

EXECUTION VERSION

DATED 3 DECEMBER 2024

**THE MINISTRY OF ECONOMY AND FINANCE ACTING FOR AND ON
BEHALF OF THE REPUBLIC OF ECUADOR**

AND

BOFA SECURITIES, INC.

AND

AMAZON CONSERVATION DAC

DISCLOSURE SIDE AGREEMENT

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THIS AGREEMENT (this "**Agreement**") is dated 3 December 2024 and made by and among:

- (1) **THE MINISTRY OF ECONOMY AND FINANCE ACTING FOR AND ON BEHALF OF THE REPUBLIC OF ECUADOR** (the "**Republic**");
- (2) **BOFA SECURITIES, INC.** ("**BofA**"), a corporation organized and registered under the laws of the State of Delaware; and
- (3) **AMAZON CONSERVATION DAC** ("**ACDAC**"), a designated activity company (limited by shares) incorporated under the laws of Ireland, under register number 773548, as original lender (the "**Original Lender**"),

each being a "**Party**" and together being the "**Parties**".

WHEREAS

- (A) The Republic, as borrower, The Bank of New York Mellon as facility agent, and the Original Lender, as original lender entered into a facility agreement dated on or about the date hereof (the "**Facility Agreement**") pursuant to which the Original Lender agreed to make available to the Republic a term loan facility in an aggregate amount equal to the commitment thereunder.
- (B) The Original Lender has authorized the creation and issue of debt securities identified as nature linked debt securities to be issued by the Original Lender on or around the Settlement Date under which payments are made by reference to payments under the Facility Agreement (the "**Biocorredor Amazónico Bonds**") and has engaged BofA as global coordinator, sole bookrunner and structuring agent in connection with the issuance of the Biocorredor Amazónico Bonds.
- (C) The Republic has agreed to address for the benefit of the Original Lender and BofA the matters set out herein in connection with the Republic Disclosure as set forth in this Agreement and to verify the Republic Disclosure.
- (D) The Republic and the Original Lender have agreed to proceed with the transactions set out in the Facility Agreement (which are connected to the performance of the Conservation Arrangements) to facilitate the following objectives: (a) strengthening the institutional framework to support sustainable finance and adequate natural resource management; (b) improving the Republic's debt management capacity with a focus on environmental and financial sustainability; and (c) enhancing the management and conservation of the Ecuadorian Amazon within the framework of the *Biocorredor Amazónico*, as detailed further in the Conservation Commitments Agreement. In furtherance of these objectives, the Republic has also agreed to pay certain Debt Exchange Linked Conservation Fees.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Act**" means the United States Securities Act of 1933, as amended.

"**Affiliate**" means, in relation to a specified person, a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Facility Agreement**" has the meaning as that term is defined in the recitals.

"**Governmental Authority**" means (a) any national, state, county, city, town, village, municipal or local government, or any political subdivision thereof, (b) any agency, authority, instrumentality, regulatory body, court, central bank, department, commission, board, or bureau, whether civilian or military, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), or (c) a government-owned, government-run or government-controlled association, organization, business, or enterprise.

"**Immune Property**", in accordance with the provisions of the laws of Ecuador, means:

- (a) any property which is used or designated for use in the performance of the functions of the diplomatic missions of Ecuador or its consular posts;
- (b) aircraft, naval vessels and other property of a military character or used or designated for use in the performance of military functions;
- (c) property forming part of the cultural heritage of Ecuador or part of its archives;
- (d) unexploited natural non-renewable resources in Ecuador;
- (e) funds managed in the national Treasury Account;
- (f) assets and resources comprising available monetary reserves of Ecuador;
- (g) public domain assets used for providing public services in Ecuador;
- (h) national assets located in the territory of Ecuador and belonging to Ecuador, such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;
- (i) accounts of the Central Bank, whether they are held abroad or locally; and
- (j) public entities' deposits with the Central Bank, whether they are maintained abroad or locally.

"**Offering Memoranda**" means, collectively, the Offering Memorandum (Pink), the Offering Memorandum (Red) and the Offering Memorandum (Black), and "Offering Memorandum" shall mean any one of them as the context so permits.

"Offering Memorandum (Pink)" means the draft offering memorandum dated 25 November 2024 prepared in respect of the Biocorredor Amazónico Bonds.

"Offering Memorandum (Red)" means the draft offering memorandum dated 3 December 2024 prepared in respect of the Biocorredor Amazónico Bonds.

"Offering Memorandum (Black)" means the offering memorandum dated on or around _ December 2024 prepared in respect of the Biocorredor Amazónico Bonds.

"Party" means a party to this Agreement.

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title II of Pub. L. No. 107-56 (signed into law October 26, 2001, as amended)).

"Preliminary Offering Memoranda" means, collectively, the Offering Memorandum (Pink) and Offering Memorandum (Red).

"Pricing Date" means the date falling one (1) Business Day after the date on which the Tender Offer expires, or such other date as suggested by BofA and agreed to by the Republic.

"Republic Disclosure" means each of the following sections in the Offering Memoranda:

- (a) *Description of the Underlying Agreements—Description of the Facility Agreement;*
- (b) *Description of the Underlying Agreements—Description of the Conservation Commitments Agreement;*
- (c) *Risk Factors—Risks Related to the Collateral—Risks related to the Facility Agreement;*
- (d) *Risk Factors—Risks Related to the Collateral—Risks related to the Republic;*
- (e) *Use of Proceeds;*
- (f) *Description of the Republic of Ecuador;*
- (g) *Directions and voting with respect to the Facility Agreement;*
- (h) *Information relating to the Republic, attached as Annex B thereto;*
- (i) the Facility Agreement, attached as Exhibit A thereto; and
- (j) the Conservation Commitments Agreement, attached as Exhibit F thereto.

"Republic Material Adverse Effect" has the meaning given in Clause 2.2.4 (*Additional representations and warranties*).

"Sanctioned Jurisdiction" has the meaning assigned to such term in the definition of Sanctioned Person.

"Sanctioned Person" means (a) any person that is the subject or target of any Sanctions administered by a Sanctions Authority, or the equivalent Governmental Authorities in the Republic or any jurisdiction in which amounts deriving from the Facility will be used or from which repayments of the obligations will be derived (hereinafter, the **"Sanctions Programs"**), (b) any person domiciled, resident, or located in Iran, Syria, Cuba, North Korea or the Crimea, Donetsk, the Luhansk regions of Ukraine, the non-government controlled areas of Ukraine in the oblasts of Kherson and the non-government controlled areas of Ukraine in the oblasts of Zaporizhzhia (hereinafter, **"Sanctioned Jurisdiction"**) or (c) any other person with whom a U.S. Person may not engage under any Prohibited Nations Act in the absence of specific governmental authorization or (d) any person owned or controlled by persons, entities or other parties referred to in (a) to (c).

"Sanctioned Territory" means any country or territory that is the subject or target of a general export import, financial or investment embargo under Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by a Sanctions Authority.

"Sanctions Authority" means any agency or person which is duly appointed, empowered or authorized to enact, administer, implement and/or enforce Sanctions, including (without limitation):

- (a) the Department of the Treasury's Office of Foreign Assets Control of the United States of America (OFAC);
- (b) the U.S. Department of State;
- (c) the United Nations Security Council;
- (d) the European Union (EU) or any of its member states;
- (e) His Majesty's Treasury in the United Kingdom (UK HMT);
- (f) the Swiss Secretariat of Economic Affairs (SECO);
- (g) the Hong Kong Monetary Authority (HKMA);
- (h) the Monetary Authority of Singapore (MAS);
- (i) the Ministry of Foreign Affairs of Japan;
- (j) Global Affairs Canada of Canada; and
- (k) the Department of Foreign Affairs and Trade of Australia.

"Sanctions Programs" has the meaning assigned to such term in the definition of Sanctioned Person.

"Settlement Date" means the date for settlement, which shall be no later than the date falling five (5) Business Days after the Pricing Date, as notified by BofA to the other Parties in accordance with the Exchange and Settlement Agreement.

"**Subsequent Closing Date**" means each settlement date related to the sale of the Biocorredor Amazónico Bonds subsequent to the Settlement Date.

"**Supplemental Offering Memorandum**" means any amendments and/or supplement to the Offering Memorandum (Black) that the Republic shall supply to ACDAC and/or BofA or agree that ACDAC and/or BofA may use in connection with the Biocorredor Amazónico Bonds.

"**Supplemental Republic Disclosure**" has the meaning assigned to such term in Clause 4.1.2 (*Authority to distribute documents*).

"**Time of Sale**" means 10:00 a.m. New York time on the Pricing Date.

1.2 Capitalized Terms

Capitalized terms used and not defined in this Agreement have the meanings given to such terms in the Facility Agreement.

1.3 Clauses and Schedules

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

The Schedules to this Agreement form an integral part thereof.

1.4 Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. REPRESENTATIONS AND WARRANTIES BY THE REPUBLIC

2.1 Facility Agreement representations and warranties

Each of the representations and warranties set out in Schedule 1 (*Facility Representations and Warranties*) are made by the Republic to BofA on the date hereof.

2.2 Additional representations and warranties

The Republic represents and warrants to the Original Lender and to BofA on the date hereof that:

- 2.2.1 each of the Preliminary Offering Memoranda as at the respective dates thereof, the Offering Memorandum (Red) together with the pricing term sheet at the Time of Sale, and the Offering Memorandum (Black) as at the Pricing Date, did

not, does not and, as at the Settlement Date, will not, as applicable, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided that* no representation or warranty is made as to information contained in or omitted from any of the foregoing in reliance upon and in conformity with written information furnished to the Republic by or on behalf of the Original Lender or BofA, which shall consist of the statements set forth under the heading "*Plan of Distribution—Short Positions and Stabilization Transactions*" in the Offering Memoranda, specifically for inclusion therein;

- 2.2.2 the execution and delivery of this Agreement, or the consummation of any other of the transactions herein contemplated, or the fulfillment of the terms hereof will not conflict with, result in a breach, violation or imposition of (i) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Republic is a party or bound or to which its property is subject (including, without limitation, any related lien, charge, encumbrance or arrangement having a similar effect); or (ii) any constitutional or treaty (ratified by the Republic) provision, convention, statute, law (including the Public Planning and Finance Code of the Republic (*Código Orgánico de Planificación y Finanzas Públicas*)), rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Republic or any of its properties;
- 2.2.3 the financial and statistical data relating to the Republic contained in the Republic Disclosure has been taken from, and correctly extracted from, the official government records of the Republic or, where such Republic Disclosure has been taken from a third party named in the Republic Disclosure, from data published by such third party. To the best knowledge of the Republic, such information is true and correct;
- 2.2.4 there has been no change or development in the condition (financial, economic (including credit ratings) or political since the publication of the budget of the current financial year), prospects or general affairs of the Republic since the respective dates of such information presented in the Republic Disclosure, that (i) could reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby or (ii) could reasonably be expected to have a material adverse effect on the condition (financial, economic or political since the publication of the budget of the current financial year), prospects or general affairs of the Republic, whether or not arising from transactions in the ordinary course of business (each of (i) and (ii) being a "**Republic Material Adverse Effect**");
- 2.2.5 the Republic is not in violation or default of (i) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject (except for any such default or violation that would not, individually or in the aggregate, have a Republic Material Adverse Effect); or (ii) any constitutional or treaty provision,

convention, statute, law, rule, regulation, judgment, order or decree applicable to the Republic of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Republic or any of its properties, except, with respect to (i) and (ii) above, as disclosed in "*Public Debt*" in the Republic Disclosure (exclusive of any amendment or supplement thereto);

- 2.2.6 the Republic maintains a system of internal controls sufficient to provide reasonable assurance that (i) the budget is determined in accordance with the Ecuadorian government's accounting principles and (ii) published statistical data is true and accurate in all material respects;
- 2.2.7 except as set forth in "*The Ecuadorian Economy*" and "*Balance of Payment and Foreign Trade – Foreign Trade*" in the Republic Disclosure, or is not material to the analysis under any Sanctions, the Republic has not engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Jurisdiction, in the preceding five (5) years;
- 2.2.8 neither the Republic nor, to the knowledge of the Republic, any representative, public officer, public servant, employee or agent (where such employee or agent is acting in an official capacity) or affiliated entity of the Republic is aware of or has taken any action, directly or indirectly, that could result in sanction or a violation by such persons of any applicable provision of any anti-corruption law (including, but not limited to, the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder or the U.K. Bribery Act 2010); and prohibition of non-compliance with any applicable provisions of any anti-corruption law is covered by the codes of conduct or other procedures instituted and maintained by the Republic and its affiliated entities;
- 2.2.9 no forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Republic Disclosure has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;
- 2.2.10 no "nationally recognized statistical rating organization" as such term is defined in Section 3(a)(62) of the Exchange Act has imposed (or has informed the Republic that it is considering imposing) any condition (financial or otherwise) on the Republic retaining any rating assigned to the Republic or any securities of the Republic; and
- 2.2.11 neither Moody's Investors Services, Inc. nor Fitch Ratings Ltd shall have publicly announced that it has the rating of the Republic under surveillance or review with potential or intended downgrading or other possible negative implications.

2.3 **Change in matters represented**

The Republic shall promptly and up to the Settlement Date notify each of the Original Lender and BofA of any fact that has occurred subsequent to the date of this Agreement and up to the Settlement Date that has or may have rendered, or will or may render, untrue or incorrect in any respect any representation and warranty by the Republic in

this Agreement as if it had been made or given at such time with reference to the facts and circumstances then subsisting.

2.4 Representations made and repeated

2.4.1 The representations and warranties in Clause 2.1 (*Facility Agreement representations and warranties*) are made on the date hereof and shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on each date between the Pricing Date and the Settlement Date (inclusive).

2.4.2 The representations and warranties in Clause 2.2 (*Additional representations and warranties*) shall be deemed to (i) have been made on the date of each of the Preliminary Offering Memoranda; (ii) have been made on the date hereof; and (iii) be repeated on each date between the Pricing Date and the Settlement Date (inclusive), in each case with reference to the facts and circumstances then subsisting.

3. UNDERTAKINGS BY THE REPUBLIC

3.1 Agreement to Cooperate

3.1.1 On each of the Pricing Date and the Settlement Date, the Republic shall furnish to the Original Lender, BofA, any Affiliates of BofA and/or any of their respective counsel (together, the "**Cooperation Parties**", and each a "**Cooperation Party**"), a certificate, dated as of such date and signed by a duly authorized officer of the Republic, certifying that:

- (a) subsequent to the execution and delivery of this Agreement and prior to the date of such certificate, there has not occurred any adverse change in the condition (financial, economic or political since the publication of the budget of the current financial year), prospects or general affairs of the Republic that is so material and adverse that makes it impracticable for the Original Lender to issue to market the Biocorredor Amazónico Bonds; and
- (b) (i) the representations and warranties of the Republic contained in this Agreement are true and correct as of the date of such certificate; and (ii) the Republic has performed all undertakings and agreements and satisfied all conditions that are required to be performed or satisfied on or prior to the date of such certificate hereunder.

3.1.2 The Republic shall, from the date of this Agreement until the date that is eight (8) months after the date of this Agreement (the "**Cooperation Period**"):

- (a) upon request, furnish to the Cooperation Parties in connection with the Biocorredor Amazónico Bonds, any Supplemental Offering Memorandum reasonably requested and necessary to update or supplement the information contained in the Offering Memorandum (Black) after the Settlement Date (and agrees that each of the Original Lender and BofA may provide or make available, in accordance with

applicable laws, to any party referred to in Clause 31.2 (*Disclosure of Confidential Information*) of the Facility Agreement), so as to ensure that the information contained in the Offering Memorandum (Black) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, when such Offering Memoranda, as amended or supplemented, is delivered, not misleading;

- (b) upon request of the Cooperation Parties, to participate in conference calls to be scheduled by the Cooperation Parties to confirm that the statements in any Supplemental Offering Memorandum do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made when such Supplemental Offering Memorandum is delivered, not misleading;
- (c) upon written notice from the Cooperation Parties, use commercially reasonable efforts to assist the Cooperation Parties in their marketing efforts for the sale of the Biocorredor Amazónico Bonds during the Cooperation Period (as defined above) by (A) providing to the Cooperation Parties and their respective counsels all information they reasonably request to update due diligence (including by way of any conference calls) to each Subsequent Closing Date and (B) making representatives of the Republic available to participate in conference calls with prospective investors during normal business hours and at times to be mutually agreed by the Parties in good faith and with reasonably sufficient advance notice by the Cooperation Parties;
- (d) take any and all actions as may be reasonably necessary to enable the Cooperation Parties to consummate the sale of the Biocorredor Amazónico Bonds in the Cooperation Period in transactions (including, but not limited to, transactions pursuant to Regulation S and/or Rule 144A of the Act) exempt from registration requirements in such jurisdictions as the Cooperation Parties request, including the completion of updated due diligence and the procurement of a new negative assurance letter from Hogan Lovells US LLP; and
- (e) in connection with any Subsequent Closing Date, furnish to the Cooperation Parties a certificate of the Republic, signed by a duly authorized officer of the Republic, dated such Subsequent Closing Date, to the effect that the signers of such certificate have carefully examined the information contained in the Offering Memorandum (Black), any Supplemental Offering Memorandum, reasonably requested and necessary to update or supplement the information contained in the Offering Memorandum (Black) after the Settlement Date and this Agreement and that (i) the representations and warranties of the Republic in this Agreement are true and correct on and as of such Subsequent Closing Date with the same effect as if made on the Settlement Date, and the Republic has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied

hereunder at or prior to such Subsequent Closing Date; (ii) since the date of the most recent financial and statistical data included in any such Supplemental Republic Disclosure (exclusive of any amendment or supplement thereto), there has been no material adverse change in the condition (financial, economic or political since the publication of the budget of the current financial year), prospects or general affairs of the Republic, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in such Supplemental Republic Disclosure (exclusive of any amendment or supplement thereto); and (iii) the financial and statistical data relating to the Republic contained in any such Supplemental Republic Disclosure has been taken from, and correctly extracted from, the official government records of the Republic or, where such information has been taken from a third party named in such Supplemental Republic Disclosure from data published by such third party.

3.2 No fiduciary duty

The Republic acknowledges and agrees that BofA is acting solely pursuant to a contractual relationship with respect to the Exchange and Settlement Agreement and this Agreement with the Republic on an arm's length basis and not as a financial adviser or a fiduciary to the Republic and the Republic expressly disclaims any such alleged fiduciary duty; additionally, the Republic acknowledges that BofA is not advising the Republic as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction; the Republic shall consult with its own advisers concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and BofA shall have responsibility or liability to the Republic with respect thereto; the Republic further acknowledges that BofA and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Republic in connection with the transactions contemplated by the Exchange and Settlement Agreement and this Agreement and BofA has no obligation to disclose any such interests by virtue of any agency, fiduciary or advisory relationship; the Republic also acknowledges and agrees that any review by BofA of the Republic, and the terms of the Exchange and Settlement Agreement and other matters relating thereto, will be performed solely for the benefit of BofA and shall not be on behalf of the Republic.

3.3 Sanctions Undertaking

The Republic, in its capacity as borrower under the Facility Agreement shall (and shall procure that any representative, public officer, public servant, agent, employee or affiliated entity of the Republic shall):

- 3.3.1 not directly or indirectly use or permit to be used all or any part of the Facility, or lend, contribute or otherwise make available all or any part of the Facility directly or indirectly to any person or entity (whether or not related to any representative, public officer, public servant, agent, employee or affiliated entity of the Republic) for the purpose or with the effect of breaching any applicable anti-bribery or anti-corruption laws or involving, for the benefit of, or financing the activities of any person or entity which is subject to Sanctions or located in a Sanctioned Jurisdiction or Sanctioned Territory to the extent

prohibited by applicable Sanctions or in any manner that would contribute to a violation of applicable Sanctions by any Finance Party or any other person;

- 3.3.2 not fund all or part of any payment under the Facility out of proceeds directly or indirectly derived from transactions which would be prohibited by applicable Sanctions or would otherwise cause any Finance Party to be in breach of any Sanctions;
- 3.3.3 not become a Sanctioned Person; and
- 3.3.4 to the extent permitted by law, promptly upon becoming aware thereof, supply to the Finance Parties details of any claim, action, suit, proceedings or investigation against it with respect to applicable Sanctions by any Sanctions Authority.

3.4 **Ratings Undertaking**

The Republic shall notify each of the Original Lender and BofA of any notification from a rating organization that such organization has downgraded, intends, is contemplating or has announced that it will have under surveillance or review, with possible negative implications, its rating of any of the Republic's debt securities between the Pricing Date and the Settlement Date.

4. **AUTHORITY TO DISTRIBUTE DOCUMENTS**

The Republic hereby agrees that each of the Original Lender and BofA may provide or make available, in accordance with applicable laws, to any party referred to in Clause 31.2 (*Disclosure of Confidential Information*) of the Facility Agreement:

- 4.1.1 the Facility Agreement including the relevant Republic Disclosure; and
- 4.1.2 such other amendments or supplements and additional information as the Republic shall supply to ACDAC and/or BofA or agree that ACDAC and/or BofA may use for such purpose ("**Supplemental Republic Disclosure**") in connection with the Biocorredor Amazónico Bonds and the Offering Memoranda, or such other information as is in the public domain if such information has been prepared and publicly disseminated by the Republic via a posting on its website, press release issued by the Republic or public filing by the Republic, in each case prior to the Settlement Date.

5. **INDEMNIFICATION AND CONTRIBUTION**

5.1.1 **Indemnification and Contribution**

- (a) The Republic agrees to indemnify and hold harmless each of the Original Lender and BofA to the extent set forth in Annex A hereto, which provisions are incorporated by reference herein and constitute a part hereof. Annex A hereto is an integral part of this Agreement and shall survive any termination, expiration or cancellation of this Agreement.

- (b) The Republic agrees that neither BofA nor any of its directors, officers, employees, agents and Affiliates, if any, or any person who controls BofA within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act shall have any liability (whether direct or indirect, in contract, tort or otherwise and whether or not related to third party claims or the indemnification rights referred to in this Clause 5) to the Republic relating to or arising out of this Agreement, any transactions contemplated hereby or the Exchange and Settlement Agreement or BofA's role or service in connection therewith, except to the extent that any such liability for losses, claims, damages or expenses incurred by the Republic relating thereto are finally judicially determined by a court of competent jurisdiction to have resulted primarily from the gross negligence or willful misconduct of BofA in performing its role and service under this Agreement, any transactions contemplated hereby or the Exchange and Settlement Agreement. This indemnity agreement will be in addition to any liability that the Republic may otherwise have under applicable law.

5.1.2 **No Withholding**

The Republic will make payment of all amounts under this Clause 5 without giving effect to any withholding or deduction of any tax or similar governmental assessment. If the Republic is required by law to deduct or withhold any amounts with respect to any such tax or assessment, the Republic shall pay the relevant party such additional amounts as shall be required so that the net amount received from the Republic after such deduction, withholding or payment shall equal the amounts otherwise payable to the relevant party under this Clause 5.

6. **NOTICES**

6.1 **Addresses**

- 6.1.1 Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by letter.
- 6.1.2 The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

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Attachment 1 - 2007 Capital Markets

or any substitute address or department or officer as the Party may notify the other Parties by not less than five (5) Business Days' notice.

6.2 Delivery

- 6.2.1 Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 6.1 (*Addresses*), if addressed to that department or officer.
- 6.2.2 Any communication or document to be made between any two or more Parties in connection with this Agreement may be made by electronic mail or other electronic means, (including by way of posting to a secure website), and this is to be an accepted form of communication if those Parties:
- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (b) notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days' notice.
- 6.2.3 Any electronic communication made or delivered between those Parties will be effective only when actually received (or made available) in readable form.
- 6.2.4 Any electronic communication or document which becomes effective, in accordance with Clause 6.2.3 above, after 5:00 p.m. in the place in which the Party to whom the relevant communication or documents is sent or made available at its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- 6.2.5 Any reference in this Agreement to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 6.2.
- 6.2.6 Any notice given under or in connection with this Agreement must be in English.
- 6.2.7 All other documents provided under or in connection with this Agreement must be:
- (a) in English; or

- (b) if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

7. LIMITED RECOURSE AND NON-PETITION

7.1 Limited Recourse

Notwithstanding the other provisions of this Agreement, a Party's recourse (if any) to the Original Lender under this Agreement (including, *inter alia*, with respect to any costs and expenses incurred by them hereunder) shall be limited to the funds (which funds may be limited to amounts raised through the Biocorredor Amazónico Bonds as set out in the terms of the Biocorredor Amazónico Bonds) available to the Original Lender for such purposes (excluding share capital and earnings representing corporate benefit) and to the extent such funds are insufficient, the claims of any Party (if any) in excess of such funds shall be extinguished. Any other Party's recourse (if any) in relation to the Original Lender may be further limited by agreement by it outside the terms of this Agreement and any such agreement shall not constitute an amendment or waiver for the purposes of this Clause 7. Each Party hereto (other than the Original Lender) hereby agrees that it shall not have any recourse against any director, shareholder or officer of the Original Lender in respect of this Agreement, it being understood that the obligations of the Original Lender under this Agreement are corporate obligations of the Original Lender only.

7.2 Non-Petition

Notwithstanding the other provisions of this Agreement, each Party (other than the Original Lender) agrees that it will not, nor will it entice any other third party to do so, take or join in taking any corporate action or other steps or legal proceedings for the winding-up, dissolution, bankruptcy, examinership or reorganization or for the appointment of a receiver, examiner, administrator, administrative receiver, trustee, liquidator or similar officer of the Original Lender or of any or all of the Original Lender's revenues and assets.

7.3 Security

Each Party acknowledges and agrees that the Original Lender will create security in favour of the holders or trustee or representative of holders of obligations or securities comprised in the Biocorredor Amazónico Bonds over the Original Lender's rights, title and interests in relation to this Agreement pursuant to any trust deed indenture, deed of charge or similar document relating to the Biocorredor Amazónico Bonds and will give notice of such creation to the other Parties hereto.

7.4 Survival

The provisions of this Clause 7 shall survive notwithstanding any termination of this Agreement.

8. GOVERNING LAW AND ARBITRATION

8.1 Governing law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York without giving effect to conflict of laws provisions to the extent that the application of the laws of any other jurisdiction would be required thereby; except for Clause 8.2 (*Arbitration*) which shall be governed by English law, provided, the application of English law to Clause 8.2 (*Arbitration*) shall not be deemed to alter this Clause 8.1 and the arbitrators appointed pursuant to Clause 8.2 (*Arbitration*) shall apply New York law in interpreting every clause of this Agreement (other than Clause 8.2 (*Arbitration*)).

8.2 Arbitration

8.2.1 Any dispute, controversy or claim as to the rights and obligations of a Party under this Agreement, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of this Agreement (a "**Dispute**") shall not be referred to a court of any jurisdiction and shall instead be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce ("**ICC Rules**") as modified by this Clause 8.2, which ICC Rules are deemed to be incorporated by reference into this Clause 8.2. Any Dispute shall be determined without regard to the terms, performance or non-performance of any other agreement. The provisions in the ICC Rules regarding an emergency arbitrator shall not apply. Capitalized terms used in this Clause 8.2 which are not otherwise defined in this Agreement shall have the meaning given to them in the ICC Rules. In particular:

- (a) Without prejudice to Clause 8.3 (*Service of Process*), the Parties' addresses for service of any documents in relation to any such arbitration (including any Request for arbitration) are as provided for in Clause 6.1 (*Addresses*).
- (b) At the same time as serving the Request for arbitration on the respondent(s), the claimant(s) in any such arbitration shall serve copies of that Request for arbitration on all Parties.
- (c) There shall be three (3) arbitrators.
- (d) Each arbitrator will be an English or New York qualified lawyer of at least fifteen (15) years' standing with experience as a lawyer in relation to international banking or capital markets disputes. At least one of those arbitrators shall be a lawyer qualified in New York.
- (e) If there are two Parties to the Dispute, each Party shall be entitled to nominate one arbitrator. If there are multiple claimants and/or multiple respondents, all claimants and/or all respondents shall attempt to agree upon their respective nomination(s) such that the claimants shall together be entitled to nominate one arbitrator and the respondents shall

together be entitled to nominate one arbitrator. If any such Party or multiple Parties fail to nominate an arbitrator within thirty (30) days from and including the date of the relevant Request for arbitration, an arbitrator shall be appointed on their behalf by the International Court of Arbitration of the International Chamber of Commerce ("**ICC Court**") in accordance with the ICC Rules and applying the criteria at paragraph (d) of this Clause 8.2.1. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the Party or Parties on the other side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the ICC Rules.

- (f) The third arbitrator and president of the arbitral tribunal shall be appointed by the ICC Court in accordance with the ICC Rules and applying the criteria at paragraph (d) of this Clause 8.2.1.

- 8.2.2 The seat, or legal place, of arbitration shall be London, England.
- 8.2.3 The language to be used in the arbitration shall be English.
- 8.2.4 The governing law of this Clause 8.2 shall be English law.
- 8.2.5 The Parties agree, pursuant to Article 30(2)(b) of the ICC Rules, that disputes between the Parties arising under this Agreement are suitable for resolution under the Expedited Procedure Rules and that the Expedited Procedure Rules shall apply to any Dispute, irrespective of the amount in dispute, and in furtherance of the foregoing the Parties additionally expressly agree not to (x) contend it is inappropriate to apply, or (y) request that the ICC Court examine the appropriateness of or disapply, such Expedited Procedure Rules in any arbitration conducted pursuant to this Agreement, and hereby waive any right to do so.
- 8.2.6 The Parties agree that any Finance Party may disclose any information related to a Dispute, including related to any arbitral award, to DFC.
- 8.2.7 The prevailing Party in any Dispute shall be entitled to, and the tribunal shall award, pre-award and post-award interest on any amounts awarded in an arbitration commenced under this Agreement (the "**Arbitral Award Amount**"). Such interest shall accrue, in the case of arbitrations commenced by a Finance Party (in the case of the Facility Agent, acting at the direction of Majority Lenders) from the date on which a written notice of a breach of this Agreement has been delivered to the relevant Party and, in the case of arbitrations commenced by the Republic, from the date of the filing to commence an arbitration, in each case, at a rate per annum equal to nine percent (9%). Interest on the outstanding Arbitral Award Amount shall continue to accrue at a rate per annum equal to nine percent (9%) (the "**Interest Accrual Rate**") until such amounts are paid in dollars in cash in full by the award debtor. If the award creditor or any successor in interest elects to enforce the award in court, including a court in the United States, the Parties agree that any judgment rendered on the award by the court shall bear post-judgment interest at the rate agreed by the Parties under the formula above for awards rendered by the

tribunal in lieu of any other post-judgment interest rate, including the post-judgment interest rate under 28 U.S.C. § 1961 until the award is fully paid in dollars.

- 8.2.8 The Parties agree that the Interest Accrual Rate shall also apply for so long as no arbitration has been commenced pursuant to this Clause 8.2 from the date on which a written notice of a breach of this Agreement has been delivered to the relevant Party until the date on which the Republic discharges its obligations under this Agreement in full.
- 8.2.9 Any award of the tribunal shall be binding from the day it is made, and the Parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 and 69 of the Arbitration Act 1996. Judgement on the award rendered by the tribunal may be entered in any court having jurisdiction thereof.
- 8.2.10 Article 10 of the ICC Rules shall not apply, and the Parties will not otherwise seek to consolidate an arbitration commenced under this arbitration agreement with any other proceedings.
- 8.2.11 The Borrower confirms it is party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") and agrees that: (i) it is bound by the terms of the New York Convention, including as a treaty obligation and (ii) the New York Convention shall apply to any action to enforce an award issued pursuant to an arbitration conducted in accordance with this Agreement.

8.3 Service of Process

- 8.3.1 Without prejudice to any other mode of service allowed by law, the Republic:
- (a) hereby appoints the Ecuadorian Ambassador to the Court of St James's at the Embassy of Ecuador in London which is situated at 3B, 3 Hans Crescent, London SW1X 0LS, United Kingdom, as its agent for the purpose of proceedings before the English courts; and the Ecuadorian Consul at the Consulate of Ecuador in the City of New York, State of New York, United States of America, which is situated at 800 2nd Ave, Floor 2, New York, NY 10017, United States of America, as its agent for the purpose of proceedings before the New York courts (each individually, an "**Interim Process Agent**"); and
 - (b) will, no later than one hundred eighty (180) days after the Settlement Date, irrevocably appoint each of Law Debenture Corporate Services Limited, the registered office of which is situated at 8th Floor, 100 Bishopsgate, London, United Kingdom, EC2N 4AG, United Kingdom, as its agent for the purpose of proceedings before the English courts; and Law Debenture Corporate Services Limited, the registered office of which is situated at 801 2nd Ave Suite 403, New York, NY 10017, United States of America, as its agent for the purpose of proceedings before the New York courts (each individually, a "**Permanent Process Agent**") to replace the Interim Process Agent,

in each case, any process in relation to any proceedings in relation to any arbitration contemplated by Clause 8.2 (*Arbitration*) or in relation to the recognition or enforcement of any arbitral award obtained in accordance with that Clause may be served on the Republic by service on its agents in the jurisdiction of the relevant proceedings.

- 8.3.2 Each Permanent Process Agent will replace the applicable Interim Process Agent on the date that BofA notifies the Republic in writing that they have received the evidence of such appointment specified in Clause 8.3.6 below.
- 8.3.3 If any person appointed as an Interim Process Agent or a Permanent Process Agent under this Clause 8.3 is unable for any reason so to act, the Republic must immediately (and in any event within thirty (30) days of the event taking place) appoint another agent (a "**Replacement Agent**") on terms acceptable to the other Parties.
- 8.3.4 If the Republic fails to appoint a Permanent Process Agent in accordance with Clause 8.3.1 above or fails to appoint a Replacement Agent in accordance with Clause 8.3.3 above, BofA and may appoint another process agent for this purpose, *provided that* BofA's right to do so will not prejudice the Republic's continuing obligation to appoint a Permanent Process Agent or Replacement Agent, as applicable, or any rights of BofA in connection with any breach of this Agreement that arises as a result of such failure.
- 8.3.5 The Republic agrees that failure by an Interim Process Agent or, as applicable, a Permanent Process Agent or Replacement Agent, to notify the Republic of the process will not invalidate the proceedings concerned.
- 8.3.6 The Republic shall provide the other Parties with evidence that each Permanent Process Agent has accepted their appointment as a Permanent Process Agent and an acknowledgement of such acceptance from such Permanent Process Agent. If a Replacement Agent is appointed pursuant to Clause 8.3.3 above, the Republic shall provide to the other Parties evidence that such Replacement Agent has accepted their appointment as an Interim Process Agent or Permanent Process Agent, as applicable, and an acknowledgement of such acceptance from such Replacement Agent.

8.4 **Scope of Immunity**

- 8.4.1 The execution and delivery of this Agreement by the Republic relates to the transactions set out in the Facility Agreement. The execution and delivery of the Facility Agreement by the Republic constitutes, and the Republic's performance of and compliance with its obligations will constitute, acts of commercial public credit as provided under the laws of Ecuador. To the extent permitted by law, the Republic irrevocably and unconditionally agrees that:
 - (a) the Republic submits to the jurisdiction of any Ecuadorian court and to any legal process in Ecuadorian courts (other than attachment proceedings prior to recognition or enforcement of an arbitral award), in connection with the enforcement of an arbitral award obtained in accordance with Clause 8.2 (*Arbitration*), except with respect to the

Immune Property, which will be entitled to immunity from enforcement in accordance with mandatory provisions of the laws of Ecuador;

- (b) the Republic submits to the jurisdiction of any court outside Ecuador and to any legal process, orders or other measures in courts outside Ecuador, whether through service or notice, attachment in aid of execution, execution against property of any sort, actions in rem or the grant of injunctions or specific performance, in connection with the enforcement of an arbitral award obtained in accordance with Clause 8.2 (*Arbitration*), except with respect to the Immune Property, which will be immune to the fullest extent;
- (c) the Republic undertakes not to invoke any defense on the basis of any kind of immunity, for itself and/or its assets which do not constitute Immune Property in respect of any of the foregoing legal actions or proceedings; and
- (d) the Republic submits to the jurisdiction of the English courts in connection with any proceedings invoking the supervisory jurisdiction of those courts in relation to an arbitration conducted pursuant to Clause 8.2 (*Arbitration*).

8.4.2 The levy of execution on assets of the Republic within the territory of Ecuador will be carried out in accordance with and under the laws of Ecuador.

8.4.3 The Republic irrevocably waives, to the fullest extent permitted by law, any requirement or provision of law that requires the posting of a bond or other security as a condition to the institution, prosecution or completion of any action or proceeding.

8.4.4 The provisions of this Clause 8.4 have been negotiated and agreed solely with respect to the transactions described in this Agreement. In no event shall the definition or scope of Immune Property described in this Agreement be relied upon, utilized, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to the transactions contemplated in this Agreement or relating to any other indebtedness of the Republic.

9. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement. Delivery of an executed counterpart of a signature page in this Agreement by any form of electronic communication (such as email) shall be deemed to have the same legal effect as delivery of a manually signed original counterpart of this Agreement.

10. PATRIOT ACT

BofA hereby notifies the Republic that pursuant to the requirements of the PATRIOT Act and other applicable laws, rules and regulations, it may be required to obtain, verify

and record information that identifies the Republic, which information includes the name and address of the Republic and other information that will allow BofA to identify the Republic in accordance with the PATRIOT Act and such other laws, rules and regulations.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SIGNATURES

**THE MINISTRY OF ECONOMY AND FINANCE ACTING FOR AND ON BEHALF
OF THE REPUBLIC OF ECUADOR**

BOFA SECURITIES, INC.

AMAZON CONSERVATION DAC

ANNEX A
INDEMNIFICATION AND CONTRIBUTION

(a) The Republic agrees to indemnify and hold harmless each of the Original Lender and BofA and each of their directors, officers, employees, agents and Affiliates, if any, and each person who controls BofA within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act (each an "**Indemnified Party**") against any and all losses, claims, damages or liabilities to which they, or any of them, may become subject under the Act, the Exchange Act or other U.S. federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities or actions in respect thereof arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Republic Disclosure or any Supplemental Republic Disclosure in connection with the Facility Agreement and repackaging thereof into the Biocorredor Amazónico Bonds, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each of the Original Lender and BofA, as applicable and as incurred, for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) Promptly after receipt by the Original Lender and/or BofA, as the case may be, under this Annex A of notice of the commencement of any action, the Original Lender and/or BofA, as the case may be, will, if a claim in respect thereof is to be made against the Republic under this Annex A, notify the Republic in writing of the commencement thereof; but the failure so to notify the Republic (i) will not relieve it from liability under paragraph (a) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the Republic of substantial rights and defenses and (ii) will not, in any event, relieve the Republic from any obligations to the Original Lender or BofA other than the indemnification obligation provided in paragraph (a) above.

(c) The Republic shall be entitled to appoint counsel (including local counsel) of the Republic's choice at the Republic's expense to represent the Original Lender and/or BofA, as the case may be, in any action for which indemnification is sought (in which case the Republic shall not thereafter be responsible for the fees and expenses of any separate counsel, other than local counsel if not appointed by the Republic, retained by any of the Original Lender and/or BofA, as the case may be, except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the Original Lender or BofA as applicable. Notwithstanding the Republic's election to appoint counsel (including local counsel) to represent the Original Lender or BofA, as the case may be, in an action, each of the Original Lender and BofA shall have the right to employ separate counsel (including local counsel), and the Republic shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Republic to represent BofA or the Original Lender, as the case may be, would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both (1) the Original Lender or BofA and (2) the Republic or all three of them and the Original Lender or BofA, as the case may be, shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Republic; (iii) the Republic shall not have employed counsel satisfactory to the Original Lender or BofA, as the case may be, to represent it within a reasonable time after notice of the institution of such action; or (iv) the Republic shall authorize each of the Original Lender and BofA, as the case may be, to employ separate counsel at the expense of the

Republic. The Republic will not, without the prior written consent of the Original Lender or BofA, as the case may be (which consent shall not be unreasonably withheld or delayed), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Original Lender or BofA, as the case may be, is an actual or potential party to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of the Original Lender or BofA, as the case may be, from all liability arising out of such claim, action, suit or proceeding and (ii) does not include an admission of fault.

(d) In the event that the indemnity provided in this Annex A is unavailable to or insufficient to hold harmless the Indemnified Party for any reason, the Republic agrees to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending any loss, claim, damage, liability or action) (collectively "**Losses**") to which the Original Lender or BofA, as the case may be, may be subject: (i) in such proportion as is appropriate to reflect the relative benefits received by the Republic on the one hand and the Original Lender or BofA, as the case may be, or (ii) if the allocation provided for in (i) above is not permitted by applicable law, then in such proportion as is appropriate to reflect the relative fault of the Republic on the one hand and the Original Lender or BofA, as the case may be, on the other in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. Relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Republic on the one hand or the Original Lender and/or BofA, as the case may be, on the other, the use or presentation by the Original Lender or BofA, as the case may be, of the Republic Disclosure, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Each of the Republic and the Original Lender or BofA, as the case may be, agree that it would not be just and equitable if contribution were determined by *pro rata* allocation or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), in no event shall the Original Lender or BofA, as the case may be, be required to contribute any amount in excess of the total fees, if any, received by the Original Lender or BofA, as the case may be, with respect to this Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person who controls BofA within the meaning of either the Act or the Exchange Act and each director, officer, employee, Affiliate and agent of BofA shall have the same rights to contribution as BofA and each representative, public officer, public servant, agent, employee and affiliated entity of the Republic shall have the same rights to contribution as the Republic, subject to the applicable terms and conditions of this paragraph (d).

SCHEDULE 1
FACILITY REPRESENTATIONS AND WARRANTIES

The Republic makes the representations and warranties set out in this Schedule 1 to BofA on the date hereof.

1.1 Status

It is a sovereign state and is not (and cannot be) subject to any insolvency procedure under the laws of Ecuador.

1.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document to which it is a party are legal and valid obligations of Ecuador, binding on it and enforceable in accordance with the terms thereof.

1.3 Execution of the Facility Agreement

- (a) Its execution and delivery of the Facility Agreement and its exercise of its rights and performance of its obligations under the Finance Documents to which it is a party do not and will not conflict with:
 - (i) any law or regulation applicable to it including the Constitution and the Public Planning and Finance Code; or
 - (ii) any agreement, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets.
- (b) It has the power to enter into and perform, and has taken all necessary action to authorize its entry into and performance of, the Finance Documents to which it is a party and the transactions contemplated by the Finance Documents to which it is a party (including the payment of all amounts payable by it thereunder, such as any principal, interest, Debt Exchange Linked Conservation Fees, Additional Reserve Payments and Additional Conservation Payments).

1.4 Validity and admissibility in evidence

All Authorizations required under the laws of Ecuador:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;
- (b) to make the Finance Documents to which it is a party admissible in evidence in the courts of Ecuador; and
- (c) to waive sovereign immunity to the extent waived herein,

have been obtained and are in full force and effect.

1.5 **Governing law, arbitral awards and scope of immunity**

- (a) In any proceedings taken in Ecuador in relation to the Facility Agreement, the choice of New York law as the governing law of the Facility Agreement and the choice of English law as the governing law of Clause 37.1 (*Arbitration*) of the Facility Agreement, will be recognized and enforced in Ecuador, and any arbitral award obtained in accordance with Clause 37.1 (*Arbitration*) of the Facility Agreement will be recognized and enforced in Ecuador in accordance with the New York Convention.
- (b) The scope of immunity by the Republic contained in the Facility Agreement, the appointment of any Interim Process Agent, Permanent Process Agent or Replacement Agent referred to in Clause 39 (*Service of process*) of the Facility Agreement, the consent by the Republic to submission of Disputes to the ICC Court as specified in Clause 37.1 (*Arbitration*) of the Facility Agreement, the provision that the laws of New York govern the Facility Agreement as specified in Clause 36 (*Governing Law*) of the Facility Agreement and the provision that English law shall be the governing law of Clause 37.1 (*Arbitration*) of the Facility Agreement are irrevocably binding on the Republic.

1.6 **No deductions or withholding**

Under the laws of Ecuador in force at the date of the Facility Agreement, it is not required to make any deduction or withholding for or on account of Tax from any payment it may make under the Finance Documents to which it is a party.

1.7 **No filing or stamp taxes**

Other than registration of the Facility Agreement with the Public Debt Registry of the Ministry of Economy and Finance, as at the date of the Facility Agreement, under the laws of Ecuador it is not necessary that the Finance Documents to which the Republic is a party (other than an Assignment and Assumption) be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents to which the Republic is a party (other than an Assignment and Assumption) or the transactions contemplated by the Finance Documents to which the Republic is a party (other than an Assignment and Assumption).

1.8 **No material defaults**

- (a) It is not in default of External Indebtedness (other than Excluded Indebtedness) in excess of USD50,000,000 (or its equivalent in any other currency or currencies).
- (b) It is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which could reasonably be expected to have a Material Adverse Effect.

1.9 **Pari passu**

Under the laws of Ecuador in force at the date of the Facility Agreement, the Republic's obligations under the Finance Documents to which it is a party are general, direct,

unsecured, unsubordinated and unconditional obligations of the Republic which are backed by the full faith and credit of the Republic, and the claims of the Finance Parties against it under the Finance Documents to which it is a party rank equally in terms of priority with the Republic's External Indebtedness (other than Excluded Indebtedness), *provided that*, such ranking is in terms of priority only and does not require that the Republic make ratable payments under the Finance Documents to which it is a party with payments made on its other External Indebtedness.

1.10 No material proceedings

Except as disclosed to the Original Lender prior to the date of the Facility Agreement, no action or administrative proceeding of or before any court or agency which could reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief having made due enquiry) been started or threatened against it.

1.11 Acts of commercial public credit

The execution of the Finance Documents to which it is a party by the Republic constitutes, and the exercise of its rights and performance of its obligations under the Finance Documents to which it is a party will constitute, acts of commercial public credit under the laws of Ecuador.

1.12 Anti-Bribery and anti-corruption laws

Neither the Republic nor, to the knowledge of the Republic, any representative, public officer, public servant, employee or agent (where such employee or agent is acting in an official capacity) or affiliated entity of the Republic:

- (a) is aware of or has taken any action, directly or indirectly, that could result in a violation by such persons of any applicable provision of any anti-corruption law (including, but not limited to, the Foreign Corrupt Practices Act of 1977, as amended, the rules and regulations thereunder or the U.K. Bribery Act 2010, in each case, whether in connection with or arising from the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions or otherwise); and neither the Republic nor any of its affiliated entities was, to the knowledge of the Republic, or any representative, public officer, public servant, agent or employee is aware of or has taken any action, directly or indirectly that could result in a sanction for violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, the rules and regulations thereunder or the U.K. Bribery Act 2010; and prohibition of non-compliance with any applicable provisions of any anti-corruption law is covered by the codes of conduct or other procedures instituted and maintained by the Republic and its affiliated entities;
- (b) has made, offered to make, promised to make or authorized the payment or giving of, directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other payment or gift of money or anything of value (including meals or entertainment) to any officer, employee or ceremonial office holder of any government or instrumentality thereof, any political party or supra-national organization (such as the United Nations), any political candidate, any royal family member or any other person who is connected or associated personally

with any of the foregoing that is prohibited under any applicable law or otherwise for the purpose of influencing any act or decision of such payee in their official capacity, inducing such payee to do or omit to do any act in violation of their lawful duty, securing any improper advantage or inducing such payee to use their influence with a government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality ("**Prohibited Payments**"); or

- (c) has been subject to any written claim, action, proceeding, investigation, notice or demand with regard to any actual or alleged Prohibited Payment.

1.13 **Sanctioned Person**

- (a) Neither the Republic nor, to the knowledge of the Republic, any representative, public officer, public servant, agent, employee or affiliated entity of the Republic or, when acting in connection with the Facility Agreement, the Finance Documents to which the Republic is a party, and/or the transactions contemplated thereby, any official representatives of the Republic, is a Sanctioned Person.
- (b) The Facility will not be used, contributed or made available, directly or indirectly,
 - (i) to fund any activities, business, trade or transactions (A) involving or for the benefit of a Sanctioned Person or Sanctioned Jurisdictions, (B) in a country or territory that is a Sanctioned Territory, or (C) that could result in any person (including DFC) being in breach of Sanctions or becoming a Sanctioned Person; or
 - (ii) in a manner that would, directly or indirectly, result in acting in a manner prohibited by any Sanctions Programs.

1.14 **Other requirements**

Without prejudice to Clauses 1.12 (*Anti-bribery and anti-corruption laws*) and 1.13 (*Sanctioned Person*), to the knowledge of the Republic, no investigation, action, suit, proceeding or other inquiry by or before any national or international court, governmental agency, authority or body or any arbitrator involving senior public officials (persons being currently entrusted with a prominent public function, including members of government and members of legislative bodies) of the Republic with respect to the anti-money laundering laws and regulations of Ecuador, or any other jurisdiction is currently pending or threatened.

1.15 **Outstanding External Indebtedness**

In the last twelve (12) months prior to the date of the Facility Agreement, no outstanding External Indebtedness of the Republic, other than Excluded Indebtedness, has become repayable before its stated maturity by reason of default, nor has any security in respect of such External Indebtedness become enforceable by reason of default by the Republic and no event has occurred or is, so far as the Republic is aware, impending which (with the lapse of time or the making of any determination or the

giving of notice or the compliance with any other formality) will be expected to result in any such External Indebtedness becoming so repayable or any such security becoming enforceable by reason of default and no person to whom any such External Indebtedness of the Republic is owed, has demanded or threatened to demand repayment of, or to take any steps to enforce any security for, the same.

1.16 **No license or qualification**

It is not necessary under the laws of Ecuador:

- (a) in order to enable any Finance Party to enforce its rights under any Finance Document to which the Republic is a party; or
- (b) by reason of the execution of any Finance Document to which the Republic is a party or the performance by it of its obligations under any Finance Document to which the Republic is a party,

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in Ecuador.

1.17 **Choice of law**

The choice of New York law in the Facility Agreement is a valid choice of law under the laws of Ecuador and, accordingly, would be recognized and applied by the courts of Ecuador if the Facility Agreement or any claim thereunder is brought before any such court; *provided that* in any proceedings in Ecuador for the enforcement of the Facility Agreement, a court in Ecuador would apply the procedural law of Ecuador.

1.18 **Anti-Terrorism; Anti-Money laundering**

- (a) Ecuador is not designated by the Secretary of State of the United States as a State Sponsor of Terrorism pursuant to section 104(c) of the Export Control Reform Act (50 U.S.C. § 4813(c)), section 40 of the Arms Export Control Act (22 U.S.C. § 2780), or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. § 2371).
- (b) Ecuador has implemented, through measures adapted to its particular circumstances, the necessary laws, regulations, and regulatory and enforcement structures to implement the framework of measures recommended by the Financial Action Task Force ("**FATF**") in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction as set forth in the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation as promulgated by the FATF (the "**Anti-Money Laundering Framework**") and has not been identified by the FATF as a jurisdiction with strategic deficiencies in its Anti-Money Laundering Framework.

1.19 **Statutory and policy requirements**

The representations and warranties contained in Clause 2 (*Representations and Warranties*) of Schedule 8 (*Statutory and Policy Requirements*) of the Facility Agreement are true and correct.

1.20 **Change in law**

To the best of its knowledge and belief having made due enquiry, there is no pending amendment to the laws, regulations, statutes or treaties of the Republic, nor any (a) of the foregoing proposed in writing by or to any Governmental Authority or (b) pending legislation in the Jurisdiction, that, if it were to become effective, could reasonably be expected to have a material adverse effect on the validity or enforceability of this Agreement, the ability of the Borrower to make payments, or cause payments to be made, under this Agreement in such currency as required herein and/or to comply with the terms set forth in the Conservation Commitments Agreement.