



Европейска инвестиционна банка
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeeringispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
An Banc Eorpach Infheistíochta
Evropska investicijska banka
Banca europea per gli investimenti

Eiropas Investīciju banka
Europos investicijų bankas
Európai Beruházási Bank
Bank Ewropew tal-Investimen
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimen
Banca Europeană de Investiții
Európska investičná banka
Evropska investicijska banka
Euroopan investointipankki
Europeiska investeringsbanken

ASUTUSESISESEKS KASUTAMISEKS
Rahandusministeerium
Märge tehtud 26.03.2024 a.
JUURDEPÄÄSUPIIRANG KEHTIB KUNI
26.03.2029
Alus: AvTS § 35 lg 1 p 17

BY COURIER

State Treasury, Ministry of Finance of the Republic of Estonia
Suur-Ameerika 1
10122, Tallinn
Estonia

For the attention of Ms Katrin Luts

EXP BEI - EIB
C 008364 21.MAR 24

Luxembourg, 19 March 2024

JU/OPS-EU/NE/JR/ec N°2024-04183

Subject: EU FUNDS CO-FINANCING 2014-2020 (EST)
Operation Number (Serapis N°): 2013-0645; Contract Number (FI N°): 84.014

Finance Contract between the Republic of Estonia (the "**Borrower**") and the European Investment Bank (the "**Bank**") dated 17 December 2014, as amended ("**Finance Contract I**")

EU FUNDS CO-FINANCING 2014-2020 (EST) - B
Operation Number (Serapis N°): 2013-0645; Contract Number (FI N°): 84.027

Finance Contract between the Borrower and the Bank dated 2 December 2016, as amended ("**Finance Contract II**")

EU FUNDS CO-FINANCING 2014-2020 (EST) - C
Operation Number (Serapis N°): 2013-0645; Contract Number (FI N°): 93.235

Finance Contract between the Borrower and the Bank dated 29 April 2021 ("**Finance Contract III**")

The Finance Contract I, Finance Contract II and Finance Contract III are hereinafter collectively referred to as "**Finance Contracts**"

Waiver and Amendment Letter N° 1

Dear Ms Luts,

We refer to the Finance Contracts.

1. DEFINITIONS AND INTERPRETATION

1.1. In this waiver and amendment letter (the "**Letter**"):

"**Effective Date**" means the date on which this Letter is duly signed by the Bank and the Borrower.

1.2. Unless the context otherwise requires or unless otherwise defined, terms defined in the Finance Contracts and expressions used in the respective Finance Contracts have the same meaning when used in this Letter.

1.3. The principles of construction set out in the Finance Contracts shall have effect as if set out in this Letter.



- 1.4. Any reference to an "Article" is, unless the context otherwise requires or it is indicated otherwise, a reference to an Article of this Letter.
- 1.5. Headings are for ease of reference only.

2. BACKGROUND

We refer to the communication with the Borrower, whereby the Borrower has informed the Bank that it will be unable to fully allocate all amounts by 31 December 2023 – the deadline currently set out in Article 1.9A (*Allocation Procedure*) of the Finance Contracts (the "**Notified Event**").

- 2.1. As a result of the Notified Event, pursuant to the terms of the Finance Contracts, the Bank would, be entitled to demand the compulsory prepayment of the Loan Outstanding in accordance with Article 4.3 (*Compulsory Prepayment*) of the Finance Contracts.
- 2.2. In light of the above, the Borrower has requested the Bank to waive and amend certain provisions of the Finance Contracts, as further described below.

3. WAIVER

With effect from the Effective Date, the Bank waives its rights to, as a result of the Notified Event, demand demand the compulsory prepayment of the Loan Outstanding in accordance with Article 4.3 (*Compulsory Prepayment*) of the Finance Contract of the Finance Contracts, arising from a failure by the Borrower to fully allocate the amounts under the respective Finance Contract by the deadline specified in Article 1.9A (*Allocation Procedure*) of the Finance Contracts.

4. AMENDMENTS TO THE FINANCE CONTRACTS

With effect from the Effective Date, the Finance Contracts shall be amended as set out below.

- 4.1. Article 1.9A (*Allocation Procedure*) of the Finance Contracts shall be amended to read as follows:

"1.9A Allocation Procedure

The Borrower shall submit to the Bank for approval requests for allocation (the "**Allocation Request**") by 30 June 2024, or in the case of Schemes allocated under the COVID-19 Component as per Schedule A (bis) by 30 September 2022, which may at the discretion of the Bank be extended.

The Credit shall only be allocated to Schemes identified as eligible for financing in the Technical Description applicable to it and in accordance with the provisions set out in Article 6.5 and 6.6 below. In order to qualify for financing hereunder, each Scheme must meet the relevant criteria and parameters applied by the Bank to the type of Scheme concerned.

The Bank funds comprising the Loan shall be allocated as follows:

- (a) without prejudice to 6.5(e)(iv) and (v), Schemes with an aggregate investment cost below EUR 25,000,000 (twenty-five million euros) may be selected by the Borrower. The Borrower shall provide an Allocation Request in the form set out in Schedule A.1.6 including the selected Schemes to the Bank. The Allocation Request shall be subsequently confirmed by the Bank;
- (b) Schemes with an investment cost between EUR 25,000,000 (twenty-five million euros) and EUR 50,000,000 (fifty million euros) shall be submitted ex-ante to the Bank for approval. The Borrower shall provide an Allocation Request in the form set out in Schedule A.1.7 including the Schemes proposed to the Bank. The Bank reserves the right to (i) request additional information from the Borrower and (ii) if deemed necessary, perform a partial or an in-depth appraisal of the Schemes;
- (c) Schemes with an investment cost above EUR 50,000,000 (fifty million euros) shall be submitted ex-ante to the Bank for appraisal and approval according to the Bank internal rules and procedures. The Borrower shall present such



Schemes to the Bank for separate appraisal and approval. In case the said Scheme falls within the meaning of art. 100 of the CPR, the Borrower shall present the major project application form as required from the CPR together with relevant studies, the independent quality review and the Commission's decision on the approval of the major project, if already approved;

- (d) Schemes for the production of bio fuels, regardless of size, shall be submitted ex-ante to the Bank for approval;
- (e) The Borrower may submit to the Bank one or more Allocation Requests with respect to COVID-19 Component as per Schedule A (bis) in compliance with the allocation procedures set out in Schedule A(bis)1.5;
- (f) Each Allocation Request in relation to any Schemes under the COVID-19 Component as per Schedule A (bis) shall indicate whether such Scheme is classified under the Health or Civil Protection sectors; and
- (g) Schemes allocated under the COVID-19 Component as per Schedule A (bis) shall be implemented between 1 February 2020 and 31 December 2021.

The Borrower shall provide the Bank with any additional information regarding the Schemes as the Bank, at its own discretion, may request.

If the Allocation Request or the Schemes under (c) above are confirmed/approved by the Bank, the Bank shall deliver to the Borrower a letter of allocation ("**Allocation Letter**"), informing the Borrower of its confirmation/approval and of the amount of the Credit allocated. If the Bank requires additional information regarding the Schemes included in the Allocation Request, the period to deliver the Allocation Letter will be suspended until such additional information is provided to the satisfaction of the Bank.

In the event the Bank does not approve fully or partially the Allocation Request, the Bank shall inform the Borrower thereof in writing within the same period.

The Bank reserves the right to review with the Borrower the allocation procedures in view of the development of the Project.

The Bank may by notice to the Borrower amend the Allocation Procedure as described in this Article 1.9A to bring it into line with the Bank's policy or reflect the results of the review of the implementation capacity and performance. In such case, the Bank shall inform the Borrower thereof and the Borrower shall promptly adapt its internal allocation procedures accordingly. "

- 4.2. Article 1.10A (*Reallocation at the request of the Borrower*) of the Finance Contracts shall be amended to read as follows:

"1.10A Reallocation at the request of the Borrower

The Borrower may by notice in writing to the Bank propose to reallocate not later than 31 March 2025, any part of the Credit, which has been allocated.

The Borrower shall specify in writing which of the already allocated Schemes need to be removed and/or which of the allocated amounts need to be reduced. The request for allocation of new Schemes shall contain information as specified in Article 1.9 and will be reviewed by the Bank in accordance with Article 1.9."

- 4.3. Article 1.10B (*Reallocation at the request of the Bank*) of the Finance Contracts shall be amended to read as follows:

"1.10B Reallocation at the request of the Bank

- (a) The Bank shall promptly notify the Borrower upon (i) it becoming aware of any fact that would reasonably lead it to conclude or (ii) it having reasonable grounds to believe that any of the Schemes is reasonably likely to become ineligible for financing by the Bank under the Bank's Statute, policies or guidelines or under Article 309 of the Treaty on the Functioning of the European Union.



- (b) If, prior to 31 March 2025, in the opinion of the Bank, any of the Schemes allocated or proposed in accordance with Article 1.9A above is or has become ineligible for financing by the Bank under the Bank's Statute, policies or guidelines or under Article 309 of the Treaty on the Functioning of the European Union, the Borrower shall upon request of the Bank replace such Schemes by other Schemes acceptable to the Bank.
- (c) Unless otherwise agreed between the Bank and the Borrower, if, after 31 March 2025, in the opinion of the Bank, any of the Schemes allocated in accordance with Article 1.9A above is or has become ineligible for financing by the Bank under the Bank's Statute, policies or guidelines or under Article 309 of the Treaty on the Functioning of the European Union, the Bank may, by notice to the Borrower, cancel the Credit and/or demand prepayment of a corresponding portion of the Loan together with accrued interest and other accrued amounts in line with the procedures set forth in Article 4.3A(2) (*Failure to Allocate and Ineligibility*)."

4.4. Article 4.3A(1) (*PROJECT COST REDUCTION*) of the Finance Contracts shall be amended to read as follows:

"4.3A(1) *PROJECT COST REDUCTION*

If, as at 1 July 2024, the total cost of:

- (a) the Programmes and the COVID-19 Component falls below the figure stated in Recital (5) so that the amount of the Loan exceeds:
 - (i) 50% (fifty per cent) of such cost; and/or
 - (ii) when aggregated with the amount of any other funds from the European Union made available for the Project, 100% (one hundred per cent), of such total costs of the Programmes and the COVID-19 Component; or
- (b) the amounts of Loan allocated to Schemes under the COVID-19 Technical Description falls so that the amount of the Loan dedicated to these Schemes exceeds 100% (one hundred per cent) of the total eligible cost of the COVID-19 Component,

the Bank may in proportion to the reduction forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan up to the amount by which the Credit exceeds the limits referred to in (a) or (b) above. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand."

4.5. Article 4.3A(2) (*FAILURE TO ALLOCATE AND INELIGIBILITY*) of the Finance Contracts shall be amended to read as follows:

"4.3A(2) *FAILURE TO ALLOCATE AND INELIGIBILITY*

If:

- (a) (i) the aggregate amount of the Loan allocated to any Schemes under any Allocation Letter issued by the Bank as of 30 June 2024 is less than (ii) the aggregate amount of any Loan disbursed by the Bank to the Borrower under this Contract; or
 - (b) any Scheme ceases to be eligible under EU Structural and Cohesion Funds Regulations or to receive cohesion funds and amounts allocated thereto have failed to be reallocated to other eligible Schemes in accordance with the Reallocation procedure established under Article 1.10 and by 31 March 2025; or
 - (c) any reallocation to other eligible Schemes does not occur by 31 March 2025,
- subject to below, the Bank may, by notice to the Borrower, demand prepayment of the



Loan.

In the case of Article 4.3A(2)(a), the amount for which prepayment may be demanded will be the amount equal to the amount by which the sum calculated in paragraph (a)(ii) above exceeds the sum calculated in paragraph (a)(i), together with accrued interest and all other amounts accrued and outstanding under this Contract.

In the case of Article 4.3A(2)(b) and 4.3A(2)(c), the amount for which prepayment may be demanded will be the amount equal to the amount allocated by the Bank under the relevant Allocation Letter(s) to the Schemes, which cease to be eligible or for which reallocation did not occur, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, which date shall fall not less than 30 (thirty) days from the date of the Bank's notice of demand."

- 4.6. The table set out in Point 4 of Schedule A.2. (*Project Information to be sent to the Bank and Method of Transmission*) of the Finance Contracts shall be amended to read as follows:

Document / information	Date of delivery to the Bank
<ul style="list-style-type: none"> - final report(s) on the implementation of the programme (as defined) additionally including: - description of any major issue with impact on the environment; - any significant issue that has occurred and any significant risk that may affect the project's operation; - any legal action concerning the project that may be ongoing. 	by 31 March 2025
- closure declaration (as defined in Article 141 CPR) together with the final control report and Commission's approval/comments	As to the European Commission

5. REPRESENTATIONS AND WARRANTIES

With reference to the facts and circumstances then existing on the Effective Date the Borrower makes hereunder the representations and warranties that are deemed repeated under and pursuant to Article 6.9 (*General Representations and Warranties*) of the Finance Contracts as if each reference in those representations and warranties to "this Contract" included a reference to (i) the respective Finance Contract; and (ii) this Letter.

6. MISCELLANEOUS

- 6.1. Other than in accordance with the provisions of Article 3 (*Waiver*) and Article 4 (*Amendments to the Finance Contracts*) of this Letter, nothing in this Letter shall affect the rights of the Bank in respect of the occurrence of any Event of Default or breach (however described) or non-compliance in connection with the Finance Contracts, including without limitation any Event of Default or breach (however described) or non-compliance in connection with the Finance Contracts which has not been disclosed by the Borrower in writing prior to the date of this Letter or which arises on or after the date of this Letter.
- 6.2. The provisions of the Finance Contracts shall, save as temporary waived by this Letter, continue in full force and effect. This Letter is not (and shall not be deemed to be) a consent, agreement, amendment or waiver in respect of any terms, provisions or conditions of the Finance Contracts, except as expressly agreed herein. The Bank reserves any other right or remedy it may have now or subsequently.



- 6.3. The Bank issues this Letter acting in reliance upon the information supplied to the Bank by the Borrower until the date hereof in relation to such matters being true, complete and accurate. It shall be without prejudice to any rights which the Bank may have at any time in relation to any other circumstance or matter other than as specifically referred to in this Letter or in relation to any such information not being true, complete and accurate, which rights shall remain in full force and effect.
- 6.4. The Borrower shall, at the request of the Bank and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Letter.
- 6.5. The parties to this Letter acknowledge and agree that any breach of this Letter, including (without limitation) any breach of an undertaking contained in this Letter or any *representation* in this Letter being or becoming incorrect, incomplete or misleading in any material respect, shall constitute an "Event of Default" under the Finance Contracts.
- 6.6. The provisions of 11.2 (*Jurisdiction*), 11.3 (*Place of performance*), 11.6 (*Partial Invalidity*), 11.7 (*Amendments*), 11.8 (*Counterparts*) of Finance Contract III shall be incorporated into this Letter as if set out in full in this Letter and as if references in those clauses to "this Contract" are references to this Letter.

7. GOVERNING LAW

This Letter and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Luxembourg.

8. SIGNING INSTRUCTIONS

If you are in agreement with the above, we kindly ask you to sign, date, and return to the Bank by registered mail or courier 2 (two) enclosed originals in paper form of this Letter marked for the attention of Mr Janis Ruis, Legal Department.

Yours faithfully,

EUROPEAN INVESTMENT BANK

Julia Nienhaus
Head of Division

Ilona Kotecka Fernandes
Head of Division



Agreed and accepted for and on behalf of

the Republic of Estonia

as the Borrower

Name: Mart Vörklaev

Title: Minister of Finance of the Republic of Estonia

Date: