

**AMENDMENT AGREEMENT NO. 1**  
**to the Loan Agreement dated 12 May 2015**  
(Kvemo Kartli Solid Waste Project)

between

**GEORGIA**

and

**EUROPEAN BANK**  
**FOR RECONSTRUCTION AND DEVELOPMENT**

Dated 7 June 2024

**AMENDMENT AGREEMENT NO. 1  
TO THE LOAN AGREEMENT DATED 12 MAY 2015  
(Kvemo Kartli Solid Waste Project)**

This amendment agreement No.1 dated 7 June 2024, ("Amendment Agreement No. 1") is made by and between **GEORGIA** (the "Borrower") and **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** (the "Bank").

**WHEREAS:**

(A) The Borrower entered into a loan agreement dated 12 May 2015 with the Bank, pursuant to which the Bank agreed to make a loan to the Borrower in the overall amount of EUR 7,000,000 to assist in the financing of the improvement of solid waste management services in the municipalities of the Kvemo Kartli Region (the "Original Loan Agreement").

(B) The Borrower and the Bank wish to amend the Original Loan Agreement in certain respects, on and subject to the provisions of this Amendment Agreement No. 1 so as, inter alia, to (i) cancel the Tranche 2 of the Loan and (ii) to increase the loan amount of up to EUR 6,000,000, with a new Tranche 3.

**NOW, THEREFORE**, in consideration of the above the parties hereto agree as follows:

**Section 1. Definitions and Interpretation**

(a) In this Amendment Agreement No. 1:

"**Amended Agreement**" means the Original Loan Agreement, as amended by this Amendment Agreement No. 1.

"**Original Loan Agreement**" has the meaning given in Recital A.

"**Amendment Agreement No. 1 Effective Date**" has the meaning given in Section 3 of this Amendment Agreement No. 1.

(b) Terms defined in the Original Loan Agreement (whether directly or by reference to the Standard Terms and Conditions referred to therein or to any other agreement or instrument) shall, unless otherwise defined herein or otherwise indicated herein, have the same meaning in this Amendment Agreement No. 1.

(c) The Original Loan Agreement and this Amendment Agreement No.1 shall be read and construed as a single document.

**Section 2. Amendment and Continuity**

(a) With effect on and from the Amendment Agreement No.1 Effective Date, the Original Loan Agreement shall be amended by the amendments set out in the Schedule to

this Amendment Agreement No. 1 (the Original Loan Agreement as so amended, the "Loan Agreement" as defined in the Standard Terms and Conditions).

(b) The provisions of the Original Loan Agreement shall, save as amended by this Amendment Agreement No.1, continue in full force and effect.

### **Section 3. Amendment Agreement No.1 Effective Date**

The Amendment Agreement No.1 Effective Date shall be the date upon which the Bank dispatches to the Borrower notice of the Bank's acceptance of the evidence required under this Section 3:

(a) The Bank is satisfied that no event referred to in Section 7.01(a) or 7.06 of the 2012 Standard Terms and Conditions has occurred and is continuing.

(b) The execution and delivery of this Amendment Agreement No. 1 on behalf of the Borrower have been duly authorised or ratified by all necessary governmental and corporate action.

(c) The Amendment Agreement No.1 to the Grant Agreement, in form and substance satisfactory to the Bank, has been executed and delivered and all conditions precedent to its effectiveness, except only the effectiveness of this Amendment Agreement No.1, have been fulfilled;

(d) The Amendment Agreement No. 1 to the Project Implementation Agreement in form and substance satisfactory to the Bank, has been executed and delivered;

(e) The deed of Termination to the Project Support and Implementation Agreement entered into between the Bank and each of the Project Municipalities on 12 May 2015, in form and substance satisfactory to the Bank, has been executed and delivered (it being understood that the effectiveness of such deed of Termination will take effect upon the Amendment Agreement No.1 Effective Date);

(f) The Borrower, shall have furnished, or cause to be furnished, to the Bank an opinion (in form and substance satisfactory to the Bank) of the Ministry of Justice of the Borrower showing that this Amendment Agreement No.1 has been duly authorised or ratified by, and executed and delivered on behalf of, the Borrower and constitute valid and legally binding obligations of the Borrower, enforceable in accordance with their terms.

### **Section 4. Representations and Warranties**

(a) The Borrower represents and warrants to the Bank as follows:

(1) It has all requisite power and authority to execute, deliver and perform all of its obligations under this Amendment Agreement No. 1.

(2) It has taken all necessary action to authorise the execution, delivery and performance by it of this Amendment Agreement No. 1.

(3) This Amendment Agreement No. 1 has been duly executed and delivered by it and this Amendment Agreement No. 1, from the date of its ratification by the

Parliament of Georgia, constitutes its valid and legally binding obligations, enforceable against it in accordance with their respective terms.

(4) All consents, authorisations and actions of any kind necessary for the valid execution, delivery and performance by it of this Amendment Agreement No. 1 and for the valid performance of the Original Loan Agreement as amended by this Amendment Agreement No. 1 have been obtained and are in full force and effect.

(5) The execution and delivery by it of this Amendment Agreement No. 1 and the performance by it of its obligations under this Amendment Agreement No. 1 do not require the consent or approval of any of its creditors and will not conflict with or constitute a breach or default under or violate any provision any agreement, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award applicable to it.

(b) The Borrower acknowledges that it has made the foregoing representations and warranties with the intention of inducing the Bank to enter into this Amendment Agreement No. 1 and that the Bank has entered into this Amendment Agreement No. 1 on the basis of, and in full reliance on, each of such representations and warranties.

#### **Section 5. Miscellaneous**

(a) All references to "the Agreement" in the Original Loan Agreement and all reference to the "Original Loan Agreement" in all instruments and agreements executed thereunder shall refer to the Original Loan Agreement as amended by this Amendment Agreement No. 1.

(b) This Amendment Agreement No. 1 shall be executed in three counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

(c) This Amendment Agreement No. 1 shall be limited as written and nothing herein shall be deemed to constitute a waiver or any other term, provision or condition of the Original Loan Agreement in any other instance than as set forth herein or prejudice any right or remedy that any party hereto may have or may in the future have thereunder.

(d) All provisions of the Bank's Standard Terms and Conditions dated 1 December 2012 (as modified by Schedule hereto) are hereby incorporated into and made applicable to this Amendment Agreement No. 1 with the same effect if they were fully set forth herein.

## SCHEDULE

### AMENDMENTS TO THE ORIGINAL LOAN AGREEMENT

The Original Loan Agreement shall be amended as follows:

1. *By the deletion of the second paragraph of the Preamble in its entirety, to be replaced by the following paragraph*

“**WHEREAS**, the Borrower intends to implement the Project as described in Schedule 1 which is designed to assist in improving solid waste management services in the municipalities of the Kvemo Kartli Region, namely Marneuli, Bolnisi, Dmanisi, Tetrtskaro and Tsalka;”

2. *By the deletion of the third paragraph of the Preamble in its entirety, to be replaced by the following paragraph:*

“**WHEREAS**, the Project will be carried out by the Solid Waste Management Company of Georgia Ltd (the "Project Company");”

3. *By the deletion of the seventh paragraph of the Preamble in its entirety, to be replaced by the following paragraph:*

“**WHEREAS**, the Bank has agreed on the basis of, inter alia, the foregoing to make a loan to the Borrower in the amount of EUR 10,300,000 (Tranche 2 in the amount of EUR 2,700,000 is being cancelled), subject to the terms and conditions set forth or referred to in this Agreement and in the Project Implementation Agreement dated 12 May 2015 (as amended on by the Amendment Agreement No.1 to the Project Implementation Agreement) between the Project Company and the Bank (the "Project Implementation Agreement" or the "Project Agreement").”

4. *By the amendments of paragraph (a) of Section 1.01 (Incorporation of Standard Terms and Conditions) as follows:*

- 3.1 The Section 3.05 of the Standard Terms and Conditions shall, for purposes of this Agreement, be modified to read as follows:

**“Section 3.05 Commitment Charge and Front-end Commission**

- (a) The Borrower shall pay to the Bank a Commitment Charge at the rate specified in the Loan Agreement payable on the Available Amount plus any amount of the Loan that is subject to a Reimbursement Commitment and is not yet drawn down, provided that the Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment shall be 0.5% per annum greater than the rate of the Commitment Charge specified in the Loan Agreement. The Commitment Charge shall accrue:

- (1) For Tranche 1, from the date sixty (60) days after the date of the Loan Agreement;

(2) *[Tranche 2 is cancelled such that no Commitment Charge shall be payable by the Borrower in respect of such Tranche];*

(3) For Tranche 3, from the date sixty (60) days after the date of the Amendment Agreement No. 1; and

(4) in the case of Commitment Charge payable on the amount of the Loan subject to an unconditional Reimbursement Commitment, from the date of issuance of such unconditional Reimbursement Commitment,

provided that the Commitment Charge shall accrue and be calculated on the same basis as interest under Section 3.04(b)(ii). The Commitment Charge shall be payable on each Interest Payment Date (even though no interest may be payable on such date) commencing on the first Interest Payment Date following the date which is sixty (60) days after the date of signing the Amendment Agreement No.1.

(b) The Borrower shall pay to the Bank the front-end commission equal to one percent (1%) of the maximum principal amount of, respectively, the Tranche 1 and the Tranche 3 (*i.e.*, an aggregate loan amount of EUR 10,300,000), it is being understood that, as a result of the cancellation of Tranche 2, no Front-End Commission in respect of Tranche 2 shall be due.

(c) The Bank shall, on behalf of the Borrower, withdraw from the Available Amount of Tranche 1 on the Effective Date, or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable on Tranche 1 pursuant to Section 3.05(b).

(d) The Bank shall, on behalf of the Borrower, withdraw from the Available Amount of Tranche 3 on the Tranche 3 Availability Date, or within seven (7) days thereafter, and pay to itself the amount of the Front-end Commission payable on Tranche 3 pursuant to Section 3.05(b).

3.2 *The paragraphs (f) and (g) of Section 1.01 (Incorporation of Standard Terms and Conditions) shall be deleted in their entirety and be replaced as follows:*

“(f) the Project Company is hereby specified as a Project Entity for the purposes of the Standard Terms and Conditions”

“(g) the Project Implementation Agreement is hereby specified as Project Agreement for the purposes of the Standard Terms and Conditions.”

5. *By the addition of the following definitions in Section 1.02 (Definitions):*

“Agreement” means the Original Loan Agreement as amended by the Amendment Agreement No. 1.

“Amendment Agreement No.1 ” means the amendment agreement dated 7 June 2024 between the Bank and the Borrower amending the Original Loan Agreement.

“Amendment Agreement No.1 Effective Date” has the meaning given to it in section

3 of the Amendment Agreement No.1.

“Amendment Agreement No.1 Signing Date” means the date on which the Amendment Agreement No. 1 is executed by the Borrower and the Bank.

“Tranche” means either the Tranche 1 or the Tranche 2 or the Tranche 3 (as the context requires).

“Tranche 3” shall have the meaning ascribed thereto in Section 2.01(b)(3).

6. By the deletion of the definition of “Subsidiary Loan Agreements” in Section 1.02 (Definitions) in its entirety, to be replaced as follows:

“Subsidiary Loan Agreement” means agreement, in form and substance satisfactory to the Bank, to be entered into between the Ministry of Finance of the Borrower, the Ministry of Regional Development and Infrastructure of the Borrower and the Project Company for the Tranche 1 and the Tranche 3 (as amended from time to time)”

7. *By the deletion of Section 2.01 (Amount and Currency) in its entirety to be replaced as follows:*

**“Section 2.01 Amount and Currency**

- (a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of EUR 10,300,000.
- (b) The Loan shall consist of three tranches, as follows:
- (1) Tranche 1 in the amount of EUR 4,300,000;
  - (2) Tranche 2 in the amount of EUR 2,700,000 is cancelled; and
  - (3) Tranche 3 in the amount of EUR 6,000,000.”

8. *By the deletion of paragraphs (e) and (f) of Section 2.02 (Other Financial Terms of the Loan) in their entirety to be replaced as follows:*

“(c) (1) The Borrower shall repay the Tranche 1 and the Tranche 3 in 24 equal (or as nearly equal as possible) semi-annual instalments on 12 February and 12 August of each year, (i) with respect to the Tranche 1, with the first Loan Repayment Date being 12 August 2018 and the last Loan Repayment Date being 12 February 2030 and (ii) with respect to the Tranche 3, with the first Loan Repayment Date being 12 August 2027 and the last Loan Repayment Date being 12 February 2039.

(2) Notwithstanding the foregoing, in the event that (i) the Borrower does not draw down the entire amount prior to the Tranche 1 and/or the Tranche 3 prior to the first Loan Repayment Date specified in this Section 2.02(e) for such Tranche, and (ii) the Bank extends the relevant Last Availability Date specified in Section 2.02(f) below for such Tranche to a date which falls after such first Loan Repayment Date for such Tranche, then the amount of each drawdown made on or after the first Loan Repayment Dates for the Tranche 1 or the Tranche 3 (as applicable) shall be

allocated for repayment in equal amounts to the several Loan Repayment Dates for the Tranche 1 or the Tranche 3 (as applicable) which fall after the date of such drawdown (with the Bank adjusting the amounts so allocated as necessary so as to achieve whole numbers in each case). The Bank shall, from time to time, notify the borrower of such allocations.”

“(f) The Last Availability Date in respect of the Tranche 1 and the Tranche 3 shall be 15 June 2027, or such later date that the Bank may in its discretion establish and notify to the Borrower.”

9. *By the deletion of Section 2.03 (Drawdowns) in its entirety to be replaced as follows:*

**“Section 2.03 Drawdowns**

- (a) The Available Amount may be drawn down from time to time in accordance with the provisions of Schedule 2 to finance (1) expenditures made (of, if the Bank so agrees, to be made) in respect of the reasonable cost of goods, works and services required for the Project, and (2) the Front-end Commission.
- (b) Other than for the purposes of paying the Front-end Commission under Tranche 3, the Borrower shall not be entitled to make drawdowns of Tranche 3 until such time the full Available Amount under Tranche 1 has been fully disbursed, it being specified that the Borrower shall be entitled to make drawdowns of the full available amount of the Grant (*i.e.*, EUR 3,000,000) before any drawdowns of the remaining Available Amount under Tranche 1.
- (c) The Borrower hereby authorises the Bank to draw down from the Available Amount an amount equal to the Front-end Commission and to pay itself the Front-end Commission on behalf of the Borrower

10. *By the deletion of paragraphs (a), (d) and (e) of Section 3.01 (Other Affirmative Project Covenants) in their entirety to be replaced as follows:*

“(a) make available to the Project Company, pursuant to Subsidiary Loan Agreement in form and substance satisfactory to the Bank, the proceeds of the Loan on terms and conditions acceptable to the Bank;”

“(d) take all necessary steps to ensure that the Project Company performs all of its obligations under the Project Agreement to which it is a party, including without limitation its obligations relating to:

- (1) designation and operation of a project team as provided for in Section 2.03 of the Project Implementation Agreement;
- (2) procurement of goods, works and services for the Project as provided for in Section 2.04 of the Project Implementation Agreement;
- (3) environmental and social matters as provided for in Section 2.05 of the Project Implementation Agreement.
- (4) employment and use of consultants to assist in the implementation of the

Project as provided for in Section 2.06 of the Project Implementation Agreement;

- (5) carrying out of a corporate development, stakeholder participation and municipality support programme as provided for in Section 2.07 of the Project Implementation Agreement;
- (6) preparation and submission of reports on matters relating to the Project and to the Project Company's operations as provided for in Section 2.08 of the Project Implementation Agreement;
- (7) maintenance of procedures, records and accounts, preparation, auditing and submission to the Bank of financial statements and furnishing to the Bank of any other relevant information relating to the Project or the Project Company's operations as provided for in Section 3.01 of the Project Implementation Agreement;
- (8) compliance with all covenants regarding financial and operational aspects of the Project and the Project Company as provided for in Sections 3.02, 3.03 and 3.04 of the Project Implementation Agreement;
- (9) implementation of the Project in accordance with the requirements set out in the Procurement Plan."

"(c) cause any person (other than a natural person) or entity controlled by the Borrower to pay solid waste charges to the Project Company, when due or, if any such person (other than a natural person) or entity fails to do so, pay such charges without delay; and;"

11. *By the deletion of paragraphs (a), (b) and (c) of Section 4.01 (Suspension) in their entirety to be replaced as follows:*

"(a) the legislative and regulatory framework applicable to the solid waste management sector in the territory of the Borrower shall have been amended, suspended, abrogated, repealed or waived in a manner which materially and adversely affects the operations of the Project Company or its ability to carry out the Project;

"(b) the Statutes of the Project Company shall have been amended, suspended, abrogated, repealed or waived in a manner which in the opinion of the Bank, acting reasonably materially and adversely affects the operations of such Project Company or its ability to carry out the Project"

"(c) the Project Company shall have failed to perform any of its obligations under the Subsidiary Loan Agreement"

12. *By the deletion of paragraph (c) of Section 5.01 (Condition Precedent to Effectiveness) in its entirety to be replaced as follows:*

"(c) The Project Agreement has been executed and delivered, and the execution and delivery of the Project Agreement has been duly authorised or ratified by all necessary governmental actions"

13. *By the deletion of the contact details of EBRD in Section 6.01 (Notices) in their entirety, to be replaced as follows:*

*“For Bank:*

European Bank for Reconstruction and Development  
5 Bank Street  
London E14 4BG  
United Kingdom

Attention: Banking Services  
Telephone: +44 20 7338 6000”

14. *By the deletion of Schedule 1 (Description of the Project) in its entirety to be replaced as follows:*

#### **SCHEDULE 1: DESCRIPTION OF THE PROJECT**

1. The purpose of the Project is to assist the Borrower in improving solid waste management in the Kvemo Kartli Region.

2. The Project consists of the following Parts, subject to such modifications thereof as the Bank and the Borrower may agree from time to time:

Part A: Capital Expenditures (Investment Components)

##### **Tranche 1 and Tranche 3**

Construction of new landfill (including building and structures)

Specialised equipment for landfill operations

Part B: Technical Cooperation (Consultancy Assignments)

Project implementation support services

Corporate development, stakeholder participation and municipality support programme

Environmental impact assessment

3. The Project is expected to be completed by 31 March 2026.

15. *By the deletion of Schedule 2 (Categories and Drawdowns) in its entirety to be replaced as follows:*

## SCHEDULE 2: CATEGORIES AND DRAWDOWNS


1. The table attached to this Schedule sets forth the Categories, the amount of the Loan allocated to each Category and the percentage of expenditures to be financed in each Category.
2. Notwithstanding the provisions of paragraph 1 above, no Drawdown shall be made in respect of:
  - (a) expenditures incurred prior to the date of the Original Loan Agreement.

### Attachment to Schedule 2


Category	Amount of the Loan Allocated in the Loan Currency	Percentage of Expenditures to be Financed
(1) Goods, works and Services for Part A	4,257,000	up to 100% of contract value excluding any Taxes and duties
- Tranche 1	5,940,000	
- Tranche 3		
(2) Front-end Commission		up to 100%
- Tranche 1	43,000	
- Tranche 3	60,000	
<b>Total</b>	<b>10,300,000</b>	

**IN WITNESS WHEREOF**, the parties hereto, acting through their duly authorised representatives, have caused this Amendment Agreement No. 1 to be executed and delivered in Tbilisi, Georgia on the date first above written.

**GEORGIA**

By   
Name: Lasha Khutsishvili  
Title: Minister of finance of Georgia

**EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

By   
Name: Alkis Vryenios Drakinos  
Title: Regional Director for Caucasus