



AZERBAIJAN RESIDENT MISSION

AZRM/17-10-005

13 October 2017

Mr. Ramil Yusifov  
Deputy Chairman  
"Azerishiq" Open Joint-Stock Company  
13, A. Bakihanov str.  
Baku, AZ 1065  
Azerbaijan

Dear Mr. Yusifov:

**Subject: Loan No. 3407-AZE: Power Distribution Enhancement Investment Program -  
Project 1  
- Amendment to Loan Agreement**

1. We refer to the Loan Agreement (Ordinary Operations) dated 22 July 2016 between "Azerishiq" Open Joint-Stock Company ("Borrower") and Asian Development Bank ("ADB") for the captioned Project ("Loan Agreement"). Defined terms used in this letter shall have the same meaning as set out in the Loan Agreement.

2. Following a request from the Borrower on 18 July 2017, ADB approved, on 27 September 2017, a change in the implementation arrangements of the Project to allow the required project financial statements to be prepared in accordance with accrual-based International Public Sector Accounting Standards. To give effect to this change, ADB proposes that the Loan Agreement be amended as follows:

- (a) The following shall be added to Section 1.02 as new subparagraph (ka) immediately following subparagraph (k):

"(ka) "IPSAS" means the accrual-based accounting standards issued by the International Public Sector Accounting Standards Board from time to time;"

- (b) References to "IFRS" in Sections 4.05 shall be deleted and replaced with references to "IPSAS".

3. Except as amended, all other terms and conditions of the Loan Agreement shall remain in full force and effect and binding upon the Borrower.

4. Please indicate the agreement of the Borrower to the proposed amendment by countersigning the 2 original counterparts of this letter. Please retain one signed counterpart of this letter for your record and return the other signed counterpart to ADB. The amendment shall take effect from the date of receipt by ADB of the signed counterpart of this letter.

5. Pursuant to ADB's Public Communications Policy ("PCP") on disclosure and exchange of information, the amendment to the Loan Agreement will be posted on ADB's website within 2 weeks after its effectiveness, unless ADB is advised by return mail that the amendment contains information or data of a sensitive or confidential nature falling under the PCP exceptions.

Yours sincerely,




Nariman Mannapbekov  
Country Director  
Azerbaijan Resident Mission

cc: Mr. Samir Sharifov, Minister of Finance, Republic of Azerbaijan

CONFIRMED

The Borrower concurs with the amendment proposed in this letter. The proposed amendment does not contain information or data of a sensitive or confidential nature falling within the PCP exceptions.

Name:  *Ramil Yusifov*  
Designation: *Deputy Chairman*  
Date: *16.10.2017.*

