

The changes are effective from January 03, 2022.

The following changes / additions have been made to the Additional Contractual Conditions posted on the website www.procreditbank.ge

1. An explanation shall be added to the title of Article 27¹ of the "Additional Contractual Conditions" and shall be amended as follows:

„Article 27¹. Definition of terms for the loan agreement issued within the cooperation with the European Investment Bank (EIB) (For loans issued before August 21, 2020)“

2. Article 27/1¹ shall be added to the "Additional Contractual Conditions" with the following content:

“Article 27/1¹. Definition of terms for the loan agreement issued within the cooperation with the European Investment Bank (EIB)

“Allocation Letter” means the letter by way of which the EIB shall notify the Bank which projects and amounts are approved to be financed with funds provided by the EIB.

“Allocation Request” means the request submitted by the Bank to the EIB supported by a list of projects that the Bank requests to be financed with the funds provided by the EIB.

“Environment” means the following, in so far as they affect human health and social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape;
- (c) cultural heritage; and
- (d) the built environment,

And includes, without limitation, occupational and community health and safety.

“Environmental Laws” means:

- (a) EU law, including principles and standards, to the extent implemented by the laws of Georgia;;
- (b) Georgian national laws and regulations; and
- (c) applicable international treaties and conventions signed and ratified by or otherwise applicable and binding on Georgia, of which a principal objective is the preservation, protection or improvement of the Environment.

“Financing of Terrorism” means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences listed in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA (as amended, replaced or re-enacted from time to time).

“Money Laundering” means:

- (a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;
- (b) the concealment or disguising of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- (c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity; or
- (d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

“Prohibited Conduct” means any Financing of Terrorism, Money Laundering or Prohibited Practice.

“Prohibited Practice” means any:

- (i) Coercive Practice, meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party;
- (ii) Collusive Practice, meaning an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iii) Corrupt Practice, meaning the offering, giving, receiving or soliciting, directly or indirectly, of anything of value by a party to influence improperly the actions of another party;
- (iv) Fraudulent Practice, meaning any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial (including, for the avoidance of doubt, taxation related) or other benefit or to avoid an obligation;
- (v) Obstructive Practice, meaning in relation to an investigation into a Coercive, Collusive, Corrupt or Fraudulent Practice in connection with this Loan or the Project, (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (b) acts intending to materially impede the exercise of the contractual rights of audit or access to information; or
- (vi) Tax Crime, meaning all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of the Georgia, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year.

"Sanctioned Person" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise the subject of, Sanctions.

"Guide to Procurement" means the Guide to Procurement published on EIB's website that informs the promoters of projects financed in whole or in part by the EIB of the arrangements to be made for procuring works, goods and services required for the Project.

"Exclusion Situation" means the relevant entity/Borrower is in any of the following situations:

- a) it is bankrupt or being wound up, is having its affairs administered by the courts, in this context, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) it or persons having powers of representation, decision-making or control over it has been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, which would affect its ability to implement the Sub-Financing Document;
- c) it or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, Money Laundering or any other illegal activity detrimental to the financial interests of the European Union;
- d) makes a misrepresentation when supplying information required for selection as a Borrower or as a Final Beneficiary (as the case may be), or fails to supply this information; and
- e) to its knowledge, having made reasonable inquiries, it is listed in the central exclusion database set up and operated by the European Commission under European Commission Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database;

Provided that items (b) and (c) shall not apply where the relevant entity establishes to the satisfaction of the Bank that adequate measures have been adopted against the persons having powers of representation, decision making or control over it who are subject to a judgment or conviction as referred to in points (b) and (c)."