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Armenia Country Office

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May 27, 2022

Mr. Tigran Khachatryan
Minister of Finance
Ministry of Finance
1 Melik-Adamyant Street
Yerevan, Armenia

**Republic of Armenia: Loan No. 8390-AM
Trade Promotion and Quality Infrastructure Project
Fourth Amendment to the Loan Agreement and
Third Amendment to Supplemental Letter No. 2**

Dear Mr. Khachatryan,

We refer to the above-mentioned: (a) Loan Agreement between the Republic of Armenia (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) dated August 6, 2014, as amended (“Loan Agreement”); and (b) Supplemental Letter No. 2 dated August 6, 2014, as amended (“Supplemental Letter No. 2”). Capitalized terms used in this amendment letter and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to your letter dated December 15, 2021, followed by the Deputy Prime Minister’s letter dated March 25, 2022, requesting the Bank to amend the Loan Agreement, as well as our recent discussions, the Bank proposes to amend the Loan Agreement and Supplemental Letter No. 2 as follows:

A. Loan Agreement

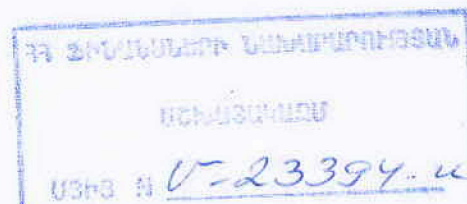
1. Section IV.B.4 of Schedule 2 is hereby amended and replaced in its entirety to read as follows:

“4. The Closing Date is May 31, 2024.”

2. Section IV.C of Schedule 2 is hereby amended as follows:

“C. Other Undertakings

The Borrower and the Bank agree that the cancellation of undisbursed Loan proceeds may be necessary if significant progress has not been made according to the milestones and timeline set forth in paragraphs (a) to (g) below. On this basis and in accordance with Section 7.03 of the General Conditions, the Bank at its sole discretion may by notice to the Borrower, cancel the following amounts of the Loan:



- (a) If by August 31, 2023, the Borrower has not withdrawn at least \$4,500,000 from the proceeds of the Loan: an amount of the Loan equal to \$9,000,000 minus the withdrawn amount from Category (6), effective September 1, 2023.
 - (b) If by December 31, 2020, the Borrower has not withdrawn at least \$1,500,000 from the proceeds of the Loan: an amount of the Loan equal to \$3,000,000 minus the withdrawn amount from Category (2), effective January 1, 2021.
 - (c) If by March 31, 2021, the Borrower has not withdrawn at least \$1,500,000, in addition to the amount referred under Section C.(b) above, from the proceeds of the Loan: an amount of the Loan equal to \$3,000,000 minus the withdrawn amount from Category (2), effective April 1, 2021.
 - (d) If by June 30, 2021, the Borrower has not withdrawn at least \$1,800,000 from the proceeds of the Loan: an amount of the Loan equal to \$3,600,000 minus the withdrawn amount from Category (3), effective July 1, 2021.
 - (e) If the Borrower has not: (i) by February 28, 2023, signed the contract or contracts necessary for the construction of the Engineering Business Accelerator and Co-Working Space; or (ii) by October 31, 2023, withdrawn at least \$6,250,000 from the proceeds of the Loan: an amount of the Loan equal to \$12,500,000 minus the withdrawn amount from Category (4), effective November 1, 2023.
 - (f) If by January 31, 2023, the Borrower has not withdrawn at least \$1,500,000 from the proceeds of the Loan, in addition to the amount required to be withdrawn under Section C.(e) above: an amount of the Loan equal to \$3,000,000 minus the withdrawn amount from Category (4), effective February 1, 2023.
 - (g) If the Borrower has not: (i) by August 30, 2023, signed the contract or contracts necessary for the renovation of the Balcony; or (ii) by January 31, 2024, withdrawn at least \$1,150,000 from the proceeds of the Loan, in addition to the amounts required to be withdrawn under Sections C.(e) and C.(f) above: an amount of \$2,300,000 minus the withdrawn amount from Category (4), effective February 1, 2024.
3. The following definitions are added to the Appendix to the Loan Agreement, in alphabetical order, and the rest of the definitions are renumbered accordingly:

““Engineering Business Accelerator and Co-Working Space” means the Borrower’s building located at Bagrevand street in Yerevan, Republic of Armenia.”

“Balcony” means the Borrower’s building located on Achemyan 2/2 in Gyumri, Republic of Armenia.

Mr. Tigran Khachatryan

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May 27, 2022

B. Supplemental Letter No. 2

The attachment to Supplemental Letter No. 2 is hereby amended as set forth in the Annex to this amendment letter.

All other terms of the Loan Agreement and Supplemental Letter No. 2, except amended herein, shall remain the same.

Please confirm your agreement with the foregoing amendment by signing this letter in the space provided below and returning one fully executed original to us. This amendment letter shall be executed in two counterparts each of which shall be an original.

This amendment letter shall become effective as of the date of the countersignature, upon receipt by the Bank of one fully executed original of this amendment letter.

Please also note that the restructuring paper dated May 25, 2022, a copy of which is enclosed herewith, will be disclosed on the Bank's external website as per the Bank's policy on Access to Information.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



Carolin Geginat
Country Manager
Republic of Armenia

**AGREED:
REPUBLIC OF ARMENIA**

By:



Authorized Representative

Name:

Tigran Khachatryan

Title:

AA Minister of Finance

Date: 31 May 2022

Enclosures