on the year end date for that financial year.
Financing Agreements	means the financing agreement(s) entered into between the Borrower and each of the Counterpart Financial Institutions under which the Borrower finances or refinances, by utilising the Facility, the Eligible Investments.
Financing Documents	this Agreement, the Guarantee Agreement, the Banking Services Agreement and any other document in relation thereto, including, without limitation, any amendment, supplemental or restatement agreement thereto.
Fixed Reference Rate	<p>means the fixed rate, determined on a Rate Setting Date, which, applied to a drawdown having the specificities enumerated hereunder (<i>I – Theoretical drawdown specificities</i>), permits (i) the current value of the future fixed interests flows and capital repayment flows of this drawdown, and (ii) the current value of the future floating interests flows and capital repayment flows of the same drawdown indexed on Term SOFR, or, as the case may be, the Replacement Benchmark plus any Replacement Benchmark Adjustment Margin, as determined in accordance with the provisions of Clause 5 (<i>Change to the calculation of Interest</i>) of the Agreement, to be equal.</p> <p>I – Theoretical drawdown specificities</p> <ul style="list-style-type: none"> - the schedule of payments (differed amortization, principal repayment) corresponds to that of the Facility defined in Clause 6 (<i>Repayment</i>) of this Agreement; and - the maturity dates for repayment of capital are the maturity dates of the Facility. <p>II – Elements of reference</p> <p>In relation to the theoretical drawdown at the floating rate mentioned in point (ii) of the first paragraph of this definition, the value of future flows of interests shall be calculated on the basis of the curve of Term SOFR forward rates, or, as the case may be, the curve of the Replacement Benchmark plus any Replacement Benchmark Adjustment Margin, as determined in accordance with the provisions of Clause 5 (<i>Change to the calculation of Interest</i>) of the Agreement (i.e. the anticipated levels of such rates or margin, for each maturity date, on the Rate Setting Date) originating from the US Dollars swaps rate market.</p>



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	In relation to the theoretical drawdown at a fixed rate and the theoretical drawdown at a floating rate referred to in points (i) and (ii) of the first paragraph of this definition, the discounting is executed on the basis of the Overnight Index Swap (OIS) in USD originating from the relevant swaps rate market in USD.
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.
Fraud against the Financial Interests of the European Union	means any intentional action or omission intended to damage the European Union budget, and involving, (i) the use or presentation of false incorrect or incomplete statements or document, which has as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources available pursuant to the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) the misappropriation of such funds for purposes other than those for which such funds were originally granted.
Grace Period	means the period from the Signing Date up to and including the date falling sixty (60) months after such date, during which no principal repayment under the Facility is due and payable.
Guarantee	means the sovereign guarantee granted by the Guarantor for the benefit of the Lender in relation to the Borrower's obligations under this Agreement.
Guarantee Agreement	means the guarantee agreement signed by the Ministry of Economy and Finance, on behalf of the Guarantor, in order to formalize the Guarantee, in the form and substance of Schedule 13 of this Agreement.
Guarantor	means the Republic of Ecuador.
ICC Rules	has the meaning given to it in Clause 17.2 (<i>Arbitration</i>).
Initial Financial Statements	means the Annual Financial Statements of the Borrower for the financial year ending on December 31, 2023, as certified by the Auditors.
Interest Period(s)	means each period from a Payment Date (exclusive) up to the next Payment Date (inclusive). For each Drawdown drawn under the Facility, the first interest period shall start on the Drawdown Date (exclusive) and end on the next successive Payment Date (inclusive).


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Interest Rate	means the interest rate expressed as a percentage and determined in accordance with Clause 4.1 (<i>Interest Rate</i>).
Loan Loss Reserve	means the total reserve established to cover potential losses in the Borrower's outstanding loans or other credit facilities.
Margin	Means one point fifty six per cent (1.56%) per annum.
Material Adverse Effect	means a material and adverse effect on: <ul style="list-style-type: none"> (a) the Project, insofar as it would jeopardise the continuation of the Project in accordance with this Agreement; (b) the business, assets, financial condition of the Borrower or its ability to honour its obligations under any of the Financing Documents; (c) the validity or enforceability of any of the Financing Documents; or (d) any right of remedy of the Lender under any of the Financing Documents.
Misuse of AFD's Funds or Assets	means the non-compliant, inappropriate and/or abusive use of the resources, property or assets belonging to the Lender, made knowingly, recklessly or negligently.
Money Laundering	means: <ul style="list-style-type: none"> (i) the act of facilitating by any means, the false justification of the origin of the assets or proceeds of the perpetrator of a felony or a misdemeanor which brought him a direct or indirect benefit; or (ii) the act of assisting in investing, concealing or converting the direct or indirect proceeds of a felony or a misdemeanor.
Non-Cooperative Practices	means: <ul style="list-style-type: none"> (i) the act of destroying, falsifying, altering, concealing or unreasonably withholding evidence or any other information, documents or records sought to be disclosed in connection with an investigation by the Lender of an allegation of Prohibited Practices to materially obstruct the investigation; or the act of making false statements to materially obstruct the investigation of an allegation of Prohibited Practices; or (ii) the act of threatening, harassing or intimidating any party in order to prevent it from disclosing information relating to an investigation conducted by the Lender, or the continuation of

	<p>the investigation; or</p> <p>(iii) any acts carried out in order to materially obstruct the Lender in exercising its contractual rights to audit, inspect or access to information in the context of an investigation based on an allegation of Prohibited Practices.</p>
Non-Performing Loans	means the aggregate of all loans and other credit facilities provided by the Borrower excluding interest in suspense in respect of which one or more principal and / or interest instalments are overdue by 90 days or more, and any Restructured Asset.
Non-Performing Loans Ratio	means the result obtained by dividing: (a) Non-performing Loans; by (b) the aggregate gross amount of loans and other credit facilities provided by the Borrower.
Non-Reserved Amount(s)	has the meaning given to such term in Clause 2.1 (<i>Credit</i>).
Operational Costs	<p>means the Borrower's:</p> <p>(a) personnel costs; plus</p> <p>(b) administrative costs; plus</p> <p>(c) overhead costs; plus</p> <p>(d) depreciation;</p> <p>(e) but excluding any Loan Loss Reserve.</p>
Operational Income	<p>means the Borrower's:</p> <p>(a) interest income; plus</p> <p>(b) its other operational income; less</p> <p>(c) the Borrower's interest costs.</p>
Operational Manual	means the manual specifying the financing and technical implementation arrangements of the Project, the Eligible Investments and the monitoring of the Project's results.
Outstanding Principal	means, in respect of any Drawdown, the outstanding principal amount due in respect of such Drawdown, corresponding to the amounts of the Drawdown paid by the Lender to the Borrower less the aggregate of instalments of principal repaid by the Borrower to the Lender in respect of such Drawdown.
Payment Dates	means February 12 th and August 12 th of each year.



<p>Payment Systems Disruption Event</p>	<p>means either or both of:</p> <p>(a) a material disruption to the payment or communication systems or to the financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by [this Agreement] <i>or</i> [the Financing Agreements] to be carried out), provided that the disruption is not caused by, and is beyond the control of, any of the Parties; or</p> <p>(b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party:</p> <p>(i) from performing its payment obligations under this Agreement; or</p> <p>(ii) from communicating with the other Parties in accordance with the terms of this Agreement,</p> <p>and which (in either case) is not caused by, and is beyond the control of, either Party.</p>
<p>Prepayment Compensatory Indemnity</p>	<p>means the indemnity calculated by applying the following percentage to the amount of the Facility which is repaid in advance:</p> <ul style="list-style-type: none"> - if the repayment occurs between the Signing Date and the 6th anniversary (exclusive) of the Signing Date: three per cent (3%); - if the repayment occurs between the 6th anniversary (inclusive) and the 8th anniversary (exclusive) of the Signing Date : two point fifty per cent (2,50%); - if the repayment occurs between the 8th anniversary (inclusive) and the 10th anniversary (exclusive) of the Signing Date: one point fifty per cent (1,50%); - if the repayment occurs after the 10th anniversary (inclusive): zero point fifty per cent (0,50%).
<p>Prohibited Practice(s)</p>	<p>means Anti-Competitive Practices, Acts of Corruption, Fraud, Fraud against the Financial Interests of the European Union, Non-Cooperative Practices, Misuse of AFD's Funds or Assets, as well as any breach of any applicable anti-Money Laundering and counter-Terrorist Financing laws.</p>
<p>Project</p>	<p>means the project as described in the Preamble and in Schedule 2 (<i>Project Description</i>).</p>

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Public Official	means any holder of legislative, executive, administrative or judicial office whether appointed or elected, permanent or temporary, paid or unpaid, regardless of rank or any other person defined as a public officer under the domestic law of the Borrower's jurisdiction of incorporation, and any other person exercising a public function, including for a public agency or organisation, or providing a public service.
Quotation Day	means, in relation to the period for which a floating Interest Rate is to be determined, two (2) US Government Securities Business Days and Business Days before the first day of that period.
Rate Conversion	means the conversion of the floating rate applicable to all or part of the Facility into a fixed rate pursuant to Clause 4.1 (<i>Interest Rate</i>).
Rate Conversion Request	means a request substantially in the form attached as Schedule 5C (<i>Form of Rate Conversion Request</i>).
Rate Setting Date	means, in relation to any fixed rate Drawdown or Change to the calculation of interest for any Drawdown: <ul style="list-style-type: none"> (i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request or of the Change to the calculation of interest Request, provided that the Request is received by the Lender at least two (2) full Business Days prior to said Wednesday; or (ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, or of the Change to the calculation of interest Request.
Reference Financial Institution	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognised by the banking industry.
Regulatory Ratios	means the ratios that shall be complied with under the laws of the country of incorporation of the Borrower or any other law applicable to the Borrower.
Schedule(s)	means any schedule or schedules to this Agreement.
Security	means any pledge, mortgage, assignment, lien, charge, lease, guarantee or security interest or any other agreement or arrangement

	having an effect similar to a security of any type created or existing over an asset for the purposes of securing a person's obligations.
Semi-Annual Financial Statements	means, for any given financial half-year, the Borrower's semi-annual consolidated [and audited] financial statements established in accordance with the Applicable Accounting Standards for the period ending on the year end date for that financial half-year.
Signing Date	means the date of execution of this Agreement.
SOFR	means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
Special Account	means the account opened in the name of the Borrower solely for the purpose of: <ul style="list-style-type: none"> (i) crediting the Financial Comparative Advantage; and (ii) using the Financial Comparative Advantage.
Subsequent Period	means the period starting on the day following the expiry date of the Allocation Period up until the Deadline for Drawdown of Funds.
Subsidiary	means any person or entity which is Controlled by the Borrower.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with a failure to pay or any delay in the payment of any such amounts).
Technical Assistance	means the technical assistance activities mentioned in Schedule 2 (<i>Project Description</i>).
Term SOFR	means, in relation to an Interest Period, the forward-looking term SOFR administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for a period equal in length to the Interest Period, as published by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate) as of 6:00 a.m. (New York City time) on the relevant Quotation Day (before any correction, recalculation or republication by the administrator).
Terrorist Financing	means providing or collecting, directly or indirectly, funds or managing funds with the intention that they should be used, or in

	the knowledge that they are to be used, for the purpose of committing an Act of Terrorism.
Total Capital	means the total capital of the Borrower as construed under the Basel Capital Accord and currently consisting of the aggregate of Tier 1 Capital and Tier 2 Capital (both construed under the Basel Capital Accord).
US Dollar(s) or USD	means the currency having legal tender in the United States of America.
US Fed Rate	means: <ul style="list-style-type: none"> (a) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time (any successor rate to, or replacement rate for, that rate); or (b) if that target is not a single figure, the arithmetic mean of: <ul style="list-style-type: none"> (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and (ii) the lower bound of that target range (rounded, if necessary, upwards to five (5) decimal places).
US Fed Rate Adjustment	means, in relation to a certain tenor, the percentage rate per annum notified by the Lender to the Borrower on the basis of the historical spread between Term SOFR for the relevant tenor and the US Fed Rate or (if any) any other applicable spread as recommended by any Relevant Nominating Body or the industry solution recommended by professional associations in the banking sector or the market practice observed in a series of comparable financing transactions.
US Government Securities Business Day	means any day other than: <ul style="list-style-type: none"> (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (SIFMA) (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.
Visibility and Communication Guide	means all contractual provisions binding on the Borrower relating to the communication and visibility of projects financed by the Lender and contained in the document entitled "Visibility guide for projects supported by AFD - Level 1", a copy of which has been given to the Borrower before the execution of this Agreement.

Website	means the website of the Lender (http://www.afd.fr) or any other such replacement website.
Withholding Tax	means any deduction or withholding in respect of a Tax on any payment made under or in connection with this Agreement.


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SCHEDULE 1B. CONSTRUCTION

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

SCHEDULE 2. PROJECT DESCRIPTION

I – PRESENTATION OF THE SECTOR AND BACKGROUND

With Ecuador's economic structure historically dependent on oil, the development of post-oil industries is vital for the country. Moreover, despite its low contribution to global greenhouse gas (GHG) emissions, Ecuador is relatively vulnerable to the effects of climate change. For the country, the challenge is to move towards a more diversified, resilient and low-carbon production matrix. To achieve this, the country intends to rely on the sustainable use of renewable natural resources, in particular those resulting from its rich biodiversity. Through the Bioeconomy Pact in 2019, the Ecuadorian government has committed to developing the bioeconomy, as a sustainable use of biodiversity, for the country's productive development. A national bio-economy strategy for the next 10 years is currently being drawn up and should be finalized in 2024. Micro and small enterprises currently make up the vast majority of Ecuador's bio-economy sector.

Representing 99% of the country's productive fabric, micro, small and medium-sized enterprises (MSMEs) play a major role in economic development and job creation, with a consequent cascading effect on the family economy. Despite their fundamental contribution to the Ecuadorian economy and government support to promote their growth, access to financing remains an obstacle to their development. The country is also characterized by a high rate of female entrepreneurship, with women running 45.5% of start-ups. However, gender inequalities persist in Ecuador and are reflected in the sustainability of businesses: only 38% of companies over three years old are run by women.

Mobilizing the banking sector is crucial to strengthening access to financing for MSMEs wishing to move towards more sustainable practices. The Corporación Nacional de Finanzas Populares y Solidarias (CONAFIPS), operating as a second-tier bank for the popular and solidarity-based financial sector (SFPS) is an important player in the financial inclusion of MSMEs and can play a significant role in driving this forward. Despite growing awareness in the financial sector and interest, including from supervisors, in promoting more sustainable practices, there is currently no operational green credit offering, and strategic thinking is at a very early stage. Most credit institutions, especially cooperatives, which are the most relevant financing channel for this type of borrower, lack experience and knowledge in this sector. Yet cooperatives are key interlocutors for micro and small businesses, and can play a key role in their transformation by helping them to adopt more sustainable practices and investments that are more sober and resilient to climate change. CONAFIPS is therefore a strategic partner in helping the rest of the popular and solidarity-based financial sector to develop a sustainable finance offering.

II – PURPOSES OF THE FACILITY

By supporting CONAFIPS, a key public financial institution, the Project aims at contributing to the promotion and development of sustainable entrepreneurship in Ecuador, by structuring bio-economy value chains and stimulating the financing of sustainable investments.

The project will pursue the following specific objectives:

- To support CONAFIPS and its Counterpart Financial Institutions in financing sustainable investments and developing appropriate financial and non-financial services;
- To improve MSMEs' access to financing for sustainable investments ;
- To promote women's entrepreneurship and economic empowerment;

To this purpose, CONAFIPS and AFD have decided to join forces and work together. The project is structured around two complementary components:

- A credit facility of USD 30 million line of credit to CONAFIPS to support the development of a sustainable finance offering for MSMEs through its Counterpart Financial institutions;
- a Technical Assistance (TA) and Financial Incentives (FI) program with of up to EUR 2,150,000 (hereafter referred to as the “Technical Assistance Facility”) provided by AFD and the European Union in order to support CONAFIPS and its Counterpart Financial Institutions in developing financial and non-financial services for bio entrepreneurs as well as in deepening their gender approach. The Technical Assistance Facility is subject to approval of the European Union and of AFD and will be formalized in a separate grant agreement.

The credit facility is based on the three following components:

- **Component 1:** allows for the financing of eligible investments based on compliance with a predefined Eligibility Framework that focuses on bioeconomy practices.
- **Component 2:** enables the financing of eligible investments with a positive impact on mitigation and adaptation issues.
- **Component 3:** enables the financing of women entrepreneurs.

Overall allocation of the Credit Line among the three components: a minimum of ten million dollars (\$10,000,000) will be allocated to each component.

III. ELIGIBILITY CRITERIA

CONAFIPS will use the Credit Facility to finance Eligible Loans to Counterpart Financial Institutions that will on-lend eligible sub-loans to Final Beneficiaries. Loans awarded shall comply with the financial and technical eligibility criteria below. These criteria shall be fined-tuned with the help of the technical cooperation in an Operation Manual.

Nota bene: if deemed appropriate for the management of the Project, the Lender may agree to modify or further detail the technical eligibility criteria in the Operational Manual to be designed in cooperation with the Borrower. This operational manual may be updated if needed during the Facility’s implementation upon agreement between the Lender and the Borrower.

1- Loans extended by CONAFIPS to Counterpart Financial Institutions

Eligible Loans extended by CONAFIPS to Counterpart Financial Institutions shall comply with the following criteria:

- Each Counterpart Financial Institutions must:
 - Be authorized to operate in Ecuador by Superintendencia de Economía Popular y Solidaria.
 - Have audited financial statements, to the extent required by their applicable law
 - Comply with all applicable Regulatory Ratios applicable
 - Having put in place an Environmental and Social Management System (ESMS) in accordance with local standards or be in the process of establishing an ESMS in accordance with local standards.
 - Respect the CONAFIPS exclusion list.
- The Credit Facility must finance at least four (4) Counterpart Financial Institutions.

2- Sub-loans extended by Counterpart Financial Institutions to Final Beneficiaries

2.1 - General criteria:

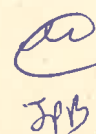
- The sub-loans extended by Counterpart Financial Institutions under AFD Facility shall finance Micro, small and medium enterprises (MSMEs) in Ecuador as per the national definition applied as follows:

Size Category	Employees (#)	Gross annual income (USD)	Assets (USD)
Micro Enterprises	< 10	<=100 000	<= 100 000
Small Enterprises	10 - 49	100 001- 1000 000	100 001 – 750 000
Medium Enterprises	50 -199	1 000 001 – 5 000 000	750 001 – 4 000 000

- All eligible sub-loans and related activities shall:
 - Be implemented in Ecuador;
 - Be screened and classified according to environmental and social risks, with clear evidence of the application of national regulations by CONAFIPS and Counterpart Financial Institutions;
 - Not be on the list of excluded sectors and activities for AFD abroad (Schedule 3 - Exclusion List).
- Working capital financing will not be eligible for allocation under the AFD Facility, except for the purchase of products and inputs that enable the creation and/or development of a productive asset (salaries and other consumables are excluded).
- Sub-loans shall have a maturity equal or more than 24 months.
- The maximum amount of sub-loans is USD 300,000, except in the case of transportation-related investments, for which the maximum amount is USD 400,000.
- Any sub-loan contracted by CONAFIPS and its Counterpart Financial Institutions after the signature of the Mandate Letter will be eligible if it meets with the above-mentioned eligibility criteria.

2.2 – Specific technical criteria for Component 1 (bioeconomy related projects)

The funds of the Credit Facility shall be directed to Eligible Investments related to bio-economy principles. To that end, all Eligible Investments shall comply with the guidelines of the below eligibility framework. The technical criteria will be fine-tuned according to the national framework on bioeconomy with the approval of the Lender in the Operation Manual.



Bioeconomy principles	Description
Collection, production, processing and selling of products and services	All business activity, at any stage in the value chain, in line with the economic value-added of biodiversity
From native biodiversity	Goods and services derived from the direct use and transformation of biological native resources (including biomass waste)
In compliance with environmental, social and economic sustainability criteria	Sustainable management practices and conservation of biodiversity (including resource regeneration)

Eligibility framework:

- Eligible Investments must correspond to the category of activity and the investments indicated in the positive list currently being defined by CONAFIPS.
- Eligible Investments must comply with sustainable management practices. To be considered as sustainable management practices, the beneficiary's activity must meet at least one of the five (5) criteria below :
 - Using locally sourced renewable biological resources, without over-exploiting the resource, while ensuring the balance of its habitat
 - Cultivation carried out in a sustainable manner (e.g. respecting soil recovery cycles, eradicating monocultures, using chemical-free products, avoiding deforestation, etc.)
 - Using biomass waste generated in transformation, production and consumption processes (e.g. seeds, fruit residues, food waste, crab shells)
 - Ensuring the conservation of biodiversity in a way that allows to take advantage of ecosystem services in a sustainable way
 - Product or company which have a sustainability certification
- The eligibility framework will be fine-tuned, including a list of eligible investments, in line with the national reference framework in the Operational Manual. Certain native channels will be then prioritized.

2.3 - Specific technical criteria for Component 2 (climate related projects)

All eligible sub-loans must be related to the financing of eligible investments with positive impact on mitigation and adaptation issues. Classification as "mitigation" or "adaptation" shall be in line with the following definitions, and evaluated with the support of the technical assistance as such with the AFD's methodology applied to characterize mitigation or adaptation investments:

- Mitigation of greenhouse gas emissions or carbon sequestration: an investment contributes to mitigation when it allows the GHG emissions to be reduced compared to a benchmark situation without investment or when it enables GHG emissions reductions. An investment is defined as a "climate/mitigation" investment when: (1) the direct and/or indirect estimate (depending on the size of the project) of its carbon footprint demonstrates that it reduces or avoids (for renewable energy projects) GHG emissions compared to a reference situation; (2) or if the GHG

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assessment cannot be estimated at the time when the commitment is approved, this financing will be dedicated to actions contributing to mitigation (studies, reinforcement of capacity and intermediated bank credit lines in favor of renewable energy and energy efficiency projects).

- Adaptation to climate change: investment (or parts of projects) leading to limitation of the vulnerability of assets, people and ecosystems to the consequences of climate change are considered to contribute to adaptation. In order for an investment to be accounted for under "climate/adaptation", an analysis must show that the investment potentially contributes to reducing a vulnerability to climate change identified in the project zone. To do this, the following are cross-analysed: (i) a study of climate change vulnerability in the investment's geography with (ii) an examination of the activities planned for the investment in the light of a positive action list contributing to the reduction of vulnerability or contributing to the reinforcement of the resilience of populations, assets or ecosystems to climate change. A narrative shall demonstrate a direct link between the climate related risks, vulnerabilities, and the positive impact of the eligible investment.
- CONAFIPS will make its best-efforts to allocate a minimum of ten percent (10%) of the component 2 to climate adaptation related investments.

To that end, Eligible activities and investments will be further defined in the Operational Manual. The carbon footprint will be measured for each relevant Eligible Investment financed with the support of the Technical Assistance.

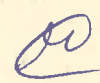
Climate change mitigation related projects:

Sub-Loans must be related to the financing of the following type of eligible investment. The number of activity or type of eligible investment may be increased during the project implementation, as a result of the TA programme. The technical criteria will be fine-tuned with the approval of the Lender in the Operation Manual.

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Activity	Indicative list of Eligible type of investments
Agriculture	Investments related ⁵ to : <ul style="list-style-type: none"> • soil quality improvers that reduce soil contamination and soil erosion, e.g. agricultural gypsum, compost, worm castings, organic fertilisers. • biofuels (first generation biofuels are excluded) • highly efficient electrical equipment and for use in a sustainable agriculture project (with agro-ecological or organic practices) • renewable energy equipment (solar heaters, solar lamps, solar dryers, photovoltaic panels, solar irrigation pumps). • replacement of fuel-powered machinery (petrol, diesel, etc.) with new machinery, whose energy source is electricity • replacement of equipment and/or machinery used in agriculture with highly efficient ones by reducing electricity consumption • LED luminaires and/or Installation of automated lighting systems in work areas. • live fences (plants) with local species that provide natural shade for crops, control pests, act as windbreaks, prevent soil erosion • transport, storage and processing of organic waste into compost or biodigesters • Carbon footprint certifications
Energy	<ul style="list-style-type: none"> • Renewable energy related investments • Electricity transmission and distribution systems (except for systems that directly evacuate electricity from thermal power plants)
Other sectors	Investments related to : <ul style="list-style-type: none"> • replacement of fuel-powered machinery (petrol, diesel, etc.) with new machinery, whose energy source is electricity • replacement of equipment and/or machinery with highly efficient ones by reducing electricity consumption • LED luminaires and/or Installation of automated lighting systems in work areas. • renewable energy equipment (solar heaters, solar lamps, solar dryers, photovoltaic panels, solar irrigation pumps). • electric cookers, electric pressure cookers and electric kettles below 2 litres • category A electrical household equipment investments related to class A (refrigerator and AC) • electric domestic water heaters • industrial electric water heaters (boilers) • highly efficient industrial electrical equipment.

⁵ The term "related investments" includes manufacturing, sale, purchase, lease, rental, repair, operation and maintenance, refinancing, rehabilitation, decommissioning, etc.


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| | <ul style="list-style-type: none"> • eligible cooling equipment or heat pumps. • industrial equipment using biomass waste as a fuel • eligible industrial equipment for high temperature processes using fossil fuels that do not have electric alternatives available on the market. • thermal insulation for energy savings in industrial processes • waste heat recovery in industrial processes • energy measurement and control systems • electric vehicles • bicycles and other non-motorised vehicles • transport, storage and processing of organic waste into compost or biodigesters • transport, storage and recycling of waste (paper, cardboard, plastics, metals) • wastewater treatment systems • thermal insulation of houses and buildings • Studies on adherence to Ecuador's Zero Carbon Programme • Carbon footprint certifications |
|--|---|

Climate change adaptation related projects:

Eligible sub-loans must be related to the financing of eligible activities, practices and/or investments leading to limitation of the vulnerabilities to the consequences of climate change identified at *parroquias* level in Ecuador. These activities, practices and/or investments will be fine-tuned in the Operational Manual.


2.4 - Specific technical criteria for Component 3 (women entrepreneur's projects)

All eligible sub-loans extended by eligible CFIs shall finance:

- Productive, commercial and service investments for entrepreneurs of the popular and solidarity economy ("producto EPS").
- MSMEs owned and/or managed by women

CONAFIPS will make its best-efforts to allocate a minimum of ten percent (10%) of the component 3 to the most vulnerable women (cross-criteria to be proposed by CONAFIPS or defined through technical cooperation).

This component ensures that at least thirty-three (33%) of the credit line will be allocated to women beneficiaries. CONAFIPS will make its best-efforts to allocate fifty percent (50%) of the credit line to women beneficiaries.


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SCHEDULE 3. EXCLUSIONS LIST

AFD Group excludes financing for activities involving the production or trade in illicit products, as well as any activity that is illegal under the applicable legal framework in the destination countries or in France, as well as under international conventions or agreements creating commitments for the destination countries or for France. It involves in particular:

1. Any equipment, sector or service subject to economic sanctions issued by the United Nations, the European Union or France, without absolute or relative restriction regarding the amount;
2. Production or activity involving forced labour⁶, child labour⁷ or trafficking in human beings;⁸
3. Illicit activities involving organs, tissues and products of the human body, or genetic engineering activities banned by the national bioethical standards of France⁹ or, of the destination countries, and by relevant applicable European or international standards;¹⁰
4. Trade, production, breeding or possession of animals, plants or any natural products in breach of the provisions of CITES;¹¹
5. Fishing activity using a driftnet in excess of 2.5 km in length;
6. Research, purchase, promotion or multiplication of genetically modified seeds;¹²
7. Production, use or trade of hazardous materials (such as asbestos fibres) and all products (including chemical products, pharmaceuticals, pesticides/herbicides, ozone-depleting substances¹³ or any other hazardous product) the production or use of which is banned or which will be phased out in the regulations of destination countries or internationally;
8. Transboundary trade of wastes, except those consistent with the Basel Convention¹⁴ and its underlying regulations;
9. Exploitation of diamond mines and marketing of diamonds in countries that have not adhered to the Kimberley Process;
10. Illicit trade or activities that facilitate the illicit traffic of cultural property.¹⁵

⁶ “Forced labour” refers to any work or service performed involuntarily and exacted from an individual by threat of force or punishment as defined in the conventions of the International Labour Organization (ILO).

⁷ Employees must be at least 14 years of age as defined in the ILO’s Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory schooling or a minimum age for admission to employment or work. In such circumstances, the highest age requirement must be used.

⁸ Council of Europe Convention on Action against Trafficking in Human Beings (2005); Directive 2011/36/EU.

⁹ V. AR. 16 à 16-14 of the French Civil Code (mainly as set out in Law No. 94-653 of 29 July 1994 on the respect for the human body and Law No. 2004-800 of 6 August 2004 on bioethics).

¹⁰ The Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Application of Biology and Medicine: Convention on Human Rights and Biomedicine (Oviedo, 04/04/1997); Council of Europe Convention against Trafficking in Human Organs (Saint-Jacques-de-Compostelle, 25/03/2015).

¹¹ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington, 1973).

¹² Programming Act No. 2021-1031 of 4 August 2021 on inclusive development and combating global inequalities prohibits financing by AFD of activities involving the purchase, promotion or multiplication of genetically modified seeds (LPDSL1 – Cadre de partenariat global [Global Partnership Framework] Part II – B – b / - 3 - paragraph 6). AFD adds research activities to this (Territorial and Ecological Transition Strategy 2020-2024).

¹³ Any chemical component which reacts with, and destroys, the stratospheric ozone layer leading to the formation of “holes” in this layer. The Montreal Protocol lists ozone depleting substances (ODS), their reduction targets and the deadlines for phasing them out.

¹⁴ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal is available at: www.basel.int

¹⁵ Trade in cultural property is regulated by the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970).

It also excludes financing for the following activities whose demonstrable or potential detrimental impacts on human rights, inequalities, the climate or biodiversity are deemed incompatible with this objective:

11. Production or trade:
 - (i) relating to pornography or prostitution;
Production or trade in:¹⁶
 - (i) weapons and/or munitions;
 - (ii) tobacco;
 - (iii) alcoholic beverages (excluding beer and wine);
 - (iv) gambling establishments, casinos or equivalent enterprises;¹⁷
12. Production and distribution or participation in media that is racist or anti-democratic or which promotes discrimination against part of the population;
13. Operations resulting in an irreversible alteration or a significant displacement of a critical element of cultural heritage;¹⁸
14. Projects to construct, extend or refurbish fossil fuel-fired power plants;¹⁹
15. Infrastructure associated²⁰ to a facility for producing, storing or processing fossil energy resources (mines, processing facilities, storage, etc.) or for generating electricity from fossil energy sources, referred to in point 14 of this list;
16. Projects for the exploration, production or processing or dedicated exclusively to the transport of coal, gas and oil (conventional or non-conventional);
17. Biodiversity:
 - (i) Any financing in the (a) sites of the Alliance for Zero Extinction (AZE)^{21 / 22}, (b) natural and mixed sites on the Unesco World Heritage List²⁰ and (c) legally protected areas (IUCN categories)²³ and,
 - (ii) Any operation leading to an adverse and irreversible²⁴ residual²⁵ impact on a critical habitat,²⁶
 - (iii) Any forest project or agricultural project with broad coverage (>100 ha) that does not

¹⁶ In addition, clients or counterparties whose activities represent more than 10% of their turnover or, if the client is a financial intermediary, more than 10% of their outstanding portfolio are also excluded.

¹⁷ Any direct financing of these projects or activities including them (for example, a hotel incorporating a casino). It does not concern urban development plans that could subsequently integrate such projects.

¹⁸ "Critical cultural heritage" is considered to be any part of the heritage that is internationally or nationally recognised as being of historical, social or/and cultural interest.

¹⁹ Except for projects involving mini-grids served by hybrid power plants (combining renewable energies and fossil fuels).

²⁰ The term "associated Infrastructure" is used when the infrastructure is associated with a production facility using fossil fuel if the two following conditions are fulfilled: i) the infrastructure would not have been built in the absence of this fossil fuel facility, and ii) the fossil fuel facility would not be economically viable without the infrastructure.

²¹ Unless the area of influence of the funded activities and their associated facilities does not encroach on zones that effectively meet the criteria for being designated as an AZE site – <https://zeroextinction.org/site-identification/aze-site-criteria/>

²² Unless the financing aims to conserve or restore these areas.

²³ Unless the financing aims to conserve or restore these areas or complies with the management and spatial planning arrangements for the latter, such as those formalised in plans with international standards relating to the activities being financed – categories I-VI in [World Database on Protected Areas | IUCN](#).

²⁴ Irreversible impact: permanent conversion or degradation of biodiversity or of the ecological functions or characteristics that warranted the critical habitat designation.

Residual impact: a project's measurable impact on a biodiversity value, after implementation of avoidance and mitigation measures, but before implementation of restoration and compensation measures.

²⁶ Critical habitat: within the meaning of the World Bank's Environmental and Social Standard 6 – 2018 or IFC-GN PS6 2019.

- implement a methodology²⁷ ensuring zero-deforestation;
18. Projects whose purpose and/or approach are inconsistent with human rights, and in the case of private sector financing, projects underpinned by rationales that clearly contradict the United Nations Guiding Principles on Business and Human Rights;²⁸
 19. Projects where a forced eviction within the meaning of the United Nations²⁹ was carried out on the impact site of the proposed project, and which eviction can be causally linked to the purpose of this project and which is materially impossible to compensate.³⁰

AFD Group requires the financial institutions with which it collaborates to apply exclusions to their financial activities, applicable to all their financing. These excluded activities include at least the items listed below, which are from AFD Group's own exclusion list:

1. Production or trade in illicit products, as well as any illegal activity under national or international laws applicable in the destination countries;
2. Production activities or other activities involving the use of forced labour³¹ and/or child labour;³²
3. Trade, production, breeding or possession of animals, plants or any natural products in breach of the provisions of CITES;³³
4. Transboundary trade of wastes, except those consistent with the Basel Convention³⁴ and its underlying regulations.

²⁷ Methodology including (i) a reference tool equivalent to the HCS approach, allowing for forest classification, (ii) a guarantee that no high carbon stock forest will be converted under the project and (iii) monitoring of forest cover (field or satellite monitoring).

²⁸ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

²⁹ United Nations Sub-Commission on Human Rights Resolution 1993/41: "Forced Eviction". "The term 'forced evictions' [...] is defined as the permanent or temporary removal against their will of people, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection (Committee on Economic, Social and Cultural Rights, General Comment No. 7).

³⁰ Due to the project sponsor's refusal or its inability to identify the populations that are victims of forced evictions. Projects for which an effective remedy can be provided for violated rights will not be excluded.

³¹ "Forced labour" refers to any work or service performed involuntarily and exacted from an individual by threat of force or punishment as defined in the conventions of the ILO.

³² Employees must be at least 14 years of age as defined in the ILO's Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory schooling or a minimum age for admission to employment or work. In such circumstances, the highest age requirement must be used

³³ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington, 1973).

³⁴ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal is available at: www.basel.int

SCHEDULE 4. CONDITIONS PRECEDENT

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

- *if the document which is delivered is not an original but a photocopy, the original of the Certified photocopy shall be delivered to the Lender;*
- *the final version of a document which draft was previously sent to, and agreed upon by the Lender, shall not materially differ from the agreed draft;*
- *documents not previously sent and agreed upon, shall be satisfactory to the Lender.*

PART I – CONDITIONS PRECEDENT TO BE SATISFIED ON THE SIGNING DATE

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a Certified copy of (a) the law governing the Borrower, the articles of association (*estatuto social*) and (b) the certificate of incorporation and legal existence of the Borrower issued by the Superintendence of Popular and Solidary Economy (the equivalent of the French *extrait K-bis*);
 - (ii) a Certified copy of the resolution issued by the board of directors of the Borrower; whereby the Borrower resolves that the project is deemed priority and to include it in the Annual Investment Plan;
 - (iii) a Certified copy of the resolution(s) of the board of directors of the Borrower:
 - approving the terms and conditions of this Agreement and the of the Banking Services Agreement;
 - authorising the of the Borrower to enter into said Agreements;
 - authorising the Borrower to submit all disputes under this Agreement to international arbitration under the ICC Rules; and
 - appointing the Director General (and legal representative) of the Borrower;
 - (iv) a Certified copy of the legalized appointment of the Director General, together with evidence of the identity of the Director General or any person duly authorised to sign the Agreement for and on behalf of the Borrower, the name and address of such persons and any other document or evidence required by the Lender for the purposes of its “know your customer” or anti-money laundering procedures;
 - (v) a Certified copy of the Debt and Financing Committee or of the Ministry of Economy and Finance resolution approving the Facility and setting out the terms and conditions of the loan;
 - (vi) the Attorney General of the Republic of Ecuador authorisation with respect to French law as law governing the Agreement and the submission of all disputes to international arbitration under the ICC rules; and
 - (vii) the final draft of the Financing Agreement or the master financing and refinancing agreement of the Counterpart Financing Institutions, together with the Lender’s no-objection notice.

- (b) Delivery to the Lender of the documents in relation to the Guarantee listed below:
 - (i) a Certified copy of the authorization issued by the Ministry of Economy and Finance of the Republic of Ecuador authorising the granting of the Guarantee Agreement, in compliance with the legislation of the jurisdiction of the Guarantor, including:
 - (a) the authorization of the Guarantor to enter into the Guarantee Agreement;
 - (b) the approval of the terms and conditions of the Guarantee Agreement and of its execution;
 - (ii) the Attorney General's authorization with respect to French law as law governing the Guarantee Agreement, and the submission of disputes to international arbitration under the ICC Rules;
 - (iii) the Authorization from the Ministry of Economy and Finance or its delegate with respect to the submission of disputes to international arbitration under the ICC Rules.
- (c) Delivery to the Lender of a draft legal opinion, in form and substance satisfactory to the Lender, of a reputable law firm established in the jurisdiction of the Borrower and appointed by the Lender on the Financing Documents.
- (d) Payment by the Borrower to the Lender of all fees and expenses due and payable under this Agreement, if any.

PART II - CONDITIONS PRECEDENT TO THE FIRST DRAWDOWN

- (a) Delivery to the Lender of executed copy of the Guarantee Agreement.
- (b) Delivery by the Borrower to the Lender of the following documents each being in form and substance satisfactory to the Lender:
 - (i) evidence of any filing or registration, including the registration of the Facility with the Central Bank, deposit or publication requirements of the Financing Documents and payment of any stamp duty, registration fees or similar duties in connection with the Financing Documents, as applicable;
 - (ii) a Certified copy of the executed Banking Services Agreement;
 - (iii) an estimated second-tier portfolio obtained on the basis of projections, broken down by component (bioeconomy, climate and gender) for a total amount of loans available from the Borrower equal to or greater than the amount of the Drawdown Request ;
 - (iv) a certified copy of the Initial Financial Statements;
 - (v) the original certificate in the form of Schedule 7 (*Anti-Money Laundering And Anti-Terrorism Financing Certificate*) of this Agreement; and
 - (vi) a final version of the Project's Operational Manual together with the Lender's notice of no objection for the first Drawdown on the bioeconomy and the climate components.
- (c) Delivery by the Borrower to the Lender of a Certified copy of the certificate issued by a duly authorised representative of the Borrower listing the person(s) authorised to sign, on behalf of the Borrower, the Drawdown Requests and any certificate in connection with this Agreement, and to take all other measures or sign other authorised or requested documents under this Agreement and a specimen of the signature of each person listed therein.



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- (d) Delivery to the Lender of a final legal opinion in form and substance satisfactory to the Lender issued by an independent law firm in the Borrower's jurisdiction and appointed by the Lender.
- (e) Payment of all fees and expenses payable in accordance with the provisions of this Agreement.

PART III - CONDITIONS PRECEDENT FOR SUBSEQUENT DRAWDOWNS

Delivery by the Borrower to the Lender of the following documents each being in form and substance satisfactory to the Lender:

- (a) the funds use report substantially in the form of Schedule 6 (*Funds Use Justification – A Intermediary report*), signed by a duly authorised representative of the Borrower certifying that at least eighty per cent (eighty per cent (80%) of the last Drawdown immediately preceding the Drawdown requested in the Drawdown Request and ninety per cent (90%) of the penultimate Drawdown have been disbursed to the Final Beneficiaries);
- (b) an estimated second-tier portfolio obtained on the basis of projections, broken down by component (bioeconomy, climate and gender) for a total amount of loans available from the Borrower equal to or greater than the amount of the Drawdown Request
- (c) the original certificate in the form of Schedule 7 (*Anti-Money Laundering And Anti-Terrorism Financing Certificate*) certifying that the Borrower conforms to the anti-money laundering and anti-terrorism financing undertakings pursuant to the provisions of Clause 11.9 (*Origin of funds, Acts of Corruption, Fraud and Anti-Competitive Practices*).

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SCHEDULE 5A. FORM OF DRAWDOWN REQUEST

[on the Borrower's letterhead]

From: [●]

TO: AGENCE FRANÇAISE DE DÉVELOPPEMENT

Agency of [insert name and address of the AFD agency as set out in Clause 16.1(Notices)]

[insert the address of the AFD agency as set out in Clause 16.1(Notices)]

Attention: Director of the agency

[Insert date]

[Borrower's Name] – Credit Facility Agreement No. [●]

Drawdown Request No. [●]

Dear Sirs,

1. We refer to the Credit Facility Agreement No. [●] entered into between [●] and the Agence Française de Développement dated [●] (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. This letter is a Drawdown Request.

3. We irrevocably request that the Lender makes a Drawdown available on the following terms:

Amount: [●] US Dollars (USD [●]) or, if less, the Available Facility.

Interest Rate: [fixed / floating]³⁵

The Interest Rate will be determined in accordance with the provisions of Clause 5 (*Interest*) and Clause 6 (*Change to the calculation of interest*) of the Agreement. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate [(subject to the paragraph below, if applicable)], including when the Interest Rate is determined by reference to a Replacement Benchmark plus any Replacement Benchmark Adjustment Margin as notified by the Lender following the occurrence of a Screen Rate Replacement Event.

[For fixed Interest Rate only:]³⁶ If the Interest Rate applicable to the requested Drawdown is greater than [●insert percentage in full] ([●insert percentage in figures]%), we request that you cancel this Drawdown Request.

[options – intermeditation avec contrôle ex-ante/intermédiation avec deux types de contrôle: contrôle ex-post et contrôle ex-ante/offre de place

4. This Drawdown shall be allocated to the Eligible Investments as follows:

³⁵ Si l'option 1 de l'article 4.1 « Taux fixe uniquement » est retenue, supprimer cette ligne

³⁶ Si l'option 1 de l'article 4.1 « Taux fixe uniquement » est retenue, supprimer.

	File number	Name of the Investment	Identity of Final Beneficiary	Amount necessary to the financing of the investment
1.	[●]	[●]	[●]	[●]
2.	[●]	[●]	[●]	[●]
TOTAL				[●] ³⁷

We confirm that the Eligible Investments listed in the above table are subject to an Allocation Authorisation dated [●]. A copy of the Allocation Authorisation is hereby attached].

5. We confirm that each condition specified in Clause 2.4 (*Conditions Precedent*) is satisfied on the date of this Drawdown Request and that no Event of Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.

6. The proceeds of this Drawdown should be credited to the following bank account(s):

Name of the Borrower: [●]

Address of the Borrower: [●]

IBAN Account Number: [●]

SWIFT Number: [●]

Bank and bank's address of the Borrower: [●]

[if currency other than Euro] correspondent bank and account number of the Borrower's bank: [●]

7. This Drawdown Request is irrevocable.

8. We have attached to this Drawdown Request all relevant supporting documents specified in Clause 2.4 (*Conditions Precedent*) of the Agreement:


[List of supporting documents]

Yours sincerely,

.....

Authorised signatory of Borrower

³⁷ Ce montant doit être égal ou supérieur au montant de la Demande de Versement.


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SCHEDULE 5B. FORM OF DRAWDOWN AND RATE CONFIRMATION LETTER

[on Agence Française de Développement letterhead]

From: Agence Française de Développement

To: [insert name and address of the Borrower as set out in Clause 17.1(Notices)]

Attention: [Name mentioned in Clause 17.1(Notices)]

[Insert date]

[Borrower's Name] – Credit Facility Agreement No. [•]

Drawdown Request No. [•]

Dear Sirs,

1. We refer to the Credit Facility Agreement No. [•] entered into between [•] and the Agence Française de Développement dated [•] (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

By a Drawdown Request letter dated [•], the Borrower has requested that the Lender makes available a Drawdown in the amount of [•] US Dollars (USD [•]); pursuant to the terms and conditions of the Agreement.

The Drawdown which has been made available in connection with your Drawdown Request is as follows:

- Amount: [•] US Dollars (USD [•])

[Option: floating Interest Rate Drawdowns :

- Applicable interest rate: equal to the aggregate of the six-month Term SOFR³⁸³⁹ and the Margin⁴⁰

[Option: fixed Interest Rate Drawdowns :

- Applicable interest rate: [•] ([•]%)⁴¹

For information purposes only:

- Rate Setting Date: [•]

³⁹ If Term SOFR has been replaced by a Replacement Benchmark on the date of confirmation of drawdown due to the occurrence of a Screen Rate Replacement Event, the Replacement Benchmark, the precise terms and conditions of replacement of such Screen Rate with a Replacement Benchmark will be as set out in SCHEDULE 10 (*SOFR Terms*) or, as applicable, as notified to the Borrower in a separate letter.

⁴⁰ To be deleted in case of fixed Interest Rate.

⁴¹ Issu de la fixation du taux

- Fixed Reference Rate: [•] ([•]%) per annum
- Effective global rate (for a 6. month period): [•] ([•]%)
- Effective global rate (per annum)⁴²: [•] ([•]%)

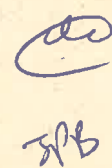
[It being specified that the above Interest Rate may vary in accordance with the provisions of clauses 5.2(a) (*Floating Interest Rate*) and 6.2 (*Replacement of Screen Rate*) of the Agreement.]⁴³

Yours sincerely,

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

⁴² Periodic global effective rate to be provided also.

⁴³ To be deleted in case of fixed Interest Rate.

Handwritten signature and initials in blue ink, consisting of a stylized signature above the initials 'SPB'.

SCHEDULE 5C. FORM OF RATE CONVERSION REQUEST

[on the Borrower's letterhead]

From: [●]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

Agency of [insert name and address of AFD as set out in Clause 16.1 (Notices)]

[insert the address of the AFD as set out in Clause 16.1(Notices)]

Attention: Director of the Agency

[Insert date]

[Borrower's Name] – Credit Facility Agreement No. [●]

Drawdown Request No. [●]

Dear Sirs,

1. We refer to the Credit Facility Agreement No. [●] entered into between [●] and the Agence Française de Développement dated [●] (the "Agreement"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. Pursuant to Clause 5.2 (i) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement, we hereby request that you convert the floating Interest Rate of the following Drawdowns:

- Drawdown dated [●] for an amount of [●] US Dollars (USD [●]);
- Drawdown dated [●] for an amount of [●] US Dollars (USD [●]);
- [...]

If the fixed Interest Rate applicable to the listed Drawdowns exceeds [●] ([●]%), we request you to deem null and void this Rate Conversion Request letter.

Yours sincerely,

.....

Authorised signatory of Borrower



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SCHEDULE 5D. FORM OF RATE CONVERSION CONFIRMATION

[on Agence Française de Développement letterhead]

From: Agence Française de Développement

To: insert address of the Borrower as set out in Clause 16.1 (Notices)

To: insert name of the Borrower as set out in Clause 16.1 (Notices)

[Insert the date]

Borrower's Name – Credit Facility Agreement No. [●]

Dear Sirs,

SUBJECT: Conversion from a floating Interest Rate to a fixed Interest Rate

1. We refer to the Credit Facility Agreement No. [●] entered into between [●] and the Agence Française de Développement dated [●] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. We refer also to your Rate Conversion Request dated [●]. We confirm that the fixed Interest Rate applicable to the Drawdown(s) referred to in your Rate Conversion Request delivered in accordance with Clause 5.1 (c) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement is:
 - [●]% per annum.
3. This fixed Interest Rate, calculated in accordance with Clause 5.1 (a) (*Selection of Interest Rate*) will apply to the Drawdown(s) referred to in your Rate Conversion Request from [●] (effective date).
4. Further, we notify you that the effective global rate per annum of the Facility is [●]%.

Yours sincerely,

.....

Authorised representative of *Agence Française de Développement*

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SCHEDULE 6. FUNDS USE JUSTIFICATION

The Borrower shall deliver to the Lender:

- (i) no later than six (6) months after each Drawdown, a report on the use of the funds, in form and substance satisfactory to the Lender.
- (ii) no later than twelve (12) months after the final Drawdown, a final report on the use of the funds signed by an authorised signatory of the Borrower certifying that one hundred per cent (100%) of the amount borrowed under this Facility have been disbursed and including, for each financed Eligible Investment, a detailed breakdown of the sums paid.

For each subsequent Drawdowns, the reporting on the use of funds shall demonstrate that at least eighty per cent (80%) of the last Drawdown immediately preceding and ninety per cent (90%) of the penultimate Drawdown have been disbursed to the Final Beneficiaries.


The progress reports submitted during the Drawdown Period and the Final Report shall have the same format. They shall be based on the below template, which may be adjusted, if needed, with the approval of the Lender in the Operation Manual.

I- Justification on the use of funds, intermediary report, and impact indicators

The reporting on the use of funds shall demonstrate that the funds of the Facility have been used exclusively to finance Eligible Investments through related loans which strictly comply with the eligibility criteria set out in Schedule 2 (*Project Description*) and monitor the actual disbursements made to Final Beneficiaries for each Eligible Investment.

The use of funds report shall be documented, *inter alia*, by a list of Eligible Investments and related loans complying with the eligibility criteria set out in Schedule 2 (*Project Description*). This report shall be sent alongside with, and at the request of the Lender on a sample basis, a certified copy of the loan agreements executed by the Counterpart Financial Institution related to the Drawdowns, as well as certified copies of loan documentation executed by the Final Beneficiary. The Lender also reserves the right to conduct audits to verify the utilization of funds.


The reporting on the use of funds shall be provided according to the following tables (which is indicative and that may be modified by the Parties after the Signing Date in the Operational Manual):


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Eligible investments - Main characteristics					Eligible investments - Financial characteristics								
Ref. number	Name of the Counterpart Financial Institution	Component (climate, bioeconomy and/or gender)	Type of financing (investment/working capital)	Type of CONAFIPS' product (EPS/credito verde, ...)	Investment value	CONAFIPS' financing (to be confirmed)	AFD's financing	Loan maturity (incl. Grace period if any)	Effective interest rate for the CFI	Effective interest rate for the Final Beneficiary	If applicable : Amount of the interest rate subsidy for the Final Beneficiary	Signing date of the sub-loan agreement	Disbursed amount to the Final Beneficiary
Sub-loan A	COAC X	bioeconomy											
Sub-loan B	COAC X	climate + gender											
Sub-loan C	COAC X	gender											
...													

Eligible investments - Technical characteristics					Eligible Beneficiary					Impact Indicator						
Ref. number	Investment location (province, canton and parroquia)	Investment description	If bioeconomy : biological native resources used	If bioeconomy or climate: Sustainable management practices	If climate : Type of investment (Mitigation or adaptation)	If mitigation : Energy savings (kWh/year) or renewable energy capacity installed (MW)	If adaptation: type of adaptation vulnerability attended by the project	Classification of the Final Beneficiary (MSME formal/informal)	Final Beneficiary name (except if individual)	Revenue/turnover	Sector of activity	Economic activity (Code CIIU)	Number of employees (except if individual)	Women's ownership/manager (Yes/no)	If gender : Vulnerable woman (Yes/No)	If mitigation: Annual emission reductions of greenhouse gas (tons of CO2 equ.)
Sub-loan A																
Sub-loan B																
Sub-loan C																
...																

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Intermediary report

In addition to the reporting on the use of funds, the Borrower shall report more broadly on the implementation of the Project, on an annual basis. This monitoring shall demonstrate that the Project has a direct positive contribution to the development and implementation of the Borrower's strategy in the field of sustainable investment and on the strengthening of its internal capacities in this area. The Borrower will report at least on the following:

- main objectives and targets set out in the sustainable strategy of the Borrower
- Borrower's organisation about its green and gender strategy: resources allocated to implement its strategy (market studies, action plan etc.), creation of new products or adaptation, job creations, etc.
- Borrower's policies, procedures and systems in place to manage and monitor its sustainable investment strategy;
- any other resource / action (human resources, consultants, etc.) mobilized by the Borrower to develop and implement its strategy / business plan in the field of green investment including actions implemented with the Technical Assistance program or any support from other partners.
- quantitative indicators on the loan portfolio (global, i.e. not directly linked to the AFD Facility) in the field of green and gender investment: outstanding portfolio, in volume and in number of loans, breakdown by region, product, type of final beneficiaries, size of loan etc.
- result indicators, as below.

Impact indicators:

The following indicators shall be monitored and integrated in the justification of use report, the annual report and final report:

Indicator category	Indicator description	Unit to be used	Mode of calculation and source
Financial indicators	Number of Counterpart Financial Institutions benefiting from funding	Number	
	Amount and number of supported investments (debt and equity) if applicable	Number/USD per component	
	Amount of funding extended to the local financial system	USD per component	
Beneficiaries indicators	Number of MSMEs (formal and informal) beneficiaries (total and by gender if applicable)	Number per component, per province and per gender of the ownership/management	
	Number of jobs created or supported	Number per component and province	Number of employees in the MSME benefiting from the Facility
Climate indicators	Reduction of greenhouse gas emissions	tons of CO2 equivalent per year)	To be defined in the Operational Manual (use of proxy)
	New renewable energy capacity installed	MW - megawatt	
	Energy savings through improvement of energy efficiency	kWh	
	Number of people whose vulnerability to climate change has been reduced.	Number	Number of employees in the MSME/beneficiaries benefiting from adaptation investment
Bioeconomy indicators	Number of bioeconomy value chains supported	Number	
	Number of bioeconomy MSMEs benefiting from rate subsidies	Number	

II- Final Report

Within twelve (12) months following the final drawdown of the Project, the Borrower shall provide the Lender with a final report on Project implementation. The structure and content of this report shall be similar to the annual report but

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SCHEDULE 7. ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING CERTIFICATE

[on the Borrower's letterhead]

I, the undersigned [*Surname, Name*], Compliance Director / Inspection Director / Internal Audit Director of [*name of the Borrower*], certify that:

- the procedure entitled [*●name of the procedure*], dated [*●date*] is the operational internal procedure of [*name of the Borrower*] with respects to anti-money laundering and anti-terrorism financing requirements;
- this procedure, currently applicable within [*name of the Borrower*], extends to all the activities of our institution and complies with the forty (40) recommendations of the FATF;
- [*name of the Borrower*] systematically takes into account in its systems, the updated financial and commercial sanctions lists adopted by the United Nations, the European Union and France, and controls its clients and operations in accordance with such lists.
- [*name of the Borrower*] is subject to control by a national supervising authority ([*name of the authority*]) and has not been subject to any investigation by the latter raising deficiencies within its anti-money laundering and anti-terrorism financing prevention procedures⁴⁴.
- [*name of the Borrower*] trains each year [*number*] staff to handle anti-money laundering and anti-terrorism financing matters.
- [*name of the Borrower*] has, within the past year⁴⁵
 - suspended [*number*] operations on suspicions of money laundering and terrorism financing,
 - refused [*number*] operations on suspicions of money laundering and terrorism financing,
 - filed [*number*] suspicious transaction reports with the financial intelligence unit of [*pays*];
- the internal audit / inspectorate of [*name of the Borrower*] regularly controls the implementation by the bank's staff of its anti-money laundering and anti-terrorism financing operational procedure.

Signed at [*●lieu*], on [*●date*]

⁴⁴ Si l'institution financière n'est pas soumise au contrôle d'une autorité de supervision et/ou si elle a fait l'objet d'une enquête soulevant des défaillances dans son dispositif, et si, parallèlement, sa procédure LAB/FT n'a pas été requise au cours de l'instruction, alors l'institution financière devra transmettre à l'AFD un exemplaire de son dispositif LAB/FT ;

⁴⁵ Si la contrepartie ne souhaitait pas donner ce type d'informations, il conviendrait d'en informer le Département Conformité de l'AFD, et de transmettre par note écrite circonstanciée les raisons justifiant ou motivant le refus.

**SCHEDULE 8. LIST OF INFORMATION THE BORROWER EXPRESSLY AUTHORISES
THE LENDER TO PUBLISH ON ITS WEBSITE**

Information relating to the Project

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

1. Information relating to the financing of the Project

- Kind of financing (loan, grant, co-financing, delegated funds);
- Principal amount of the Facility;
- Total amount drawn down on annual basis;
- Drawdown amounts planning on a three year basis; and
- Amount of the Facility which has been drawn down (updated as the implementation of the Project goes).

2. Other information

- Transaction information notice attached to this Schedule; and
- The summary of the Project evaluation, the content of which is defined in Clause 11.14(h) (*Project Evaluation*).

SCHEDULE 9. TRANSACTION INFORMATION NOTICE

ECUADOR

Program to support biotrade initiatives and the development of sustainable finance for micro, small and medium-sized companies in Ecuador



This 30 MUSD credit facility to Corporación Nacional de Finanzas Populares y Solidarias (CONAFIPS) aims at developing a sustainable finance offer for micro, small and medium-sized companies through its Partner Financial Institutions. This partnership with CONAFIPS, a second-tier financial institution, will help initiating Ecuador's microfinance sector transition towards more sustainable practices.

CONTEXT

The Ecuadorian government committed, through the Bio-Economy Pact in 2019, to develop bio-economy, as a sustainable use of biodiversity, for the country's productive development. A national bio-economy strategy for the next 10 years is under construction with the support of AFD. Micro and small companies currently make up the vast majority of the bio-economy sector in Ecuador. Despite their fundamental contribution to the Ecuadorian economy, access to finance remains an obstacle to their development.

The mobilization of the banking sector is crucial to strengthen access to finance for MSMEs who wish to turn to more sustainable practices. CONAFIPS, by operating as a second-tier bank for the popular and solidary financial sector, composed of saving and credit cooperatives, is a key player for the financial inclusion of MSMEs and can play a leading role. Despite a growing awareness in the financial sector and the interest, including that of the supervisor, to promote more sustainable practices, there is currently a very limited offer for green credit and strategic thinking on this matter is at a very early stage. CONAFIPS is thus a strategic partner to drive the rest of the popular and solidary financial sector towards the development of a sustainable finance offer.

DESCRIPTION

The credit facility to CONAFIPS will finance investments in bio-economy activities, contributing to the fight against climate change and its effects and/or, in favor of women economic empowerment.

The credit line is accompanied by a technical assistance program and financial incentives to support the development and structuring of value chains of the bio-economy sector

COUNTRY
ECUADOR

 **Signing date of the agreement**
TBC

 **Sector**
Bioeconomy, Climate, Gender

 **Location**
Ecuador

Duration of the financing
12 years

 **Financing tool**
Credit facility

 **Financing amount**
30 000 000 USD

Beneficiary and implementing agent
CONAFIPS

Main Sustainability Development Goals targeted



Project code : CEC 1067

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together with financial and non-financial players.

RESULTS

The project aims at (i) contributing to the biodiversity conservation by promoting the development of bio-economy and the sustainable use of natural resources, in line with the national principles of bio-economy; (ii) supporting the investments necessary for a low-carbon trajectory, by reducing emissions and enabling the mobilization of MSMEs and, (iii) reducing inequalities in access to finance for the most vulnerable populations, particularly women.

The project aims at structuring new sustainable and resilient sectors, in line with the country's ambitions. By financing a second tier bank, the project will contribute to the reorientation of financial flows towards investments with socio-economic benefits within the financial sector of the popular and solidary economy in Ecuador.

PARTNERS AND IMPLEMENTING SCHEME

CONAFIPS will be the primary beneficiary of the credit line and gender-oriented technical assistance as well as part of the technical assistance and financial incentives oriented towards the bio-economy. Technical assistance not dedicated to CONAFIPS will benefit non-financial players in the bio-economy sector, such as producers, producer associations and institutional players. All technical assistance activities financed by the EU grant will be implemented by Expertise France.

FINANCING PLAN

The financial product proposed by AFD is an indirect sovereign dollar loan of a maximum amount of 30 MUSD and a maximum maturity of 12 years with a maximum grace period of 5 years. The TA program will be financed through FAPS (EUR 150,000) and EU funds (EUR 6.2 million) under the LACIF (Latin American and Caribbean Investment Facility) program.


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SCHEDULE 10. SOFR TERMS

<p>1. Replacement of Term SOFR</p>	<p>Clause 5.3 <i>(Permanent Replacement of Screen Rate)</i></p>	<p>If a Screen Rate Replacement Event affecting Term SOFR has occurred:</p> <p>(a) the applicable Replacement Benchmark will be the SOFR Index Average; and</p> <p>(b) the Replacement Benchmark Adjustment Margin will be the applicable SOFR Adjustment Margin.</p> <p>The replacement of the Screen Rate by the Replacement Benchmark and Replacement Benchmark Adjustment Margin and related replacement terms and conditions shall be effective as from the applicable Screen Rate Replacement Longstop Date or, if earlier, the date notified by the Lender to the Borrower.</p>
<p>2. Unavailability or replacement of SOFR Index Average</p>	<p>Clause 5.3 <i>(Permanent Replacement of Screen Rate)</i></p>	<p>If (i) SOFR Index is not available on the date of the replacement of Term SOFR or (ii) a Screen Rate Replacement Event affecting SOFR Index has occurred after the SOFR Index Average has replaced Term SOFR:</p> <p>(a) the applicable Replacement Benchmark will be Compounded SOFR; and</p> <p>(b) the Replacement Benchmark Adjustment Margin will continue to be the applicable SOFR Adjustment Margin.</p> <p>The replacement of the Screen Rate and related replacement terms and conditions shall be effective as from the applicable Screen Rate Replacement Longstop Date or, if earlier, the date notified by the Lender to the Borrower.</p>
<p>3. Unavailability or replacement of SOFR</p>	<p>Clause 5.3 <i>(Permanent Replacement of Screen Rate)</i></p>	<p>If (i) SOFR is not available on the date of the replacement of either Term SOFR or the SOFR Index Average or (ii) a Screen Rate Replacement Event affecting SOFR has occurred after Compounded SOFR has replaced Term SOFR or the SOFR Index Average, the general provisions of Clause 6.3 (<i>Permanent Replacement of Screen Rate</i>) shall apply.</p>
<p>4. Determination of applicable rate and interest amount</p>	<p>Clause 4.2 <i>(Calculation and Payment of Interest)</i></p>	<p>If Term SOFR has been replaced by SOFR Index Average and/or Compounded SOFR following the occurrence of one or several Screen Rate Replacement Events (as defined in Clause 5.3 (<i>Permanent Replacement of Screen Rate</i>)), the amount of interest payable by the Borrower on a relevant Payment Date and for a</p>

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<p>5. Temporary unavailability of SOFR</p>	<p>Clause 5.2 (<i>Unavailability of Screen Rate on a Quotation Day and temporary replacement of Screen Rate</i>)</p>	<p>relevant Interest Period will be determined on or no later than five (5) Business Days following the last day of the Observation Period.</p> <p>N/A</p>
<p>6. Definitions</p> <p>Compounded SOFR:</p>		<p>In relation to an Interest Period, the percentage rate per annum (rounded to five (5) decimal places) calculated by the Lender as set out below:</p> $\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_i \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{d}$ <p>where:</p> <p>"d₀" means the number of US Government Securities Business Days in the Observation Period relating to that Interest Period;</p> <p>"i" means a series of whole numbers from one to d₀, each representing the relevant US Government Securities Business Day in chronological order in the Observation Period relating to that Interest Period;</p> <p>"DailyRate;" means for any US Government Securities Business Day "i" in the Observation Period relating to that Interest Period, the SOFR Daily Rate for that US Government Securities Business Day "i";</p> <p>"n_i" means, for any US Government Securities Business Day "i", the number of calendar days from, and including, that US Government Securities Business Day "i" up to, but excluding, the following US Government Securities Business Day;</p> <p>"dcc" means 360; and</p>

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		<p>"d" means the number of calendar days in that Observation Period relating to that Interest Period.</p>
Fed SOFR Average:		<p>In relation to a certain tenor, compounded average of SOFR administered by the Federal Reserve Bank of New-York (or any other person which takes over the administration of that rate) for the relevant tenor.</p>
Lookback Period:		<p>[Fifteen (15)] US Government Securities Business Days</p>
Observation Period:		<p>In relation to an Interest Period, the period from and including the day falling the applicable Lookback Period prior to the first day of that Interest Period and ending on, but excluding, the day falling the applicable Lookback Period prior to the last day of that Interest Period.</p>
SOFR Adjustment Margin:		<p>In relation to a certain tenor, the percentage rate per annum notified by the Lender to the Borrower on the basis of the historical spread between Term SOFR and Fed SOFR Average for the relevant tenor or (if any) any other applicable spread as recommended by any Relevant Nominating Body or the industry solution recommended by professional associations in the banking sector or the market practice observed in a series of comparable financing transactions.</p>
SOFR Daily Rate:		<p>In relation to any US Government Securities Business Day, the rate per annum that is:</p> <ul style="list-style-type: none"> (a) SOFR for that US Government Securities Business Day; or (b) if SOFR is not available for that US Government Securities Business Day, the percentage rate per annum which is the aggregate of: <ul style="list-style-type: none"> (i) the US Fed Rate for that US Government Securities Business Day; and (ii) the applicable US Fed Rate Adjustment; or (c) if paragraph (b) above applies but the US Fed Rate for that US Government Securities Business Day is not available, the percentage rate per annum which is the aggregate of:

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<p>(i) the most recent US Fed Rate for a day which is no more than five (5) US Government Securities Business Days before that US Government Securities Business Day; and</p> <p>(ii) the applicable US Fed Rate Adjustment,</p> <p>rounded, in either case, to five (5) decimal places, with 0.00005 being rounded upwards decimal places.</p>		
<p>SOFR Index:</p> <p>The value published by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) on the Federal Reserve Bank of New York's website, currently at [http://www.newyorkfed.org] (or any officially designated successor website) on or about 8:00 a.m. (New York City time) on any US Government Securities Business Day, provided that if the value originally published on or about 8:00 a.m. (New York City time) on any US Government Securities Business Day is subsequently corrected and such corrected value is published on or about 2:30 p.m. (New York City time) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index in relation to such Interest Period.</p>		
<p>SOFR Index Average:</p> <p>In relation to an Interest Period the rate calculated by the Lender in accordance with the following formula (rounded to five (5) decimal places, with 0.00005 being rounded upwards):</p> $SOFR\ Average = \left(\frac{SOFR\ Index_{End} - 1}{SOFR\ Index_{Start}} \right) \times \left(\frac{360}{d_c} \right)$ <p>where:</p> <p>"SOFR Index_{start}" means the SOFR Index value on the US Government Securities Business Day which is the Lookback Period prior to the first day of the relevant Interest Period;</p> <p>"SOFR Index_{end}" means the SOFR Index value on the US Government Securities Business Day which is the Lookback Period prior to the last day of the relevant Interest Period; and</p>		

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		<p>"d_c" means the number of calendar days in the Observation Period relating to such Interest Period, it being specified that if there is no publication of SOFR Index_{Start} or SOFR Index_{End} on the relevant index determination date, "SOFR Index Average" will be the Compounded SOFR as calculated by the Lender for the relevant Interest Period.</p>
<p>US Fed Rate Adjustment:</p>		<p>means, when used in respect of the SOFR Daily Rate, the percentage rate per annum notified by the Lender to the Borrower on the basis of the historical spread between SOFR Index Average and the US Fed Rate or (if any) any other applicable spread as recommended by any Relevant Nominating Body or the industry solution recommended by professional associations in the banking sector or the market practice observed in a series of comparable financing transactions.</p>


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SCHEDULE 11. NON-EXHAUSTIVE LIST OF ENVIRONMENTAL AND SOCIAL DOCUMENTS AUTHORISED BY THE BORROWER TO BE PUBLISHED IN ACCORDANCE WITH THE ES COMPLAINTS-MANAGEMENT

- E&S regulations mission reports
- Environmental and social impact study
- Environmental and social management plan
- Environmental and social management framework
- Reinstallation Action Plan
- Reinstallation Policy
- Environmental and social commitment plant
- Partial environmental and social study
- Partial environmental and social action plan
- Chapter of the feasibility study relating to the environmental and social questions
- Implementation report on the environmental and social commitment plant

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SCHEDULE 12. FORM OF FINANCIAL COMPLIANCE CERTIFICATE

[on the Borrower's letterhead]

From: [●]

To: Agence Française de Développement

Agence of *[insert name of the AFD agency as set out in Clause 17.1 (Notices)]*

[insert address of the AFD agency as set out in Clause 17.1 (Notices)]

To the attention of the Director of the Agency

[insert the date]

[Name of the Borrower] – Credit Facility Agreement No. [●]

Subject: Form of financial compliance certificate No. [●]

Dear Madam or Sir,

We are referring to the Facility Agreement No. [●] entered into between [●] and the Agence Française de Développement, dated [●] (the "Agreement")

1. Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. This document is a Financial Compliance Certificate.

3. We confirm that on the date of this Financial Compliance Certificate *[the Borrower]* is in compliance with the ratios as set out in Clause 11.12 (*Financial Covenants*) of the Agreement, i.e:

(a) Regulatory Ratios: [●]

(b) Non-Performing Loan Ratio: [●] (less than 5%)

[Note: these ratios must be adapted in accordance with Clause 11.12 (Financial Covenants)]

4. We attach to this certificate a document signed by the Auditors of the Borrower, providing a description of the calculation details of the above mentioned ratios.

5. We confirm that no Event of Default is continuing.

[Note: If this confirmation cannot be provided, the certificate shall identify the Event of Default that is continuing and, if required, the steps taken to remedy it].

Yours sincerely,

Authorised signatory of Borrower

SCHEDULE 13. GUARANTEE AGREEMENT

GUARANTEE AGREEMENT

between

**THE REPUBLIC OF ECUADOR ACTING THROUGH THE MINISTRY OF ECONOMY
AND FINANCES**

the Guarantor

and

AGENCE FRANÇAISE DE DEVELOPPEMENT

the Beneficiary

THIS GUARANTEE AGREEMENT (“GUARANTEE AGREEMENT”) IS DATED August 12th, 2024, AND GRANTED BY:

- (1) The **REPUBLIC OF ECUADOR, REPRESENTED BY THE MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF ECUADOR**, represented by José MANTILLA MORAN, in his capacity as Undersecretary of Public Financing, of Ministry of Economy and Finance, who is duly authorized to sign this Agreement, (“**Ecuador**” or the “**Guarantor**”);

in favour of

- (2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Jean-Philippe BERTHELEMY, in his capacity as Deputy Director of AFD office in Ecuador, duly authorised to sign this Guarantee Agreement (“**AFD**” or the “**Beneficiary**”),

(here in after jointly referred to as the “**Parties**” and each a “**Party**”);

in connection with the credit facility agreement (the “**Facility Agreement**”) dated August 12th, 2024, and entered into among **CORPORACION NACIONAL DE FINANZAS POPULARES Y SOLIDARIAS (CONAFIPS)**, as the borrower (the “**Borrower**”), and AFD as the lender (the “**Lender**”);

WHEREAS

- (A) Pursuant to the Facility Agreement (as defined below), the Lender has agreed to extend to the Borrower a credit facility in a maximum aggregate amount of thirty million US Dollars (USD 30,000,000) for the purposes therein specified upon the terms and subject to the conditions therein contained.
- (B) The Guarantor has agreed to enter into this Guarantee Agreement for the purpose of providing a personal and several guarantee to the Beneficiary, for the Borrower’s payment obligations and certain other obligations under the Facility Agreement, in accordance with Articles 2288 and seq. of the French Civil Code and as detailed more fully herein (the “**Guarantee**”).

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions in this Guarantee Agreement


Unless otherwise defined in this Guarantee Agreement or a contrary indication appears, the capitalized terms used in this Guarantee Agreement shall have the meaning ascribed to them in the Facility Agreement;

“**Facility Agreement**” has the meaning given to that term in the preamble of this Guarantee Agreement;

“**Guaranteed Obligations**” has the meaning set forth in Clause 4.1 of this Guarantee Agreement;

“**Party**” means a party to this Guarantee Agreement;

“**Signing Date**” means the date of execution of this Guarantee Agreement by all the Parties.

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1.2 Interpretation

The rules of interpretation set out in Schedule 1B of the Facility Agreement shall apply to this Guarantee Agreement *mutatis mutandis*.

1.3 Inconsistency

In the event of any inconsistency or conflict between the Facility Agreement and this Guarantee Agreement, the terms of this Guarantee Agreement shall prevail.

1.4 Clauses

Any reference in this Guarantee Agreement to a Clause is, unless otherwise stated, to a clause hereof.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Guarantee Agreement.

1.6 Legislation

Any reference in this Guarantee Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. CONDITIONS PRECEDENT

No later than the Signing Date, the Guarantor shall provide to the Beneficiary all of the documents set out in Schedule 4 (*Conditions Precedent*) of the Facility Agreement.

3. REPRESENTATIONS AND WARRANTIES

3.1 Power and authority

The Guarantor represents and warrants that it has the power to enter into, perform and deliver the Guarantee Agreement and to perform all contemplated obligations. The Guarantor further represents and warrants that it has taken all necessary action to authorise its entry into, performance and delivery of the Guarantee Agreement.

3.2 Facility Agreement

The Guarantor represents to know perfectly and accept, and expressly ratifies the conditions, clauses, annexes and modalities of the Facility Agreement signed between the Borrower and the Beneficiary, a copy of which it has received.

4. GUARANTEE

4.1 Guarantee and Indemnity

The Guarantor irrevocably and unconditionally:

- (i) guarantees, as primary obligor and not as surety merely, to the Beneficiary the due and punctual observance and performance by the Borrower of the Borrower's payment obligations under the Facility Agreement, as amended from time to time, when due and

payable (whether at stated maturity or upon prepayment, acceleration or otherwise), including, without limitation, principal and interests, as well as any fees, prepayment or cancellation and other indemnities, late payment or default interests or additional expenses pertaining to the aforementioned obligations (collectively, the “**Guaranteed Obligations**”);

- (ii) undertakes that, whenever the Borrower does not pay any Guaranteed Obligation when due and payable (or expressed to be so due and payable), the Guarantor shall pay to the Beneficiary the due amounts, in the currency prescribed in the Facility Agreement, as if it were the primary obligor, within thirty (30) calendar days of receipt of written demand therefor by the Beneficiary;
- (iii) undertakes that he shall pay or cause to be paid all taxes on or in connection with the payment of any and all amounts due under this Guarantee Agreement that are now or in the future levied or imposed by any authority or any jurisdiction through or out of which a payment is made;
- (iv) guarantees that all payments of principal, interest, fees and other amounts due under this Guarantee Agreement shall be made without deduction for or on account of any taxes, including any withholding tax. If a withholding tax is required by law or otherwise, the Guarantor undertakes to gross-up the amount of any such payment made pursuant to this Guarantee Agreement, to such amount which leaves the Beneficiary with an amount equal to the payment which would have been due and would have received if no payment of withholding tax had been required.
- (v) Guarantees that all payments which the Guarantor is required to make under this Guarantee Agreement shall be made without any set-off, counterclaim or condition.

4.2 **Waiver of Notices, Claims and Prior Action**

The Guarantor hereby waives to the fullest extent permitted by any applicable law:

- (i) notice of acceptance of the Guarantee Agreement;
- (ii) notice of the creation, extension or accrual of any of the Guaranteed Obligations;
- (iii) notice of presentment, demand, dishonour, non-payment, protest, or other default with respect to any of the Guaranteed Obligations;
- (iv) except as otherwise specified herein, notice of any other nature whatsoever to any person; and
- (v) any requirement that the Beneficiary take any action or claim whatsoever against the Borrower or any other person.

4.3 **Consent**

The Guarantor hereby irrevocably consents that from time to time, and without further notice to or consent of the Guarantor, the Beneficiary may take any or all of the following actions without affecting or impairing the Guarantee Agreement or any of the Guarantor’s obligations under the Guarantee Agreement:

- (i) extend, renew, modify, amend, compromise, settle or release the Guaranteed Obligations, or agree to any composition, forbearance or concession in respect thereof;

- (ii) release or compromise any liability of any person or persons with respect to the Guaranteed Obligations;
- (iii) exercise or refrain from exercising any of its rights or remedies under this Guarantee Agreement, the Facility Agreement or under law or equity; and
- (iv) act or fail to act in any manner which may deprive the Guarantor of its right to subrogation against the Borrower or its right to contribution against any party.

4.4 **Absolute Guarantee**

The Guarantee under this Guarantee Agreement is absolute and unconditional and will not be affected or impaired by:

- (i) any failure of the Borrower or the Guarantor to comply with any requirement of any law, regulation or order;
- (ii) any purported or actual assignment of contractual position, rights and/or obligations, or sale of a participation, under the Facility Agreement or any part thereof by the Beneficiary to any other person;
- (iii) the Facility Agreement or any of the Guaranteed Obligations being in whole or in part illegal, void, voidable, avoided, invalid, unenforceable or otherwise of limited force and effect; or
- (iv) any other circumstance or occurrence whatsoever that might otherwise constitute a defense available to, or discharge of, the Guarantor or any other guarantor or surety.

The Beneficiary shall be entitled to sue the Guarantor for all present and future goods, furniture and property in its possession in order to obtain execution of its obligations by the Guarantor as set forth in Clause 4.1 of this Guarantee Agreement.

5. **WAIVERS BY THE GUARANTOR**

- 5.1 The Guarantor irrevocably and expressly waives any benefits of discussion and division as provided for in Articles 2298 and 2303 of the French Civil Code.

The Beneficiary shall be entitled to execute this Guarantee Agreement without introducing any prior claim or action against the Borrower or claiming the benefit of any other property or personal securities that the Beneficiary might own or obtain or claiming any right of set-off it might have.

- 5.2 The Guarantor waives its rights as provided for in Article 2309 the French Civil Code.

The Guarantor undertakes not to initiate any claim or action against the Borrower, until full payment of all monies owed to the Beneficiary under the Guaranteed Obligations, in case of an extension or postponement of any payment date pertaining to any amount due or payable to the Beneficiary pursuant to the Facility Agreement, and consequently waives, until full payment of the Guaranteed Obligations, its rights as provided for in Article 2316 of the French Civil Code.

- 5.3 The Guarantor irrevocably and expressly waives any right of set-off it might have pursuant to Article 1294 of the French Civil Code, until full payment of the Guaranteed Obligations (whether due and payable or not).

- 5.4 The Guarantor undertakes not to claim, at any moment, the benefit of any lenient treatment, payment discharge, whether in whole or in part, or of any other measure imposed as part of any

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collective insolvency proceedings or any other similar procedure to any creditor of the Borrower to the extent permitted by Law.

- 5.5 As long as all monies owed to the Beneficiary under the Guaranteed Obligations will not have been paid in full, the Guarantor waives its right to initiate any action against the Borrower pursuant to Article 2305 of the French Civil Code and to benefit from any subrogation in the rights of the Beneficiary towards the Borrower and undertakes not to initiate any claim or action that would result in competing claims from the Guarantor and the Beneficiary, notwithstanding the fact that the Guarantor has been released in whole or in part of its obligations hereby, as the case may be.

6. INFORMATION

- 6.1 The Guarantor acknowledges having sufficient information to assess the situation of the Borrower. The Guarantor hereby declares that it has not made the financial and legal situation of the Borrower or the existence and maintenance of other guarantees the determining condition of its consent under the present Guarantee Agreement.
- 6.2 The Guarantor shall immediately inform the Beneficiary of any event or circumstance that entails or might entail the early repayment of any credit, loan or other financial obligation binding upon the Guarantor, or when it is required to proceed with the aforementioned early repayment. The Guarantor will notify without delay to the Beneficiary, any modification in the legislation that governs its activity and any fact or event that could compromise the fulfilment of its obligations under this Guarantee Agreement.

7. PARTICULAR OBLIGATIONS

- 7.1 The Guarantor shall not take or permit to be taken any action which would prevent or interfere with the execution of the Project or the performance of the obligations of the Borrower under the Facility Agreement.
- 7.2 The Guarantor undertakes to take all necessary measures within the scope of its power and authority so that the Project financed under the Facility Agreement is carried out under the terms and the conditions foreseen in the Facility Agreement as well as the execution of all monetary obligations which are under the responsibility of the Borrower by virtue of the aforementioned contract.

7.3 *Pari passu* ranking

The Guarantor undertakes (i) that the payment obligations assumed under this Guarantee Agreement shall at all times bear at least the same rank in order of priority of payment (*pari passu*) with the claims of all its other present unsecured and unsubordinated creditors or third party creditors guaranteed by the Guarantor and (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Guarantor in favour of the Beneficiary, if so requested by the Beneficiary.

8. TERMINATION

Unless all monies owed by the Borrower under the Facility Agreement have been irrevocably and unconditionally paid in full to the Beneficiary, or unless with the prior written consent of the Beneficiary, this Guarantee Agreement shall not be terminated at any time.

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9. **NOTICES**

9.1 **Giving of Notice**

Any notice or other communication given to a Party under or in connection with this Guarantee Agreement shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service, or by fax; and
- (c) sent to:
 - (i) the Guarantor at:

MINISTERIO DE ECONOMIA Y FINANZAS, REPÚBLICA DEL ECUADOR

Address: Av. Amazonas entre Pereira y Unión Nacional de Periodistas.
Plataforma Gubernamental de Gestión Financiera. Pisos 10 y 11

Attention: Subsecretario de Financiamiento Público

With a copy to:

GENERAL ATTORNEY (Procuraduría General del Estado, República del Ecuador)

Address: Av. Amazonas N39-123 y Arizaga, Edificio Amazonas Plaza

Attention: Procurador General del Estado

- (ii) the Beneficiary at:

AFD OFFICE FOR ECUADOR

Address: Av. Francisco de Orellana E12-12 y San Ignacio esquina, Edificio Seguros Latina, Torre San Ignacio, piso 3, Quito, Ecuador

Telephone: + (593 2) 601 7160

Attention: AFD Director for Ecuador

With a copy to:

AFD HEAD OFFICE

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

Telephone : + 33 1 53 44 31 31

Attention : Director of Latin America Department

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or to any other address as is notified in writing by one Party to the other from time to time.

9.2 Delivery

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

- (a) if delivered by hand, at the time it is left at the relevant address; and
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the fifth (5th) Business Day after posting.

and, where a particular person or a department is specified as part of the address details provided under Clause 9.1 (In writing and addresses), if such notice, request or communication has been addressed to that person or department.

A notice or other communication given as described in Clause 9.1 or on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

9.3 Service of Documents

The provisions of article 9.2 (*delivery*) above do not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

9.4 Electronic communications


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

10. GOVERNING LAW

This Guarantee Agreement is governed by French law.

11. DISPUTE RESOLUTION

Any dispute arising out of or in connection with this Guarantee Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the Signing Date (the "ICC Rules"), by one or more arbitrators to be appointed in accordance with such ICC Rules. The provisions in the ICC Rules regarding the emergency arbitrator shall not apply.

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

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

12. IMMUNITY

12.1 Scope of Immunity

The execution and delivery of this Guarantee Agreement by the Guarantor constitutes, and the Guarantor's performance of and compliance with its obligations under this Guarantee Agreement will constitute, a commercial transaction, being acts of commercial public credit (as provided under the laws of the Republic of Ecuador). The Guarantor agrees that it and its other assets which do not constitute Immune Property (as defined below) are subject to, and available for, the Proceedings (as defined below) and the Guarantor irrevocably and unconditionally waives any right which it has now or may subsequently acquire to assert any state immunity from or in any Proceedings in relation to the transactions described in this Agreement against it or its assets, or the assets of any state entity other than Immune Property and undertakes not to invoke any defense on the basis of any kind of immunity, for itself and/or its other assets which do not constitute Immune Property, with regard to any Proceedings.

12.2 Immune Property

Notwithstanding any term in this Guarantee Agreement, the following and only the following assets of the Guarantor, wherever located (the "**Immune Property**"), shall be entitled to immunity from enforcement or relief pursuant to any provision or legislation in any applicable jurisdiction, from any Proceedings:

- (e) any property which is used or designated for use in the performance of the functions of the diplomatic mission of the Republic of Ecuador or its consular posts;
- (f) property of a military character or used or designated for use in the performance of military functions;
- (g) property forming part of the cultural heritage of the Republic of Ecuador or part of its archives;
- (h) unexploited non-extracted natural resources in the Republic of Ecuador;
- (i) funds managed in the national Treasury Account;
- (j) assets and resources included in the external assets of the Central Bank of Ecuador and available international monetary reserves held by the Central Bank of Ecuador;
- (k) public domain assets used in providing public services in Ecuador;
- (l) national assets located in the territory of Ecuador and belonging to the Republic such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;
- (m) accounts of the Central Bank, whether they are held abroad or locally; and
- (n) public entities' deposits with the Central Bank, whether they are maintained abroad or locally.

In this Clause 12.3, "**Proceedings**" means:

- 1) any execution on judgment, enforcement of arbitral award, set-off, deduction, attachment prior to judgment, attachment in aid of execution to which the Guarantor or their respective assets may be entitled in any legal action or proceedings or arbitral proceedings;
- 2) any suit, jurisdiction of any arbitration institution or arbitral tribunal, judgment, arbitral award, pre-judgment, interim relief, execution or other enforcement of any award, relief or judgment; and
- 3) service of process upon the Guarantor or any agent of the Guarantor with respect to this Guarantee Agreement or any of the transactions contemplated hereby.

12.3 **Scope**

The provisions of this Clause 12 (*Immunity*) have been negotiated and agreed solely with respect to the transactions described in this Guarantee Agreement. In no event shall the definition or scope of Immune Property described in this Clause 12 (*Immunity*) be relied upon, utilized, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to the transactions contemplated in this Guarantee Agreement or relating to any other indebtedness of the Guarantor or the Republic of Ecuador.

Executed in three (3) originals, in Quito, on August 12th, 2024

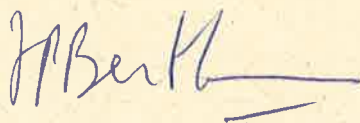
GUARANTOR
REPUBLIC OF ECUADOR REPRESENTED BY THE MINISTRY OF ECONOMY AND
FINANCE OF THE REPUBLIC OF ECUADOR



Represented by: José MANTILLA MORAN

in his capacity as: Undersecretary of Public Financing

LENDER
AGENCE FRANÇAISE DE DÉVELOPPEMENT



Represented by: Jean-Philippe BERTHELEMY

in his capacity as: Deputy Director, AFD Ecuador

