

ABB- ENERGO+

Loans, non-revolving credit lines issued under GAF “Energy Efficiency for SMEs” program

| 1 | Terms & Conditions | Loan | Credit line |
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| 1.1 | Currency | Armenian drams (AMD) | |
| 1.2 | Nominal annual interest rate | 11% | |
| 1.3 | Annual interest rate applicable to unused part | - | 0-2% |
| 1.4 | Liability/Collateral value | <ul style="list-style-type: none"> ▪ Up to 100% of funds available on deposit and bank accounts; in addition, in case of funds in the same currency - up to 100%, in case of funds different currencies - up to 95%, ▪ In case of immovable property - up to 70%, ▪ In case of movable property - up to 50%, ▪ In case of inventory holdings - up to 30%, but the share of given type of collateral in the structure of offered collateral must not exceed 30%, ▪ In case of cash flows – not more than 50% of average monthly net credit turnover on bank accounts for the last 12 months. The share of given type of collateral in the structure of offered collateral must not exceed 80%. <p>Average monthly net credit turnover is calculated for the last 12 months, and for the last 6 months - if such party is Customer of the Bank for less than 12 months.</p> | |
| 1.5 | Period | 12-60 months | |
| 1.6 | Manner of repayment | Monthly payment of interests; Repayment of the principal – subject to the traits of business | |
| 1.7 | Amount | AMD 1,000,000-500,000,000 | |
| 1.8 | Fine, penalty for early repayment | N/A | |
| 1.9 | Purpose of financing | <p>1.Replenishment of PPE meeting the criteria for established energy efficiency</p> <ul style="list-style-type: none"> ✓ Heating, ventilation and air conditioning ✓ Lighting, ✓ Heating for production purposes ✓ Cooling for production purposes ✓ Thermal insulation of walls and roofs of a building ✓ Equipment for food processing ✓ Machinery for industrial production ✓ Transport ✓ IT- equipment ✓ Solar energy ✓ Energy from biomass ✓ Hydropower ✓ Wind energy ✓ Geothermal energy ✓ Other energy-saving investments <p>2. Replenishment of circulating assets meeting the criteria for established energy efficiency</p> <p>3. Replenishment of circulating assets, which do not meet the criteria for</p> | |

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| | | established energy efficiency, if at least 70% of loan was used for replenishing fixed assets meeting the criteria for established energy efficiency |
| 1.10 | Additional term | It is possible under the program to replace old equipment with new energy-saving equipment, as well as to obtain additional equipment |
| 2 | Bank fees | |
| 2.1 | Fee for application review | AMD 0 |
| 2.2 | Fee for loan maintenance | ✓ 12-23 months - 0.5% ✓ 24-35 months - 1% ✓ 36-47 months - 1.5% ✓ 48-60 months - 2% |
| 2.3 | Cashing out loan sums | As per Bank tariffs applicable for cashing out funds from account |
| 2.4 | Additional expenses | For loans over AMD 80,000,000, , an energy audit shall be conducted if required, for which the borrower must pay AMD 168,000 |
| 3 | Security | |
| 3.1 | Collateral | Funds on deposit and bank accounts, movable and immovable property, guarantees, warranties, collateralized securities, shares, stakes, stocks, and cash flows (legal claim on funds), pledge of right, mixed and other collateral acceptable by the Bank. |
| 3.2 | Additional term | <p>While pledging residential real property the Mortgagor provides justification of property rights, and if they were transferred to the Mortgagor under transaction of gift and the property was transferred during five years preceding the submission of a Loan application:</p> <ol style="list-style-type: none"> 1. Additional collateral (donor’s surety) is required; inter alia, the amount of loan may not exceed 50% of appraised liquid value of collateral or 2. Additional collateral (third party surety) is required; inter alia, the amount of loan may not exceed 25% of appraised liquid value of collateral. <p>* This sub-clause is not applicable if upon submission of a Loan application the donor is dead</p> |
| 3.3 | Mandatory term | ✓ In case of legal entity-customers – mandatory pledge of 100% shares, stakes, stocks of the owner(s); ✓ In case of legal entity-customers – mandatory pledge of the surety by the owner(s), holding 10% and more percent of shares, stakes, stocks. |
| 4 | Assessment and insurance of collateral | |
| 4.1 | Assessment of collateral | Assessment of immovable and movable property and PPE is carried out by independent evaluating companies that cooperate with the Bank. Assessment of securities, other property and rights acceptable by the Bank is carried out by independent evaluating companies that cooperate with the Bank, as requested. |
| 4.2 | Insurance | As requested |
| 5 | Requirements to borrower | |
| 5.1 | Borrower | A resident legal entity and private entrepreneur |
| 5.2 | Requirements to borrower | ✓ The average payroll number of employees must be up to 250 people, while the income from the activity of the previous year or carrying value of the assets as at the end of the previous year must not exceed accordingly AMD 1,500,000,000 and AMD 1,000,000,000; |

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| | | <ul style="list-style-type: none"> ✓ No less than 6 months' activity; ✓ Total number of days outstanding on credit commitments during the past 12 months must not exceed 30 days (if the term of the Borrower's activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days for each month from the date of actual activity, on a cumulative basis); ✓ In case of a business loan secured under the right of claim on funds - a minimum net credit turnover in the Bank during the last 3 months prior to the date of consideration of the issue of granting the facility, in the amount acceptable by the Bank |
| 5.3 | Additional term | Financial indicators obtained after the analysis of the Borrower's financial reports must meet the requirements of the Bank |
| 6 | Requirements to Guarantor | |
| 6.1 | Guarantor | A resident legal entity, private entrepreneur, natural person registered in Armenia or Artsakh |
| 6.2 | Requirements to Guarantor | <ul style="list-style-type: none"> • A legal person, private entrepreneur with not less than 6 months of uninterrupted activity, and natural person aged 21-63, • There should not be any overdue liabilities (including for issued guarantees), • Total number of days outstanding on credit commitments during the past 12 months must not exceed 30 days (if the term of the Guarantor's activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days for each month from the date of actual activity, on a cumulative basis); |
| 7 | Additional terms | |
| 7.1 | Interest rate on overdue amount | Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA |
| 7.2 | Penalty on overdue interest | 0,13% per day |