

# LOAN AGREEMENT

## BETWEEN

The Republic of Trinidad and Tobago

## AND

Corporación Andina de Fomento

## DOCUMENT I

### Special Conditions

This document contains the Loan Agreement consisting of these Special Conditions (Document I), the General Conditions (Document II), the Technical Annex and the Annex Forms for Debt Management Operations (hereinafter the "*Loan Agreement*"), and is entered into on the Effective Date (as defined below) between the following parties and subject to mutually agreed terms and conditions set forth below:

- **CORPORACIÓN ANDINA DE FOMENTO** (hereinafter "**CAF**"), a multilateral financial institution established pursuant to the Agreement Establishing CAF executed in the city of Bogota, Republic of Colombia, on February 7, 1968, with its headquarters in Caracas, Bolivarian Republic of Venezuela, and duly represented herein by its Representative in the Republic of Trinidad and Tobago, Mr. Bernardo Requena; and
- The **REPUBLIC OF TRINIDAD AND TOBAGO** (hereinafter "**Borrower**"), situated at Eric Williams Finance Building, Independence Square, Port of Spain, Trinidad, Republic of Trinidad and Tobago, and duly represented herein by the Honourable Colm Imbert, Minister of Finance.

### ARTICLE 1. Background

1.1. The Borrower has requested an interest-bearing loan from CAF in order to finance the "*Project for the Strengthening of the Export Import Bank of Trinidad and Tobago (EXIMBANK) Limited*" (hereinafter, the "**Project**").

1.2. CAF has undertaken to make available to the Borrower and the Borrower accepts the Loan (as defined below), which will be subject to the terms and conditions set forth in this Loan Agreement.

1.3. The Parties expressly agree that all of the Parties' obligations shall be subject to the terms of the Loan Agreement, which shall supersede, in their entirety, any prior verbal or written agreement between the Parties on the same subject matter.

1.4. Capitalized terms, not specifically defined in these Special Conditions or in the Annexes, shall have the meaning assigned to them in the General Conditions.

## **ARTICLE 2. Purpose of the Agreement**

2.1. In accordance with the Articles of the Loan Agreement, and subject to the terms and conditions set forth herein, CAF grants to the Borrower and the Borrower accepts an interest-bearing loan in the amount indicated in Article 3 of these Special Conditions titled "*Amount of the Loan*", to be used exclusively in accordance with the provisions of the Loan Agreement.

## **ARTICLE 3. Amount of the Loan**

3.1. The interest-bearing loan that CAF grants the Borrower shall be for an amount of up to Thirty-Five Million Dollars (USD 35,000,000.00) (hereinafter, the "Loan").

## **ARTICLE 4. Term of the Loan**

4.1. The Loan will have a term of ten (10) years, including a Grace Period of forty-two (42) Months, both commencing on the Effective Date.

## **ARTICLE 5. Utilisation and Purpose of the Loan Proceeds**

5.1. The Borrower expressly agrees that the proceeds of the Loan shall be used in strict compliance with the provisions of this Loan Agreement and exclusively for the total financing of the following:

- a) Increase the Export Import Bank of Trinidad and Tobago (EXIMBANK) Limited (hereinafter "EXIMBANK")' access to financing sources in order to improve its supply of financial services for Small and Medium Enterprises (SMEs) and large companies with export potential;
- b) Structure an EXIMBANK Development Initiative (EDI) aimed at partially refinancing existing debt and reducing the cost of funds to improve EXIMBANK'S finances and sustainability;
- c) Contribute to the strengthening of the institutional capacities of EXIMBANK through the adoption of best practices of environmental, social and governance (ESG) criteria that improve its profile with its stakeholders;
- d) Audit and consulting services; and
- e) the Loan's Evaluation Expenses and Financing Fee.

## **ARTICLE 6. Executing Agency**

6.1. The Parties agree that the use of the proceeds of the Loan shall be carried out by the Borrower, through the EXIMBANK, or the entity which substitutes it (i) in accordance with the laws of the Country, or (ii) as agreed upon by the Parties (hereinafter, the "Executing Agency").

6.2. The Borrower declares and guarantees that the Executing Agency is duly authorised to comply with the obligations in accordance with the provisions of the Loan Agreement.

## **ARTICLE 7. Disbursement Period**

7.1. The Borrower shall have a period of up to six (6) Months to request the first Disbursement, and up to thirty-six (36) Months to request the last Disbursement. Both periods shall be counted from the Effective Date.

7.2. The Borrower may request an extension of the periods established in Article 7.1 above, no less than thirty (30) Days in advance of the expiry of those periods, provided that



the request is submitted in writing and accompanied by a justification for the request which CAF may accept or reject at its own discretion.

7.3. In the event that CAF decides to approve the extension requested in accordance with Article 7.2 above, it will send a notification in this regard, indicating the new period approved.

**ARTICLE 8. Borrower's and/or Executing Agency's Obligations in Relation to the Project**

8.1. The Borrower and/or the Executing Agency, as applicable, must carry out the execution of the Project as outlined in the Project Operational Manual ("POM").

8.2. The obligations, requirements, and procedures outlined in the POM and agreed upon by CAF, including but not limited to those related to the minimum content of the documentation referred to in Article 9 of these Special Conditions titled "Special Conditions," shall be mandatory during the execution of the Loan Agreement.

8.3. The POM will be agreed in writing between CAF and the Borrower and/or the Executing Agency, as applicable, and may be modified by them through an agreement signed by CAF and the Borrower and/or the Executing Agency.

8.4. In case of any discrepancy between any provision of the POM and this Loan Agreement, the provisions of the Loan Agreement shall prevail.

8.5. The Borrower must make the contributions or disbursements corresponding to it as local counterpart resources in the manner provided in the Budget included in the Technical Annex.

**ARTICLE 9. Special Conditions**

9.1. The Borrower, directly or by means of the Executing Agency, as appropriate, must comply, to CAF's satisfaction, with the conditions precedent to the first and to all the Disbursements as established in Article 9 of the General Conditions titled "*Conditions Prior to Disbursements*" and, in addition, with the following special conditions:

9.2. Prior to the first Disbursement

Submit to CAF:

- (a) Evidence of the creation of the Project Execution Unit (PEU) including the contract of the consultants who will form it and the appointment of the person responsible for the administration of the Loan.
- (c) Initial report, in accordance with the scope established in the POM, which includes, among other things: (i) Consultancy Plan ("CP") with a time frame of at least eighteen (18) Months.

**9.2.1. Prior to the first Disbursement corresponding to the execution of Component 1:**

**Submit to CAF:**

- (a) A document that outlines the characteristics of the SMEs and export companies to be financed, an estimate of their number and the sectors to which they belong, for a three-year period ("SME's Base Line Financing Plan").
- (b) Evidence of the implementation of a new credit process (outlining the results of the technical cooperation with CAF) ("New Credit Process") which shall include:
  - 1. Target Market:
    - (i) Identification of potential customers in at least one industry.
    - (ii) Defining Key Success Factors (KSF) by industry and economic sector.
    - (iii) A Database with the potential customer by industry.
  - 2. Analysis:
    - (i) Evidence that Qualitative and Quantitative Analyses have been implemented.
  - 3. Monitoring:
    - (i) A Credit Monitoring sheet.
  - 4. Collections and Recovery Unit:
    - (ii) Definition of positions and functions.
    - (iii) Unification of standards and policies.
    - (iv) Implementation of management tools.

**9.2.2 Prior to the first Disbursement corresponding to the execution of Component 2**

**Submit to CAF:**

- (a) A document that outlines the financial debt to be refinanced (Debt Repayment Plan), disaggregated by creditor, term and financial cost.
- (b) A document evidencing that the Loan Proceeds will be disbursed by the Ministry of Finance to the Executing Agency.

**9.2.3 Prior to the first Disbursement corresponding to the execution of Component 3**

**Submit to CAF:**

- (a) The analysis of the result of the Corporate Governance Diagnosis carried out by CAF, with the respective implementation plan, which includes at least a schedule of activities and budget.



### 9.3. During the Loan Disbursement Period:

The Borrower and/or the Executing Agency where applicable shall submit to CAF:

1. Within forty-five (45) Days from the beginning of each fiscal year, the Annual Operational Plan (AOP), as agreed in the POM.
2. When there is any significant change in the loan: A report on any significant changes to the components of the Loan Agreement that could alter the objectives, budget and execution deadlines.
3. Within one hundred and twenty (120) Days from the date of the first Disbursement of the Loan, evidence that the process to hire an independent external audit firm of recognized reputation has begun, in order to carry out annual audits during the disbursement period, of: i) the contracting procedures financed with CAF loan resources; ii) compliance with the Loan Agreement; iii) the appropriate use of CAF loan resources, in accordance with the Loan Agreement and the applicable Law of the Country, as defined in the POM.
4. Evidence of the procedure carried out by the Ministry of Finance for the modification of the organizational and salary structure of the Executing Agency.
5. Within sixty (60) Days from the date of the first Disbursement of the Loan, the work plan and schedule for the design of an Environmental and Social Risk Analysis System, in line with the nature and scale of the Executing Agency's portfolio and in line with the level of risks and environmental and social impacts of its activities.
6. Within one hundred and twenty (120) Days of submitting the Work Plan: the preliminary design that must contain at least: i) specific policy, ii) environmental and social safeguards, iii) list of exclusions, iv) manuals and implementation procedures, which incorporate the evaluation methodology and categorization criteria for categorising environmental and social risks, v) preparation of specialized team profiles for Environmental and Social risk analysis vi) training workshops for EXIMBANK personnel, and vi) implementation plan and testing of the Environmental and Social Risk Analysis System.
7. Evidence of the full implementation of the "Debt Repayment Plan" as a condition precedent for any disbursement, not including the first Disbursement.

#### Environmental and Social Commitments:

8. The Borrower must: (i) comply in all material aspects with the Applicable Environmental and Social Laws; (ii) have an Environmental and Social Risk Analysis System, in accordance with the nature and scale of the portfolio of clients benefiting from CAF funds and in line with the level of environmental and social risks and impacts of its activities; (iii) ensure that each project to be financed is subject to a due diligence process to demonstrate compliance with the Environmental and Social Requirements, in accordance with Environmental and Social Risk Analysis System, as set forth in the POM and the Borrower will maintain all records to reflect such due diligence process; (iv) ensure that the Project to be financed comply in all material aspects with all Environmental and Social Requirements and is subject to the environmental and social management plan agreed for said Project; (v) inform CAF in writing as soon as reasonably possible upon becoming aware of any Environmental and Social Claim or any event or circumstance that results or is reasonably likely to result in any Environmental and Social Claim.



12.4. In case the advance payment is carried out on a date different from the Interest Payment Date (subject to CAF's prior consent), the Borrower shall pay in addition the financial expenses incurred by CAF derived from the cancelation or modification of the corresponding proceeds, any other costs associated with such advance payment, if any.

12.5. Unless otherwise agreed between the Parties, notices of advance payment shall be irrevocable.

#### **ARTICLE 13. Interest**

13.1. The Borrower undertakes to pay CAF interest on the Outstanding Loan Balance on each Interest Payment Date.

13.2. The interest referred to in sub-Article 13.1 above shall be calculated at the annual floating rate resulting from adding the Term SOFR rate applicable to the relevant Interest Period and a margin of one point ninety-five percent (1.95%) (hereinafter, the "Margin"), or the rate applicable pursuant to the following sub-Article 13.3 (hereinafter, "Interest Rate"). Likewise, Article 11 of the General Conditions titled "*Interest*" shall apply. Under no circumstances may the Interest Rate applicable to any Interest Period be less than zero.

13.3. The Borrower irrevocably accepts and agrees that the Margin may be modified by CAF if the Effective Date occurs after the term established in the applicable CAF rules has elapsed. In such case, the Margin shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for it in Article 19 of these Special Conditions titled "*Communications*". In the event CAF has not notified the Borrower of the modified Margin within the thirty (30) Days from the Effective Date, the Margin referred to in Article 13.2 shall apply.

13.4. The Borrower irrevocably accepts and agrees that Term SOFR will be replaced by the Alternative Reference Rate for all purposes of the Loan Agreement, in the event that an Alternative Reference Rate Replacement Event occurs. In said circumstances, CAF shall notify the Borrower of the Alternative Reference Rate as provided in Article 19 of these Special Conditions titled "*Communications*", in writing, thirty (30) Days prior to the date on which it will be applicable with full effect. The aforementioned notification shall include all the necessary elements for calculation and determination of the Alternative Reference Rate, which shall substitute the Term SOFR.

13.5. If any payment required to be made by the Borrower under the Loan Agreement is not made on the date on which it was actually due (either on an arranged due date or in advance of such due date, in accordance with the Loan Agreement), the respective amount shall bear default interest as established in Article 12 of the General Conditions titled "*Default Interest*".

#### **ARTICLE 14. Compensatory Financing Fund**

14.1 During the first eight (8) years from the Effective Date (or during the period determined in accordance with the following sub-Article 14.2), CAF shall finance a non-refundable fifty (50) Basis Points of the Interest Rate (or the amount applicable in accordance with the following sub-Article 14.2) (hereinafter, the "Compensatory Financing"). Such financing shall be provided by CAF's Compensatory Financing Fund.



14.2. The Borrower irrevocably accepts and agrees that the Compensatory Financing may be modified or terminated by CAF if the Effective Date occurs after the term established in CAF's applicable rules has expired. In such case, the Compensatory Financing shall be that which CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established for such purposes in Article 19 of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the Effective Date, the Compensatory Financing established in the sub-Article above shall be applied.

#### **ARTICLE 15. Commitment Fee**

15.1. The Borrower shall pay CAF a Commitment Fee of zero point thirty-five percent (0.35%) per year (or the amount applicable in accordance with the following paragraph), on the undisbursed Loan balances, in the manner provided for in the Article of the General Conditions titled "*Commitment Fee*".

15.2. The Borrower irrevocably accepts and agrees that the Commitment Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable rules. In such case, the Commitment Fee shall be the one that CAF communicates in writing to the Borrower as applicable on the Effective Date by means of the procedure established in Article 19 of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the Effective Date, the Commitment Fee referred to in the above sub-Article 15.1 shall apply.

#### **ARTICLE 16. Finance Fee**

16.1. The Borrower shall pay CAF a one-time lump sum Finance Fee of zero point sixty-five percent (0.65%) (or the amount applicable in accordance with the following paragraph), on the amount indicated in Article 3 of these Special Conditions titled "*Amount of the Loan*" as established in Article 20 of the General Conditions titled "*Finance Fee*".

16.2. The Borrower irrevocably accepts and agrees that the Finance Fee may be modified by CAF if the Effective Date occurs after the term established in CAF's applicable rules. In such case, the Finance Fee shall be the one that CAF communicates in writing to the Borrower as applicable to the Effective Date by means of a procedure established in Article 19 of these Special Conditions titled "*Communications*". In case there is no communication from CAF in this regard within thirty (30) Days from the moment in which CAF acknowledges the occurrence of the Effective Date, the provisions established in the above paragraph 16.1 shall apply.

#### **ARTICLE 17. Evaluation Expenses**

17.1. The Borrower shall pay CAF, on the Effective Date or, at the latest, at the time the first Disbursement is carried out, the amount of Fifty thousand Dollars (USD 50,000.00) for Evaluation Expenses. The Borrower shall irrevocably authorize CAF that the amount of the same is deducted from the first Disbursement of the Loan.

#### **ARTICLE 18. Debt Management Operations**

18.1. The Parties may agree to carry out the Debt Management Operations, in accordance with the terms of this Article.



18.2. Debt Management Operations shall be subject to compliance, upon CAF's satisfaction, of all of the following prior conditions:

- a) discretionary approval by CAF;
- b) compliance by the Borrower of the applicable legal regulation;
- c) obtaining required governmental authorizations in order for the Borrower to carry out the Debt Management Operation requested; and
- d) that the documentation of the Debt Management Operation is satisfactory to CAF.

18.3. The process for carrying out the Debt Management Operation is the following:

- a) the Borrower shall send CAF a Request for a Debt Management Operation, along with a report of the responsible area of the Borrower establishing, with reference to the pertinent legal provisions: (i) that the obligations entered into by the Borrower in the Request for Alternative Currency Operation, are adjusted to the applicable legal rules, (ii) that the transactions that must be carried out to complete the Debt Management Operation, are legal, valid, binding and enforceable; and (iii) that once the Debt Management Operation is executed in accordance with the terms herein, it shall be deemed modified with regard to the Agreement and that such modifications are legal, valid, binding and enforceable.
- b) both, the Request for a Debt Management Operation, and the Debt Management Operation Confirmation, shall be delivered in original documents duly signed by the corresponding Party, at the notification address that appears in the Article of these Special Conditions titled "*Communications*";
- c) if CAF, in its sole discretion, approves to conduct the Debt Management Operation as requested, it shall send the Borrower a Confirmation of the Debt Management Operation within the date of expiration of the offer that appears in the corresponding Request of Debt Management Operation.

18.4. With regard to each Debt Management Operation, the Parties expressly agree that:

- a) the Debt Management Operation should be carried out over the total amount of the Outstanding Loan Balance, except in the case where the Parties have an express agreement to the contrary;
- b) from the moment a Request for a Debt Management Operation is sent, the Borrower is expressly, unconditionally and irrevocably obliged to perform the respective Debt Management Operation with CAF, in the terms of the Financial Conditions Requested;
- c) from the moment CAF sends a Debt Management Operation Confirmation, the respective Debt Management Operation shall be considered as executed and shall be deemed to have entered into full force and effect, and for all legal effect, its terms and conditions shall be mandatory to the Parties;
- d) from the Value Date, the Borrower's payment obligations with regards to the portion of the Loan subject to the respective Debt Management Operation, shall be the ones contained in the Confirmation of the corresponding Debt Management Operation;
- e) a Debt Management Operation consistent in Currency Conversion does not extinguish nor modify the obligation of the Borrower to pay, in Dollars and in the terms of the Loan Agreement: (i) the Outstanding Loan Balance which has not been subject to the Currency Conversion; and (ii) interest accrued until the Value Date;
- f) the Debt Management Operations consisting in Conversion of Interest Rate, do not extinguish or modify the obligation of the Borrower to pay the interest accrued up to the Value Date calculated at the Interest Rate; and



- g) whatever is not expressly modified by the Debt Management Operation Confirmation, the Borrower shall continue to be obliged with the same terms and conditions established in the Loan Agreement.

18.5. With regard to any Debt Management Operation each of the Parties expresses that they:

- a) know and accept that the other Party can record, at any time, all communications between its representatives, regarding Debt Management Operations;
- b) forego the need of notifications with respect to the faculty of the other Party to record such communications;
- c) shall inform its representatives on the possibility that their communications, regarding Debt Management Operations, may be recorded; and
- d) accept that such recordings may be used against them in any claim or trial originated due to or in the occasion of Debt Management Operations.

18.6. In the event that, in accordance with Article 12 of these Special Conditions titled "*Voluntary Advance Payments*", the Borrower makes a voluntary anticipated payment to a portion of the Loan that was subject to a Debt Management Operation, the Borrower shall pay CAF, in addition to the provisions of the above-mentioned Article, any other cost, penalty, or expenses associated with the anticipated termination of the Debt Management Operation, including, among others, the costs of financing breakup and of the anticipated termination of the derivatives agreements that CAF may have incurred due to, or on the occasion of, the corresponding Debt Management Operation.

18.7. The Parties may execute supplementary agreements with regard to the Debt Management Operations by simply exchanging letters between the authorised representatives, as long as such supplementary agreements do not cause substantial changes to the term or purpose of the Loan Agreement and do not derive in an increase of the amount, for:

- a) establishing, determining or developing conditions, protocols or additional procedures to the ones existing in the sub-Article related to procedures of this Article; or
- b) agree on modifications to the terms of the Annex titled "*Annex Forms for Debt Management Operations*".

18.8. Supplementary agreements agreed upon in accordance with the above sub-Article, shall be mandatory for each Party and shall not release in any way the Borrower of the obligations assumed by virtue of the Loan Agreement, and shall not have as its purpose or as a consequence the novation of the obligations assumed.

#### **ARTICLE 19. Communications**

19.1. Any notice, request or communication that the Parties and the Executing Agency, may address to each other, for any matter relating to the Loan Agreement, shall be done in writing, shall be executed by its Authorised Representatives, and shall be deemed to have been made from the time the corresponding document is received by the addressee, at the following addresses:

To CAF  
Attention: Corporación Andina de Fomento  
Address: Bernardo Requena, Representative  
Energy Centre, 8th Floor, Albion Plaza, 22-24 Victoria Ave,  
Port of Spain, Trinidad and Tobago

To the Borrower  
Attention: The Republic of Trinidad and Tobago  
Address: Ms. Suzette Lee Chee, Permanent Secretary  
Ministry of Finance  
Level 8  
Eric Williams Finance Building  
Independence Square  
Port of Spain

To the Executing Agency  
Attention: The Export Import Bank of Trinidad and Tobago (EXIMBANK)  
Address: Limited  
Mr. Navin Dookeran, Chief Executive Officer  
Exim House  
# 30 Queen's Park West  
Port of Spain

19.2. Communications between the Parties may be transmitted to each other by one or more electronic transmissions and will have the same validity and binding force as the original printed document, signed, sent and received, and will be considered to have been made from the moment the corresponding document is received by the addressee as evidenced by the respective acknowledgment of receipt, at the electronic (e-mail) addresses indicated below. The validity or binding force of the aforementioned communications will not be denied for the sole reason of having been generated by one or more electronic transmissions used in their formation.

19.3. For the purposes of the application of the preceding sub-Article, the corresponding documents shall be presumed authentic by the fact that they originate from the person who signs it on behalf of the Borrower and/or the Executing Agency, or by those who appear as Authorised Representatives pursuant to Article 43 of the General Conditions titled "Authorised Representatives", in the terms and conditions set forth therein.

To CAF  
e-mail Corporación Andina de Fomento  
[trinidadandtobago@caf.com](mailto:trinidadandtobago@caf.com)  
cc: [brequena@caf.com](mailto:brequena@caf.com); [sledesma@caf.com](mailto:sledesma@caf.com); [fpuente@caf.com](mailto:fpuente@caf.com)

To the Borrower  
e-mail The Republic of Trinidad and Tobago  
[Suzette.Leechee@gov.tt](mailto:Suzette.Leechee@gov.tt)  
cc. [Michelle.DKissoon@gov.tt](mailto:Michelle.DKissoon@gov.tt)

To the Executing Agency  
e-mail The Export Import Bank of Trinidad and Tobago (EXIMBANK)  
Limited  
[ndookeran@eximbanktt.com](mailto:ndookeran@eximbanktt.com)  
cc. [Irichards@eximbanktt.com](mailto:Irichards@eximbanktt.com)



19.4. In any case, CAF reserves the right to notify the Borrower that all or part of the documentation to be presented or sent to CAF in accordance with the provisions of the Loan Agreement will be considered to be delivered only when received at the physical addresses indicated in sub-Article 19.1 above.

19.5. Any change or amendment regarding the addresses and/or electronic addresses indicated in this Article shall be notified to the other Party by any of the means indicated above, only being effective upon acknowledgement of receipt of such change or amendment.

#### **ARTICLE 20. English Language**

20.1. All documents to be furnished or communications to be sent or made under the Agreement or any of the other related documents shall be in English. To the extent that the original of any such document or communication is in a language other than English, it shall be accompanied by a translation into English certified by an authorized representative of the party delivering such document or communication.

#### **ARTICLE 21. Arbitration**

21.1. Any disagreement or discrepancy arising from the Loan Agreement shall be resolved according to the provisions of Article 42 of the General Conditions titled "*Arbitration*".

#### **ARTICLE 22. Agreement Stipulations**

22.1. The Loan Agreement is governed by the provisions of these Special Conditions, the General Conditions and the Annexes. The rights and obligations established in the Loan Agreement are valid and enforceable in accordance with its terms, without regard to the legislation of a given country. For any other issues that are not expressly provided for in the Loan Agreement, the legislation of the Country shall apply.

#### **ARTICLE 23. Prevalence of the Loan Agreement's Provisions**

23.1. In any other matter not expressly provided for in the Special Conditions or in the Annexes, the General Conditions shall apply.

23.2. In case of discrepancy between any stipulation of the Special Conditions and the General Conditions, the provisions of these Special Conditions shall prevail.

23.3. In case of discrepancy between any provisions in the Annexes and the General Conditions, the provisions of the General Conditions shall prevail.

23.4. In case of discrepancy between any stipulation of these Special Conditions and the Annexes, the provisions of the Special Conditions shall prevail. In case of discrepancy between any provisions in these Special Conditions, or between any provisions in the General Conditions, or between any provision of the same Annex, the specific provision shall prevail over the general one.

#### **ARTICLE 24. Annexes**

24.1. The following Annexes are part of the Loan Agreement:

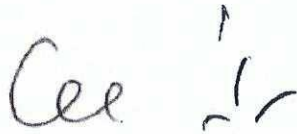
- a) the "Technical Annex".
- b) the "Annex Forms for Debt Management Operations".

**ARTICLE 25. Effective Period**

25.1. The Parties hereby agree that the Loan Agreement shall enter into force on the date of its signature, in the understanding that the Loan Agreement will not be legally binding until it is signed by both parties (hereinafter, the "Effective Date") and shall terminate with the total payment of the Loan (capital, interest, fees and any other expenses) and the fulfilment of all of the obligations set forth in the Loan Agreement. This Loan Agreement is signed in two (2) originals, in the city of Port of Spain, Republic of Trinidad and Tobago.

**Republic of Trinidad and Tobago**

**Corporación Andina de Fomento**



Name: The Honourable Colm Imbert  
Position: Minister of Finance  
Republic of Trinidad and Tobago  
Date: October 9, 2024



Name: Bernardo Requena  
Position: Representative in the Republic of  
Trinidad and Tobago  
Date: October 9, 2024

**Confirmation of Debt Management Operations:** is the document in form and content similar to the model titled "*Debt Management Operation Confirmation Form*", contained in the Annex "*Forms for Debt Management Operations*" ("a" or "b" as applicable), according to which CAF accepts to carry out the Debt Management Operations described in the corresponding Request for Debt Management Operations.









**Revolving Fund:** shall have the meaning ascribed thereto in the Article of these General Conditions titled "*Revolving Fund*".

**Selection Processes:** means any process of acquisition of goods, and/or for the contracting of works and/or for the contracting of consulting services for the Programme or Project to be carried out due to or on the occasion of: a) the Agreement; and/or b) hiring which shall be financed with resources of the Loan, including Public International Bidding.

**Special Conditions:** are the provisions of special nature that are obligatory to regulate the specific relationship between CAF and the Borrower contained in the document of the same name that forms an integral part of the Loan Agreement.

**Technical Annex:** is the document identified as such, that is an integral part of the Loan Agreement, and which contains the detailed technical description of the Project or Programme, including its corresponding components.

**Term SOFR:** is, in relation to any Interest Period, the rate for a term similar to the Interest Period, published by CME Group Benchmark Administration Limited (CBA) (or their proper successor determined at the discretion of CAF) on the Interest Determination Date. Along these lines, if, at 5:00 p.m. (New York time) on an Interest Determination Date, Term SOFR for a term similar to the pertinent Interest Period has not been published by CBA (or their proper successor determined at the discretion of CAF) and no Alternative Reference Rate Replacement Event has occurred with respect to the Term SOFR, Term SOFR shall be the rate for a term similar to the Interest Period published by CBA (or their proper successor determined at the discretion of CAF) on the first (1) prior Business Day on which the rate was published by CBA within the three (3) Business days prior to the Interest Determination Date, at the most. For the sole purpose of determining the Term SOFR, "*Business Day*" is a day on which banks are open to the public in New York, New York State, United States of America. All Term SOFRs shall be made by CAF and shall be final, save for obvious errors.

**Outstanding Loan Balance:** means, at any time, the amount of the Borrower's outstanding Loan principal owed to CAF.

**Value Date:** is the date, determined as such, in the Debt Management Operation Confirmation, from which the corresponding Debt Management Operation takes effect.

1.2. In the cases where the context of these conditions allows it, the words in the singular shall include the plural and *vice versa*.

1.3. The headings of the Articles have been established to facilitate their identification only, with the headings not contradicting in any form what is established in the text of the Article itself.

1.4. All terms defined in the Loan Agreement shall have the same meaning when used in any communication or other document drawn up, presented or delivered hereunder, unless otherwise stipulated or expressly stated therein, to have a different meaning.



**ARTICLE 2. Non-Financeable Activities Under this Loan Agreement With Loan Proceeds**

2.1. The proceeds of the Loan shall not be used to finance the following activities:

- a) speculation;
- b) gambling and casinos;
- c) operations related to the war industry;
- d) political activities;
- e) production or commercialization of polluting substances or species;
- f) illegal activities according to the law of the Country; and/or
- g) other activities that CAF may determine from time to time and reports in writing to the Borrower.

**ARTICLE 3. Use of the Loan Proceeds**

3.1. The Borrower is obligated to:

- a) use the proceeds of the Loan exclusively for the purposes set forth in the Loan Agreement and to carry out the activities described herein in full compliance with this Loan Agreement and with the Country's laws applicable to the Borrower and to the Executing Agency;
- b) use the goods and/or services financed with Loan resources exclusively in the Programme or Project in question, and neither the Borrower nor the Executing Agency may give them a use other than that established in the Loan Agreement or sell, transfer or dispose them, except as otherwise agreed in writing between CAF and the Borrower and the Guarantor, if any;
- c) not use, directly or through the Executing Agency, the proceeds of the Loan in activities related directly or indirectly, to money laundering, nor with the financing of terrorism, nor by individuals and/or legal entities related to them, nor in relation to Prohibited Practices.

3.2. CAF may request, at any time, the documents and information which it may consider necessary in order to determine whether the utilization of the proceeds of the Loan comply with the provisions of the Loan Agreement, indicating in each case the term within which the Borrower and/or Executing Agency, as appropriate, shall present the required documents and information.

3.3. In the event of non-compliance with these obligations, CAF will have the right to: (i) suspend the Disbursements and the execution of its other obligations under the Loan Agreement; and/or (ii) declare the Loan as due and payable, without the need of any judicial or extrajudicial requirement, without the Borrower being able to invoke arbitration in their favour; and/or (iii) require the Borrower to return the proceeds in respect of which such obligations were breached, together with their corresponding interest. In this last event, the Borrower must make the relevant repayment within three (3) Days following the date of CAF's request to that effect.

**ARTICLE 4. Statements of the Borrower**

4.1. The Borrower states and guarantees to CAF that whoever (i) executes the Loan Agreement on behalf of the Borrower and (ii) executes the documents sent to CAF under the Loan Agreement, is duly authorised to act on its behalf and representation, and that all of the requirements and formalities that are applicable to it have been fulfilled and therefore, it is authorised to execute and bind the Borrower to the terms of this Loan Agreement.



## **ARTICLE 5. Modalities for Implementing the Loan**

5.1. The Loan shall be implemented by CAF by means of one or several of the following modalities:

**a) Direct transfers**

CAF may transfer funds directly, against the Loan, to the Borrower or the Executing Agency, as appropriate, to the account indicated in the respective Disbursement Request, and according to the procedures used by CAF for this type of Disbursements, provided that said transfers are for an amount greater than that indicated by CAF; and/or

**b) Advance of Funds by the use of the Revolving Fund**

CAF may advance funds from the Loan to the Borrower and/or the Executing Agency, as appropriate, in accordance with the provisions of the Article of these General Conditions titled "*Revolving Fund*".

**c) Issuance of documentary credits**

CAF may issue one or more documentary credits, on behalf and upon request of the Borrower and/or of the Executing Agency, as appropriate, provided that:

1. said documentary credit has been previously consulted and expressly authorised by CAF and that it is for an amount per beneficiary higher than that indicated by CAF.
2. b) the due date or expiration date of the respective documentary credit does not exceed the term to request the last Disbursement agreed in the Article of Special Conditions titled "*Disbursement Period*";
3. the Borrower pays the commissions and expenses established by CAF and by the correspondent Banks that may be used to such purpose; and/or

**d) Other modalities**

Other modalities agreed by the Parties in accordance with the provisions of the Article titled "*Modifications*" in these General Conditions.

5.2. For purposes of the provisions of sub-Article 5.1. above, the Borrower directly, or through the Executing Agency, must submit to CAF, along with the Disbursement Request, any other information and documentation required by CAF.

## **ARTICLE 6. Revolving Fund**

6.1. Upon the request of the Borrower and/or the Executing Agency, as appropriate, CAF shall make available to the Borrower and/or the Executing Agency, as appropriate, advances of funds at the expense of the Loan, using a revolving fund of up to twenty percent (20%) of the amount of the Loan to finance payments as provided in this Article.

6.2. The proceeds of the Revolving Fund shall:

- a) be used exclusively to finance eligible items in accordance with the Article of the Special Conditions titled "*Utilisation and Purpose of the Loan Proceeds*" and with the provisions of the Technical Annex; and
- b) be used and justified within the term set forth in the Article of these General Conditions titled "*Utilisation and Justification of the Loan Proceeds*".

6.3. Once the use of proceeds has been justified in accordance with paragraph 6.2 above, CAF, at its sole discretion, may renew all or part of the Revolving Fund provided that:



- a) the Borrower and/or the Executing Agency, as appropriate, have requested said renewal;
- b) the provisions of the Article of these General Conditions entitled "*Conditions Precedent to Disbursements*" are complied with; and
- c) The provisions of sub-article 7.2 of these General Conditions are complied with.

6.4 Unless otherwise expressly provided in the Special Conditions, the amount corresponding to the last Disbursement to be carried out under the use of the Revolving Fund, may not exceed five percent (5%) of the total amount of the Loan

#### **ARTICLE 7. Utilisation and Justification of the Loan Proceeds**

7.1. In the event that there is no express provision to the contrary in the Special Conditions regarding the terms for the utilisation and justification of the Loan proceeds of one or several Disbursements, the provisions of the following sub-articles shall apply.

7.2. The Borrower and/or the Executing Agency, as appropriate, undertake to use and justify at least eighty percent (80%) of the resources corresponding to a Disbursement, within one hundred and eighty (180) Days following the date of the corresponding disbursement. The remaining percentage of the resources corresponding to said Disbursement not used and justified within the previous term must be used for the purposes set forth in the Loan Agreement and duly justified no later than the term of use and justification corresponding to the Disbursement immediately following, or two hundred and seventy (270) Days from the date of the corresponding Disbursement, in the case of the last Disbursement by Revolving Fund.

7.3. In the event of non-compliance with these obligations, CAF will have the right to (i) suspend the Disbursements and the execution of its other obligations under the Loan Agreement; and/or (ii) declare the Loan overdue, without the need for any judicial or extrajudicial requirement, and the Borrower, or the Guarantor, if any, may not invoke arbitration in its favour; and/or (iii) require the Borrower to return the resources with respect to which such obligations were breached, together with the corresponding interest. In the latter event, the Borrower will be obliged to repay the proceeds from the date of CAF's request in that regard.

#### **ARTICLE 8. Term to Request and Disburse the Loan**

8.1 The Borrower, directly or through the Executing Agency, shall make the request for Disbursement to CAF (i) within the terms established in the Article of the Special Conditions titled "Disbursement Period"; (ii) by presenting a Disbursement Request, duly completed and signed by an Authorised Representative of the Borrower and/or of the Executing Agency, as applicable, and (iii) by complying with the conditions provided for in the Article of these General Conditions titled "Conditions Prior to Disbursements", and the Article of the Special Conditions titled "Special Conditions".

8.2 Each Disbursement Request will be irrevocable as per the Borrower. Upon sending the Disbursement Request to CAF, the Borrower and the Executing Agency, in the name and on behalf of the Borrower, clearly, expressly, unconditionally and irrevocably undertake to:

- a) receive from CAF, as a loan, the amount of the Disbursement requested on the terms agreed by CAF.



- b) pay to CAF the principal and interest of the Disbursement under the terms provided in this Loan Agreement; and
- c) make any other mandatory payments and assume the costs that may arise in the terms of the Loan Agreement.

8.3 At the expiration of the deadline for requesting the first and the last Disbursements, as the case may be, the Borrower may not request any other Disbursement, nor complete the pending documentation at that date regarding any Disbursement Request previously presented. Should the Borrower make such a request or complete pending documentation after the time for doing so, CAF shall be expressly entitled not to disburse any amount and shall send the Borrower a written notice to that effect.

#### **ARTICLE 9. Conditions Prior to Disbursements**

9.1 Loan Disbursements will be subject to compliance with the following prior conditions, upon CAF's satisfaction:

- a) For the first Disbursement:
  1. that CAF has received a legal opinion stating with reference to the relevant constitutional, legal and statutory provisions, establishing that the obligations assumed by the Borrower under this Loan Agreement are legal, valid, binding and enforceable. Such opinion shall also cover any matter that CAF may deem relevant;
  2. that CAF has received a document with the Authorised Signatures, in which the Borrower, and/or the Executing Agency, designate one or more officials to represent them in all acts related to the execution of the Loan Agreement;
  3. that CAF has received the payment of the Evaluation Expenses and of the Finance Fee, or if applicable, that the Borrower and/or the Executing Agency, as applicable, has authorised CAF in writing to deduct such amounts from the first Disbursement;
  4. any other conditions as established in the Special Conditions.
- b) For all Disbursements, including the first one:
  1. that the Borrower and/or the Executing Agency, as applicable, have submitted a Disbursement Request to CAF, along with the supporting documents and all other background information required by CAF for such purposes;
  2. that none of the circumstances described in the Articles of these General Conditions titled "*Suspension of CAF's Obligations*", "*Suspension of Obligations for Causes Not Attributable to the Parties*" or "*Declaration of Expired Term of the Loan*" have occurred;
  3. that the modality of implementation of the Disbursement does not contravene or may be related to any activity that contravenes:
    - a) any local rule of any country, or any regional, supranational, community rule, including but not limited to the rules of CAF Shareholder Countries, of the members of the European Union, the United States of America, etc. related to the fight against money laundering and the prevention of terrorist financing and/or the requirements and procedures of the policies and principles implemented by CAF, for the prevention and detection of money laundering and prevention of terrorist financing; and/or



- b) any principle, recommendation or provision issued by the United Nations and/or any other entity dedicated to fight against money laundering and the prevention of terrorist financing, such as, but not limited to, the Financial Action Task Force (FATF/ *Grupo de Acción Financiera Internacional* - GAFI), the Financial Action Task Force of Latin America (GAFILAT, formerly GAFISUD) and each one of its other regional groups;
- 4. the rest that may be established as such in the Special Conditions.

#### **ARTICLE 10. Ranking**

10.1 The Borrower undertakes to maintain the payment obligations assumed under the Loan Agreement, with the same ranking and preference in priority of payment, and in all other respects with all of its other existing or future non-subordinated Indebtedness, without prejudice of the priorities and privileges provided in the applicable law of the Borrower.

#### **ARTICLE 11. Interest**

11.1 From the date of the first Disbursement, the Outstanding Loan Balance shall accrue interest at the annual rate resulting from the application of the Article of Special Conditions titled "*Interest*" during both the Grace Period as well as the repayment of the Loan.

11.2 Interest shall be payable until such time as full repayment of the Loan occurs. Interest shall be calculated on the basis of one year equal to three hundred and sixty (360) Days in relation to the number of calendar days actually elapsed. For the purposes of calculating interest, the first Day of each Interest Period shall be included, but not the last Day. All of the determinations regarding the applicable Interest Rate for each Interest Period shall be made by CAF and shall be conclusive in the absence of a manifest error.

#### **ARTICLE 12. Default Interest**

12.1 Any delay in the payment of any amount owed to CAF under the Loan Agreement shall constitute an automatic default for the Borrower without the need of any judicial or extrajudicial requirement. The Borrower may not invoke arbitration in its favour.

12.2 In the event of default, the Borrower shall pay CAF default interest on the portion of the matured principal at the variable annual rate resulting from adding to the highest Reference Rate in effect during the period between the date on which the payment was due (either for maturity specifically set forth in the Agreement or otherwise set forth in the Agreement) and the effective date of payment, the Margin plus two percent (2%) (hereinafter, the "Default Interest Rate"). The "*Default Interest Rate*" calculated in accordance with the provisions herein shall be applicable until such time as the total payment of the amount owed occurs.

12.3 Without prejudice to the charge of a Default Interest Rate, in the event of default by the Borrower, CAF may suspend Disbursements and the compliance of its obligations under the Loan Agreement and/or declare the expiration of the term of the Loan in accordance with the Articles of these General Conditions titled "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*".

12.4 Default Interest Rate shall be calculated on the basis of one year equal to three hundred and sixty (360) days in relation to the number of calendar days actually elapsed. All determinations of a Default Interest Rate shall be made by CAF and shall be conclusive



in the absence of manifest error.

**ARTICLE 13. Non-Business Day Maturities**

13.1 Any instalment falling due on a non-Business Day shall be extended to the immediately following Business Day. The above shall not apply when the immediate following Business Day corresponds to another calendar year, in which case, the expiration date shall be the last Business Day of the calendar year in which the original period matures.

13.2 All reference to semester or semi-annual period shall be referred to an uninterrupted period of six (6) calendar Months. If the semi-annual period matures on a non-Business Day, it shall be deemed to be extended to the first Business Day of the following Month.

**ARTICLE 14. Expenses**

14.1. All of the expenses incurred by CAF after the Effective Date, such as trips, specialized consultancies, attorneys' fees, expert opinions, appraisals, notarial procedures, registrations and others, shall be the Borrower's exclusive responsibility and for the Borrower's account, which shall make the applicable voluntary advance payment or reimbursement within thirty (30) days following the request. In all circumstances, these expenses must be duly justified by CAF.

**ARTICLE 15. Currency Used for the Loan Disbursement**

15.1. The Loan shall be disbursed in Dollars.

**ARTICLE 16. Article 14. Currency Used for Loan Payment**

16.1. The Borrower expressly undertakes to pay exclusively in Dollars any sum outstanding for principal, interest, fees, expenses and any other charge due to, or in connection with, the Loan Agreement.

**ARTICLE 17. Place of Payments**

17.1. Any payment to be made by the Borrower to CAF because of, or in connection with, the Loan Agreement, shall be made in the location and bank accounts that CAF communicates in writing to the Borrower.

17.2. The Borrower's payment obligations derived from this Agreement will only be considered fulfilled or satisfied on the date that CAF effectively receives said payments, in immediately available funds in the account indicated by CAF.

**ARTICLE 18. Application of the Payments**

18.1. Any payment made by the Borrower to CAF because of, or in connection with, the Loan Agreement, shall be charged in accordance with the order of precedence set forth below:

- a) expenses and charges;
- b) fees;
- c) default interest, if applicable;
- d) interest due;
- e) repayment of past-due Instalments.

18.2. CAF reserves the right to modify the order of priority provided in this Article, if considered appropriate. In such case, CAF will notify the Borrower in writing in accordance



with the provisions of the Article of Special Conditions titled "*Communications*".

#### **ARTICLE 19. Commitment Fee**

19.1. The Commitment Fee shall be due and payable upon sixty (60) Days following the Effective Date and shall be calculated when applicable on the undisbursed balance of the Loan.

19.2. Payment of the Commitment Fee will be made at the expiration of each six (6) Month period counted from the Effective Date, on each Interest Payment Date.

19.3. The Commitment Fee shall be calculated on a one-year basis, equal to three hundred and sixty (360) Days, in relation to the number of calendar days effectively elapsed.

19.4. The Commitment Fee will cease, in whole or in part, to the extent that:

- a) all or part of the Loan has been disbursed; or
- b) the obligation to disburse the Loan has become totally or partially null and void, in accordance with the Articles of these General Conditions titled "*Term to Request and Disburse the Loan*", "*Suspension of CAF's Obligations*" and "*Declaration of Expired Term of the Loan*", or
- c) Disbursements have been suspended for reasons not attributable to the Parties, in accordance with these General Conditions titled "*Suspension of Obligations for Causes not Attributable to the Parties*".

#### **ARTICLE 20. Finance Fee**

20.1. The Finance Fee shall be incurred on the Effective Date. The Borrower shall pay CAF the Finance Fee on the Effective Date, or at the latest when the first Disbursement is made.

#### **ARTICLE 21. CAF's Environmental and Social Safeguards**

21.1. The Borrower and/or the Executing Agency, as applicable, shall comply throughout the term of the Loan Agreement (i) with CAF's Environmental and Social Safeguards, in force as of the Effective Date; (ii) with the provisions of the environmental and social legislation in force in the Country and applicable to the Programme/Project and/or to the Loan; and (iii) with the specific provisions of the Special Conditions of the Loan Agreement.

21.2. The Borrower and/or the Executing Agency, as applicable, undertake to immediately inform CAF of the occurrence of any breach of the obligations provided for in sub-Article 21.1 above.

21.3. The Borrower and/or the Executing Agency, as applicable, undertake to implement a corrective action plan, agreed with CAF, in order to mitigate, correct and compensate for the adverse environmental and social consequences that may arise due to or on the account of the Programme or Project.

21.4. In the event that CAF's Environmental and Social Safeguards are modified and/or are updated after the Effective Date, CAF will notify said modification and/or update to the Borrower and/or the Executing Agency, as applicable, as soon as possible, by sending a communication in accordance with the provisions of the Special Conditions titled "*Communications*". Such modification and/or update will not have retroactive effects,



however, the Parties will agree on an action plan to adjust the Programme/Project to the corresponding modification and/or update.

**ARTICLE 22. Payment of Taxes and other Surcharges**

22.1. Payment of each Instalment, interest, fees, expenses and other charges, shall be made by the Borrower without any deduction for levies, taxes, costs, liens, rates, duties, tariffs, tax stamps, or other surcharges in force on the Effective Date, or that are established after this date. However, in the event that any payment is due for the aforementioned items, the Borrower shall pay CAF such sums so that the resulting net amount, after paying, withholding or otherwise deducting all levies, taxes, costs, liens, fees, duties, tariffs, tax stamps, or other surcharges in force at the time, is equal to all the provisions stipulated in the Loan Agreement.

22.2. Likewise, any tax burden imposed on the Loan Agreement, the receipts, promissory notes or other documents derived therefrom shall be for the account of and exclusively charged to the Borrower.

**ARTICLE 23. Cancellation of Part or the Total Amount of the Loan**

23.1. The Borrower may refuse to receive any part or the total amount of the Loan by sending a written communication, the contents of which must be to CAF's satisfaction, at least fifteen (15) Days prior to the effective date of the cancellation. The non-acceptance or renunciation of all or part of the Loan in accordance with the provisions of sub-Article 21.1. above shall be effective once CAF communicates its acceptance to the Borrower in writing; and the Borrower assumes all the financial costs that such non-acceptance or renunciation may produce to CAF, if any.

23.3. The non-acceptance or renunciation of all or part of the Loan, as well as the termination of the Loan Agreement, shall not give rise to the reimbursement of the corresponding portion of the Finance Fee or of the Evaluation Expenses.

**ARTICLE 24. Adjustment of Outstanding Instalments**

24.1. CAF shall adjust the outstanding Instalments proportionally, if by virtue of the provisions of the Article of Special Conditions titled: *"Disbursement Period"*, and in the Articles of these General Conditions titled: *"Term to Request and Disburse the Loan"*, *"Cancellation of Part or of the Total Amount of the Loan"*, *"Suspension of CAF's Obligations"*, *"Suspension of Obligations for Causes Not Attributable to the Parties"* and/or *"Declaration of Expired Term of the Loan"*, the Borrower's right to receive any part of the Loan is suspended or becomes null and void.

**ARTICLE 25. Suspension of CAF's Obligations**

25.1. CAF, by written notice to the Borrower, may suspend Disbursements and the performance of its other obligations under the Loan Agreement, whenever, and for as long as any of the following circumstances arise:

- a) any delay in the payment of any sum owed by the Borrower to CAF for principal, interest, fees, expenses, charges or otherwise under the Agreement or any other agreement entered into with CAF; or
- b) non-compliance of the Borrower and/or the Executing Agency of any other obligation set forth in the Loan Agreement, other than the payment of sums of



- money to CAF on a specific date; or
- c) non-compliance of the Borrower and/or the Executing Agency, of any obligation set forth in any other agreement with CAF; or
- d) verification of inaccurate information or lack of information, provided or to be provided by the Borrower and/or the Executing Agency, prior to the execution of the Loan Agreement or during its execution, that has affected granting of the Loan; or
- e) that in CAF's reasonable judgment a Prohibited Practice or an activity which is established as money laundering or terrorism financing, has been performed, by an employee, agent or representative of the Borrower and/or of the Executing Agency, in the use of the proceeds of the Loan; or
- f) that there is sufficient evidence of a third party, who has received or may receive proceeds of the Loan, incurred or involved in a Prohibited Practice, or in an activity which is established as money laundering and/or terrorism financing and twenty (20) Business Days have passed since the Borrower and/or the Executing Agency had knowledge, or were notified by CAF of the occurrence of a Prohibited Practice or of an activity which is established as money laundering and/or terrorism financing, without the Borrower and/or the Executing Agency having taken the corrective measures that were necessary, acceptable to CAF, and in compliance with the due process set forth in the Country's law (including the due notice to CAF); or
- g) that in CAF's reasonable judgment, the purpose of the Programme or Project, or the Loan, may be adversely affected, or the execution of the Programme or Project may become improbable as a consequence of: (i) any restriction, modification or adjustment of the legal capacities, attributions or equity of the Borrower and/or of the Executing Agency; or (ii) any modification or amendment of any condition fulfilled before CAF's approval of the Loan, that may have been carried out without CAF's written authorisation; or
- h) any extraordinary circumstance that, in CAF's reasonable judgment: (i) makes it improbable that the Borrower and/or the Executing Agency comply with the obligations established in the Loan Agreement; or (ii) impede the fulfilment of the Programme's or Project's development purpose; or
- i) any other circumstance established in the Loan Agreement.

25.2. Notwithstanding sub-Article 25.1(f) above, CAF reserves the right to suspend at any time the Disbursements intended to finance direct or indirect payments in favour of third parties that in CAF's reasonable criteria are involved in a Prohibited Practice, or in an activity which is established as money laundering and/or terrorism financing. In the event of such circumstance, CAF may immediately suspend the Disbursements intended to finance direct or indirect payments in favour of such third party in execution of its other obligations in respect of the corresponding third party and shall have the right to demand from the Borrower the return of the portion of the Loan that could have been used to carry out direct or indirect payments to such third party, along with its corresponding interest. In this last case, the Borrower shall be obligated to return the funds on the date indicated for such purposes in CAF's written communication.

## **ARTICLE 26. Suspension of Obligations for Causes Not Attributable to the Parties**

26.1. CAF may suspend the execution of its obligations under the Loan Agreement, whenever any of the following circumstances occur:



- a) the withdrawal of the Borrower as a shareholder of CAF; or
- b) any other event of Force Majeure or Fortuitous Event (Acts of God) that prevents the Parties from complying with the obligations undertaken.

**ARTICLE 27. Declaration of Expired Term of the Loan**

27.1. CAF shall be entitled to declare the Loan balance immediately due and payable, in the following cases:

- a) when any of the circumstances described in the Article 25 of these General Conditions titled "*Suspension of CAF's Obligations*", except for the one provided in letter f) occurs;
- b) when the situation described in letter a) of the Article 26 of these General Conditions titled "*Suspension of Obligations for Causes Not Attributable to the Parties*" occurs; or
- c) whenever the events of *Force Majeure* or Fortuitous Event (*Acts of God*) referred to in letter b) of the Article 26 of these General Conditions titled "*Suspension of Obligations for Causes Not Attributable to the Parties*" are prolonged for more than thirty (30) Business Days; or the consequences arising therefrom are not or cannot be remedied within such period.

27.2. The sole verification of the occurrence of one of these cases will allow CAF to declare the Loan balance due and payable without the need of any judicial injunction or extrajudicial action, without the Borrower being able to invoke arbitration in his favour. For such purposes, CAF shall inform the Borrower and the Executing Agency in writing of such decision. In such cases, CAF shall be expressly authorised to request the Borrower to immediately repay all sums due, including interest, fees, expenses and charges, accruing up to the date on which the payment is made.

27.3. The Borrower expressly and irrevocably authorises CAF to apply the balances in favour of the Borrower that may exist in CAF's possession for any reason to the payment of any of the amounts owed by the Borrower under this Loan Agreement. The foregoing shall proceed automatically, and CAF may exercise the powers conferred to it in this Loan Agreement, with no other requirement than the expiration of the amounts due by the Borrower, the expiration declaration by CAF or the non-compliance of any payment, without the need of authorization or ratification from the Borrower or any judicial decision.

**ARTICLE 28. Disbursements Not Affected by the Suspension or Acceleration**

28.1. The measures provided for in the Articles of these General Conditions titled "Suspension of CAF's Obligations": "Suspension of Obligations for Reasons Beyond the Control of the Parties" and "Declaration of Expired Term of the Loan" shall not affect CAF's obligations toward the beneficiaries of documentary credits already issued by CAF for the account and at the request of the Borrower pursuant to subparagraph c) of the Article of these General Conditions titled "Disbursement Modalities" which are in effect on the date of the occurrence of any of the circumstances referred to in said Articles. In these cases, the Borrower expressly and unconditionally undertakes to deliver to CAF, upon written request to that effect, for each documentary credit in force, a sum of money equivalent to the amount of the corresponding documentary credit. This amount will remain as a guarantee deposit until the moment in which CAF's obligations under the respective documentary credit cease, after which it shall be returned to the Borrower in accordance with the terms of the respective deposit.



**ARTICLE 29. Obligations of the Executing Agency**

29.1. The Borrower authorises and empowers the Executing Agency to assume and carry out the procedures that are expressly assigned to said entity in the Loan Agreement.

29.2. Notwithstanding the provisions of sub-Article 26.1 above, the Borrower shall be the sole party responsible for compliance with the provisions of the Loan Agreement.

**ARTICLE 30. Increase in the Cost of the Programme or Project, Additional Funding**

30.1. If during the execution of the Programme or Project, as the case may be, a modification of its total cost occurs, either due to an increase in its costs or due to modifications in its original scope, the Borrower undertakes to provide such additional proceeds that may be necessary to ensure the correct and timely execution of the Programme or Project. If this situation occurs, the Borrower and/or the Executing Agency, as applicable, agrees to inform and provide CAF with the relevant documentation in a timely manner.

**ARTICLE 31. Selection of Alternative Financing Sources**

31.1. CAF may propose the Project or Programme be financed, from other sources of financing to which CAF might have access to during the term of the Loan Agreement, provided that (i) the Programme or Project qualifies as an eligible operation, at CAF's discretion and with respect to the relevant source of financing; and (ii) the Borrower undertakes to comply with the terms and conditions that are required by CAF for this purpose.

31.2. The Borrower and/or the Executing Agency give CAF their consent to share information about the Borrower, the Executing Agency, the Loan and/or the Loan Agreement and/or the Programme or Project with the relevant entities, in order to assess the viability for applying to the relevant entities and to comply with the conditions required by said entity.

31.3. CAF will not incur any liability *vis-a-vis* the Borrower and/or the Executing Agency, regarding the approval or refusal of the request, granting, use, cancellation, termination or suspension of any benefit that could be generated from the alternative sources of financing referred to herein.

**ARTICLE 32. Special Conditions Arising from Specific Sources of Funds**

32.1. CAF will transmit to the Borrower the pertinent requirements and conditions that have been established by the sources of proceeds that are used in the financing of the Loan.

**ARTICLE 33. Prohibited Practices**

33.1. The Borrower and the Executing Agency must take the necessary measures to prevent the occurrence of Prohibited Practices, due to or on account of the Loan Agreement; and/or the Programme or Project to be financed with the proceeds of the Loan. The Borrower and/or the Executing Agency, as applicable, shall inform CAF of any fact that may be within its knowledge, regarding any allegations of the occurrence of any Prohibited Practice in the use of funds granted under the Loan Agreement and cooperate with CAF in any investigation carried out as a result of such allegations, obliging itself to provide information



and documentation required for such purposes.

33.3. The Borrower and the Executing Agency shall take the necessary corrective measures so that the occurrence of a Prohibited Practice does not affect the development of the Programme or Project and/or the obligations under the Loan Agreement.

#### **ARTICLE 34. Acquisition of Goods, Contracting of Works and Selection and Contracting of Consultants**

##### **34.1. General Principles**

All Selection Processes must comply with the law of the Country applicable to the Borrower and the Executing Agency and with the provisions of this Loan Agreement, including the following general principles:

- a) *Wide broadcasting*: Selection Processes shall be communicated through printed or digital media that favour the participation of the largest possible number of bidders.
- b) *Equality*: Selection Processes shall not include restrictions related to the origin of the goods or others that prevent or hinder the Selection Process. The proposed conditions must be the same for all bidders, avoiding restrictions and/or discrimination regarding the participation of any of them.
- c) *Transparency*: announcements and documents of the Selection Processes shall be unique and shall contain in a clear and explicit way the features, phases, terms, applicable rules, evaluation criteria and selection, and general and special conditions, among other elements.
- d) *Free Competition*: all Selection Processes shall aim to obtain the best conditions that the market may offer and must therefore encourage the participation of all potential bidders, without imposing any restrictions, except those of a legal or regulatory nature that prevent potential candidates from participating. The division of processes or the division of contracts should not be promoted.

##### **34.2. International Public Bidding**

A. The Borrower and/or the Executing Agency, as appropriate, shall call in an International Public Bidding, for the acquisition of goods, contracting of works and selection and contracting of consultants within the framework of the Program and/or Project, for:

- 1) the acquisition of goods for amounts greater than one million five hundred thousand Dollars (USD 1,500,000.00);
- 2) the contracting of works for amounts greater than six million Dollars (USD 6,000,000.00); and
- 3) the contracting of consultants for amounts greater than seven hundred and fifty thousand Dollars (USD 750,000.00).

If the law of the Country applicable to the Borrower establishes amounts lower than those provided for in numerals 1), 2) and 3) above to carry out International Public Bidding procedures, the amounts provided for in the law of the Country shall be applied to comply with the above obligation.

The aforementioned bidding processes will be convened and executed in compliance with the provisions of the law of the Country applicable to the Borrower and in accordance with the general principles set forth in sub-article 34.1 above.

The amounts referred to in numerals 1), 2) and 3) to carry out International Public Bidding



procedures may be modified by CAF from time to time, being sufficient to do so by sending a communication to the Borrower in such regard.

B. The Borrower and/or the Executing Agency, as appropriate, shall submit to CAF after the award of the respective contract and before the commencement of activities under it, a legal declaration or certificate from the competent government body of the Borrower or the Executing Agency, as appropriate, to verify the legality and eligibility of the process, in which it expressly declares and guarantees that the aforementioned process concurrently complies with the following:

- 1) it is deemed as an International Public Bidding, since it is a public bidding process open to the participation of national and foreign entities which did not foresee limitations with respect to the origin or nationality of the bidders;
- 2) has been made in compliance with the provisions of the law of the Country applicable to the Borrower;
- 3) complied with the provisions of the Loan Agreement.

The International Public Bidding may be dispensed only in special cases, permitted by the law of the Country applicable to the Borrower, which for technical reasons, are supported and duly justified by the Borrower and previously expressly authorized by CAF.

#### **34.3. Other Selection Processes**

In the case of Selection Processes for amounts less than those provided for in literal A, numerals 1), 2) and 3) of sub-article 34.2 above, the Borrower must comply with the provisions of the law of the Country applicable to the Borrower and the general principles set forth in sub-article 34.1 that are applicable to the type of contract in question.

The Borrower and/or the Executing Agency, as appropriate, shall submit to CAF after the award of the respective contract and before starting the activities under it, a legal report or certificate from the competent government body of the Borrower and/or the Executing Agency, as appropriate, to verify the legality and eligibility of the Selection Process, in which it expressly declares and guarantees that said process concurrently complies with the following:

- a) it was carried out in compliance with the law of the Country applicable to the Borrower;
- b) has complied with the provisions of the Loan Agreement.

#### **34.4. Selection Processes prior to the Effective Date**

In the event that the Special Conditions establish the possibility of managing the reimbursement of investments or expenses and/or the recognition of investments or expenses as a local counterpart, the Selection Process for the acquisition of goods, contracting of works and consulting services carried out before the signing the Loan Agreement, it must comply, in addition to what is established in the Special Conditions, with the provisions of this Article.

#### **34.5. Responsibility of the Borrower for the Selection Process**

The Borrower directly or through the Executing Agency is solely responsible for the Selection Processes, including the preparation of the bidding documents, for making the calls for bids, answering questions and queries by making amendments and clarifying circulars to the bidding documents, evaluating bidders, adjudicate, carry out contracting and



acquisitions, as well as to sign, manage, supervise and manage the contracts signed with its contractors and suppliers, in compliance with the provisions of the Loan Agreement and the law of the Country applicable to the Borrower and to the Executing Agency.

CAF will not be responsible for, nor will it participate in, nor will it grant its approval or non-objection to the Selection Processes, nor will it issue an opinion on them or their results. In this sense, CAF will not have any responsibility with respect to the result of the Selection Processes, nor with respect to any substantive aspect or form concerning them.

CAF may request the bidding documents and its terms and conditions as disposed in the Special Conditions and make comments on them for the sole purpose of verifying compliance with the technical conditions, environmental and social aspects provided for in the Loan Agreement and associated with the Program or Project, consistent with the best practices for financing projects and/or programs in CAF Shareholder Countries.

The request for bidding documents, terms and conditions that are agreed in the Special Conditions, under no circumstances may be considered as a sign of approval, no objection or authorization to the Selection Process.

#### **ARTICLE 35. Books and Registries**

35.1. The Borrower, directly or through the Executing Agency, shall keep books and records regarding the use of the Loan, in accordance with sound accounting principles and practices. Such books and records shall demonstrate the payments made with proceeds of the Loan and the normal operation of the Programme as applicable.

35.2. The books and records corresponding to the Programme or Project, as applicable, may be reviewed in accordance with the Article of these General Conditions titled "*Supervision*", until all sums owed to CAF by reason of or in connection with the Loan Agreement have been paid.

#### **ARTICLE 36. Supervision**

36.1. CAF shall establish such monitoring procedures as it deems necessary to ensure the normal execution of the Programme or Project, as appropriate. The Borrower directly, or through the Executing Agency, shall allow representatives and other experts designated by CAF to inspect the progress of the Programme or Project, as appropriate, at any time and to review any related books, records and other documents. Prior or concurrent written notice by CAF to the Borrower and/or the Executing Agency shall be sufficient in order to carry out visits and inspections.

#### **Article 37. Reports**

37.1. In the event that there is no express provision in the Special Conditions regarding the deadline for submission of the initial report, the provisions of the following paragraph shall apply.

37.2. The Borrower undertakes to submit to CAF, directly or through the Executing Agency, an Initial Report regarding the Programme or Project within ninety (90) days counted from the Effective Date, or, at the latest, at the moment provided for such purpose in the Special Conditions of the Agreement.



37.3. During the term of the Loan, and in accordance with the terms indicated in each case, the Borrower shall submit, directly or through the Executing Agency, such reports as CAF deems appropriate regarding the use of the sums lent and the goods and services purchased with such sums, as well as the execution of the Programme or Project, as appropriate.

37.4. In the event that there is no express provision in this agreement regarding the submission of a Final Report of the Project or Programme, such report shall be submitted within two hundred and seventy (270) days after the final Disbursement.

#### **Article 38. Notice of Adverse Circumstances**

38.1. The Borrower shall inform CAF, directly or through the Executing Agency, as soon as it has knowledge of:

- a) any circumstance that hinders or could hinder the achievement of the objectives of the Programme or Project, or the execution of the Loan Agreement; and
- b) any amendment to the applicable laws and regulations of the Country which may affect the Borrower and/or the Executing Agency, with regard to the execution of the Programme or Project, as applicable, or the compliance with the Loan Agreement.

38.2. Under such circumstances, CAF may take any action it deems appropriate in accordance with the provisions of the Loan Agreement.

#### **Article 39. Disclosure**

39.1. The Borrower undertakes to CAF the obligation to disclose that the Programme or Project, as applicable, is executed with CAF's financing, and to this end, shall previously coordinate with CAF the form and means of such disclosures.

#### **Article 40. No Waiver**

40.1. CAF's delay in exercising any of its rights under the Loan Agreement, or any omission in their exercise, shall not be interpreted as a waiver of such rights, nor as an acceptance of any circumstance whereby they could not be exercised.

40.2. Any waiver or modification of CAF's rights under this Loan Agreement must be made set forth in writing, and such waiver or modification shall be valid only for the specific circumstance and purpose for which it was granted.

#### **Article 41. Assignment, Transfer and Disposition of the Loan Agreement**

41.1. CAF, maintaining its contractual position, may, in whole or in part, without any limitation, participate in, transfer or otherwise dispose of the rights over the Loan or over the cash flow derived from its rights over the Loan without prior notice or consent from the Borrower. For this purpose, CAF is authorized to share the required information with the relevant entities.

41.2. In the event that CAF assigns its contractual position, the assignee shall assume CAF's contractual position in the Loan Agreement with respect to the Borrower and shall be bound by the same conditions as agreed between CAF and the Borrower, which is expressly and irrevocably authorised by the Borrower by subscribing to this Agreement. The assignment of CAF's contractual position must comply with the requirements of the



legislation of the Country.

41.3. The Borrower may not assign, transfer or otherwise dispose of the rights and obligations under the Agreement, except with the express prior written permission from CAF.

#### **Article 42. Arbitration**

42.1. Any controversy or discrepancy that has a direct or indirect relationship with the Loan Agreement, except for those relating to the execution of past due payment obligations by the Borrower, as well as those referred to CAF's exemptions, immunities and privileges, shall be submitted for consideration of the Parties, who by mutual agreement shall make their best efforts to reach a solution thereto within a period of ninety (90) days from the date on which one Party notifies the other Party in writing of the aforementioned controversy or discrepancy.

42.2. If no resolution of the controversy or discrepancy is obtained, in accordance with the preceding sub-Article 42.1, the Parties shall submit the controversy or discrepancy to an independent Arbitral Tribunal for decision.

42.3. The arbitration shall be definitively resolved and settled in accordance with Section 27 of the Arbitration Rules of UNCITRAL (United Nations Commission on International Trade Law).

42.4. Language of Arbitration, Composition and Designation of the Members of the Arbitral Tribunal:

- a) the language of the arbitration shall be English;
- b) the Arbitral Tribunal shall be composed of three members: CAF and the Borrower shall each designate one member and the third (hereinafter the "*Chairman*") shall be designated by direct agreement between the Parties or through their respective arbitrators.

42.5. Initiation of the Procedure:

- a) in order to submit a controversy to the arbitration procedure, the claimant Party shall address a written communication to the other Party stating the nature of the claim, the satisfaction or compensation that it seeks, and the name of the arbitrator it appoints;
- b) the Party receiving such communication shall, within forty-five (45) days after receiving such communication, state its position regarding the claim and communicate to the other Party the name of the person it appoints as arbitrator.

42.6. Convening of the Arbitral Tribunal:

The Arbitral Tribunal shall be convened in the city designated by the Arbitral Tribunal for such purpose, and, once convened, shall meet on the dates also established by the Arbitral Tribunal.

42.7. Rules to be followed by the Arbitral Tribunal:

The Arbitral Tribunal shall be subject to the following rules:

- a) the Arbitral Tribunal shall be competent to hear only the controversy brought before it by the Parties, shall adopt its own procedure and may, of its own initiative,



designate whatever experts it considers necessary. In any event, it shall give the Parties the opportunity to make presentations.

- b) the Arbitral Tribunal shall rule in law on the basis of the terms of the Loan Agreement and shall issue an award even if either Party fails to appear or present its case.
- c) with respect to the arbitral award:
  - 1. it shall be evidenced in writing and adopted by the concurring vote of at least two (2) of the arbitrators;
  - 2. it shall be rendered within sixty (60) Business Days following the date on which the Chairman is appointed, unless the Arbitral Tribunal determines that due to special and unforeseen circumstances such period should be extended;
  - 3. it shall be notified to the Parties in writing by communication signed by at least two (2) members of the Arbitral Tribunal;
  - 4. it must be complied within thirty (30) Days following the date of notification; and
  - 5. it shall be final, binding upon the Parties and will not be subject to any appeal.

**42.8. Fees and Expenses:**

- a) The fees of each arbitrator shall be paid by the Party that appointed it and the fees of the Chairman shall be paid by both Parties in equal proportion;
- b) Prior to convening the Arbitral Tribunal, the Parties shall agree on the remuneration of the other persons who, by mutual agreement, they deem should take part in the arbitration proceedings. If such agreement is not reached in a timely manner, the Arbitral Tribunal itself shall determine the compensation that may be reasonable for such persons under the circumstances; and
- c) Each party shall defray its own expenses in the arbitration proceedings, but the expenses of the Arbitral Tribunal shall be borne equally by the Parties. Any doubt regarding the division of costs or the manner in which they are to be paid shall be determined, without appeal, by the Arbitral Tribunal.

**42.9. Notifications:**

Any communication relating to the arbitration or the arbitral award shall be made in the manner provided for in the Agreement. The Parties waive any other form of notification.

**42.10. Waiver:**

The Borrower and the Executing Agency irrevocably waive, to the fullest extent permitted by the laws of the Country, any immunity or privilege enjoyed by them.

**Article 43. Authorised Representatives**

43.1. The Borrower and the Executing Agency shall submit to CAF, in a timely manner, the list of authorised signatories who will represent them in the various activities related to the Loan Agreement. Said list shall be certified by the duly authorised person and communicated in accordance with the procedure established in the Article of the Special Conditions titled "*Communications*".

43.2. The Borrower and the Executing Agency shall notify CAF of any change in the names and/or designation of the authorised representatives. As long as CAF does not receive such list of signatories, it shall be understood that only the person or persons signing the Loan Agreement on behalf of the Borrower shall represent the Borrower and the Executing Agency before CAF.



#### **Article 44. Indemnity**

44.1. The Borrower undertakes to indemnify and compensate for any damage or injury caused to CAF or to any of its officers, employees, shareholders, agents, advisors or representatives, derived from any type of claims, collections, litigations, losses, damages, costs, penalties or expenses (including legal expenses) that arise due to or on the occasion of the Loan Agreement and/or the execution of the Programme or Project, as applicable, excluding the damages or harm exclusively arising from the fault or wilful misconduct of CAF or of the indemnified corresponding party.

#### **Article 45. Partial Nullity**

45.1. In the event that any provision of this Agreement is considered prohibited, void, voidable, ineffective or unenforceable, in any jurisdiction, said provision will be considered ineffective, without affecting or invalidating the rest of the provisions, nor the validity or enforceability of said provision in any other jurisdiction.

#### **Article 46. Modifications**

46.1 Any modification to the Agreement must be approved in writing, duly executed by the Parties and in full compliance with the requirements set forth in the applicable law.

46.2 The Parties, by an exchange of letters between their Authorised Representatives, may:

- a) establish, determine or develop additional conditions, protocols or procedures to those existing in the Technical Annex;
- b) agree to modifications of the terms considered in the Technical Annex that specifically include the possibility to be modified by these means;
- c) agree on other disbursement modalities as indicated by CAF in accordance with the terms of the Article 5 in these General Conditions titled "*Modalities for Implementing the Loan*"; and
- d) upon the request of the Borrower and as provided in the law of the Country, change the entity designated as Executing Agency, as provided for in the Article 6 of the Special Conditions titled "*Executing Agency*".

46.3 Complementary agreements reached in accordance with sub-Article 46.2 above:

- a) shall not constitute or contain changes to the purpose, term or to the destination of the proceeds of the Loan and shall not result in an increase of its amount;
- b) shall be mandatory for both Parties and shall not exempt the Borrower in any way from the obligations assumed under the Loan Agreement and will not have as their end or effect the novation of the obligations assumed by any Party.

#### **Article 47. CAF's Immunities, Exemptions and Privileges**

47.1. None of the provisions set forth in the Agreement can or shall be interpreted as a waiver to the privileges, exemptions and immunities granted to CAF by its Incorporation Agreement (*Convenio Constitutivo*), by the agreements executed with the Country, and/or by the agreements signed with its other Shareholder Countries nor by their respective legislations.

#### **Article 48. Effective Date**

48.1. The Effective Date of the Agreement shall be that established as such in the Article 25 of the Special Conditions titled "*Effective Period*".







## TECHNICAL ANNEX

### PROJECT FOR THE STRENGTHENING OF THE EXPORT IMPORT BANK OF TRINIDAD AND TOBAGO (EXIMBANK) LIMITED (the "Project")

#### A. Objectives of the Project

The objective of the Project is to strengthen the Export Import Bank of Trinidad and Tobago (EXIMBANK) Limited's (hereinafter 'EXIMBANK') services to cater for a broader range of clients, particularly Small and Medium Enterprises (SMEs), improve EXIMBANK'S debt profile and contribute to the strengthening of the entity's institutional capacities through the adoption of best practices of environmental, social and governance (ESG).

#### B. Description of the Project

This funding under the Loan Agreement is part of EXIMBANK'S 2022-2026 Strategic Plan, which seeks to expand the credit business to finance new sectors (creative, industries and ICT, advice on energy projects) and offer new financial products (project finance, deposits, checking accounts) for which new sources of financing are being explored, such as this present operation. EXIMBANK will prioritize loans for Plant and machinery upgrades, technological deployment/digitization of the private sector, improvements in the quality of products and improvements in the execution of the export strategy. Likewise, this expansion will be leveraged at the institutional level by the implementation of the recommendations of an external consultancy on the credit process, which was financed by CAF.

#### C. Components of the Project

The Project includes the following components:

- Component 1. Increase EXIMBANK'S access to financing sources in order to improve its supply of financial services for Small and Medium Enterprises (SMEs) and large companies with potential exporters.
- Component 2. Structure an EXIMBANK Development Initiative (EDI) aimed at partially refinancing existing debt and reducing the cost of funds to improve EXIMBANK'S finances and sustainability.
- Component 3. Contribute to the strengthening of the institutional capacities of EXIMBANK through the adoption of best practices of environmental, social and governance (ESG) criteria to improve its profile with its stakeholders.
- Component 4. Provide funding for:
  - 4.1 CAF's Evaluation Expenses, Finance Fee.
  - 4.2 Project Execution Unit.
  - 4.3 Audit and consulting services

Staffing expenses for the Project Execution Unit are to be financed by the Borrower and/or EXIMBANK, as applicable, with local contribution.

#### D. Implementation of the Project

**Project Execution Unit (PEU).** EXIMBANK is the entity responsible for the execution of the Project, through the PEU, as required at Article 9 of the Special Conditions.

**Project Operational Manual (POM).** The Project Operational Manual (POM) will define the operational framework of the planned activities. This Manual will be prepared in agreement with CAF and will contain general information about the Project's operational and administrative mechanism



and financial procedures for its implementation, execution, monitoring, follow-up, and evaluations. The POM may be completed and expanded during the execution of the Loan. The POM is a complementary tool to the Loan Agreement, aimed at improving the implementation, management, and administration of the Project. It establishes guidelines, procedures, document models, and forms that will govern and guide the execution, control, support, supervision, and sustainability of the Project.

**Execution and disbursement period:** The Project activities and disbursement period shall be of three (3) years, starting from the subscription of the Loan Agreement.

#### **Tentative CAF Loan Disbursement Schedule**

Year	1	2	3	Total
CAF Loan	20,000,000	15,000,000	0	35,000,000

**Monitoring and Follow-up:** The monitoring and follow-up of the Project will be supported by a matrix of indicators that will include baseline data and targets for the expected results and products. The matrix will be established in the POM and the progress of the indicators will be monitored in the Project semestral reports. A preliminary matrix is detailed in Section H.

**External Audit:** EXIMBANK will contract a firm responsible for issuing an independent opinion each year in accordance with the provisions set forth in the Special Conditions of this Loan Agreement.

#### **E. Cost Structure of the Loan**

The estimated total cost of financing the Project is thirty-five million four hundred thousand Dollars (USD 35.400.000,00) of which CAF will finance thirty-five million Dollars (USD 35.000.000,00). The following table describes the distribution and origin of the funds, for each component of the Loan.

#### **BUDGET**

Components	CAF	Local Contribution	Total	%
<b>1. Investment Projects SME's Import/Export</b>	<b>24,30</b>	<b>0,00</b>	<b>24,30</b>	<b>69 %</b>
1.1 Financing of projects for SMEs and import/export companies (Phase 1)	10,00	-	10,00	28%
1.2 Financing of projects for SMEs and import/export companies (Phase 2)	14,30	-	14,30	40%
<b>2. Improve EXIMBANK'S debt profile</b>	<b>10,00</b>	<b>-</b>	<b>10,00</b>	<b>28%</b>
2.1 Refinancing existing debt (Phase 1)	10,00	-	10,00	28%
<b>3. Institutional Strengthening</b>	<b>0,20</b>	<b>-</b>	<b>0,20</b>	<b>1%</b>
3.1 Strengthening of the entity's institutional capacities through the adoption of best practices of environmental, social and governance (ESG).	0,20	0,00	0,20	1%
<b>4. Evaluation Expenses, Finance Fee and Administrative Costs</b>	<b>0,5</b>	<b>0,40</b>	<b>0,90</b>	<b>3%</b>
4.1 CAF's Evaluation Expenses, Finance Fee.	0,28		0,28	1%
4.2 Project Execution Unit.		0,40	0,40	1%
4.3 Audit and consulting services.	0,22		0,22	1%
<b>TOTAL</b>	<b>35,00</b>	<b>0,40</b>	<b>35,40</b>	<b>100,0%</b>
<b>Distribution</b>	<b>100%</b>	<b>1%</b>		



#### **F. Environmental and Social Aspects of the Loan**

With the purpose of guaranteeing adequate environmental and social management of the Project as well as compliance with the Environmental and Social Safeguards established by CAF, the Borrower must, to the satisfaction of CAF, fulfill the commitments defined in the conditions established in this Loan Agreement.

#### **G. Modifications**

This Technical Annex may be reviewed by CAF and modified by the Parties, through an exchange of letters between their Authorized Representatives, provided that the proposed modifications do not alter the purpose, term, or destination of the Loan resources, nor result in an increase in its amount, all in accordance with the provisions of Article 46 of the General Conditions Clause titled "*Modifications*".

#### **H. Indicators**

In order to monitor and verify the actions undertaken by the EXIMBANK for the execution of this Project under the Loan Agreement, a preliminary matrix of indicators has been developed, detailing the outcome indicators and a calculation method.



### Preliminary matrix of indicators

Indicator	Calculation method	Value of indicator		
		Base Line	Disbursement period <sup>[1]</sup> Year 1- 3	Goal
Outcome indicators				
Companies benefited by CAF operations through intermediaries for working capital, foreign trade and investment projects (#) (No. 18)	Number of Companies benefited by CAF operations through intermediaries.	0	100	100
Women directly benefited by CAF interventions (#) (No. 43)	Number of Women directly benefited by CAF interventions.	0	TBD	TBD
Output indicators				
Component 1: Investment Projects SME's Import/Export				
SMEs benefited from CAF operations through intermediaries (#) (No. 16)	Number of SMEs benefited from CAF operations through intermediaries.	0	100	100
Component 2: Improve Eximbank's debt profile				
Improvement of Financial Cost of the bank	(Interest Expenses <sub>t</sub> ) / ((Financial Obligations <sub>t</sub> + Financial Obligations <sub>t-1</sub> )/2)	< 7,1%	< 7,1%	< 7,1%
Component 3: Institutional Strengthening (Corporate Governance, Environmental and Social Risk Analysis System)				
Corporate Governance	Number of practical implementations of Corporate Governance principles carried out from the external diagnostic and roadmap provided.	0	TBD	TBD
Environmental and Social Risk Analysis System Design	Environmental and Social Risk Analysis System Design	0	1	1
Environmental and Social Risk Analysis System Implementation	Environmental and Social Risk Analysis System Implementation	0	1	1
Component 4: Evaluation Expenses, Finance Fee and Administrative Costs				
Annual Audit Report	Annual Audit Report	0	10	10
Semi-annual, annual or periodic report of the contracted consultancy	Semi-annual, annual or periodic report of the contracted consultancy	0	4	4

"Annex Forms for Debt Management Operations"

**FORMS**

**DEBT MANAGEMENT OPERATION REQUEST FORM**

**(a) CURRENCY CONVERSION**

DEAR SIR/MADAM,

CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement #[●] for USD [●], executed between the *Corporación Andina de Fomento* and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Loan Agreement").

Subject: Debt Management Operation Request #[●] – Currency Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "*Debt Management Operations*", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Loan Agreement):

REQUESTED FINANCIAL CONDITIONS

<u>DOLLAR CONVERSION TO [name of local currency]</u>	
• AMOUNT IN DOLLARS	[●] <sup>1</sup>
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]

<sup>1</sup> It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.



• EXCHANGE RATE	UP TO [•]
• INTEREST RATE IN [name of local currency]	UP TO [•] <sup>2</sup> /UP TO [•] <sup>3</sup> + [•] <sup>4</sup>
• REPAYMENT CURRENCY	[name of local currency]
THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that, CAF sends to the Borrower, if the former, in its sole discretion, decides to accept this request.

As to the sending to the Borrower, by CAF, of the Debt Management Operation Confirmation, the Currency Conversion requested therein will be understood to have been established and perfected and the terms and conditions of the Debt Management Operation Confirmation will be binding to the Parties for all legal purposes.

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<sup>2</sup> Fixed rate

<sup>3</sup> In case of Variable Rate, please include the corresponding indexation factor in this field.

<sup>4</sup> Please include the mark-up on the indexation factor.

## DEBT MANAGEMENT OPERATION REQUEST FORM

### (b) INTEREST RATE CONVERSION

DEAR SIR/MADAM,

CORPORACIÓN ANDINA DE FOMENTO

REF: Loan Agreement # [●] for USD [●], executed between the *Corporación Andina de Fomento* and [Name of the Country] on [Month] [Day], [Year] (hereinafter, the "Loan Agreement").

Subject: Debt Management Operation Request # [●] – Interest Rate Conversion

[Name of the Country], [●] (hereinafter, the "Borrower"), represented in this act by [●], of nationality [●] and identified with [document] in his capacity as [●]; duly empowered to do so by [document identifying subscriber's empowering] dated [Month] [Day], [Year], hereby, in compliance with the provisions of the Article of the Special Conditions entitled "*Debt Management Operations*", makes an irrevocable offer to CAF by entering into a Debt Management Operation under the following Requested Financial Conditions (the capitalized terms will have the meaning assigned to them in the Agreement):

#### REQUESTED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [{Variable to Fixed}/{ Fixed to Variable}]	
• AMOUNT IN DOLLARS	[●] <sup>5</sup>
• OFFER VALIDITY	UNTIL [Month] [Day], [Year]

<sup>5</sup> It must be a part equivalent to, at least, one amortization instalment or whole multiples or the entire Unpaid Balance of the Loan.



• INTEREST RATE	UP TO [•] <sup>6</sup> /UP TO SOFR AT [•M] <sup>7</sup> + [•] <sup>8</sup>
THE CURRENCY AND THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

The Borrower clearly, expressly and unconditionally agrees with CAF, and at the latter's choice, to enter into the Debt Management Operation according to the Requested Financial Conditions and shall be bound by the terms of the Debt Management Operation Confirmation that CAF sends to the Borrower, if the former, at its sole discretion, decides to accept the request.

With the Debt Management Operation Confirmation sent by CAF to the Borrower, the Interest Rate Conversion requested therein will be understood to have been established and perfected, and the terms and conditions of the Debt Management Operation Confirmation will be binding on the Parties for all legal purposes.

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<sup>6</sup> Fixed Rate.

<sup>7</sup> Define the number of months applicable to the Term SOFR.

<sup>8</sup> Variable Rate.

## DEBT MANAGEMENT OPERATION CONFIRMATION FORM

### (a) CURRENCY CONVERSION

DEAR. SIR/MADAM

[Name of the Country]

REF: Debt Management Operation Request #[●] –  
Currency Conversion

Subject: Debt Management Operation Confirmation #[●] –  
Currency Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned request and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

#### CONFIRMED FINANCIAL CONDITIONS

DOLLAR CONVERSION TO [name of local currency]	
• AMOUNT IN DOLLARS	[●] <sup>9</sup>
• VALUE DATE	[Month] [Day], [Year] <sup>10</sup>
• EXCHANGE RATE	[●] <sup>11</sup>
• INTEREST RATE IN [name of local currency] <sup>12</sup>	[●] <sup>13</sup> /[●] <sup>14</sup> + [●] <sup>15</sup>
THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

<sup>9</sup> It must correspond with the amount established by the Borrower in the respective Debt Management Operation Request.

<sup>10</sup> It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

<sup>11</sup> It must be within the limit set in the respective Debt Management Operation Request.

<sup>12</sup> It must be equivalent to or fewer than requested by the Borrower in the respective Debt Management Operation Request.

<sup>13</sup> Fixed Rate.

<sup>14</sup> In case of Variable Rate, please include the corresponding indexation factor in this field.

<sup>15</sup> Please include the mark-up on the indexation factor.



- AMORTIZATION AMOUNT IN [name of local currency]

CAPITAL PAYMENT DATE <sup>16</sup>	IMPORTANCE	INTEREST PAYMENT DATE <sup>17</sup>	IMPORTANCE /RATE

By means of this Debt Management Operation Confirmation, it is understood that the Currency Conversion has been established and perfected and that the application of the Terms and Conditions of these Operations shall be legally binding to both Parties.

<sup>16</sup> It must be the same Capital Payment Date that appears in the Loan Agreement.

<sup>17</sup> It must be the same Interest Payment Date that appears in the Loan Agreement.

DEBT MANAGEMENT OPERATION CONFIRMATION FORM

(b) INTEREST RATE CONVERSION

DEAR. SIR/MADAM

[Name of the Country]

REF: Debt Management Operation Request #[●] –  
Interest Rate Conversion

Subject: Debt Management Operation Confirmation #[●] –  
Interest Rate Conversion

In response to your Debt Management Operation Request, CAF hereby accepts the above-mentioned offer and confirms, based on the Requested Financial Conditions presented by the Borrower, the following terms and conditions:

CONFIRMED FINANCIAL CONDITIONS

INTEREST RATE CONVERSION [(Variable to Fixed)/(Fixed to Variable)]	
• AMOUNT IN DOLLARS	[●] <sup>18</sup>
• VALUE DATE	[Month] [Day], [Year] <sup>19</sup>
• INTEREST RATE <sup>20</sup>	[●] <sup>21</sup> /SOFR AT [●M] <sup>22</sup> + [●] <sup>23</sup>
THE CURRENCY AND THE CAPITAL AND INTEREST PAYMENT DATES WILL BE THE SAME SET IN THE LOAN AGREEMENT	

<sup>18</sup> It must correspond to the amount established by the Borrower in the respective Debt Management Operation Request.

<sup>19</sup> It must be before the Expiration Date of the Offer of the respective Debt Management Operation Request.

<sup>20</sup> It must be equivalent to or fewer than that requested by the Borrower in the respective Debt Management Operation Request.

<sup>21</sup> Fixed Rate.

<sup>22</sup> Define the number of months applicable to the Term SOFR.

<sup>23</sup> Variable Rate.



By means of this Debt Management Operation Confirmation, it is understood that the Interest Rate Conversion has been established and perfected and that the application of the Terms and Conditions of these Operations shall be legally binding to both Parties.