

AGREEMENT

BETWEEN

THE GOVERNMENT OF MONGOLIA

AND

THE GOVERNMENT

OF THE REPUBLIC OF AUSTRIA

ON

FINANCIAL CO-OPERATION

The Government of Mongolia, represented by the Minister of Finance, and the Government of the Republic of Austria, represented by the Federal Minister of Finance, hereunder called the "Contracting Parties",

- desiring to promote further the close and friendly relations existing between the two countries,

- desiring to extend and deepen the co-operation,

- taking account of the Letter of Intent on Financial Co-Operation signed by both Contracting Parties on May 26th 2025,

have agreed as follows:

Article 1

1.1. The Contracting Parties will endeavour, within the framework of their respective existing laws, regulations and policies as well as their international obligations to promote and expand financial co-operation.

Article 2

2.1. For the purpose of promoting and expanding financial co-operation, the Austrian Federal Minister of Finance is prepared to support the provision of concessional credits, refinanced by Oesterreichische Kontrollbank Aktiengesellschaft (OeKB), Vienna, through commercial banks under the Export Financing Scheme. An indicative financial framework amount of up to EUR 65.000.000 - (Euro sixtyfive million) is envisaged for the financing of projects under the present Agreement.

Article 3

3.1. Austrian concessional financing is principally offered as tied aid financing in the form of pre-mixed credits subject to a minimum concessionality requirement.

3.2. The terms and conditions of the tied aid credits are set in accordance with international obligations such as the "Arrangement on Officially Supported Export Credits" under the auspices of the OECD and the Debt Limits Framework of the

IMF, as applicable. Accordingly, the concessionality level will be at least 35 % for tied aid credits.

The terms and conditions under the Austrian Soft Loan Scheme valid until January 14th 2027 are attached as Annex I of the present Agreement.

3.3. The Contracting Parties note that the terms and conditions may be subject to change due to changes in the OECD country risk classification.

Article 4

4.1. The eligibility of projects to be financed under the present Agreement, will be appraised on a case by case basis, taking into consideration the ex-ante guidance/experiences gained under the "Helsinki" tied aid disciplines and national requirements and criteria, as applicable. An indicative List of eligible project sectors is attached as Annex III of the present Agreement.

Article 5

5.1. Project procurement is to be made in accordance with the Mongolian laws and regulations.

Article 6

6.1. Loan agreements, refinanced by OeKB are negotiated and concluded directly between commercial banks as lenders and the Government of Mongolia represented by the Ministry of Finance as borrower.

Article 7

7.1. Projects to be financed and included under the present Agreement shall be agreed upon through exchange of letters between the Ministry of Finance of Mongolia and the Federal Ministry of Finance of the Republic of Austria. An indicative list of possible projects for financing is attached as Annex II of the present Agreement. This list is subject to change and can where necessary be updated by the Contracting Parties through exchange of letters.

The formal inclusion under the present Agreement shall be effected in a consecutive manner. Projects under negotiation before the entry into force of the present Agreement may also be included.

Article 8

8.1. Tied aid loans, extended under the present Agreement, are to be utilized for the purchase of Austrian goods and services, which may include up to 50 % goods and services originating outside Austria.

Article 9

9.1. The Government of Mongolia represented by the Ministry of Finance hereby irrevocably and unconditionally guarantees the fulfilment of all payments resulting from the present Agreement and irrevocably waives any claim to immunity it might be entitled to in respect of payments guaranteed under the present Agreement.

Article 10

10.1. Goods and services, procured under concessional loans officially supported by the Austrian export financing system, shall be exempt from the value added taxes and customs tax within the territory of Mongolia.

10.2. Tax exemptions to be applied to payments by the borrower under concessional loans officially supported by the Austrian export financing system shall be regulated by the "Convention between the Republic of Austria and Mongolia with respect to taxes on income and on capital" dated July 3, 2003.

Article 11

11.1. The Contracting Parties shall review the progress of the present Agreement, discuss updates and agree on any other matters arising on an annual basis or whenever deemed necessary.

Article 12

12.1. In order to evaluate the use of the concessional loans, under the present Agreement and the sustainability of the corresponding projects, the Government of

Mongolia will facilitate the provision of all necessary documentation for evaluation, auditing and monitoring of the projects.

Article 13

13.1. Any disputes between the Contracting Parties concerning the interpretation and/or implementation of the present Agreement shall be settled amicably through diplomatic channels.

Article 14

14.1. The present Agreement will enter into force on the first day of the month following the month in which the Contracting Parties have notified each other of the fulfilment of all procedures necessary in their respective country.

14.2. The present Agreement shall remain in force for a period of two (2) years and may be renewed thereafter upon mutual consent for further two-year periods unless terminated at any time by either Contracting Party, all in accordance with international obligations such as the "Arrangement on Officially Supported Export Credits" under the auspices of the OECD.

14.3. The termination shall be effected by six (6) months written notification in advance of the proposed termination date. The termination shall not affect the obligations of the Contracting Parties already entered into pursuant to the present Agreement.

14.4. The termination or elapsing of this Agreement shall not affect the binding nature of the commercial contracts and the loan agreements of projects which have been identified and initiated under this Agreement. These contracts and agreements shall continue to be in force according to their own terms and conditions. The provisions agreed upon in the present Agreement shall also continue to apply to any such projects.

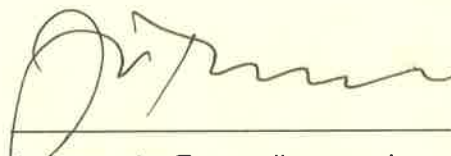
Done at Beijing on *June 10, 2026* and at Ulaanbaatar on *June 10, 2026*
in two originals, both in English language.

**FOR THE GOVERNMENT OF
MONGOLIA
REPRESENTED BY THE
MINISTER OF FINANCE**



Minister of Finance of Mongolia

**FOR THE GOVERNMENT OF
THE REPUBLIC OF AUSTRIA
REPRESENTED BY THE
FEDERAL MINISTER OF FINANCE**



Ambassador Extraordinary and
Plenipotentiary of the
Republic of Austria to Mongolia

Annex I

Terms and conditions under the Austrian Soft Loan Scheme valid until January 14th 2027.

Pre-Mixed Credit:

- 100 % Soft Loan
- Repayment Term: 19 years (4 years grace period, repayment in 30 half yearly instalments)
- Interest Rate: 1.00 % p.a.
- Guarantee Charge: 0.90 % p.a.
- Concessionality Level: 42.81 % according to OECD rules

These terms and conditions may be subject to change due to reclassification in the OECD country risk classification.

Annex II

Indicative list of Projects to be financed under this Agreement

№	Project name	Indicative project amount (million euro)
1	Modernization of oncological surgical equipment and expansion of related healthcare services	10.0
2	Enhancement of the quality, accessibility, facilities, and equipment of trauma and orthopedic services	7.5
3	Project for the reduction of maternal, child, and neonatal mortality in Mongolia	8.0
4	Improving the quality and accessibility of healthcare services at the First National Central Hospital	10.0
5	Phase III of the project to modernize equipment at the Central Military Hospital	10.0
6	Next-phase project to upgrade and install medical equipment and devices, and to strengthen human resource capacity at the General Hospital for Special State Servants and healthcare institutions in the western and eastern border regions	9.5
7	Modernization of stage and sound equipment of the Academic Theatre of Opera and Ballet building	10.0
Total		65.0

Annex III

Based on experiences under the "Helsinki" tied aid disciplines with respect to financially non-viable projects, the following sectors can in principle be considered for concessional financing:

- Health sector including hospital and medical equipment
- Social infrastructure
- Municipal water and sanitation
- Waste and sewage
- Traffic safety and railways
- Education and vocational training
- Civil protection
- Agriculture
- Other infrastructure.