



LD 2064 (2020)

FRAMEWORK LOAN AGREEMENT

between

COUNCIL OF EUROPE DEVELOPMENT BANK

and

ENTE OSPEDALIERO OSPEDALI GALLIERA

*"New Galliera Hospital"
Project Loan*

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COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55, Avenue Kléber, F-75116 Paris (France) (hereinafter, the **"CEB"** or the **"Bank"**), on the one hand,

and

Ente Ospedaliero Ospedali Galliera, an autonomous, independent non-profit hospital entity, with its headquarters at Mura delle Cappuccine 14, 16128 Genoa (Italy) (hereinafter, the **"Borrower"** and together with the CEB, the **"Parties"** and each a **"Party"**), on the other hand,

WHEREAS

- (A) Having regard to the loan application submitted by Italy on 12 June 2020, approved by the CEB's Administrative Council on 3 July 2020,
- (B) Having regard to the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe dated 6 March 1959,
- (C) Having regard to the CEB's Loan Regulations, as adopted by the CEB's Administrative Council Resolution 1587 (2016) (hereinafter, the **"Loan Regulations"**),
- (D) Having regard to the CEB's Loan and Project Financing Policy, as adopted by the CEB's Administrative Council Resolution 1617 (2020) (hereinafter, the **"Loan Policy"**),
- (E) Having regard to the CEB's Environmental and Social Safeguards Policy, as adopted by the CEB's Administrative Council Resolution 1588 (2016) (hereinafter, the **"Environmental and Social Safeguards Policy"**),
- (F) Having regard to the CEB's Procurement Guidelines, as adopted by the CEB's Administrative Council in September 2011 (hereinafter, the **"Procurement Guidelines"**),

HEREBY AGREE AS FOLLOWS:

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1. INTERPRETATION

1.1 Definitions

The following terms shall have the meaning indicated below, except as the context requires otherwise:

"Agreement" means this framework loan agreement, including its appendices.

"Allocation" means the commitment of a Tranche by the Borrower to the eligible component parts of the Project even if such Tranche has not yet been paid out under the Project.

"Allocation Period" has the meaning specified under Sub-clause 5.2.

"Business Day" means any day on which TARGET 2 (the Trans European Automated Real-time Gross Settlement Express Transfer system) is operating.

"Certificate" has the meaning ascribed to it in Sub-clause 4.5(a)(v).

"Compliance Certificate" has the meaning ascribed to it in Sub-clause 6.4 (iv).

"Change of Status Event" means the occurrence of any event(s) or circumstances which would change in any way whatsoever the Borrower's status as of the date of this Agreement (such as resulting from its constitutive documents (in particular its by-laws (*Statuto*) dated 22 July 2002 such as approved by the Ministry of Health Decree of 28 August 2002) and all legal provisions applicable to the Borrower, and in particular the *"Opera Pia De Ferrari Brignole Sale"* acts dated 22 December 1877, signed by Borsotto, and 31 March 1885 signed by Ghersi), the R.R. Decrees dated 4 December 1879 and 18 February 1886 organizing the borrower, inter alia, as a non-profit organization, Law n. 132 of 12 February 1968, Law n. 833 of 23 December 1978 and Legislative Decree n. 502 of 30 December 1992), including, but not limited to, the Borrower ceasing to be an autonomous, independent hospital entity categorized as *"other public entities or similar remunerated through public funds according to correspondence criteria"* under applicable legislation, or to be treated as being analogous to a public health service provider by the Regional Health Services, or any change in the governance or the control (i.e., the power to direct the management or policies) of the Borrower.

"Closing Date" means the date specified under Appendix 1 hereto from which no further disbursements may be requested by the Borrower.

"Completion Report" has the meaning specified under Sub-clause 6 (b).

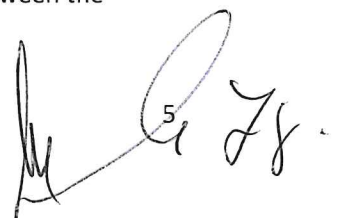
"Currency" means, for the purposes of the Agreement, Euro.

"Day Count Convention" means the convention for determining the number of days between two dates and the number of days in a year specified in the relevant Disbursement Notice.

"Debt Instrument" means (i) any loan or other form of financial indebtedness; (ii) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (iii) a bond, note, debt security, debenture or similar written evidence of financial indebtedness; or (iv) an instrument evidencing a guarantee of an obligation constituting financial indebtedness of another.

"Default Interest Rate" has the meaning specified under Sub-clause 4.9.

"Delegation of Payments" means the perfect delegation of payments entered into between the Borrower as delegator, the CEB as beneficiary of the payment delegation, and the Region of Liguria as delegate, in accordance with article 1269 of the Italian Civil Code, under which the Borrower delegates the Region of Liguria, which accepts it, to pay directly to the CEB (instead of the Borrower itself) all and any amounts due by the Region of Liguria to the Borrower under the *"Convenzione tra la Regione Liguria e l'Ente Ospedaliero 'Ospedali Galliera' di Genova"* entered into between the

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Region of Liguria and the Borrower dated 29 December 2017, up to the amounts due by the Borrower to the CEB under the Loan and this Agreement.

"Disbursement Date" means the date on which a Tranche is scheduled to be disbursed pursuant to the applicable Disbursement Notice.

"Disbursement Notice" has the meaning specified under Sub-clause 4.3(b).

"Disbursement Request" has the meaning specified under Sub-clause 4.3(a).

"Early Reimbursement Confirmation" has the meaning specified under Sub-clause 4.7.

"Early Reimbursement Costs" has the meaning specified under Sub-clause 4.7.

"Early Reimbursement Date" has the meaning specified under Sub-clause 4.7.

"Early Reimbursement Event" means any event(s) and/or circumstance(s) which may give rise to the suspension, cancellation or early reimbursement of the Credit under the terms and conditions of the Agreement or of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

"Early Reimbursement Notice" has the meaning specified under Sub-clause 4.7.

"Effective Date" means the date of entry into force of the Agreement resulting from Clause 17

"EU" means the European Union.

"Euro" and the sign **"EUR"** means the lawful currency of the Member States of the EU which from time to time adopt it as their currency in accordance with the relevant provisions of the Treaty of the EU and the Treaty on the Functioning of the EU or their succeeding treaties.

"European Convention on Human Rights" means the Convention for the Protection of Human Rights and Fundamental Freedoms dated 4 November 1950, CETS No. 5, as amended from time to time.

"European Social Charter" means the European Social Charter dated 3 May 1996, CETS No. 163, as amended from time to time.

"Final Beneficiaries" are specified under Appendix 1 hereto as the group benefitting from the social effects of the Project.

"Financial Covenants" has the meaning ascribed to it in Sub-clause 6.4(b).

"Fixed Interest Rate" means the interest rate *per annum* specified in the applicable Disbursement Notice.

"Forecasted Expenditure" means the eligible costs planned to be incurred under the Project over the period of one (1) year.

"Incurred Expenditure" means the eligible costs incurred by the Borrower.

"Interest Payment Dates" means the dates for the payment of interest corresponding to the relevant Interest Period specified in the applicable Disbursement Notice.

"Interest Period" means the period commencing on an Interest Payment Date and ending on the day immediately prior to the following Interest Payment Date, provided that the first Interest Period applicable to each Tranche shall commence on the Disbursement Date and end on the day immediately prior to the next Interest Payment Date.

"Loan" means the loan granted to the Borrower by the CEB by means of the Agreement.

"Loan Amount" means the amount specified under Sub-clause 4.1.

"Material Adverse Change" means any event which, in CEB's opinion, (i) materially impairs the Borrower's ability to perform its financial obligations under the Agreement; or (ii) adversely affects any

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Security provided by the Borrower or a third-party to secure the due performance of the Borrower's financial obligations under the Agreement.

"Maturity Date" means the last Principal Repayment Date for each Tranche specified in the applicable Disbursement Notice.

"Modified Following Business Day Convention" means a convention whereby if a specified date would fall on a day which is not a Business Day, such date would be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date would be the first preceding day that is a Business Day.

"Principal Repayment Date(s)" means the date(s) for the repayment(s) of principal under each Tranche specified in the applicable Disbursement Notice.

"Principal Repayment Period" means with respect of each Tranche the period running from its Disbursement Date to its Maturity Date.

"Progress Report" has the meaning specified under Sub-clause 6 (a).

"Project" means the eligible investment scheme set forth under Appendix 1 to be partially financed with the Loan approved by the CEB's Administrative Council with reference LD 2064.

"Security" means any agreement or arrangement creating a preferential rank, a preferential right of payment, a collateral or guarantee of any nature whatsoever which might confer enhanced rights upon third parties.

"Tranche" means an amount disbursed or to be disbursed under the Loan.

1.2 Construction

Unless the context otherwise requires, references to:

- (a) this Agreement shall be construed as references to this Agreement as supplemented, amended or restated from time to time;
- (b) "Clauses", "Sub-clauses" and "Recitals" shall be construed as references to clauses, sub-clauses and recitals respectively of this Agreement; and
- (c) words importing the singular shall include the plural and vice-versa.

1.3 Headings

Headings in this Agreement have no legal significance and do not affect its interpretation.

1.4 Rounding

For the purposes of any calculations referred to in this Agreement:

- (i) all percentages resulting from such calculations other than those determined through the use of interpolation will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (*e.g.*, 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655));
- (ii) all percentages determined through the use of linear interpolation by reference to two (2) relevant Reference Rates will be rounded, if necessary, in accordance with the method set forth in subsection (a) above, but to the same degree of accuracy as the two (2) rates used to make the determination (except that such percentages will not be rounded to a lower degree of accuracy than the nearest one thousandth of a percentage point (0.001%)); and



- (iii) all currency amounts used in or resulting from the above calculations will be rounded, unless otherwise specified in the relevant Currency definition, to the nearest two decimal places in the relevant currency (with .005 being rounded upwards (e.g., .674 being rounded down to .67 and .675 being rounded up to .68).

2. CONDITIONS

The Loan is granted under the general conditions of the Loan Regulations and under the special conditions of the Agreement.

3. PURPOSE

The CEB grants the Loan to the Borrower, who accepts it, solely for the purpose of financing the Project as described under Appendix 1 hereto.

- (i) Any change to the way the Loan is applied that has not received the CEB's approval would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

4. FINANCIAL CONDITIONS

4.1 Loan Amount

The Loan Amount is:

SEVENTY FIVE MILLION EUROS

75,000,000.00 EUR

4.2 Disbursement Amount

The Loan shall be disbursed in a minimum of 2 Tranches. The amount of each Tranche shall be determined according to the Incurred Expenditure and Forecasted Expenditure. The amount of the first Tranche shall not exceed fifty per cent (50 %) of the Loan Amount.

4.3 Disbursement Procedure

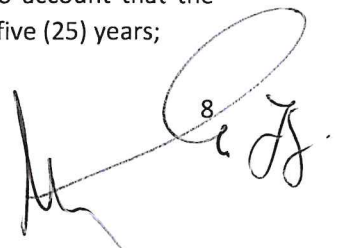
The disbursement of each Tranche is determined through the following procedure:

(a) Disbursement Request

Prior to each disbursement, the Borrower shall submit to the CEB a disbursement request substantially in the form set out under Appendix 3 hereto (hereinafter, a **"Disbursement Request"**).

A Disbursement Request shall specify the proposed:

- (i) Currency(ies) and amount(s) for the Tranche;
- (ii) Disbursement Date; such Disbursement Date shall be a Business Day falling at least five (5) Business Days but not later than twenty (20) Business Days after the date of the Disbursement Request;
- (iii) Principal Repayment Date(s), including the Maturity Date, taking into account that the Principal Repayment Period for each Tranche shall not exceed twenty five (25) years;

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- (iv) maximum Fixed Interest Rate;
- (v) Interest Period and Interest Payment Dates;
- (vi) Day Count Convention and Business Days; and
- (vii) Borrower's account for payments.

Each Disbursement Request delivered to the CEB shall be irrevocable, unless otherwise agreed in writing by the CEB.

(b) Disbursement Notice

If the CEB receives a Disbursement Request that complies with the Disbursement Request requirements set out Sub-clause 4.3(a) above, and if all other relevant Disbursement Conditions as defined in Sub-clause 4.5 (*Disbursement Conditions*) below have been fulfilled by the Borrower, the CEB shall deliver to the Borrower a disbursement notice substantially in the form set out under Appendix 3 hereto (hereinafter, a **"Disbursement Notice"**). Each Disbursement Notice shall be delivered at least two (2) Business Days before the proposed Disbursement Date.

A Disbursement Notice shall specify:

- (i) Currency(ies) and amount(s) for the Tranche;
- (ii) Disbursement Date;
- (iii) Principal Repayment Period and Principal Repayment Date(s), including the Maturity Date;
- (iv) Fixed Interest Rate;
- (v) Interest Period and Interest Payment Dates;
- (vi) Day Count Convention and Business Days; and
- (vii) Borrower's and CEB's accounts for payments.

If the Borrower has submitted to the CEB a Disbursement Request in which the Borrower has not proposed a Fixed Interest Rate or a Floating Interest Rate, the Borrower shall be deemed to agree in advance to the one subsequently specified by the CEB in the Disbursement Notice.

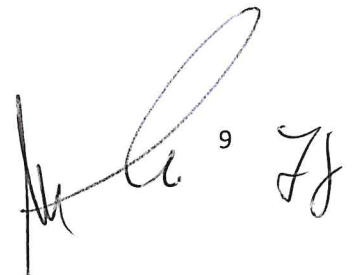
A Disbursement Notice matching the elements included in a Disbursement Request shall constitute an irrevocable and unconditional commitment on the part of the Borrower to borrow from the CEB and on the part of the CEB to disburse to the Borrower the Tranche under the terms and conditions specified in the Disbursement Notice.

Notwithstanding the above, if the CEB has not delivered a Disbursement Notice within twenty (20) Business Days following the receipt of a Disbursement Request, the relevant Disbursement Request shall be deemed cancelled.

4.4 Disbursement Period

Unless otherwise agreed in writing by the CEB, the Borrower shall not be entitled to:

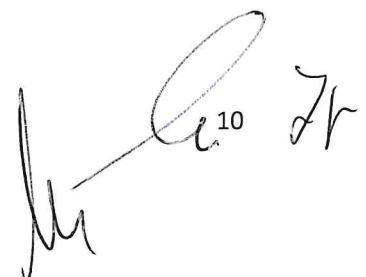
- (i) the issue of a Disbursement Request for the first Tranche beyond twelve (12) months after the Effective Date;
- (ii) the issue of any further Disbursement Request beyond eighteen (18) months after the last disbursement; or

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- (iii) the issue of any further Disbursement Request beyond the Closing Date specified under Appendix 1 hereto, it being agreed that, upon the Borrower's reasonable request, the Closing Date referred to herein can be extended if so agreed in writing by the CEB.

4.5 Disbursement Conditions

- (a) Conditions precedent to the Disbursement Request for the first Tranche, to be in form and substance satisfactory for the CEB:
- (i) Delivery of the Delegation of Payments, duly executed by all parties thereto, and any other agreement, document, notification, registration and formality necessary for the perfection, opposability and enforcement of the said delegation, together with a legal opinion issued by the Borrower's external legal adviser confirming to the CEB's satisfaction, substantially in the form set out under Appendix 2 hereto, that the Delegation of Payments has been duly executed by authorised representatives of the Borrower and the Region of Liguria and that the Delegation of Payments is valid, binding and enforceable in accordance with its terms in Italy;
 - (ii) A certified translation of the "*Convenzione tra la Regione Liguria e l'Ente Ospedaliero 'Ospedali Galliera' di Genova*" entered into between the Region of Liguria and the Borrower dated 29 December 2017;
 - (iii) Legal opinion in English issued by the Borrower's external legal counsel confirming to the CEB's satisfaction, substantially in the form set out under Appendix 2 hereto, that the Agreement has been duly executed by authorised representatives of the Borrower and that the Agreement is valid, binding and enforceable in accordance with its terms in the Borrower's jurisdiction;
 - (iv) Evidence in English (e.g., Statute, By-laws, Board Resolution, Power of Attorney, etc.) to the CEB's satisfaction of the person(s) authorised to execute the Agreement and the Disbursement Requests on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s);
 - (v) delivery of a certificate from the Borrower in the form of Appendix 5 (hereinafter the "**Certificate**") signed by the General Director of the Borrower and dated no earlier than seven (7) days before the date of the Disbursement Request, confirming to the CEB's satisfaction, compliance by the Borrower with the Financial Covenants and the other undertakings referred to therein, as of the date of such certificate;
 - (vi) The comfort letter duly signed by the Region of Liguria to be in form and substance satisfactory to the CEB, the agreed form of which is appended in Appendix 7;
 - (vii) Any other condition specified under Appendix 1 ("Specific Conditions").
- (b) Conditions precedent to any further Disbursement Request, to be in form and substance satisfactory for the CEB:
- (i) In the event there has been a change regarding the person(s) authorised to execute Disbursement Requests on behalf of the Borrower, the Borrower shall provide CEB with updated evidence of the person(s) authorised to execute the corresponding Disbursement Requests on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s);

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- (ii) Progress Report confirming to the CEB's satisfaction the full Allocation of the previous Tranche;
- (iii) delivery of a Certificate from the Borrower in the form of Appendix 5 signed by the General Director of the Borrower and dated no earlier than seven (7) days before the date of the Disbursement Request, confirming to the CEB's satisfaction, compliance by the Borrower with the Financial Covenants and the other undertakings referred to therein, as of the date of such certificate;
- (iv) Any other condition specified under Appendix 1 ("Specific Conditions").

4.6 Repayment

On any Principal Repayment Date, the Borrower shall repay the principal of each Tranche due on that Principal Repayment Date in accordance with the terms set forth in the applicable Disbursement Notice.

4.7 Early Reimbursement

(a) Mechanics

If in any event specified in this Agreement referring to this Sub-clause the Borrower ought to reimburse prior to maturity all or part of a Tranche [or in the event of voluntary early reimbursement], the Borrower shall give at least a one (1) month prior written notice to the CEB (hereinafter, the "**Early Reimbursement Notice**") specifying the amounts to be reimbursed, the date on which the reimbursement will take place (hereinafter, the "**Early Reimbursement Date**") and, upon prior consultation with the CEB, the maximum Early Reimbursement Costs. The Early Reimbursement Date shall fall on an Interest Payment Date, unless otherwise agreed in writing by the CEB.

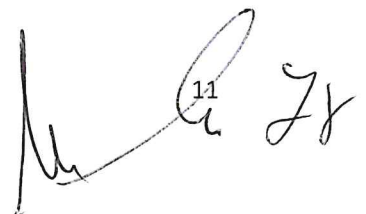
Upon receipt of the Early Reimbursement Notice, the CEB shall send a written notice to the Borrower (hereinafter, the "**Early Reimbursement Confirmation**"), not later than five (5) Business Days prior to the Reimbursement Date, indicating the accrued interest due thereon and the Early Reimbursement Costs in accordance with Sub-clause 4.7(b).

An Early Reimbursement Confirmation matching the elements included in an Early Reimbursement Notice shall constitute an irrevocable and unconditional commitment on the part of the Borrower to reimburse the relevant amounts to the CEB under the terms and conditions specified in the Early Reimbursement Confirmation. In the event of voluntary early reimbursement, if the CEB has not delivered an Early Reimbursement Confirmation within the deadline specified above, the relevant Early Reimbursement Notice shall be deemed as cancelled.

If the Borrower partially reimburses a Tranche, the reimbursed amount shall be applied pro rata to each outstanding principal repayment. In such an event, the Early Reimbursement Confirmation shall accordingly include an adjusted repayment schedule which shall be binding on the Borrower.

(b) Early Reimbursement Costs

The Early Reimbursement Costs resulting from early reimbursement in accordance with Sub-clause 4.7(a) shall be determined by the CEB on the basis of the costs to it of redeploying the amount to be reimbursed from the Early Reimbursement Date to the Maturity Date, including any related costs, such as unwinding any underlying hedging arrangements. The costs of redeployment will be established on the basis of the difference between the original rate and the redeployment rate, which shall be determined by the CEB on the basis of market conditions on the date of the Early Reimbursement Notice.

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4.8 Interest Determination

The Borrower shall pay interest on the principal of each Tranche from time to time outstanding during each Interest Period at the Fixed Interest Rate specified in the applicable Disbursement Notice.

Interest shall (i) accrue from and including the first day of the Interest Period to but excluding the last day of such Interest Period; and (ii) be due and payable on the Interest Payment Dates specified in the applicable Disbursement Notice. Interest shall be calculated on the basis of the Day Count Convention specified in the relevant Disbursement Notice.

4.9 Default Interest Rate

In the event that the Borrower fails to pay, in full or in part, any amount under the Agreement, and notwithstanding any other recourse available to the CEB under the Agreement or otherwise, the Borrower shall pay interest on such unpaid amounts from the due date until the date of receipt of such payment by the CEB at the interest rate *per annum* equal to the one-month EURIBOR quoted on the due date plus two hundred and fifty basis points (250 bps) (hereinafter, the “**Default Interest Rate**”).

The applicable Default Interest Rate shall be updated every thirty (30) calendar days.

4.10 Market Disruption Event

If, at any time between the delivery of a Disbursement Notice and the Disbursement Date the CEB reasonably determines that there are exceptional and unexpected circumstances of an economic, financial, political or other external nature adversely affecting the CEB’s access to its sources of funding, the CEB shall be entitled to cancel at no cost the scheduled disbursement.

4.11 Payments

All the amounts due by the Borrower under this Agreement are payable in the Currency of each Tranche to the CEB’s account indicated in the applicable Disbursement Notice. Any payment under this Agreement shall be made on a Business Day subject to the Modified Following Business Day Convention. Any payment shall be deemed paid when the CEB has received the amount on its account.

The Borrower or the bank instructed by the Borrower, as the case may be, shall send a written payment notice to the CEB at least five (5) Business Days before payment of any amounts due under this Agreement.

5. PROJECT IMPLEMENTATION

The Borrower shall implement the Project in accordance with the Agreement.

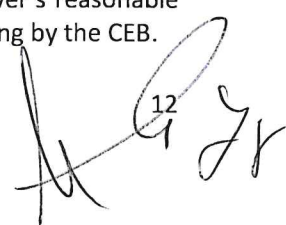
Failure to comply with the Project Implementation undertakings set forth hereby under Clause 5 would constitute, irrespective of any other applicable provision of the Loan Regulations, an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to (i) the relevant contract expenditure declared ineligible for Allocation under the Project; and/or (ii) the early reimbursement, suspension or cancellation of the Loan, in whole or in part, under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

5.1 Duty of Care

The Borrower shall apply all care and diligence, and shall exercise all typically used means (including, but not limited to, legal, financial, managerial and technical) required for the proper implementation of the Project.

5.2 Allocation Period

The Borrower shall allocate each Tranche to the Project within twelve (12) months after the relevant Disbursement Date (the “**Allocation Period**”), it being agreed that, upon the Borrower’s reasonable request, the Allocation Period referred to herein can be extended if so agreed in writing by the CEB.

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If a Tranche disbursed by the CEB is not allocated to the Project or is only partially allocated to it within the Allocation Period, the Borrower shall reimburse the unallocated amounts to the CEB in accordance with Sub-clause 4.7.

5.3 Project Costs

The Tranches disbursed under the Loan shall not exceed fifty per cent (50%) of the total eligible costs of the Project. If the Tranches disbursed under the Loan exceed the above 50% (by reduction of the total eligible costs or otherwise), the Borrower shall reimburse the surplus to the CEB in accordance with Sub-clause 4.7.

Should the total eligible costs of the Project increase or be revised for whatever reason, the Borrower shall ensure that the additional financial resources for the completion of the Project are available without recourse to the CEB. The plans to finance the increased costs shall be communicated to the CEB without delay.

5.4 Project Specific Undertakings

The Borrower shall ensure that:

- (i) all the land, real property rights and permits required for the implementation of the Project are timely available;
- (ii) all assets and plants under the Project are permanently insured and maintained in accordance with international best practices and such insurance is entered into with reputable insurance companies;
- (iii) all property forming part of the Project is maintained, repaired overhauled and renewed as required to keep it in good working order;
- (iv) it will retain title to and possession of all or substantially all the assets comprising the Project, or as appropriate, replace and renew such assets to maintain the Project in continuous operation;
- (v) a contract will be signed with the general contractor under the Project in which the general contractor is required to present, in the form of a deposit or surety, a guarantee of good performance of the contractual obligations and a guarantee of completion of the work (performance bond); and
- (vi) any other requirement specified in Appendix 1 ("Specific Conditions") hereto is complied with.

5.5 Procurement

Procurement of supplies, works and services to be financed under the Project shall comply with the Procurement Guidelines.

5.6 Environmental and Social Safeguards

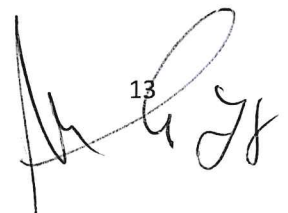
The Borrower shall implement the Project in conformity with the requirements set forth in the Environmental and Social Safeguards Policy.

5.7 Human Rights

The Borrower shall ensure that the implementation of the Project will not give rise to a violation of (i) the European Convention on Human Rights; or (ii) the European Social Charter.

5.8 Integrity

The Borrower shall ensure that the implementation of the Project will not give rise to a violation of the applicable laws on fraud, corruption or any other unlawful use of funds.

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5.9 Visibility

The Borrower shall inform the Final Beneficiaries that the Project is partly financed by the CEB through appropriate means of communication such as dedicated notices in relevant websites, press releases, brochures or the exhibit of billboards/plates on relevant Project sites/facilities. In any case, information given to the Final Beneficiaries shall display in an appropriate way the CEB's name and logo.

6. MONITORING

(a) Progress Reports

The Borrower shall send to the CEB a progress report (hereinafter, a **"Progress Report"**) (i) once a year, until the completion of the Project; and (ii) prior to every Disbursement Request.

Appendix 4 hereto provides a template specifying the minimum information required by the CEB. Alternative formats containing the same information may also be used.

(b) Completion Report

Upon completion of the Project, the Borrower shall submit a completion report (hereinafter, a **"Completion Report"**), including an appraisal of the Project's social impact.

Appendix 4 hereto provides a template specifying the minimum information required by the CEB. Alternative formats containing the same information may also be used.

6.1 Visits

The Borrower undertakes to favourably receive any monitoring/technical/evaluation visits, including by facilitating access to relevant Project sites/contractors, carried out by the CEB's staff members or designated third parties.

6.2 Audit

Should the Borrower fail to comply with any of its undertakings under the Agreement, the Borrower undertakes to favourably receive any on-site audit, carried out by the CEB's staff members or designated third parties, which shall be at the Borrower's expense.

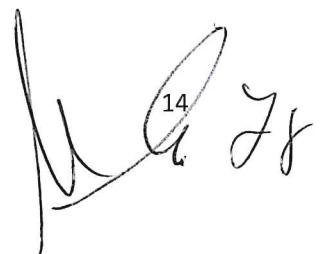
6.3 Project Information

The Borrower shall keep accounting records concerning the Project, which shall be in conformity with international standards, showing, at any point in time, the Project's state of progress, and which shall record all operations made and identify the assets and services partially financed with the Loan.

The Borrower shall deliver to the CEB in a timely manner any information or document concerning the financing or the implementation (including in particular environmental and procurement issues) of the Project as the CEB may reasonably require.

The Borrower shall inform the CEB immediately of any event that may have a material adverse impact on the implementation of the Project, including but not limited to:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any material litigation that is commenced or threatened against it with regard to procurement or environmental or other matters affecting the project; and
- (ii) any enactment of or any amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation).

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Any event that may have a material adverse impact on the implementation of the Project would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

6.4 Borrower Information

The Borrower shall deliver to the CEB:

- (i) its annual reports approved by the Region of Liguria as soon as they become available but not later than one hundred and eighty (180) days after the end of each financial year
- (ii) its semi-annual interim reports, as presented by the Director General to the Board of Directors of the Borrower as soon as they become available but not later than ninety (90) days after the end of each accounting semester; and
- (iii) its annual planned budget and other possible financial projections, and its planned versus realized budgets for the previous (closed) financial year;
- (iv) semi-annually, a compliance certificate (hereinafter, a **"Compliance Certificate"**) in the form of Appendix 6 duly signed by the Borrower's authorised representative confirming compliance by the Borrower with the Financial Covenants pursuant to Sub-clause 6.4(b); and
- (v) Corte dei Conti's deliberation on the Borrower's annual report, as soon as it becomes available.

The Borrower shall inform the CEB immediately of any Material Adverse Change. Any Material Adverse Change would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

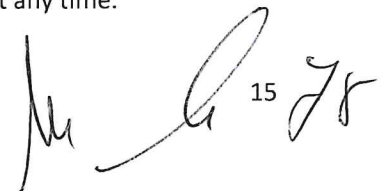
(a) Cross-Default

The fact that, following any default in relation thereto, the Borrower is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, repay or terminate ahead of maturity any Debt Instrument or any commitment in connection with a Debt Instrument is cancelled or suspended, would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(b) Financial Covenants

The Borrower shall at all times, until full discharge of its obligations under this Agreement, comply with the following financial limits and ratios (hereinafter the **"Financial Covenants"**):

- (i) **Net Debt / EBITDA** is less than 6 until and including 31 December 2026, and less than 4.5 thereafter;
- (ii) **Equity Ratio** is higher than 25%;
- (iii) **Debt Service Ratio** is higher than 1.5 until and including 31 December 2026, and higher than 2.0 thereafter; and
- (iv) **Minimum Cash Available** is higher than seven (7) million euros at any time.



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For the purpose of this Agreement:

Annualized Debt Service means the sum of all scheduled and mandatory repayments of the Total Debt falling due during the relevant Reporting Period, the Interest Expenses and related fees for that Reporting Period;

Cash Available means all credit balances and/or amounts held on deposit/s which are freely transferable;

Debt Service Ratio means, for the relevant Reporting Period, the ratio of Net Operating Cash Flow to the Annualized Debt Service;

EBITDA (Earnings before interest, taxes, depreciation, and amortization) means the sum of the net surplus (or deficit) of the Borrower, interest expense, taxes, and depreciation and amortization costs, for the relevant Reporting Period;

Equity means the aggregate sum of the total capital funds, profit for the relevant accounting period, retained earnings from previous years, and reserves of the Borrower not allocated to cover specific liabilities;

Equity Ratio means the ratio of Equity divided by Total Assets, at any point in time;

Interest Expenses means the consolidated borrowing costs of the Borrower for the relevant Reporting Period;

Net Debt means the aggregate amount of Total Debt due, owing or incurred by the Borrower less all credit balances and/or amounts held on deposit/s which are freely transferable;

Net Operating Cash-Flow, for the relevant Reporting Period, means without double counting, the net surplus or deficit of the Borrower as defined in the financial report for the Reporting Period after adding back the Interest Expenses and the depreciation and amortization costs;

Reporting Period means any twelve (12) month period trailing back from the end of the relevant reporting semi-annual accounting period of the financial year;

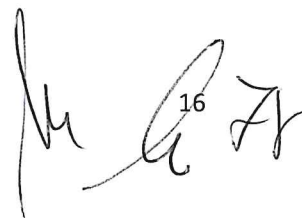
Total Assets means the sum of all long term and current assets as shown in the Borrower's balance sheet;

Total Debt means the sum of all non-current and current interest-bearing liabilities as shown in the Borrower's balance sheet.

The Borrower shall confirm the compliance with the above Financial Covenants:

- (i) semi-annually, (A) within the deadline set forth in Sub-clause 6.4(i) above for any Reporting Period ending at the end of each of the Borrower's financial years; and (B) within the deadline set forth in Sub-clause 6.4(ii) above for any Reporting Period ending at the end of each of the Borrower's accounting semester
- (ii) upon CEB's request,
 - in each case by means of a Compliance Certificate duly signed by the Borrower's General Director, such Compliance Certificate to be in form and substance satisfactory to the CEB; and,
- (iii) before disbursement of each Tranche, in this case by means of a Certificate duly signed by the Borrower's General Director, in accordance with Sub-clauses 4.5(a)(v) and 4.5(b)(iii), such Certificate to be in form and substance satisfactory to the CEB.

Each Financial Covenant shall be reported in a table with a timeline related to this Project.

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Failure to comply with the provisions set forth below under Sub-clause 6.4 (b) will constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(c) Change of Status Event

The Borrower shall inform the CEB immediately of any Change of Status Event that occurs or

that is likely to occur. In this case, or if the Bank has reasonable grounds to believe that a Change of Status Event has occurred or is likely to occur, if the Bank considers, following consultations with the Borrower, that the effects of the Change of Status Event cannot be mitigated to its satisfaction, the Change of Status Event will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(d) Permitted Debt Instrument

The Borrower shall not incur or allow to remain outstanding, without the prior written approval of the CEB, any Debt Instrument other than the Permitted Debt Instruments.

Permitted Debt Instruments means any Debt Instrument arising under this Agreement.

Failure to comply with the above provisions would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

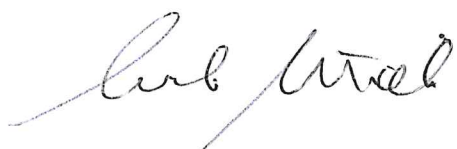
(e) Asset Disposal

The Borrower shall not, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, transfer, lease or in any other way dispose of any assets for an amount exceeding EUR 1,000,000.00 (one million Euros) for the entire duration of the Loan, without the prior written approval of the CEB, which cannot be unreasonably withheld, other than the sale of assets strictly envisaged for the implementation of the Project. The Parties agree that this sub-clause 6.4(e) does not apply to legacies, bequests, or donations of properties and assets to the Borrower providing for restriction(s) on the destination of the proceeds, which shall follow the will of the deceased or the donor.

Failure to comply with the above provision will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(f) Convention with the Region of Liguria

The Borrower shall not amend in any way whatsoever, without the Bank's prior written consent, nor shall it rescind or purport to rescind or repudiate or purport to repudiate the "*Convenzione tra la Regione Liguria e l'Ente Ospedaliero 'Ospedali Galliera' di Genova*" or evidence an intention to rescind or repudiate the "*Convenzione tra la Regione Liguria e l'Ente Ospedaliero 'Ospedali Galliera' di Genova*".

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Failure to comply with the above provision will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

(g) Change in business

The Borrower shall not make any changes to its business from that carried on at the date of this Agreement without the prior written approval of the CEB.

The Borrower shall not make any changes to its constitutive documents (being, its statute) without the prior written approval of the CEB.

The Borrower shall not enter into any amalgamation, demerger, merger or corporate restructuring without the prior written approval of the CEB.

Failure to comply with the above provisions will constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

7. PARI PASSU

Failure to comply with the provisions set forth hereby under Clause 7 would constitute an event in the terms of Article 3.3(h) of the Loan Regulations and may give rise to the early reimbursement, suspension or cancellation of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

7.1 Ranking

The Borrower shall ensure that its payment obligations under this Agreement rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under its Debt Instruments except for obligations mandatorily preferred by law.

7.2 Security

Should a Security be granted for the performance of any Borrower's Debt Instrument, the Borrower shall timely inform the CEB of its intentions and shall, if so required by the CEB, provide to the CEB, within the deadline set forth in CEB's notice, identical or equivalent Security for the performance of its financial obligations under this Agreement.

This provision shall not apply to a Security:

- (a) created on property at the time of purchase solely as security for the payment of the purchase price or for the payment of debt incurred for the purpose of financing the purchase of such property;
- (b) securing a Debt Instrument maturing not more than one (1) year after the date on which it is originally incurred; or
- (c) previously approved by the CEB.



7.3 Clause by Inclusion

Should any Borrower's Debt Instrument include clauses regarding a loss-of-rating, financial ratios or *pari passu* that are stricter than any equivalent provision of this Agreement, the Borrower shall so inform the CEB and shall, at the request of the CEB by means of a written notice, execute within the period indicated in the CEB's notice, an amendment to this Agreement to provide an equivalent provision in favour of the CEB.

7.4 Prepayment to Third Parties

Should the Borrower prepay in whole or in part, voluntarily or otherwise, any Debt Instrument, the Borrower shall so inform the CEB.

In such an event, and upon CEB's request, the Borrower shall reimburse to the CEB the amounts disbursed under the Loan in accordance with Sub-clause 4.7 in such proportion as the prepaid amount bears to the corresponding Debt Instrument. The aforementioned does not concern prepayments to revolving credit facilities which remain open for drawing on the same terms after such prepayment.

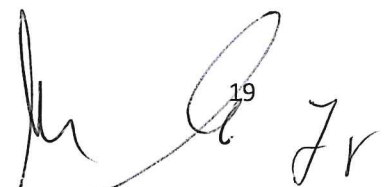
For the purposes of the Agreement, "**Prepayment**" means a repayment in advance of maturity.

8. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

- (a) the Borrower carries out its business according to the laws, decrees, regulations, articles of association and other texts applicable to it;
- (b) its competent bodies have authorised it to enter into the Agreement and have given the signatory(ies) the authorisation therefor, in accordance with the laws, decrees, regulations, articles of association and other texts applicable to it;
- (c) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Agreement do not:
 - (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) contravene or conflict with any agreement or other Debt Instrument binding upon it which might reasonably be expected to give rise to a Material Adverse Change;
- (d) no event or circumstance is outstanding that constitutes a default under any other agreement or Debt Instrument, which is binding on it or to which its assets are subject, which might reasonably be expected to give rise to a Material Adverse Change;
- (e) no Security has been granted to a third party in breach of Sub-clause 7.2;
- (f) no litigation, arbitration or administrative proceedings of or before any court, arbitral tribunal or agency which might reasonably be expected to give rise to a Material Adverse Change have (to the best of its knowledge and belief) been started or threatened against it;
- (g) it has received a copy of the Loan Regulations, the Loan Policy, the Environmental and Social Safeguards Policy and the Procurement Guidelines and has taken note thereof.

The above representations and warranties are deemed repeated on the date of signature of each Disbursement Request and on the date of each Certificate and Compliance Certificate. Any change in relation to the above representations and warranties must, for the entire Loan period, be notified and any supporting documents provided to the CEB immediately.

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If any of the above representations and warranties is or proves to have been incorrect or misleading in any respect, this would constitute an event in the terms of Article 3.3 (h) of the Loan Regulations and may give rise to the suspension, cancellation or early reimbursement of the Loan under the terms of Articles 3.3 (*Early reimbursement of disbursed loans*), 3.5 (*Suspension by the Bank of undisbursed loans*) and 3.6 (*Cancellation by the Bank of undisbursed loans*) of the Loan Regulations.

9. THIRD PARTIES

The Borrower may not raise any fact relating, within the scope of the use of the Loan, to its relations with third parties in order to avoid fulfilling, either totally or partially, the obligations resulting from the Agreement.

The CEB may not be involved in disputes which might arise between the Borrower and third parties and the costs, whatever their nature, incurred by the CEB due to any claims, and in particular all legal or court costs, shall be at the expense of the Borrower.

10. NON-WAIVER

In no case, including delay or partial exercise, shall it be presumed that the CEB has tacitly waived any right granted to it by the Agreement.

11. ASSIGNMENT

The Borrower may not assign or transfer any of its rights or obligations under the Agreement without the prior written consent of the CEB.

The CEB may assign all or part of its rights and benefits or transfer all or part of its rights, benefits and obligations under the Agreement.

12. GOVERNING LAW

The Agreement shall be governed by the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and, secondarily, if necessary, by French law.

13. DISPUTES

Disputes between the parties to the Agreement shall be subject to arbitration under the conditions laid down in Chapter 4 of the Loan Regulations.

The Parties agree not to take advantage of any privilege, immunity or legislation before any jurisdictional or other authority, whether domestic or international, in order to object to the enforcement of an award handed down under the conditions laid down in Chapter 4 of the Loan Regulations.

In any legal action arising from this Agreement, the CEB's certificate as to any amount due or interest rate applicable under the Agreement shall, in the absence of manifest error, be prima facie evidence of such amount or interest rate.

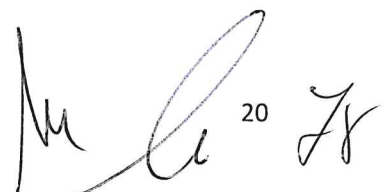
14. NOTICES

Any notice or other communication to be given or made under this Agreement to the CEB or the Borrower shall be in writing and shall be deemed to have been duly given or made when it is delivered by registered mail or facsimile by one Party to the other Party's address or fax number specified below:

For the Borrower:

E.O. Ospedali Galliera Genova

Mura delle Cappuccine 14

A handwritten signature in dark ink, followed by the year '20' and a stylized initial 'Z'.

16128 – Genova

Italia

Attention: General Manager

e-mail: protocollo@galliera.it

For the CEB:

Council of Europe Development Bank

55 Avenue Kléber

75116 Paris

France

Attention: Director, Projects Department

e-mail: projects@coebank.org

All notices or other communications to be given or made under the Agreement shall be in English or French or, if in another language, shall be accompanied by an English or French certified translation thereof, when so required by the CEB.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by registered letter to the relevant Party on the following Business Day at the latest.

Notices issued by the Borrower pursuant to any provision of this Agreement shall, where required by the CEB, be delivered to the CEB together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

15. TAXES AND EXPENSES

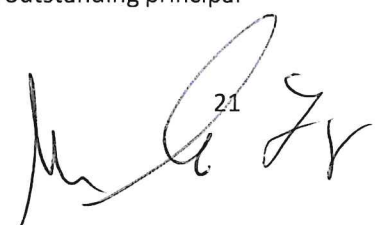
The Borrower shall pay, to the extent applicable, all taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution, registration or implementation of the Agreement or any related document as well as of the creation, perfection, registration or enforcement of any Security required under the Agreement.

The Borrower shall bear all charges and expenses (including legal, professional, banking or exchange costs) incurred in connection with (i) the preparation, execution, perfection, implementation and termination of this Agreement or any related document; (ii) any amendment, supplement or waiver in respect of this Agreement or any related document; and (iii) the preparation, execution, perfection, management and enforcement of any Security required under the Loan.

Notwithstanding the above, Article 4.7 (*Cost of arbitration*) of the Loan Regulations shall apply regarding the costs of the arbitration set forth under Clause 13.

16. DISCHARGE

After repayment of all outstanding principal under the Loan as well as payment of all interests and other expenses resulting from the Agreement, including in particular those amounts under Sub-clause 4.9 and Clause 15, the Borrower shall be fully released from its obligations towards the CEB, with the exception of those set out in Clause 6 above for the purposes of a possible evaluation of the Project, which shall not take place later than four (4) years following the repayment of all outstanding principal under the Loan.



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17. ENTRY INTO FORCE

The Agreement shall enter into force upon execution by the Parties.

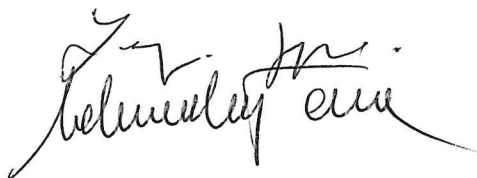
IN WITNESS THEREOF the Parties have caused the Agreement to be executed in two (2) originals, each of which is equally valid, and have caused their signatories specified below to initial each page of this Agreement on their behalf. One (1) original is kept by each of the Parties.

Genova, on 08/04/2021

For the Borrower

Giuseppe ZAMPINI – Executive Vice President

Adriano LAGOSTENA – General Manager



Pavia, on 7/4/2021

For the CEB

Carlo MONTICELLI Vice-Governor



APPENDIX 1
Project Description

I.	LD	2064
	Borrower	Ente Ospedaliero Ospedali Galliera ("EOG")
	Loan Type	Project Loan
	Loan Amount	EUR 75,000,000
	Approval by the CEB's Administrative Council	3 July 2020
II.	Sector(s) of action	Health
	Planned Works	Construction of the New Galliera Hospital ("NGH")
	Location	City of Genoa, Region of Liguria
	Final Beneficiaries	Inhabitants of the City of Liguria and EOG catchment area
	Project Total Cost	EUR 154,000,000
	Financing Plan	49 % CEB 28% State grants 16% EOG own resources/already incurred expenditures 7% Exchange of real estate assets
	Schedule of Works/ Eligible Budgetary Years	2021-2025
	Closing Date	30 June 2026
III.	Eligibility Criteria	The CEB can finance projects concerning health, social care and related infrastructure such as: (i) construction and/or rehabilitation of (i) public or private hospitals, (ii) medical service infrastructure, (iii) specialised centers in assisting vulnerable and dependent populations, (iv) nursing homes for the elderly and welfare centres, including housing for the aged who are still independent, (v) research and development facilities; (ii) supply and installation of medical equipment, non-medical equipment and furniture;

	(iii) adaptation of such premises in order to facilitate their access to persons with reduced mobility; (iv) acquisition of health management and related material and equipment. Within the framework of health or social care projects, financing can also be granted for basic infrastructure such as water supply and wastewater systems and facilities, solid waste collection and treatment facilities including hazardous waste, electricity and gas supply systems, IT infrastructure and communications facilities (i.e. telephone, internet, cable etc.).
Eligible Costs	The Project activities entail: (i) preparatory surveys or studies the technical supervision of the Project and other project related professional services. These costs should not exceed 5% of the total cost of the Project; (ii) preparation of the land directly linked to the Project implementation; (iii) construction/renovation/modernization of buildings directly linked to a project; (iv) installation of basic infrastructure such as sewerage, water supply, gas supply, electricity and telecommunications networks, waste disposal and waste water treatment, roads, etc.; (v) maintenance of the viability and sustainability of the public services; (vi) purchase of materials, equipment and machinery, including IT equipment and software, as well as the related costs linked to the training of staff. Contingencies for unanticipated costs (technical and/or price increases) can be financed by CEB. These represent financial coverage of unforeseen changes in the quantity of work required, or of unit prices, in the type and quantity of equipment to be purchased or in the method of carrying out the project. These contingencies may represent up to 10% of the total cost of the Project. CEB loans cannot cover staff costs (wages/salaries and other related benefits such as pension payments), financial charges and non-cash elements such as

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	depreciation. Non-deductible and non-refundable VAT and other tax-related costs non-deductible and non-refundable can be considered as eligible costs.
Specific Conditions	Additional conditions for disbursement as per Sub-clause 4.5: 1) edition of an update project timeline should be prepared one month after works contractor mobilisation; 2) a transfer plan for the new hospital should be prepared and submitted to the Bank 6 months before commissioning is initiated. Additional Project specific requirements as per Sub-clause 5.4: (i) acquisition of medical equipment should be planned consistently with construction. The equipment acquisition plan should be sent to the CEB 3 months before reaching 40% of construction progress. (ii) the Borrower shall ensure that worksite occupational health and safety procedures are updated and complemented with COVID 19 recommendations as per national legislation or WHO recommendations on the matter. Environmental and social safeguards will be monitored during implementation by CEB services and will be part of the regular progress report of the Borrower.

IV. Social Impact	NGH will provide Genova and Liguria's population with a high quality and safe acute secondary and tertiary level hospital, responding to the highest European standards and applying modern organizational models of care delivery and the latest diagnostic and therapeutic technologies. The new hospital facility will provide benefits in terms of: • increased quality of services provided, thanks to an improved overall quality of the patient environment. The organization and management of patient flows will also result in an improved patient experience; • improved working environment for EOG personnel. The new building will foster more
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	improved working environment for EOG personnel. The new building will foster more integrated and holistic multi-disciplinary team working which is currently hampered by the historical building layout; • increased equity in treatments, allowing final beneficiaries to access appropriate assistance at lower costs, due to the expected reduction of patient outflows (passive patient mobility). Getting treatment outside the city/region of residence results in high travel (and often psychological) costs which represent a barrier to health access for the economically weaker part of the population. All of the benefits above will ultimately result in an improved healthcare service contributing in reducing morbidity rates and in ensuring an equal access to services. In addition to the above, the construction of NGH is expected to have a positive impact on employment rates in the Region, which is twofold. On one side, the five-year development and construction phase will provide substantial employment opportunities. On the other side, the new hospital, once completed, will need and attract a higher proportion of skilled professionals in the city, which in turn will contribute in providing opportunities for Genoa residents in accomplishing their careers
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APPENDIX 2
Form of Legal Opinion

Council of Europe Development Bank
55, avenue Kléber
F-75116 Paris

Attn: Projects Department
Cc: Office of the General Counsel

[INSERT DATE]

Re: Framework Loan Agreement between the Council of Europe Development Bank and [●]

Dear Sir or Madam,

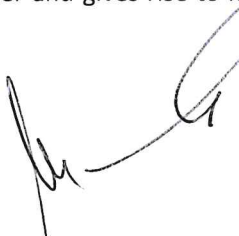
I, [●], in my condition of [INSERT TITLE (*e.g.*, Minister of Justice, Head of Legal Services)], have acted as legal advisor as to matters of [INSERT JURISDICTION] law to [●] (the “**Borrower**”) in relation to the Framework Loan Agreement between the Council of Europe Development Bank (the “**CEB**”) and the Borrower dated [●] and effective as of [●] (the “**Agreement**”) and deliver this opinion pursuant to Article [●] of the Agreement.

For the purposes of this opinion, we have examined an original copy of the Agreement and such other documents, acts or treaties as we have considered necessary or desirable to examine in order to give this opinion.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Based on the foregoing, I am of the opinion that:

1. [INSERT ONLY FOR PUBLIC LAW CORPORATIONS] [**Status and incorporation.** The Borrower is a [INSERT CORPORATE FORM OF THE BORROWER], duly organised and validly existing under the laws of [INSERT JURISDICTION], having its registered office at [●], and registered with [INSERT THE NAME OF TRADE/COMPANIES REGISTER] under registration number [●].]
2. **Capacity, power and authority.** The Borrower has the legal capacity, power and authority to enter into the Agreement and perform its obligations thereunder.
3. **Internal authorisations.** All action required from the Borrower for the execution, delivery and performance of the Agreement, including any required authorisation from its competent bodies, has been duly and effectively taken. In particular, no further action is required from the Borrower, apart from execution by a duly empowered representative of the Borrower, in order to issue a Disbursement Request under the Agreement.
4. **Due execution and validity.** The Agreement was duly executed by [INSERT NAME OF THE SIGNATORY)] as duly empowered representative(s) of the Borrower and gives rise to legally valid, binding and enforceable undertakings for the Borrower.

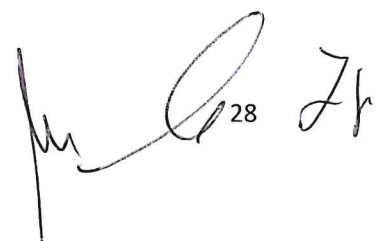
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5. **External authorisations, public consents and filings.** No authorisations, consents, licences, exemptions, filings, notarisations or registrations are required in [INSERT JURISDICTION] in connection with the execution, delivery or performance of the Agreement in order to give rise to legally valid, binding and enforceable undertakings for the Borrower and for the Agreement to be admissible in evidence in [INSERT JURISDICTION].
6. **Choice of law.** The submission by the Borrower to the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and secondarily to the laws of the France is legally valid and binding on the Borrower under the laws of [INSERT JURISDICTION].
7. **Arbitration.** The submission by the Borrower to the Arbitral Tribunal set forth under Chapter 4 of the CEB's Loan Regulations with respect to any dispute arising out of the Agreement is legally valid and binding on the Borrower. Any award of such Arbitral Tribunal is enforceable in [INSERT JURISDICTION] in accordance with the terms of Article 3 of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949).

Yours faithfully,

[●]

[INSERT NAME AND TITLE]

Handwritten signature and initials in black ink. The signature is a cursive 'M' followed by a large loop. To the right of the loop is the number '28'. Further to the right are the initials 'Zr'.

Form of Legal Opinion (Delegation of Payments)

[INSERT LETTERHEAD]

Council of Europe Development Bank
55, avenue Kléber
F-75116 Paris

Attn: Projects Department
Cc: Office of the General Counsel

[INSERT DATE]

Re: **Delegation of Payments between the Council of Europe Development Bank and [●]**
(Ref: L/D [●])

Dear Sir or Madam,

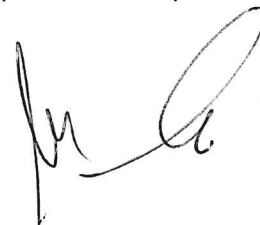
I/We have acted as legal advisor/s as to matters of [INSERT JURISDICTION] law to [●] (the “**Delegator**”) and deliver this opinion in relation to the delegation of payments entered into between the Council of Europe Development Bank (the “**CEB**”) as beneficiary of the delegation of payments, the Delegator and the Region of Liguria as delegate, on [●] (the “**Agreement**”).

For the purposes of this opinion, I/we have examined an original of the Agreement and such other documents, acts or treaties as I/we have considered necessary or desirable to examine in order to give this opinion.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Based on the foregoing, I am/we are of the opinion that:

1. **Status and incorporation of the Delegator.** The Delegator is a [INSERT LEGAL/CORPORATE FORM OF THE DELEGATOR], duly organised and validly existing under the laws of [INSERT JURISDICTION], having its registered office at [●], and registered with [INSERT THE NAME OF TRADE/COMPANIES REGISTER] under registration number [●].
2. **Status and incorporation of the Delegate.** The Delegate is a [INSERT LEGAL/CORPORATE FORM OF THE DELEGATE], duly organised and validly existing under the laws of [INSERT JURISDICTION], having its registered office at [●], and registered with [INSERT THE NAME OF TRADE/COMPANIES REGISTER] under registration number [●].
1. **Capacity, power and authority.** The Delegator and the Delegate have the legal capacity, power and authority to enter into the Agreement and perform their respective obligations thereunder.
2. **Internal authorisations.** All action required from each of the Delegator and the Delegate for the execution, delivery and performance of the Agreement, including any required authorisation from their respective competent bodies, has been duly and effectively taken.

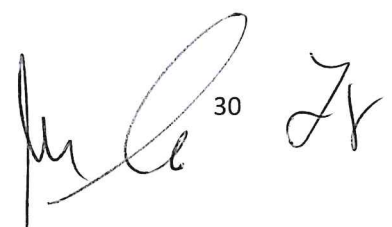
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3. **Constitutive documents.** The execution by each of the Delegator and the Delegate of the Agreement does not, and the performance by each of the Delegator and the Delegate of the obligations to be assumed by them thereunder will not, violate or conflict with any provision of its [INSERT NAME OF CONSTITUTIVE AND SIMILAR DOCUMENTS].
4. **Due execution and validity.** The Agreement was duly executed by [INSERT NAME OF THE SIGNATORY(IES)] on behalf of the Delegator, and by [INSERT NAME OF THE SIGNATORY(IES)] on behalf of the Delegate, as duly empowered representative(s) of the Delegator and the Delegate respectively, and gives rise to legally valid, binding and enforceable undertakings for each of the Delegator and the Delegate, respectively.
5. **External authorisations, public consents and filings.** No authorisations, consents, licences, exemptions, filings, notarisations or registrations are required in [INSERT NAME OF THE JURISDICTION OF INCORPORATION OF THE DELEGATE AND THE DELEGATOR] in connection with the execution, delivery or performance of the Agreement in order to give rise to legally valid, binding and enforceable undertakings for each of the Delegator and the Delegate and for the Agreement to be admissible in evidence in [INSERT NAME OF THE JURISDICTION OF INCORPORATION OF THE DELEGATOR AND THE DELEGATE].
6. **Tax/Stamp duties.** The execution of the Agreement is not subject to any tax or stamp duties in [INSERT NAME OF THE JURISDICTION OF INCORPORATION OF THE DELEGATOR AND THE DELEGATE].
7. **Choice of law.** The submission by the Delegator and the Delegate to the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and secondarily to the laws of the [INSERT JURISDICTION OF THE LAW GOVERNING THE AGREEMENT] is legally valid and binding on each of the Delegator and the Delegate under the laws of [INSERT NAME OF THE JURISDICTION OF INCORPORATION OF THE DELEGATOR AND THE DELEGATE].
8. **Arbitration.** The submission by the Delegator and the Delegate to the Arbitral Tribunal set forth under Chapter 4 of the CEB's Loan Regulations with respect to any dispute arising out of the Agreement, is legally valid and binding on each of the Delegator and the Delegate. Any award of such Arbitral Tribunal is enforceable in [INSERT NAME OF THE JURISDICTION OF INCORPORATION OF THE DELEGATOR AND THE DELEGATE] in accordance with the terms of Article 3 of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949).

Yours faithfully,

[•]

(iv) [INSERT NAME AND TITLE]

Handwritten signature and initials. The signature is a cursive 'M. Le' followed by the number '30'. To the right is a large, stylized initial 'Zr'.

APPENDIX 3

DISBURSEMENT REQUEST (TEMPLATE)

LD [●] – [●] Tranche

With reference the Framework Loan Agreement dated [●] (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the CEB) and [BORROWER] (hereinafter, the “**Borrower**”), [BORROWER] hereby requests the CEB, in accordance with Sub-clause 4.3(a) of the Agreement, to proceed with the disbursement of a Tranche under the specific terms and conditions set out below.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

Currency/Amount ¹	[●]		
Disbursement Date	[●]		
Principal Repayment Period	[●] years [including a grace period of [●] years]		
Principal Repayment Date(s)	[●]		
Maturity Date	[●]		
Interest Rate	Fixed	Maximum [●] <i>per annum</i>	
	Floating	Reference Rate:	[[●]-month EURIBOR/INSERT ANY OTHER REFERENCE RATE] <i>per annum</i>
		Spread	Maximum [●] basis points
Interest Period	[Quarterly] [Semi-annually] in arrears		
Interest Payment Dates	The interest payment will take place on [●] every year and for the first time on [●]		
Day Count Convention	Modified Following Business Day Convention		
Business Day	[●]		
Borrower's Account	Beneficiary's Name	[●]	
	Beneficiary's Bank	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
		Reference	[●]
	Correspondent Bank (if applicable)	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]

[●], on [●].

For the Borrower

[INSERT NAME(S)/TITLE(S)]

¹ [In case of Sub-Tranches, a separate table shall indicate the Amount, Principal Repayment Period, Principal Repayment Date(s), Interest Rate, Interest Period, Interest Payment Dates for each Sub-Tranche.]

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DISBURSEMENT NOTICE (TEMPLATE)

LD [●] – [●] Tranche

In response to your Loan Disbursement Request dated [●] with reference the Framework Loan Agreement dated [●] (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the CEB) and [BORROWER] (hereinafter, the “Borrower”), the CEB hereby notifies to the Borrower, in accordance with Sub-clause 4.3(b) of the Agreement, the terms and conditions of the disbursement of the relevant Tranche.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

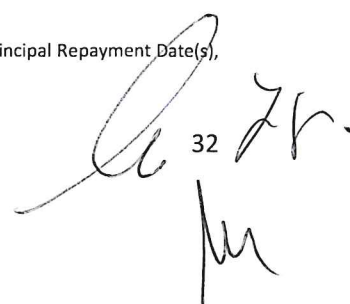
Currency/Amount ²	[●]		
Disbursement Date	[●]		
Principal Repayment Period	[●] years [including a grace period of [●] years]		
Principal Repayment Date(s)	[●]		
Maturity Date	[●]		
Interest Rate	Fixed	[●] per annum	
	Floating	Reference Rate:	[[●]-month EURIBOR/INSERT ANY OTHER REFERENCE RATE] per annum
		Spread	[●] basis points
Interest Period	[Quarterly] [Semi-annually] in arrears		
Interest Payment Dates	The interest payment will take place on [●] every year and for the first time on [●]		
Day Count Convention	Modified Following Business Day Convention		
Business Day	[●]		
Borrower's Account	Beneficiary's Name	[●]	
	Beneficiary's Bank	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
		Reference	[●]
	Correspondent Bank (if applicable)	Name	[●]
		City	[●]
		SWIFT	[●]
		IBAN	[●]
CEB's account	Beneficiary's Name	Council of Europe Development Bank	
	Beneficiary's SWIFT	CEFPFRPP	
	Beneficiary's Bank	Name	Deutsche Bank
		City	Frankfurt (Germany)
		SWIFT	DEUTDEFF
		IBAN	DE44 5007 0010 0928 7384 00

Paris, on [●]

For the CEB

[INSERT NAME(S)/TITLE(S)]

² [In case of Sub-Tranches, a separate table shall indicate the Amount, Principal Repayment Period, Principal Repayment Date(s), Interest Rate, Interest Period, Interest Payment Dates for each Sub-Tranche.]

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APPENDIX 4

Progress Report

PROJECT TITLE: NUOVO OSPEDALE GALLIERA

ANNUAL PROGRESS REPORT

REPORTING PERIOD: dd/mm/yyyy – dd/mm/yyyy

(name and signature)_____

Date_____

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1. Narrative Report

- 1.1 *Summary of the Project*
- 1.2 *Activities Undertaken and Results achieved*
- 1.3 *Impact Prospects (to be presented in the completion report)*
- 1.4 *Communication and Visibility Activities*
- 1.5 *Deviations from the Plan and difficulties encountered, if any, and mitigation measures*
- 1.6 *Conditions precedent before disbursement, if applicable*
- 1.7 *Table 1 - Detailed project implementation plan*
- 1.8 *Table 2 - Indicators of achievement – (to be reported at project completion and, where possible, at design completion)*

2. Financial Report

Table 3: Costs and Financing sources

Table 4: Procurement plan

Table 5: List of awarded contracts

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1. Narrative Report

1.1 Summary of the Project

Title of the Project		
Objective		
Estimated project cost	Original:	Revised:
Approved CEB loan amount		
Maximum CEB financing of total eligible costs (in percentage)		
Implementation period	Original: mm/yy- mm/yy	Revised:
Closing date for CEB loan disbursement		

1.2 Activities Undertaken and Results achieved

Please describe the progress of activities in relation to the Project, including, but not limited to:

Activity	Progress and results
Land acquisition (if applicable) and preparation	
Studies and Design	
Procurement related activities	
Works, including photos showing the latest progress	
Medical equipment and technologies	
Management of environmental and health and safety issues (information on any incident, complaint and corrective action taken)	

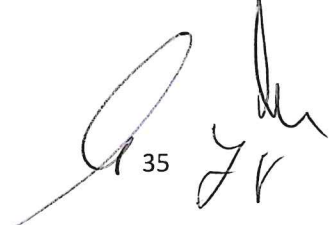
1.3 Impact Prospects (to be presented in the completion report)

Provide information and comments as appropriate on the Project's contribution to achieving the overall objective.

1.4 Communication and Visibility Activities

Please inform about the communication and visibility activities (public announcements, media/newspaper articles that mention CEB and/or other partners) including links of any media events and articles.

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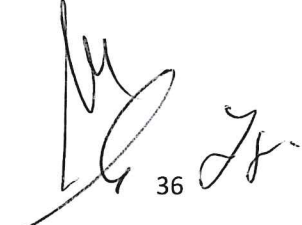
1.5 Deviations from the Plan and difficulties encountered, if any, and mitigation measures

Provide information on any major constraints/deviations from the plan, especially, but not limited to, problems that risk delaying the project. Explain the reasons for such deviations and propose corrective measures in the table below.

Proposed Action Plan to solve issues (if any):			
Constraint/ Deviations	Corrective Measure	Responsible	Completion Date

1.6 Conditions precedent before disbursement, if applicable

Please detail conditions yet to be fulfilled in line with Framework Loan Agreement requirements and inform on the progress in addressing the conditions.



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Table 1 - IMPLEMENTATION PLAN

Country, Borrower : Italy, Ente Ospedaliero Ospedali Galliera "EOG"
 Project: LD _____(2020)
 Project title: NUOVO OSPEDALE GALLIERA

Reporting cut-off date: _____

Activities (indicative list)		2020				2021				2022				2023				2024				2025				% of completion
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1.	Land acquisition and preparation(if applicable)	Baseline*																								
		Actual **																								
2.	Detailed design	Baseline																								
		Actual																								
3.	Preparation of the tender dossier for works / furnishing / equipment	Baseline																								
		Actual																								
4.	Tender process for works / furnishing / equipment ¹ (from publication to eval.of bids and contract signature)	Baseline																								
		Actual																								
5.	Construction of the hospital	Baseline																								
		Actual																								
6.	Installation of medical equipment and training of staff	Baseline																								
		Actual																								
7.	Taking over of the hospital	Baseline																								
		Actual																								
8.	Employment of hospital staff	Baseline																								
		Actual																								
9.	Accreditation and opening of the hospital	Baseline																								
		Actual																								

(1) Add separate line for each tender

*Baseline implementation plan = plan presented in the FLA

**Actual implementation plan = revised plan at the time of reporting

1.8 Table 2 - Indicators of achievement – (to be reported at project completion and, where possible, at design completion)

TABLE 2 - OUTPUT/OUTCOME INDICATORS					
Country, Borrower : Italy, Ente Ospedaliero Ospedali Galliera "EOG"					
Project: LD _____ (2020)					
Project title: NUOVO OSPEDALE GALLIERA			Reporting cut-off date: _____		
INDICATORS	Units	Baseline	Project Target	Achieved at completion	Comments
Project Investment Cost (Total)	Million EUR		€ 154 million		
Hospital constructed and operational	Month / Year		end 2024		
Number of beds (by category, inpatient, day stay, outpatient rooms/beds/offices)	nr	439	404		
Increasing rate ambulatory and day case diagnosis and treatment as a <u>substitution</u> for the traditional inpatient model of care	nr.	Ratio between potentially reconvertible and non reconvertible hospitalizations (LEA/non LEA[1] ratio) 0.15 (2018).	TBD		
Number of delivery rooms and ORs	nr	8 ORs 3 delivery rooms	14 Ors 4 Delivery rooms		
Medical Equipment, MIS	MEUR	IT (2019): € 1,6 million Medical Equipment: € 3 million (2019)	5 million		
Construction floor area	m²	88 402	70 230		
Full Time Equivalent (FTE) health care professionals	nr	FTE 1392,5 (31.08.19) HEADS 1841 (31.08.19)	1289 HEADS AND FTE		
Full Time Equivalent (FTE) total staff	nr	FTE 1812 (31.08.19) HEADS 1841 (31.08.19)	1680 HEADS AND FTE		
Share annual operating costs spent on staff education, training and development to maintain quality and standards	%	2017: 0,48% 2018: 0,51%	0,50%		
Number of resident students	Nr	Nurses: 159 (2019) Others: 42 (2019)*	unchanged		
Average bed occupancy (ABO) rate by specialty and total (in conjunction with ALOS below)	%	TBD	TBD		
Volume of patients treated (inpatient and day stay, outpatient visits, births, medical procedures – surgeries etc by category)	Nr	TBD	TBD		
Number of patients seeking treatment off-island	Nr	TBD	TBD		
Average length of stay (ALOS) by specialty and total (in conjunction with ABO above)	Days	TBD	TBD		
Share of annual operating costs spent on programmed maintenance to maintain building quality and standards	%	0,18%* * Routine maintenance of work on total costs	0,18%* * Routine maintenance of work on total costs		
Energy – efficiencies realised	TEP	2530	1888		



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2. Financial Report

TABLE 3: PROJECT COSTS and FINANCING SOURCES in EUR (VAT included)															
Country, Borrower : Italy, Ente Ospedaliero Ospedal Galliera "EOG"															
Project: ID _____ (2020)															
Project title: NUOVO OSPEDALE GALLIERA															
Reporting cut-off date: _____															
Costs	Contract ref. number (if applicable)	Estimated Costs (baseline-at the time of loan approval)	Revised estimated cost (date of revision_____)	Sources of funding	Incurred costs						Total incurred	Incurred (out of revised costs) (d) = (c) / (b)	Forecasted costs		Comments
					year 2020	year 2021	year 2022	year 2023	year 2024	year 2025			Up to the Completion	of which in the next 12 months	
Cost items*	(a)	(b)									(c)	(d) = (c) / (b)	(e) = (b) - (c)		
Land and / or buildings acquisition															
Study, design and design verification															
Construction															
Construction supervision															
Medical equipment and technologies															
Furniture															
Security plans															
Connections to public services															
Other ancillary expenditures															
Temporary prefabricated buildings															
(Note: social security charges are not eligible for CEB)															
Contingencies															
TOTAL															
SOURCES OF FUNDING															
EOG															
CEB loan (max 50% of total costs)															
TOTAL													100%		

* The cost items will be further detailed during implementation




TABLE 4 – PROCUREMENT PLAN FOR YEAR XXXX (VAT included)

Country, Borrower : Italy, Ente Ospedaliero Ospedali Galliera "EOG"

Project: LD _____(2020)

Project title: NUOVO OSPEDALE GALLIERA

Reporting cut-off date: _____

1. Civil Works

1	2	3	4	5	6	7	8	9	10	11	12	13
Ref. No.	Contract Description	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Procurement Method	Domestic Preference (yes/no) %	Review by the Bank (PRIOR/POST)	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

2. Goods

1	2	3	4	5	6	7	8	9	10	11	12	13
Ref. No.	Contract Description	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Procurement Method	Domestic Preference (yes/no) %	Review by the Bank (PRIOR/POST)	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

3. Services

1	2	3	4	5	6	7	8	9	10	11	12	13
Ref. No.	Description of Assignment	Estimated Cost Currency	Estimated Cost EURO	Financed by	Number of Lots	Selection Method	Domestic Preference (yes/no) %	Review by the Bank (PRIOR/POST)	Expected Date of Bid Launching	Expected Date of Bid Opening	Expected Date of Bid Evaluation	Expected Date of Contract Signature

NB: in column 5 please specify the financing sources expected to be used, e.g.: CEB, other IFIs, State Budget, etc.

NB: The column 8 "Domestic Preference" must be filled in only in the case of ICB Procurement Method. In the case of other Procurement Methods, please insert "N/A".

NB: The column 9 "Review by the Bank" will be filled in by CEB.

TABLE 5 - LIST OF AWARDED CONTRACTS (VAT included)

Country, Borrower : Italy, Ente Ospedaliero Ospedali Galliera "EOG"

Project: LD _____(2020)

Project title: NUOVO OSPEDALE GALLIERA

Reporting cut-off date: _____

Ref number	Contract Description	Supplier / Contractor		Contract amount in EUR	Category of contracts [2]	Period of implementation		Contract amount paid in EUR	Take over date (works/ equipment)	Modification (Comments)
		Name	Country			Date of contract signature/ Start date	End date			
TOTAL										

[2] Acronyms to be used: **W** for Works, **G** for Goods and **S** for services.



APPENDIX 5

Form of Certificate from Borrower

To: Council of Europe Development Bank

From: [Borrower]

Date: [●]

Subject: Framework Loan Agreement between Council of Europe Development Bank and [Borrower] dated [●] (the "Agreement")

Dear Sirs,

Terms defined in the Agreement have the same meaning when used in this letter. For the purposes of Sub-clause 4.5 of the Agreement we hereby certify to you as follows:

- (i) all our internal procedures have been followed and all legal requirements have been met to duly authorise the signing of the Disbursement Request and the disbursement of the proposed Tranche;
- (ii) no Early Reimbursement Event has occurred and is continuing unremedied;
- (iii) we are in compliance with the Financial Covenants pursuant to Sub-clause 6.4(b) and attached is evidence of such compliance and related calculations;
- (iv) there has been no material change to any aspect of the Project;
- (v) all Project undertakings pursuant to Sub-clause 5.4 are complied with;
- (vi) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Appendix 1;
- (vii) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries or entities in which the Borrower holds any interest any unsatisfied judgement or award;
- (viii) the representations and warranties to be made or repeated by us under Clause 8 are true and accurate in all respects; and
- (ix) no Material Adverse Change has occurred, as compared with the situation at the date of the Agreement.

Yours faithfully,

For and on behalf of [the Borrower]

[the General Director]

Date:

Handwritten signature and initials in the bottom right corner of the page. The signature appears to be 'h' followed by a large 'Z' and a flourish. The number '42' is written near the signature.

Appendix 6
Form of Compliance Certificate

To: Council of Europe Development Bank

From: [Borrower]

Date: [●]

Subject: Framework Loan Agreement between Council of Europe Development Bank and [Borrower] dated [●] (the "Agreement")

Dear Sirs,

We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate.

We hereby confirm:

1. we are in compliance with the Financial Covenants pursuant to Sub-clause 6.4(b) and attached is evidence of such compliance and related calculations;
2. the representations and warranties to be made or repeated by us under Clause 8 are true and accurate in all respects;
3. no event or circumstance which constitutes or would with the passage of time or giving of notice under the Agreement constitute an Early Reimbursement Event has occurred and is continuing unremedied or unwaived. *[If this statement cannot be made, this certificate should identify any potential event of default that is continuing and the steps, if any, being taken to remedy it].*

Yours faithfully,

For and on behalf of [the Borrower]

[the General Director]



Handwritten signature and initials, possibly 'Zr' and 'M', with the number '43' written below.

Appendix 7

Form of Comfort Letter from the Region of Liguria

Council of Europe Development Bank
55, avenue Kléber
F-75116 Paris
France

Attn: Projects Department

[INSERT DATE]

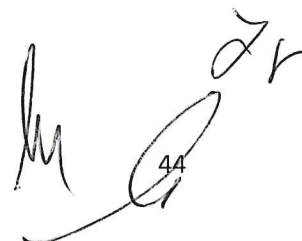
Framework Loan Agreement between the Council of Europe Development Bank and Ente Ospedaliero Ospedali Galliera (ref. LD 2064)

We hereby confirm that the Region of Liguria has full knowledge of, and no objection to, the intent of the Council of Europe Development Bank ("CEB") to extend a loan in an amount not exceeding EUR 75 million to the Ente Ospedaliero Ospedali Galliera ("E.O.G.").

We are aware that the loan will be used to finance the construction of the new Galliera Hospital (the "Project"), in accordance with, *inter alia*, the agreement signed on 20 February 2015 between the Ministry of Health, the Region of Liguria and E.O.G. ("*Accordo per la definizione delle risorse per la costruzione del nuovo presidio ospedaliero dell'Ospedale Galliera di Genova*" hereinafter the "New Hospital Agreement"), by mean of which the signatories undertook to cooperate for the favorable and timely implementation of the Project.

We hereby confirm that:

- E.O.G. is an autonomous hospital and public entity carrying out healthcare activities, contributing to the pursuit of the objectives of the Regional Health Plan on the basis of the functions recognized to it by the Region of Liguria.
- Regional Law 41/2006 regulating healthcare activities in the Region of Liguria identifies the Galliera Hospital as an autonomous body and a constituent entity part of the regional healthcare system.
- E.O.G. owns and manages Galliera Hospital, which has been identified as a hospital of national importance of high specialization by Decree of the President of the Council of Ministers (DPCM) 14/7/2005.
- The coverage of the expenditures for the construction of the new Galliera Hospital is expected to be ensured with the following resources:
 - (a) State resources *ex* article 71 of Law 448/1998 for an amount equal to Euro 40.992.731,46 (regional government resolution "D.G.R." 56/2011);
 - (b) State resources *ex* AIDS Program Fund (*ex* L. 135/1990) for an amount equal to Euro 1.877.071,85;

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(c) E.O.G.'s various own resources, including the exchange of part of the its real estate assets, for a total amount equal to Euro 36.535.987,69;

(d) CEB's loan for an amount equal to Euro 74.594.209,00.

These resources above are detailed in the Economic and Financial Plan of the Project, which was approved by E.O.G. with Board Resolution no. 14 dated 13 November 2020 and by the Region of Liguria with D.G.R. no. 1140 on 30 December 2020. In that context the Region of Liguria assessed, and confirmed by the said approval, the compliance of the Project with the regional programming acts.

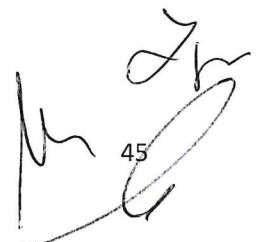
- In view of the State resources listed under point (a) and (b) above and their purpose (i.e. the Project), E.O.G. confirms the obligation of destination of such resources to the construction of the new hospital infrastructure according to the New Hospital Agreement signed on 20 February 2015 with the Ministry of Health and the Region of Liguria, where E.O.G. also confirmed the obligation of destination to health activities of the new Hospital premises, as per its statutory provisions, for at least 100 years. Furthermore E.O.G. undertakes to carry out its activities in accordance with the regional legislation and programming. In this respect, reference is made to the provisions of Article 4, letters e) and f), of the Convention signed between the Region of Liguria and E.O.G. on 29 December 2017.
- The Region of Liguria acknowledges that the State resources *ex art.71* of Law 448/1998, as provided by the above mentioned D.G.R. n. 1140/2020:
 - have been included in 2020 regional budget and assigned to A.Li.Sa - Agenzia Ligure Sanitaria (i.e. the regional healthcare agency) - for the implementation of the Project;
 - they will be paid to E.O.G. by means of subsequent executive decrees.
- In accordance with the provisions of Article 4 of the New Hospital Agreement, the Region of Liguria undertakes to:
 - “coordinate the activities necessary for the actual disbursement of the State funds;
 - promptly adopt acts and/or behavior that, in accordance with State and regional legislation and programming, support the role of E.O.G. within the regional public healthcare system, ensuring the availability of the resources for the performance of E.O.G. healthcare activities;
 - promptly adopt all the acts within its competence for the implementation of the new Galliera Hospital.”
- We are aware that the continuous support of the Region of Liguria is highly important to the performance of E.O.G. healthcare activities and that CEB attaches great importance to this element.

Yours faithfully,

Yours faithfully,

[•]

[INSERT NAME AND TITLE]

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Council of Europe Development Bank

Loan regulations

(Adopted by the Administrative Council by
Resolution 1587, on 17 November 2016)



CHAPTER 1

Object of the Loan Regulations

ARTICLE 1.1

Object of the Loan Regulations

The present Loan Regulations lay down the general conditions governing loans granted by the Bank and guarantees thereof.

ARTICLE 1.2

Conflict between the Loan Regulations and provisions of loan and guarantee agreements

The Bank may provide for exceptions to the conditions laid down in these regulations. In the event of conflict between the provisions of these regulations and one or more provisions of loan agreements or guarantee agreements, the latter provisions shall prevail.

CHAPTER 2

Conditions governing loans granted by the Bank and guarantees thereof

ARTICLE 2.1

Purpose of the loan

Loans granted by the Bank shall finance projects approved by the Administrative Council, eligible under the Bank's Applicable Rules.

ARTICLE 2.2

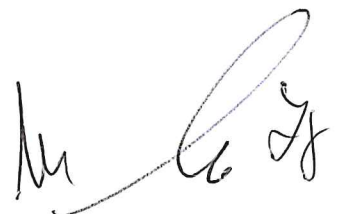
Loans and guarantees

Loans granted by the Bank in accordance with Article VII, 1 of the Articles of Agreement shall be covered by adequate guarantees as provided for in Article VII, 2 of the Articles of Agreement.

A guarantor shall be released from his obligations by execution thereof, but only in so far as he has fulfilled them.

Such obligations shall not be subject to any demands upon or action against the guarantor; they shall, however, be subject to a notice from the Bank to the guarantor informing the latter of the failure of the borrower to fulfil his obligations vis-à-vis the Bank.

The obligations of the guarantor shall not be affected by any extension of time, forbearance or concession granted to the borrower, nor by any assertion of, or failure to assert any right or remedy against the borrower or in respect of any security for the loan, nor by any failure of the borrower to comply with any requirements of any law, decree or regulations of the guarantor or of any political or administrative authority under the guarantor.

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ARTICLE 2.3

State Guarantees

The State Guarantee may be given by special contract between the Bank and the guarantor or by the endorsement of the loan agreement by the guarantor.

ARTICLE 2.4

Loan Agreement

For each project approved by the Administrative Council the Bank shall enter into a framework loan agreement. Each disbursement shall be separately documented and requires the conditions set out in the framework loan agreement to be met.

CHAPTER 3

Suspension and cancellation of undisbursed loans; early reimbursement of loans; voluntary early reimbursement of loans

ARTICLE 3.1

Suspension or cancellation by the borrower of undisbursed loans following the signature of a loan agreement

Following the entering into a loan agreement between the Bank and the borrower, were this latter to cancel or suspend all or part of a loan before it has been fully or partly disbursed, the borrower shall be required to compensate the Bank for the loss sustained as a result of such cancellation or suspension by paying a single commission at a rate to be fixed by the Bank in relation to the proportion of the loan cancelled or suspended. This provision shall also apply to the guarantor.

ARTICLE 3.2

Voluntary early reimbursement of disbursed loans at the request of the borrower

A borrower may be authorised by decision of the Bank to reimburse a loan in advance of maturity. The conditions of such reimbursement shall be decided by the Bank.

ARTICLE 3.3

Early reimbursement of disbursed loans

The Bank may demand early reimbursement of disbursed loans in the following cases:

- (a) where the borrower or guarantor fails to repay the principal or pay the interest or any other sum due under a loan agreement or guarantee agreement between the Bank and the borrower or under a loan agreement or guarantee agreement between the Bank and the guarantor, whether their default relates to the agreement in question or to any other agreement between the Bank and the same borrower or guarantor;
- (b) where the borrower or guarantor fails to fulfil an obligation arising out of any other stipulation or clause in these regulations or in a loan agreement or a guarantee agreement, whether the default relates to the agreement in question or to any other agreement between the Bank and the same borrower or guarantor and where the interests and objectives of the Bank are prejudiced thereby;



- (c) where an exceptional situation arises which makes the fulfilment of the borrower's or guarantor's obligations uncertain;
- (d) where the borrower or guarantor takes or authorises any measure or institutes or allows to be instituted any proceedings whereby any property belonging to him is or may be assigned, transferred, or delivered in any way whatsoever to an official receiver, assignee, liquidator or other person, whether that person be appointed by the borrower, a court, or the guarantor, or be acting in pursuance of any law, and where the said measure or proceedings result in, or provide for, the distribution of such property among the creditors of the borrower or guarantor;
- (e) where the guarantor or any competent governmental authority takes any action to dissolve or to put an end to the activities of the borrower or to suspend its operations;
- (f) in the case of loans granted to a member of the Bank, where the borrower or the guarantor ceases to be a member of the Bank;
- (g) (i) in the case of misprocurement, corruption, fraud, or money laundering, where the borrower has not taken timely and appropriate actions to prevent or remedy the situation arising from such misprocurement, corruption, fraud, or money laundering;
- (ii) where the implementation of the project financed by the Bank leads to a violation of the Bank's Environmental and Social Safeguards Policy;
- (iii) where the implementation of the project financed by the Bank leads to a violation of the European Convention on Human Rights and the European Social Charter;
- (h) where any other event specified in the loan agreement or the guarantee agreement occurs, giving rise to the application of this article.

ARTICLE 3.4

Time Allowed

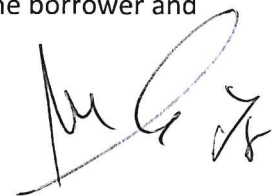
In case of loans to one of the members of the Bank, early reimbursement pursuant to article 3.3 above is conditional upon

- (a) any of the contingencies set forth in Article 3.3 (a) having prevailed for more than thirty calendar days;
- (b) one of the contingencies set forth in Article 3.3(b) of the same article has prevailed for more than sixty calendar days.

ARTICLE 3.5

Suspension by the Bank of undisbursed loans

If any of the contingencies described in Article 3.3 should arise, the Bank may at any time suspend all or part of the disbursement of further tranches of the loan by giving notice to the borrower and to the guarantor.



Suspension shall end on the date on which the Bank notifies the borrower and the guarantor that the cause of suspension is no longer operative.

ARTICLE 3.6

Cancellation by the Bank of undisbursed loans

If any of the contingencies described in Article 3.3 arises, the Bank may also, by notifying the borrower and the guarantor, cancel permanently all or part of the undisbursed loan. Such a decision to cancel a loan may also be taken after a suspension.

ARTICLE 3.7

Commission applicable to cases set out in Article 3.1

Should the Bank sustain a loss as a result of suspension, cancellation or early reimbursement, as provided above, the single commission specified in Article 3.1 shall also be payable.

CHAPTER 4

Settlement of disputes in respect of loans from the Bank or guarantees pertaining thereto

ARTICLE 4.1

Arbitration

Any dispute between the parties to the loan agreement and, where applicable, the guarantee agreement in respect of the interpretation or execution of such agreements or in respect of a claim by one of the said parties against another arising out of the loan agreement the guarantee agreement, or these regulations, which has not been settled by agreement between the parties shall be submitted for arbitration in the manner prescribed below.

ARTICLE 4.2

Commencement of arbitration proceedings

Arbitration proceedings may be instituted by any one of the parties specified in the preceding section by means of a request notified to all the other parties; the request shall state the nature and subject of the dispute and set forth the claims to be submitted for arbitration.

ARTICLE 4.3

Appointment of the arbitral tribunal

In any arbitration proceedings instituted in pursuance of this article, the borrower or the guarantor (if any) may be a party alongside the guarantor or the borrower as the case may be.

For any dispute submitted for arbitration in pursuance of this article, an arbitral tribunal shall be set up. It shall consist of three arbitrators appointed as follows:

- (a) one arbitrator shall be appointed by the Bank;
- (b) a second arbitrator shall be appointed by the borrower or, where applicable, by agreement between the borrower and the guarantor or, failing such agreement, by the guarantor;

- (c) a third arbitrator, called the umpire, who shall act as President of the arbitral tribunal, shall be appointed by common consent between the parties or, failing such consent, by the President of the European Court of Human Rights or, should the latter have the nationality of the guarantor or be of the same nationality as the borrower, by the Vice-President of the Court or, if the latter is in the same situation, by the senior of those Judges of the Court who neither have the nationality of the guarantor nor are of the same nationality of the borrower;
- (d) the procedure described in the preceding paragraph shall take place, at the instance of one of the parties to the dispute, if, within one month after notice has been given of the request for arbitration, no agreement has been reached regarding the appointment of an umpire;
- (e) where one of the parties appoints no arbitrator, the umpire shall appoint the said arbitrator.

ARTICLE 4.4

Place of arbitration

The arbitral tribunal shall hold its first sitting on such date and at such place as shall be appointed by the umpire. Thereafter, the tribunal shall decide itself where and when it shall sit

ARTICLE 4.5

Law applicable to arbitration proceedings

The arbitral tribunal shall decide all questions relating to its competence. It shall lay down its own rules of procedure and shall choose the law which shall be applicable, unless that law is specified in the contracts or in the arbitration agreement, bearing in mind the provisions of Article 1 (3) of the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe. All decisions of the tribunal shall be by majority vote.

Domestic law may apply in a particular case provided that it does not derogate from the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe and from the Articles of Agreement.

ARTICLE 4.6

Award of the arbitral tribunal

All awards of the arbitral tribunal shall set out the grounds for the decision. They shall be final and binding upon all the parties referred to in Article 4.3. They may be rendered in default of submissions.

ARTICLE 4.7

Cost of arbitration

The party against whom the award is made shall bear the costs of the arbitration proceedings unless the arbitral tribunal decides otherwise or the parties have agreed otherwise by a clause in the loan contract or the guarantee contract. The arbitral tribunal shall give a final ruling on any dispute in respect of costs.

ARTICLE 4.8

Enforcement of arbitral awards

The loan agreement and the guarantee agreement shall contain whatever provisions are required to ensure, in respect of the Bank and in respect of the borrower and the guarantor, compliance with any awards made in pursuance of this chapter.

If, within one month after the originals of the award have been delivered to the parties, the award has not been complied with, any of the parties specified in Article 4.3 may institute proceedings for the enforcement of the award. The court which shall have jurisdiction for such proceedings shall be that designated by the rules of civil procedure of the State concerned.

CHAPTER 5

Miscellaneous provisions

ARTICLE 5.1

Entry into force

The date of entry into force of a loan agreement or a guarantee agreement shall be specified therein. It may be specified subject to a condition, in which case the contract shall not come into force until that condition has been fulfilled and the Bank has been duly notified by the Borrower and/or the Guarantor.

Should the condition governing the entry into force of a loan agreement or a guarantee agreement not be fulfilled, the borrower or the guarantor shall, if the Bank has sustained a loss, be required to pay to the Bank a single commission at a rate to be fixed by the Bank in relation to the amount specified in the loan contract.

ARTICLE 5.2

Discharge of obligations

The loan agreement and the guarantee agreement and the obligations of the parties thereunder, save for those regarding the ex-post evaluation of the project as provided for in the loan agreement shall cease as soon as the whole of the loan principal as well as interest and any other charges in respect of the loan or the loan guarantee have been paid.

ARTICLE 5.3

Notices

Any notice or request which must or may be given or made under the terms of these regulations or loan agreements or guarantee agreements shall be given or made in writing.

ARTICLE 5.4

Copies

Loan agreements and guarantee agreements may be drawn up in more than one copy, each of which shall be regarded as an original.

ARTICLE 5.5

Language of Loan Regulations

These regulations have been drawn up in English and in French, both versions being equally authentic.

CHAPTER 6

Definitions

Applicable Rules means the Third Protocol to the General Agreement on the Privileges and Immunities of the Council of Europe, the Articles of Agreement of the Bank, the Loan Regulations, the Loan and Project Financing Policy, the Environmental and Social Safeguards Policy, the Guidelines for Procurement of Supplies, Works and Services and the Anti-corruption Charter.

Bank means the Council of Europe Development Bank

European Convention on Human Rights means the Convention for the Protection of Human Rights and Fundamental Freedoms, 4 November 1950, CETS n° 5

European Social Charter means the European Social Charter, 3 May 1996, CETS n°163, as amended from time to time.

State Guarantees means guarantees given by a member state of the Bank to the benefit of the Bank with respect to loans granted by the Bank to any legal person in a member state.

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