



Европейска инвестиционна банка
 Evropská investiční banka
 Den Europæiske Investeringsbank
 Europäische Investitionsbank
 Euroopa Investeeringispank
 Ευρωπαϊκή Τράπεζα Επενδύσεων
 European Investment Bank
 Banco Europeo de Inversiones
 Banque européenne d'investissement
 An Banc Eorpach Infheistíochta
 Europska investicijska banka
 Banca europea per gli investimenti

Eiropas Investīciju banka
 Europos investicijų bankas
 Európai Beruházási Bank
 Bank Ewropew tal-Investment
 Europese investeringsbank
 Europejski Bank Inwestycyjny
 Banco Europeu de Investimento
 Banca Europeană de Investiții
 Európska investičná banka
 Evropska investicijska banka
 Euroopan investointipankki
 Europeiska investeringsbanken

City of Partizanske

Nam. SNP 212/4
 95801 Partizanske
 Slovakia

EXP BEI - EIB
 A 007681 31 JUL 24

For the attention of: Ms Dasa Jakubikova

By DHL

Luxembourg, 29 July 2024

JU/OPS-POL/DMTA/2024-10399/LVF/cp

Subject: Technical Assistance for Regions Undergoing a Green Energy Transition (“**TARGET**”) – ASApp no. AA-012281 – Decarbonisation of the heating systems in Partizanske

Technical assistance services to be provided by the European Investment Bank (the “**Bank**”) to City of Partizanske pursuant to **TARGET**

Dear Ms Jakubikova,

In accordance with the agreement entered into between the European Union (represented by the European Commission) and the Bank in respect of the provision of technical assistance under **TARGET** (the “**Technical Assistance**”), the Bank assumed to provide advisory support to entities that meet the relevant eligibility criteria. The advice provided by the Bank can be delivered by the Bank’s experts or by external providers.

On 17 April 2024, you have been awarded Technical Assistance by the European Commission under **TARGET** in order to assist you in the transition from fossil fuel-based heating systems to efficient and renewable energy-based systems with respect to the project’s specific objectives (the “**Project’s Specific Objectives**”) as the latter are described in Section 2 of Part 2 of Annex 1 to the Agreement with respect to your project Decarbonisation of the heating systems in Partizanske (the “**Project**”) as described in Part 3 of Annex 1.

We are pleased to confirm below the terms and conditions pursuant to which the Bank shall provide the requested services to you:

1. The advisory services (the “**Services**”) including any related deliverables to be delivered by the Bank to the entity you represent (the “**Client**”) in the framework of **TARGET**, are described in Annex 1 hereto (*Description of Services*).
2. Without prejudice to the provisions included in the present letter (the “**Letter**”), the mutual rights and obligations of the Bank and the Client shall be as set forth in the General Terms and Conditions (the “**GTC**”) for Advisory Services provided by the European Investment Bank set out in Annex 2 hereto.
3. The Commencement Date for the provision of the **Services** shall be the one indicated in point 2.2 of the **GTC**; the performance period shall be of 12 months starting from the Commencement Date.



4. For the purposes of Article 5 of the GTC, “Confidential Information” means information which is delivered to the attention of Mr. Sarunas Bruzge or such other person as the Bank shall have most recently notified for this purpose. Information on the personal data processing operation(s) performed by the Bank referred to in Article 15 of the GTC can be accessed here: <https://www.eib.org/en/privacy/lending.htm>.
5. For the purposes of Article 10.2 of the GTC, all notices and correspondence in relation to the Services shall be sent to the following addresses:

For the Bank:

European Investment Bank
98-100, Boulevard Konrad Adenauer
L-2950 Luxembourg
Attention: Ralf Goldmann
Tel: + 352 43 79 87761
e-mail: r.goldmann@eib.org

For the Client:

City of Partizanske
Nam. SNP 212/4,
95801 Partizanske
Slovakia
Attention: Dasa Jakubikova
Tel: +421 91 78 12868
e-mail: Dasa.jakubikova@partizanske.sk
6. This Letter, including its Annexes, shall be read and construed as one document and shall constitute a binding agreement between the Bank and the Client (the “**Agreement**”). In the event of any ambiguities, conflicts or inconsistencies between or among any of the provisions of the Letter, including its Annexes, the following order of priority shall apply:
 - Paragraphs 1 to 7 of this Letter;
 - Annex 2; and
 - Annex 1.
7. If any provision or part of a provision of this Letter is found by a court to be void or unenforceable, that provision or part of a provision is to be deemed deleted from this Letter and the remaining provisions to continue in full force and effect. The Bank and the Client shall in this event seek to agree upon a valid and enforceable provision or part of a provision to replace the provision or part of the provision found to be void and unenforceable.



We kindly ask you to indicate your acceptance of the present Letter and its Annexes **by initialling each page, including the Annexes, and signing this Letter and inserting the date of signature.** Please also return **two** original sets to the Bank to the following address:

Laura Vega Fernandez
Legal Department
European Investment Bank
98-100, Bd Konrad Adenauer
L-2950 Luxembourg

Yours faithfully,

EUROPEAN INVESTMENT BANK

Ralf Goldmann
Head of Division
Projects Directorate Energy – Energy Efficiency
& Energy Advisory

Isabel Borrero Zorita
Counsel
Legal Department

Agreed and accepted for and on behalf of
CITY OF PARTIZANSKE

Jozef Bozik
Mayor

Date:

Enclosures:

- Annex 1: Description of Services
- Annex 2: General Terms and Conditions for Advisory Services provided by the European Investment Bank



Annex 1
Description of Services

Part 1: Background Information

1. Project Promoter/Final Beneficiary and relevant contact person(s) details

| | |
|---|--|
| Location of project (country and NUTS-2 region) | Slovakia, Zapadne Slovensko region |
| Entity/Institution | City of Partizanske |
| SME ¹ | <input type="checkbox"/> Yes, <input checked="" type="checkbox"/> No |
| Contact Person | Dasa Jakubikova |
| Title | Mrs. |
| Department/Unit /Business area | City Office |
| Address | Nam. SNP 212/4, 95801 Partizanske, Slovakia |
| Email address | Dasa.jakubikova@partizanske.sk |
| Phone | +421-917812868 |
| Type of assignment (more than one category could be selected) | <input checked="" type="checkbox"/> Support for preparation of individual project <input type="checkbox"/> Support for preparation of group of similar projects <input checked="" type="checkbox"/> Upstream support for individual project and handholding for the support of other TA instruments <input checked="" type="checkbox"/> Guidance during early stages of project preparation (e.g., guidance for (pre) feasibility study, EIA, public consultation, etc.) <input type="checkbox"/> Support for public authorities in development of support programmes and/or project pipeline <input type="checkbox"/> Capacity-building activities |

Part 2: TARGET assignment outline

1. Title of TARGET assignment

Decarbonisation of the heating systems in Partizanske.

2. Objectives and scope of TARGET input

The overall objective of the assignment is to assist the City of Partizanske in the transition from fossil fuel-based heating systems to efficient and renewable energy-based systems and thus contribute to the achievement of the green transition targets of the Slovakian and EU energy policies.

The specific objectives of the TARGET assignment are:

1. Assist City of Partizanske to identify the credible option for the renovation of the existing heating systems, including district heating (DH) into systems based on the clean energy sources.

¹ Definition of what is considered an SME under EU law available [here](#)

2. Prepare a pre-feasibility study of the selected option to lay framework for its implementation.

Group of experts working under TARGET will work closely with the City of Partizanske and other stakeholders to reach aforementioned objectives.

3. Outputs and expected deliverables from TARGET

It is expected that experts, working under TARGET will:

1. Perform analysis of the existing DH systems and provide the descriptive summary of the systems.
2. Identify options for heat supply from the renewable energy sources as well as options for integration of the existing DH systems.
3. Perform multicriteria analysis of the identified options.
4. Prepare a pre-feasibility study of the identified option.
5. Provide support in identifying sources of technical assistance for further preparation of the project.

It is envisaged that TARGET assistance will be provided in the form of discussions, interviews, provision of expert opinions, guidance notes, collecting and revising the existing documents, drafting documents, and providing advice via emails, video etc..

Part 3: Project details (when applicable)

| | |
|---|--|
| Project official title (English) | Decarbonisation of heating systems in the City of Partizanske |
| Project official title (local language) | Dekarbonizácia vykurovacích systémov v meste Partizánske |
| Project location | City of Partizanske, Slovakia |
| Sector and subsector of the project | <input checked="" type="checkbox"/> Energy efficiency <input type="checkbox"/> Building renovations <input checked="" type="checkbox"/> District heating/cooling network modernisation <input type="checkbox"/> Other <input checked="" type="checkbox"/> Clean energy <input checked="" type="checkbox"/> Energy (power and/or heat) production from renewable sources <input checked="" type="checkbox"/> Energy storage <input type="checkbox"/> Other |
| Is the project expected to be implemented in the form of an energy community ² ? | <input type="checkbox"/> Yes, <input type="checkbox"/> No, <input checked="" type="checkbox"/> Not known yet |
| Expected number of permanent jobs to be created and/or preserved thanks to the project | N/A |

² For more on energy communities, please visit this [webpage](#).



1. Project Description and Objectives

Current situation and issue to be remedied

The current heat supply system consists of several independent circuits that are not interconnected. The system includes three block gas boiler plants, one block biomass boiler plant, and nearly 20 individual gas-fired house boiler plants. Many of these boiler plants and heat distribution networks are in a state of disrepair and urgently require reconstruction. The entire system is very demanding in terms of maintenance and stability, rendering it uncompetitive in terms of cost and quality of heat supply. The main objective is to reconstruct the system into an interconnected low-temperature fourth-generation district heating system that will maximize the use of green energy sources. Given the availability of various energy sources, it is necessary to determine the most efficient solution for the reconstruction of the district heating system to meet the needs of the city of Partizánske.

Project objectives, including how the project contributes to ensuring a just transition of the region away from coal, peat or oil shale activities

The main objective of the project is to connect decentralized systems into a single integrated district heating system and substitute the fossil fuel sources with renewable sources. The primary objective of the TARGET assignment is to conduct a multi-criteria evaluation of different approaches to the reconstruction of the heat supply system, focusing on sizing and the creation of a multi-fuel base. All of this is to be done with consideration for the feasibility of the individual variants and the ability to maintain a competitive heat price. In the city of Partizánske, we have identified the potential to utilize multiple green energy sources. We see great potential in the use of geothermal energy from two existing wells owned by the city, waste heat from wastewater treatment plants, commercial and industrial operations, as well as the use of solar energy, biomass, and heat pumps. The result will be the replacement of fossil fuel-based sources with emission-free sources. A well-chosen reconstruction will contribute significantly to the decarbonization of the city and the region, which has long been burdened by the negative impacts of mining and the massive burning of brown coal.

Description of project

The main idea of the project is to connect decentralized systems into a single integrated district heating system and replace the original outdated fossil fuel sources with modern renewable sources. The system will likely include heat pump technology, enabling the use of the thermal potential of geothermal wells. The system will also include a large-capacity thermal energy storage, as the goal is to produce heat when it is advantageous, not only when there is immediate demand. To increase the efficiency of the system, we are considering the reuse of waste heat from industrial operations, commercial spaces, and especially from the large-capacity wastewater treatment plant, which is within reach of the current heat distribution networks. We are also considering using the former landfill for energy purposes, whether through thermo-solar or photovoltaic systems. To meet all the attributes of a fourth-generation system, the project will also include the design of connecting external suppliers to the district heating system.

Institutional / policy context of the project

The district heating system is owned by the city of Partizánske. The system is operated by the municipal company Technical Services of Partizánske, for which this is only part of its portfolio. We believe that in the future it will be important for the system to be managed by a dedicated energy company, as there will be a significant change in the way heat production is managed. We anticipate



that in the future – after the system's reconstruction – it will be necessary to focus more on operational efficiency rather than the operation and maintenance of the district heating system itself. We expect that the company management design and the impact of the individual variants on the heat price will be among the recommendations from TARGET

2. Project Status and Timing

Current stage of preparation (concept, pre-feasibility, feasibility, draft application, application, procurement)

Currently, a scientific-research activity is being prepared with the State Geological Institute. This activity will verify the feasibility of utilizing geothermal resources and propose a method for their year-round use. Additionally, we have developed a pre-feasibility study that elaborated several project variants. Currently, mapping of the current state of the system is underway, and a study of connecting the various decentralized systems is being processed. In the near future, we will work on the legislative verification of the possibility of using the former landfill for energy purposes.

Requirements for Environmental Impact Assessment/permitting/public consultation and progress achieved so far

To be clarified during the implementation of the TARGET assignment.

Anticipated timing for next steps, including planned application(s) for funding or further technical assistance to be completed and submitted

We anticipate multiple phases of the reconstruction project within a five-year horizon, and therefore, we intend to apply for further technical and financial assistance. We will prepare an application for the EU City Facility call and are also interested in the ELENA financial instrument. From TARGET, we expect a set of recommendations for the ELENA application as well.

Given the financial demands of the district heating system's reconstruction, we also expect recommendations in the area of financing for the individual phases of the project

3. Project Costs and Financing Plan

| | |
|--|---|
| Total expected project investment (EUR and local currency) | EUR 15-25 millions |
| Have the sources of funding been identified? | <input type="checkbox"/> Yes, <input checked="" type="checkbox"/> No |
| Anticipated sources and types of funding (if identified) | <input type="checkbox"/> Equity (please indicate the expected rate __%) <input type="checkbox"/> Grant (please indicate the source (fund) _____ and expected rate __%) <input type="checkbox"/> Debt (please indicate the source _____ and expected rate __%) <input type="checkbox"/> Guarantee (please indicate the source _____ and expected rate __%) <input type="checkbox"/> Other (please indicate the source _____ and expected rate __%) |

Annex 2

General Terms and Conditions for Advisory Services provided by the Bank

Article 1 – Subject

- 1.1 This Agreement sets out the terms upon which the Bank shall provide the Services to the Client. "Services" means the advisory services, including any related deliverables, to be delivered by the Bank to the Client in the framework of TARGET, as further described in Annex 1 Part 2 (*TARGET assignment outline*) supporting the Project's Specific Objectives.
- 1.2 The Bank and the Client (each a "Party" and together, the "Parties") acknowledge and agree that the Services are rendered to the Client independently from any assessment for potential financing to be made available to the Client by the European Investment Bank and the European Investment Fund (together, the "EIB Group"), and do not represent a commitment by the EIB Group, to provide such financing to the Client.

Article 2 – Entry into Force and Duration

- 2.1 This Agreement shall enter into force on the date of its signature by the last Party (the "Effective Date") and shall remain valid for as long as any rights, obligations or liabilities arising out of its provisions remain outstanding, unless it is otherwise terminated in accordance with the provisions of Article 9 (*Amendments, Assignment, Suspension and Termination*).
- 2.2 The Commencement Date shall be the first business day (i.e. any working day on which the Bank is open for business in Luxembourg) following the Effective Date (the "Commencement Date").

Article 3 – Performance of the Services

- 3.1 The Bank undertakes to use its reasonable endeavours to carry out the Services in a timely manner. The Bank shall provide the Services with the requisite professional degree of care, skill and ability it applies to the discharge of its own affairs. Without prejudice to the preceding, the Client acknowledges and accepts that the work programme and timetable set out in Annex 1 have been prepared in good faith based on information available to the Bank at the time of signature of this Agreement and that compliance with such work programme and timetable is subject to, *inter alia*:
- a) the Client fulfilling its obligations under this Agreement in a satisfactory and timely manner, in particular by timely making any decisions and by providing, without undue delay, any information or support as specified in this Agreement or as may be requested by the Bank during the provision of the Services;

b) other authorities, entities or bodies in the country of establishment of the Client and/or in the country(ies) where the project is located, whose cooperation is essential for the timely delivery of the Services in particular those benefitting from the Services acting in a satisfactory and timely manner when their input is required for the performance of the Services.

3.2 The Parties agree that the Client shall act as the main counterpart to the Bank for the purposes of this Agreement and that the Bank may, unless expressly stated otherwise, assume that any notice, approval or other communication provided by the Client to the Bank in relation to this Agreement represents the views of the Client and of any and all other entities benefitting from the Services, as these are identified in Annex 1.

3.3 The Bank, at its sole discretion, may commission one or more third parties, to perform part of the Services. The Client acknowledges and accepts that the Bank shall apply its own internal procurement rules when engaging the services of such third parties. The Bank shall inform the Client on the engagement of such parties, it being understood that such commissioning by the Bank of third parties shall not create, nor be construed to create, any contractual relationship between such third party and the Client.

The Bank procures that if it commissions a third party in accordance with this Article 3, such third party shall perform the Services with reasonable skill and care.

3.4 The Client shall provide all information and assistance requested by the Bank, at no cost to the Bank, in order to enable the Bank (including any third party commissioned by the Bank pursuant to this Article 3), to perform the Services in accordance with the terms of this Agreement. The Client warrants and undertakes that any information provided to the Bank pursuant to this Agreement is and will be accurate and that the Bank shall be entitled to rely on such information and assistance without enquiry as to the accuracy or origin of the same.

3.5 Subject to the provisions of Article 5 (*Confidentiality*), any documents or information of which the Bank becomes aware pursuant to the performance of the Services may be shared for the purpose of performing the Services within the EIB Group and with third parties involved in the performance of the Services.

3.6 The Client undertakes to comply with all the laws and regulations applicable to it.



- 3.7 The Client undertakes to provide the Bank with information on the evolution of the Project's Specific Objectives (referred to in Annex 1, Part 2, Section 2, as well as on the evolution of the Project's general objectives (referred to in Annex 1, Part 3, Section 1), following completion of the Services. The scope of information may also relate to the nature of any funding sources that the Project benefitted, or will be benefitting, from. Such request may be addressed to the Client after at least a period of twelve months starting from the date of submission of the Services' final deliverable to the Client. Following completion of the Services, the Client undertakes to complete a satisfaction survey within the deadline specified by the Bank.
- 3.8 The Client may be selected as a success story within the framework of TARGET, and authorises the Bank and/or the European Commission to publish a summary of the project, including the name and the locality of the Client, on their respective websites or social media, subject to the provisions of Article 5 (*Confidentiality*) and Article 15 (*Personal Data*). The Client may provide adequate written justification to request that the publication be waived, for example if the publication risks harming its commercial interests or risks threatening the rights and freedoms of persons or entities as protected by the Charter of Fundamental Rights of the European Union. The Bank shall not unreasonably withhold its acceptance to such request.

Article 4 – Cost of Services

- 4.1 In accordance with the provisions of the agreement signed between the Bank and the European Union (represented by the European Commission), Services shall be provided by the Bank to the Client free of charge.

Article 5 – Confidentiality

- 5.1 For the purpose of this Agreement, "**Confidential Information**" means information which:
- a) is furnished by the Client to the Bank for the purposes of enabling the Bank to provide Services to the Client;
 - b) is in written or other permanent (including electronic) form;
 - c) the Client has clearly and conspicuously identified as "Confidential Information";
- but excludes information which:
- d) was, at the time of its disclosure to the Bank by the Client, public knowledge or generally available to the public in written or other permanent form;

- e) the Bank already had knowledge of at the time of receipt from the Client or which is or becomes available to the Bank, without a duty of confidentiality, from sources which, to the Bank's knowledge and belief, are under no duty of confidentiality towards the Client; or
 - f) becomes part of the public domain through no fault of the Bank.
- 5.2 The Client undertakes to designate information as "Confidential Information" only if, and to the extent that, the Client believes in good faith that such information is confidential.
- 5.3 The Bank undertakes to keep all Confidential Information confidential and not to divulge, disclose or make available any part thereof to anyone outside the Bank; for the purposes of this paragraph the term "Bank" shall include (i) the EIB Group employees, agents, directors, governing bodies, and (ii) the EIB Group professional advisers, auditors, consultants, or other service providers and parties having an analogous contractual relationship with the Bank that have undertaken towards the Bank specific confidentiality obligations or are bound by a general professional duty of confidentiality.
- 5.4 Without prejudice to the provisions of Article 5.5 below, the Bank undertakes to use any Confidential Information solely for the purposes necessary for the provision of the Services.
- 5.5 The Bank may use and/or disclose such Confidential Information as the Bank considers appropriate in each case, and shall not be in breach of its duty of confidentiality by making such use or disclosure thereof:

- a) if required by law or regulation, in accordance with any treaty, or document of similar nature binding on the Bank, obligation pursuant to any agreement to which the Bank is a party which implements such law, regulation, treaty or binding document of a similar nature or pursuant to the rules of any relevant stock exchange;
- b) to the European Commission, the European Court of Auditors, the European Anti-Fraud Office (OLAF) and/or the European Public Prosecutor's Office (EPPO);
- c) to Member States of the European Union (including their representatives) or committees set up by the European Commission and/or Member States under any mandate under which the Bank operates, in order to obtain any opinion, consent, or waiver required in connection with the Services;



- d) if information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, or by any equivalent body of the European Union or of any of its Member States;
 - e) if information is required to be disclosed in connection with and for the purposes of any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - f) in order to protect its interests in the course of any legal or arbitration proceedings to which both the Client and the Bank are a party;
 - g) in accordance with the Bank's Transparency Policy and Anti-fraud Policy (as published on the Bank's website); or
 - h) with the consent of the Client.
- 5.6 The obligations undertaken by the Bank in this Article 5 shall expire on the second anniversary following the day of signature of this Agreement by the last contracting Party.

Article 6 – Ownership of Results and Intellectual Property Rights

- 6.1 For the purposes of this Agreement, intellectual property rights shall be understood to mean any copyright and related rights, rights in designs, database rights, rights in computer software, domain names, trademarks, service marks, patents, trade names or any applications for any of the foregoing, rights in confidential information (including know-how and trade secrets) or similar rights or obligations, whether registerable or not, moral rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world (the "**Intellectual Property Rights**").
- 6.2 Any pre-existing Intellectual Property Rights of any of the Parties in any reports, studies, analyses or other documents used by the Parties in connection with this Agreement will remain with that Party.
- 6.3 Subject to any pre-existing Intellectual Property Rights of any natural or legal person, including any of the Parties, the Intellectual Property Rights in new materials delivered by the Bank to the Client in the performance of this Agreement, as described in Annex 1, shall belong to and be the absolute property of the Bank.

- 6.4 Without prejudice to the provisions of Article 6.3, the Bank hereby grants to the Client a non-exclusive, royalty-free licence, for an indefinite duration, to use any new materials delivered by the Bank to the Client in the performance of this Agreement. The licence may be terminated by the Bank at any time, subject to a notice period of three (3) months.
- 6.5 The Bank shall inform the Client of the scope of Intellectual Property Rights vested with the deliverables (and any limitations in that respect) granted by a third party to the Bank pursuant to the provisions of this Article.
- 6.6 Subject to prior consent of the Bank, which consent shall not be unreasonably withheld, the Client may disclose the materials delivered in performance of this Agreement to a third party. The Client agrees, acknowledges and accepts that should a third party wish to use or rely on such materials for its own purposes, it shall ensure that such third party is informed on the Bank's proprietary rights and shall commit the third party to enter into a licence letter with the Bank. No prior licence letter shall be required if the third party is a contractor of the Client and performs services related to the present assignment on behalf and upon request of the latter.

Article 7 – Non-Exclusivity, Conflicts of Interests, Applicable Policies and Representations

- 7.1 The Parties acknowledge and agree that the Services are not rendered on an exclusive basis to the Client and that nothing in this Agreement shall prevent the Bank or the EIB Group from delivering similar services to other parties in any other business sector, trade, profession or occupation during the validity of this Agreement.
- 7.2 Nothing in this Agreement shall prevent the Bank or the EIB Group from continuing any existing engagements with the Client, or from acting in the future in multiple capacities in relation to the Client, including as financier, lender, equity or guarantee provider, shareholder, fund manager, agent or adviser.
- 7.3 The Bank shall manage any potential conflicts of interest issues in accordance with the Bank's internal rules and procedures regarding the management of conflicts of interest.
- 7.4 The Client shall take all necessary precautions to avoid, eliminate or address any facts or circumstances which could give rise to a conflict of interest (that is, a situation where the impartial and objective exercise of the functions of any person implementing the Services is compromised) in the execution of this Agreement.



7.5 The Client acknowledges that the Bank is bound by its Code of Conduct for EIB Group Staff, its Anti-Fraud Policy, its Policy towards weakly-regulated non-transparent and uncooperative jurisdictions, and its Anti-Money Laundering and Combating Financing of Terrorism Policy as amended and supplemented from time to time and published on the Bank's website, aiming at preventing prohibited conducts, targeted activities and other criminal activities, each as defined in the aforementioned EIB policies (the "**Offences**"). It is the common understanding of the Parties that they shall endeavour to ensure that all activities and/or operations relating to this Agreement are free from any Offences.

7.6 The Client represents and warrants that neither the Client, nor any other person acting on its behalf or under Its control, has committed any Offences in connection with this Agreement and that to the best of its knowledge, no funds (if any) provided or used by the Client under this Agreement are of illicit origin, including products of money laundering or linked to the financing of terrorism. The Client shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds or of any fact or information confirming or reasonably suggesting that an Offence has occurred in connection with the Agreement.

7.7 The Client represents and warrants that it is not the target or otherwise subject of or in breach of any Sanction³; the Client warrants and represents that, to the best of its knowledge and belief, no Relevant Person⁴ is the target or otherwise subject of or in breach of any Sanction. Both Parties acknowledge that the Client's representations and undertakings set out in any part of this Agreement are only sought and given to the extent that to do so is permissible pursuant to any applicable anti-boycott rule of the European Union, such as Regulation (EC) 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country and actions based thereon or resulting therefrom, as amended from time to time.

7.8 The Client undertakes not to breach, nor cause the Bank to breach, any Sanctions and shall inform the Bank in writing as soon as possible if any "**Sanction Event**" occurs, that is where the Client or any Relevant Person breaches or becomes in breach of or becomes the target or otherwise the subject of a Sanction. The Client undertakes to exclude any Relevant Person affected by a Sanction Event from any activities related to the Agreement within a reasonable timeframe and keep the Bank informed. The Client undertakes not to maintain or enter into a business relationship in relation to the Services or make all or part of the proceeds of the Services under this Agreement available to or for the benefit of (directly or indirectly) any person or entity that is the target or otherwise subject to any Sanction. The Client further undertakes that it shall not use the Services in a manner that would result in a breach by the Client or by the EIB of any Sanctions. The Client undertakes to inform the Bank promptly about any changes affecting its ownership, control or holding interest situation that may result in a

³ For the purposes of the Agreement, the term "**Sanction**" refers to the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures related to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following: the United Nations, including, *inter alia*, the United Nations Security Council; the European Union including, *inter alia*, the Council of the European Union and the European Commission, and any competent bodies/institutions or agencies of the European Union; the government of the United States of America, and any department, division, agency, or office thereof, including, *inter alia*, the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and the government of the United Kingdom, and any department, division, agency, office or authority, including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

⁴ For the purposes of this Agreement, the term "**Relevant Person**" shall mean: i) For Clients with status of private entity: any member of its management bodies; or any of its employees or any other person acting on behalf of the Client or under the Client's control, having the power to give directions and exercise control with respect to the Agreement ii) For Clients with status of public entity: any official or representative, or any other person acting on its behalf or under its control, having the power to give directions and exercise control with respect to the Agreement.

Sanction Event or cause the Bank to breach a Sanction. For the purposes of a Sanction(s), the words "control", "interest" and "ownership" shall be interpreted as defined by the relevant sanctions authority in relation with the relevant Sanctions. The Client shall ensure that it maintains appropriate internal controls and safeguards designed to prevent the violation of any Sanction.

- 7.9 The Client shall keep the Bank informed of any kind of advisory support or grant that the Client has benefitted, is benefitting or benefits from prior to or during the validity of this Agreement that contributes to the Project's Specific Objectives, partially or exclusively financed by EU-financed programmes (including EU-financed programmes implemented and available also at national level). The Client represents and warrants that any such contributions do not cover the same costs as incurred in the provision of Project's Specific Objectives.

Article 8 – Use of Results, Liability, Force Majeure

- 8.1 The Client is solely responsible for deciding whether to pursue or implement any proposals, studies, presentations or recommendations made by the Bank or by third parties commissioned by the Bank as part of the Services, as well as for making its own assessment on the appropriateness of the Services for the use it intends to make thereof. The Bank makes no representation and provides no warranty as to such fitness for purpose, and shall not bear any liability in that respect.
- 8.2 The Bank makes no representation or warranty as to the outcome of the advisory activities or as to the accuracy or completeness of any reports, documents or analyses prepared or delivered in connection with the performance of the Services. The Client accepts and agrees that any course of action taken or to be taken, or not taken or not to be taken by the Client will be decided upon solely by the Client based upon its own evaluation of the relevant circumstances, and that the Bank is not responsible and shall bear no liability related to any such decision of the Client. No advice provided or views expressed by the Bank shall constitute, or be construed as constituting, legal advice, including with respect to compliance with any applicable laws or regulations.
- 8.3 To the maximum extent permitted by the applicable law, the Bank shall bear no contractual liability towards the Client, its employees, agents or officers upon any claim for any special direct, indirect or incidental damage of any kind suffered or incurred by the Client, including, without limitation, economic damage or any damages resulting from loss of use, loss of business, loss of revenue, loss of profits arising in connection with this Agreement, the Bank's performance of Services or of any other obligations relating to this Agreement, unless such loss, damage or expense shall be proven to result directly from fraud, gross negligence or wilful misconduct by the Bank.

- 8.4 The Client shall indemnify and hold harmless the European Union, the Bank, their respective employees, officers, Governors, delegates, servants or agents from and against any and all losses, claims, demands, damages, liabilities of any kind or fines relating to or arising under, out of or in connection with the activities performed or Services provided pursuant to this Agreement, unless such losses, claims, demands, damages or liabilities have resulted solely from the Bank's gross negligence or wilful misconduct in the performance of the Services.

- 8.5 Force majeure shall mean any unforeseeable exceptional situation or event beyond the Parties' control which is not attributable to error or negligence on their part, proves insurmountable in spite of all due diligence and prevents them from fulfilling any of their obligations under the Agreement. Delays in making information, necessary for the provision of the Services, available to the Bank or financial difficulties affecting the Client may not be invoked as force majeure. A Party faced with force majeure shall inform the other Party in writing without delay stating the nature, probable duration and foreseeable effects. The Party faced with force majeure shall not be held in breach of its obligations under the Agreement if it is prevented from fulfilling them by force majeure. The Parties shall make every effort to minimize any damage due to force majeure.

Article 9 – Amendments, Assignment, Suspension and Termination

- 9.1 Any amendments to this Agreement must be set out in writing in a contractual amendment signed by the Parties, to become effective on the terms set out therein.
- 9.2 Changes of address or of contact details may be notified to the other Party in writing, in accordance with Article 10 (*Notices and Other Communications*).
- 9.3 A Party may not assign or transfer to a third party, or otherwise dispose of, any of its rights or obligations under this Agreement without the prior written consent of the other Party.
- 9.4 Without prejudice to the Bank's right to terminate the Agreement, the Bank may suspend the Agreement, or any part thereof, at any time, if it becomes aware of allegations suggesting Offences or a Sanction Event that is likely to affect the Client or the Bank. Suspension shall take effect on the day that the Client receives written notice from the Bank and shall last until the Bank notifies the Client of termination of the suspension period or termination of the Agreement.



- 9.5 Either Party may terminate this Agreement upon serving a thirty (30) calendar days' written notice to the other Party, if such Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out.
- 9.6 The Bank may terminate this Agreement with immediate effect, and without incurring any liability, by serving a written notice to the Client, if at any time:
- a) the Client is found guilty of any Offence, as defined in Article 7.5 (*Non-Exclusivity, Conflicts of Interests, Applicable Policies and Representations*);
 - b) the Client or any entity or person which directly or indirectly owns or controls or directs the Client or of which the Client acts on behalf of, or any Relevant Person is affected by the Sanction Event referred to in Article 7 (*Non-Exclusivity, Conflicts of Interests, Applicable Policies and Representations*);
 - c) the Client commits a material breach of any of its obligations undertaken through the Agreement;
 - d) the Client makes a resolution for its winding up, commences negotiations or makes an arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for protection from its creditors or an administration or a winding-up order is made or an administrator or receiver is appointed in relation to the Client;
 - e) the Client acts in any manner which in the opinion of the Bank brings, or is likely to bring, the Bank into disrepute or is materially adverse to the interests of the Bank and the Client fails to comply with the Bank's request to cure;
 - f) the *force majeure* situation mentioned under point 8.5. lasts for more than ninety (90) calendar days;
 - g) it becomes illegal for the Bank to continue the provision of services or fulfilment of any other obligation under this Agreement.
- 9.7 The Bank may also terminate this Agreement without incurring any liability, by serving a thirty (30) calendar days' written notice to the Client, if at any time:
- a) the Client knowingly and intentionally provides any information or document to the Bank in connection with the Services which is, or proves to have been, incorrect in any material respect; or
 - b) where the cost of the Services is expected to be covered, wholly or partially, by a third party, including the European Union, and such financing is cancelled or withdrawn by the third party or if for any reason whatsoever the agreement entered into between the European Union (represented by the European Commission) and the Bank in respect of the provision of technical assistance under TARGET is terminated or ceases to be valid and in full force and effect.
- 9.8 Immediately after the notice to terminate is received, the Parties will take all appropriate steps to close in an orderly manner the on-going activities under this Agreement.
- 9.9 The rights of either Party under Articles 9.4 to 9.6 are without prejudice to any other rights that the Parties may have at law to terminate this Agreement.
- 9.10 Any delay by a Party in exercising its rights to terminate the Agreement shall not constitute a waiver thereof.
- Article 10 – Notices and Other Communications**
- 10.1 Any notice given under, or in connection with, this Agreement must be in English. All other documents provided under, or in connection with, this Agreement must be in English or, if not in English, and if so required by the Bank, accompanied by its translation into English and, in this case, the English translation shall prevail unless the document is a constitutional, statutory or other similar official document.
- 10.2 Except for notices relating to litigation whether pending or threatened, which shall be served at the addresses specified in the Letter according to the applicable procedural rules, all notices and correspondence in relation to this Agreement and the Services shall be sent by post, or, to the extent agreed by the Parties in writing, by e-mail or other means of electronic communication, to the addresses indicated in the Letter.
- 10.3 Any change made to the communication details shall have effect only after it has been notified in writing, in paper or electronic form, to the other Party at the above addresses.
- 10.4 Notices and other communications are deemed to have been made when they are received by the receiving Party.

Article 11 – Status

- 11.1 Nothing in this Agreement will create, or be construed as creating, a partnership or joint venture, agency, lawyer-client or similar relationship between the Parties nor authorise any Party to make any statements or enter into any agreement on behalf of any other Party, except as expressly set out in this Agreement.
- 11.2 The Bank does not owe the Client any fiduciary duty.

Article 12 – Governing Law and Dispute Settlement

- 12.1 This Agreement and its formation, construction and validity will be governed by the laws of the Grand Duchy of Luxembourg.
- 12.2 The Parties shall endeavour to settle amicably any dispute arising between them out of, or in connection with, this Agreement or its subject matter or formation (including non-contractual disputes or claims). If no amicable agreement is reached within sixty (60) calendar days from the notification of such dispute or complaint, all disputes concerning this Agreement shall be submitted to the exclusive jurisdiction of the courts of the city of Luxembourg.

Article 13 – Evaluations

Without prejudice to confidentiality obligations assumed by the Bank, in case the Bank or the European Commission carries out an evaluation or a monitoring mission related to the Services provided under this Agreement, the Client undertakes to provide to the Bank or the European Commission or third parties authorised by them, any document or information, or grant the necessary access rights, which will assist them in performing the evaluation or monitoring mission.

Article 14 – Visibility

The Client undertakes to acknowledge, in any information given to the press or to any third parties, related publicity material, official notices, reports or publications, the fact that the Services were provided benefiting from the support of the European Union in the framework of TARGET. To this effect, the Bank shall make available to the Client any logos or other visibility tools to be applied in respect of TARGET.

Article 15 – Personal Data

The Parties mutually agree that each of them acts as independent controller with regard to any personal data processing operation it performs in implementation or in relation to the Agreement. As such, the Parties have to comply with the obligations set forth by the data protection

legislation applicable to their operation. Specifically, if the provision of the Services under this Agreement involves processing of personal data by the Client, the Client shall do so in accordance with the provisions of Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC. If the provision of Services under this Agreement involves processing of personal data by the Bank, the Bank shall do so in accordance with the provisions of Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. For the Bank, the terms “controller” and “personal data” have the meaning defined in Article 3 of the above-mentioned Regulation. The privacy statement informing about the Bank’s personal data processing operations can be accessed via the following link which is published on the Bank’s website: <https://www.eib.org/en/privacy/lending.htm>. The Client undertakes to pass this information on to data subjects whose personal data can be processed by the Bank in implementation of the Services.

Article 16 – Audits

- 16.1 The Client acknowledges and agrees that, given the status of the Bank as a body of the European Union, national audit authorities do not enjoy any auditing rights and the Bank is only subject to audit verification (including on-the-spot-visits) performed directly by the European Court of Auditors in accordance with Article 287(3) of the TFEU and the Tripartite Agreement entered into between the European Court of Auditors, the European Commission and the Bank, mentioned in Article 287(3) of the TFEU.
- 16.2 The Client shall allow the European Court of Auditors, the European Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor’s Office (EPPO) and any third party authorised by any of the preceding, to carry out audits and controls, including on-the-spot checks and inspections, in relation to the Client and to request information from the Client in respect of this Agreement and its execution. These verifications may take place up to five (5) years after the finalisation of the Services, and the Client shall keep records of this Agreement and its execution during this period.