

**Agreement
between
the Government of the Republic of Poland
and
the Government of Ukraine
on extending a tied aid credit**

The Government of the Republic of Poland and the Government of Ukraine, (hereinafter referred to as the "Contracting Parties") seeking to promote and deepen economic co-operation between the Republic of Poland and Ukraine, have agreed as follows:

Article 1

The Government of the Republic of Poland shall extend a credit in the amount not exceeding 100 million EUR (one hundred million euro), (hereinafter referred to as "the Credit"), to the Government of Ukraine for financing of projects for development of border road infrastructure and construction of border crossing points of the Ukrainian-Polish border or other projects agreed upon by the Contracting Parties to be financed under the individual contracts between exporters from the Republic of Poland and entities - residents of Ukraine (hereinafter referred to as "the Contract").

The Credit shall be used to finance 100 % (one hundred percent) of the value of the Contracts for deliveries of goods, works and services from the Republic of Poland to Ukraine.

Article 2

1. This Agreement, all projects as well as the Contracts financed under this Agreement are assumed to be in accordance with the Organization for Economic Cooperation and Development (hereinafter referred to as "OECD") regulations concerning tied aid, as defined in the Arrangement on Officially Supported Export Credits and other relevant OECD documents.

2. The Government of Ukraine confirms its readiness to utilise the Credit in conformity with the OECD regulations on tied aid and shall provide its support to the Government of the Republic of Poland in ensuring the compliance with such OECD regulations.

3. The Republic of Poland shall notify the OECD on this Agreement, all projects as well as the Contracts to be financed under the Credit in accordance with the procedures outlined in the Arrangement on Officially Supported Export Credits. In case of any objections of the OECD as to relevance of the projects or

the Contracts financed under this Agreement to the provisions of the Arrangement on Officially Supported Export Credits, the Contracts will not be financed under the Agreement, irrespective of the fact that Contracts within the projects have been agreed by both Contracting Parties according to Article 3 of this Agreement.

4. The Contracting Parties will inform entrepreneurs of both sides about the OECD regulations and procedures concerning tied aid.

Article 3

1. The Contracts implementing the projects financed under the Credit shall be concluded in accordance with the provisions of this Agreement. The export documents, especially invoices, presented by the parties to the Contract shall include the clause "under the Agreement between the Government of the Republic of Poland and the Government of Ukraine on extending a tied aid credit of09.09.2015.....".

2. The Contracts referred to in Article 1 of this Agreement shall be concluded by entrepreneurs having their seats in the Republic of Poland (hereinafter referred to as the "Polish entrepreneurs") and entities - residents of Ukraine not later than 2 (two) years after the date this Agreement enters into force.

3. The minimum value of a single Contract subject to this Agreement is 500,000 (five hundred thousand) EUR.

4. The Contracts concluded in accordance with this Agreement shall be approved by the Contracting Parties in accordance with the following procedure:

1) the Ministry of Finance of Ukraine will inform the Ministry of Finance of the Republic of Poland in writing about the approval of the Contract by the central executive authorities of Ukraine;

2) subsequently, the Ministry of Finance of the Republic of Poland will provide the Ministry of Finance of Ukraine with its written approval of the Contract;

3) the Contract will enter into force 15 (fifteen) days after the date the written approval of the Ministry of Finance of the Republic of Poland has been sent to the Ministry of Finance of Ukraine;

4) the approval procedure cannot exceed 45 (forty-five) days for each Contracting Party.

5. Each Contracting Party may additionally make the approval of the conditions dependent, in particular, on good financial standing of the parties to the Contract, settlements of taxes and public fees, properly proven realisation of international transactions and declaration of obeying provisions of this Agreement and OECD regulations according to Article 2 of this Agreement.

Article 4

1. Payments to the Polish entrepreneurs resulting from the Contracts signed and executed under this Agreement shall be made by the Government of the Republic of Poland represented by the Minister of Finance, by the agency of the bank authorised to service the Credit, according to Article 10 paragraph 1 of this Agreement, from the State Budget of the Republic of Poland in PLN, according to the terms of the Contracts.
2. All prices, fixed in accordance with the world market prices, and value of Contracts shall be denominated in EUR.
3. All the goods exported from the Republic of Poland to Ukraine under this Agreement shall not be re-exported to third countries without the written permission of the Minister of Finance of the Republic of Poland.
4. The value of goods, works and services of Polish origin within the Contract, financed under this Agreement, shall not be less than 60 % (sixty percent) of the value of this Contract. Detailed information on fulfilment of this requirement, including presentation of the relevant documents e.g. certificates of origin, may be demanded by the Contracting Parties from the exporter.

Article 5

The date of each Credit utilisation shall be the date of disbursement of the funds to the Polish entrepreneur in accordance with the terms of the Contract. The payment will be made to the Polish entrepreneur only upon receipt by Bank, appointed to service the Credit in accordance with Article 10 paragraph 1 of this Agreement, of the appropriate payment authorisation from authorised agency appointed to service the Credit by the Government of Ukraine in accordance with Article 10 paragraph 1 of this Agreement.

Article 6

1. The repayment of each Credit utilisation by the Government of Ukraine in favour of the Government of the Republic of Poland shall take place in 50 (fifty) equal, semi-annual, consecutive instalments paid in EUR on every 15 March and 15 September of a given year after a 5-(five)-year grace period from the date of the respective Credit utilisation.
2. The first instalment shall be paid on the first payment date after a 5-(five)-year grace period from the date of Credit utilisation.

Article 7

1. The Credit utilised under Article 5 of this Agreement above shall bear interest at the rate of 0.15 % (zero point fifteen percent) p.a. The interest shall be calculated from the date referred to in Article 5 of this Agreement.
2. Interest shall be paid in EUR, in semi-annual consecutive instalments, from the date of each Credit utilisation, for interest periods ending on 15 March and 15 September each year.
3. The first interest is payable at the end of an interest period in which utilisation of the Credit has been made.
4. Due interest for each interest period is calculated on the basis of 360 days a year taking into consideration the effective number of days (365[366]/360).
5. In the event the Government of Ukraine fails to make any payment resulting from this Agreement on respective maturity dates, the unpaid amount shall bear default interest at the rate of 3 % (three percent) p.a. above the contractual rate as defined in paragraph 1 of this Article. Default interest shall be calculated for the period from the maturity date to the date of actual payment.
6. In the event of late payment or if an amount paid under this Agreement is not sufficient to cover the total amount due, the amount paid shall be applied against amounts due in chronological order and in the first instance against interest accrued after the due date, in the second instance against interest accrued up to the due date and thereafter against principal.

Article 8

Payments to the Polish entrepreneurs resulting from the Contracts executed under this Agreement shall be made under the stipulations of this Agreement until the date of the execution of the Contracts, according to the terms of the relevant Contracts, but for no longer than 5 (five) years from the date the Contract enters into force.

Article 9

In case any payment resulting from this Agreement falls due on a day that is not a business day in the country through which payment will be made, such payment shall be made on the next succeeding business date after the originally stipulated payment date. For the purpose of this Agreement, business date means a date on which banks are open for domestic and foreign exchange settlements in a given country as above.

Article 10

1. In order to make possible the realisation of payments within the framework of this Agreement, Bank Gospodarstwa Krajowego, acting on behalf of the Government of the Republic of Poland, shall open in its books an account in EUR in the name of Ministry of Finance of Ukraine as authorised agency appointed to service the Credit by the Government of Ukraine styled „Tied Aid Credit to the Government of Ukraine” to record utilisation of the Credit as well as subsequent payments of due principal instalments and interests. Ministry of Finance of Ukraine shall open in its books a counter account in the name of Bank Gospodarstwa Krajowego. The Credit accounts shall be free from any charges.

2. Bank Gospodarstwa Krajowego and Ministry of Finance of Ukraine shall conclude within 60 days from entering into force of this Agreement an Implementation Arrangement that is necessary for the implementation of this Agreement.

Article 11

1. Any taxes, charges and other fees, which may arise in connection with the execution of the Contracts concluded under this Agreement, shall be paid by each side of the Contract in its respective country and shall not be financed by the Credit.

2. The goods, works and services financed under the Contracts shall be free from any taxes, duties or other charges or mandatory payments imposed by Ukraine or on its territory under applicable laws of Ukraine.

3. Any bank commissions as well as any other payments, which may be due for any reason whatsoever related to the repayments under this Agreement, shall be paid by each side of the Contract in its respective country outside of the framework of the Credit.

4. All repayments of principal and payments of interest instalments under this Agreement shall be made without deduction of any fees or taxes that may be imposed by the laws of Ukraine.

Article 12

The provisions of this Agreement shall prevail over any provisions of Ukrainian internal law that may allow for any unilateral suspension or discontinuation of fulfillment of obligations under this Agreement by the Government of Ukraine before all such obligations are fulfilled.

Article 13

Any divergences between the Contracting Parties relating to the interpretation and/or application of this Agreement shall be settled in direct negotiations between the Contracting Parties.

Article 14

The amendments to this Agreement shall be made by mutual written consent in the form of separate protocol which shall be an integral part of this Agreement, and shall enter into force in accordance with its conditions.

Article 15

All correspondence and documentation relating to this Agreement shall be conducted in English.

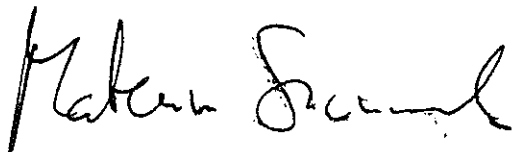
Article 16

This Agreement shall be subject to approval in accordance with internal laws of each of the Contracting Parties. This shall be confirmed by exchange of notes of the Contracting Parties wherein Agreement shall come into force on the date of the receipt of the later note. This Agreement remains valid until all obligations of both Contracting Parties under this Agreement are fulfilled.

Done at*Warsaw*..... on*September 9, 2015*..... in two originals, each in the Polish, Ukrainian and English languages, all texts being equally authentic.

In case of any divergences in interpretation of the provisions of this Agreement, the English text shall prevail.

**For the Government
of the Republic of Poland**



**For the Government
of Ukraine**

