

NATIONAL DISPATCH CENTER

November 1, 1996

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Dear Sirs and Mesdames:

Re: Loan No. 4098-0 UA
Loan No. 4098-1 UA (Electricity Market Development Project)
Representations

In connection with the Project Agreement of even date herewith between the International Bank for Reconstruction and Development (the Bank) and the National Dispatch Center (NDC) (the Project entity), the NDC hereby undertakes and warrants to the Bank that:

1. The financial statements dated September 1, 1996, copies of which have been furnished to the Bank, correctly set forth the financial and operating condition of the NDC as of such date and that since such date there have been no material adverse changes in the financial and operating condition of the NDC.
2. The NDC is not engaged in litigation as plaintiff or defendant, the outcome of which might materially and adversely affect its financial condition.
3. The NDC has no outstanding agreements or liabilities, contingent or otherwise (including taxes) which might materially and adversely affect its financial condition.
4. No debt of the NDC is secured by any mortgage, pledge, charge, priority or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority or other lien.
5. There are no existing defaults in the payment of principal of, or interest or other charges on, any debt of the NDC.
6. The NDC is not in violation of, and the execution and delivery of the Project Agreement and the compliance with all its terms do not and will not result in any violation of, any provisions of any existing agreement, franchise, concession, license or permit, or of any statute, decree-law, executive decree, regulation or any other legal rule of a similar nature presently in effect and applicable to the NDC.
7. The NDC is a duly existing state-owned company under the laws of Ukraine, with full authority to carry out its present business, to carry out the relevant parts of the Project and to execute and deliver the Project Agreement, and has furnished to the Bank true copies of its articles of incorporation/statutes and by-laws presently in effect and governing the NDC.

It is our mutual understanding that, in making the Loan and entering into the Project Agreement with the NDC, the Bank may rely on the representations contained herein.

Very truly yours,

NATIONAL DISPATCH CENTER

By /s/ Yuri Shcherbak
Authorized Representative

