Mr. Sergii Pidgainyi
Chairman
State Roads Agency “Ukravtodor” of Ukraine
9 Fizkultury Street
Kyiv, 03680 MSP
Ukraine

Re: Ukraine Second Road and Safety Improvement Project
Loan No. 8195-UA
First Amendment to the Project Agreement

Excellency,

We refer to the Loan Agreement (“Loan Agreement”) between Ukraine (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) dated October 11, 2012, and to the Project Agreement (“Project Agreement”) of the same date between the Bank and State Road Agency of Ukraine (“Ukravtodor” or “Project Implementing Entity”), both for the above-referenced Project. We refer also to letter number #31-12230-02-15/13424 dated April 20, 2015, from Mr. Igor Umansky, Acting Minister of Finance requesting various amendments to the Loan Agreement for purposes including, to provide financing for land acquisition necessary to implement Part I of the Project, to finance taxes, to revise activities to be carried out under Part 3 of the Project and to update definition of terms. We also refer to subsequent communications between our respective representatives clarifying, among other things, that the financing would cover also land acquisition, if necessary, for Part 2 of the Project.

I am pleased to inform you that the Bank has acceded to the request. Accordingly, the Project Agreement is hereby amended as follows:

1. Part B of Section I of the Schedule is replaced in its entirety with the following:

“B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Project Implementing Entity shall enter into a subsidiary agreement between the Borrower’s Ministry of Finance, under terms and conditions approved by the Bank (“Subsidiary Agreement”), which shall include provisions stating the proceeds of the Loan shall be made available to the Project Implementing Entity and that the Project Implementing Entity shall be responsible for the oversight and overall management of the Project and shall carry out the Project in accordance with the Project Operations Manual, the Environmental Management Plan, the Framework Addendum to the Environmental Management Plan, the Resettlement Policy Framework, Resettlement Action Plan and the Anti-Corruption Guidelines.

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2. To facilitate the financing of Land Acquisition and Resettlement Costs, the Project Implementing Entity shall amend the Subsidiary Agreement to incorporate terms and conditions acceptable to the Bank, ("Subsidiary Agreement Amendment") including, that:

(a) The Project Implementing Entity shall undertake to enter into a written contract with each Rayon concerned, ("Rayon Contract") to cause the Rayon in whose territory land acquisition and/or resettlement will occur, to undertake to carry out the following:

(i) comply with the provisions of the applicable Resettlement Action Plan(s) relating to land for which Land Acquisition and Resettlement Costs are being financed using the proceeds of the Loan;

(ii) ensure that prior to commencing construction in the Rayon concerned, compensation has been made in full to the Project Affected Persons (defined in the Part I Resettlement Action Plan or Resettlement Action Plan(s), as the case may be);

(iii) utilize the proceeds of the Loan only for Land Acquisition and Resettlement Costs;

(iv) comply with the Anti-Corruption Guidelines; and

(v) transfer the right of use to the land for which Land Acquisition and Resettlement Costs are being financed to the Project Implementing Entity.

(b) The Project Implementing Entity shall ensure that the provisions in subparagraph (a)(i) through (a)(v) above are carried out and also not to assign, amend, abrogate or waive any of the Rayon Contracts or any of their provisions.

3. The Project Implementing Entity shall exercise its rights under the Subsidiary Agreement, Subsidiary Agreement Amendment and each Rayon Contract in such manner as to protect the interests of the Project Implementing Entity and the Bank and to accomplish the purposes of the Project. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement, Subsidiary Agreement Amendment, any of the Rayon Contracts or any of their provisions."

Except as specifically amended in this letter, all other provisions of the Project Agreement remain in full force and effect.

Please confirm the agreement of the Project Implementing Entity to the amendments set out in paragraph 1 above by countersigning and dating the confirmation set forth below, and returning one fully signed original of this letter of amendment to us. One fully signed original should be retained by the Project Implementing Entity. Upon receipt by the Bank of: (a) the copy of this letter of amendment duly countersigned by the authorized representative of the Project Implementing Entity; (b) the copy of the letter amending the Loan Agreement duly countersigned by the authorized representative of the Borrower; and (3) a letter from the Borrower confirming that the completion of its necessary internal procedures for the entry into force of the letter of amendment for the Loan Agreement, the above amendments and the amendments to the Loan Agreement, shall become effective as of the date of the Bank's receipt of the last of the three foregoing letters.
Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Qimiao Fan
Country Director
Ukraine, Belarus and Moldova
Europe and Central Asia

CONFIRMED AND AGREED:
STATE ROAD AGENCY OF UKRAINE
(UKRAVTODOR)

By: [Signature]
Authorized Representative

Name: [Name]
Title: Chairman
Date: [24 August 2015]