

No. 2502

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
TURKEY**

**Guarantee Agreement — *Second Industrial Development Bank Project* — (with annexed Loan Regulations No. 4 and Loan Agreement — *Second Industrial Development Bank Project* — between the Bank and the Industrial Development Bank of Turkey). Signed at Washington, on 10 September 1953**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 15 March 1954.*

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**BANQUE INTERNATIONALE POUR LA  
RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
TURQUIE**

**Contrat de garantie — *Deuxième projet de la Banque pour le développement industriel* — (avec, en annexe, le Règlement n° 4 sur les emprunts et Contrat d'emprunt — *Deuxième projet de la Banque pour le développement industriel* — entre la Banque et la Banque de Turquie pour le développement industriel). Signé à Washington, le 10 septembre 1953**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 15 mars 1954.*

No. 2502. GUARANTEE AGREEMENT<sup>1</sup> (*SECOND INDUSTRIAL DEVELOPMENT BANK PROJECT*) BETWEEN THE REPUBLIC OF TURKEY AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 10 SEPTEMBER 1953

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AGREEMENT, dated September 10, 1953, between the REPUBLIC OF TURKEY, (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and The Industrial Development Bank of Turkey (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement<sup>2</sup>, the Bank has agreed to make to the Borrower a loan in various currencies in an aggregate principal amount equivalent to nine million dollars (\$9,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the payment of the principal, interest and other charges on such loan; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee the payment of the principal, interest and other charges on such loan;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

*Section 1.01.* The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated October 15, 1952,<sup>3</sup> (a copy of which has been attached to the Loan Agreement as Schedule 3<sup>4</sup> thereto), subject, however, to the modifications thereof set forth in Schedule 2<sup>5</sup> to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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<sup>1</sup> Came into force on 17 February 1954, upon notification by the Bank to the Government of Turkey.

<sup>2</sup> See p. 80 of this volume.

<sup>3</sup> See p. 80 of this volume.

<sup>4</sup> See p. 94 of this volume.

<sup>5</sup> See p. 94 of this volume.

*Article II*

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds.

*Article III*

*Section 3.01.* Except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor or any of its political subdivisions or any agency of the Guarantor or any such political subdivision as security for the payment of any external debt, then by the creation thereof such lien shall equally and ratably secure the payment of the principal of, and the interest and other charges on the Loan, and in the creation of any such lien express provision will be made to that effect ; provided, however, that this Section shall not apply to :

(a) any lien created on property purchased, at the time of the purchase thereof, solely as security for the payment of the purchase price of such property ; or

(b) any pledge of commercial goods to secure debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; or

(c) any pledge by T. C. Merkez Bankasi (Central Bank of the Republic of Turkey) of any of its assets in the ordinary course of its banking business to secure any indebtedness maturing not more than one year after the date on which it is originally incurred.

*Section 3.02.* (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The suggestions and observations made by either party pursuant to any provisions of this Section shall be received by the other party in a spirit of mutual cooperation and shall be given due consideration. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

*Section 3.03.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories ; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 3.04.* This Guarantee Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories ; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 3.06.* (a) With respect to any investment made by the Borrower under which any part is provided in currency other than currency of the Guarantor (hereinafter called "foreign currency"), when and as the Borrower shall receive any payment on account of the principal of, or return of the capital represented by, such part or interest thereon or other income therefrom in currency of the Guarantor, the Guarantor or T. C. Merkez Bankasi (Central Bank of the Republic of Turkey, hereinafter called "Central Bank") will make available to the Borrower at the current official rate of exchange the equivalent of the amount so received in such foreign currency. The total amount of foreign currency made available hereunder in respect of interest and other income received by the Borrower shall not exceed the total amount payable under the Loan Agreement on account of interest and other charges.

(b) All foreign currencies made available to the Borrower under paragraph (a) of this Section 3.06 shall be paid by the Borrower into a special account in the Central Bank and shall be subject to withdrawal by check, draft or order on demand for use by the Borrower for the purpose of further investments and for other operations or to make payments of principal, interest or other charges under the Loan Agreement, including prepayments of principal and premium, if any, thereon.

(c) Except with the consent of the Ministry of Finance of the Guarantor, the total amount of any foreign currency made available to the Borrower under paragraph (a) of this Section 3.06 shall not at any time exceed an amount equal to three times the amount of such foreign currency theretofore withdrawn by the Borrower from the Loan Account provided for in the Loan Agreement.

(d) Upon termination of the Loan Agreement, no further currency operations as described in paragraphs (a) and (b) of this Section 3.06 shall take place.

*Section 3.07.* The Guarantor covenants that it will not take any action which would prevent or materially interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement or the Loan Regulations contained.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

#### *Article V*

*Section 5.01.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor : Ministry of Finance, Directorate General of the Treasury, Ankara, Turkey.

For the Bank : International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C., United States of America.

*Section 5.02.* The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Turkey :  
By Feridun C. ERKIN  
Authorized Representative

International Bank for Reconstruction and Development :  
By Eugene R. BLACK  
President

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## LOAN REGULATIONS No. 4, DATED 15 OCTOBER 1952

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER  
THAN MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 172, p. 12f*

## LOAN AGREEMENT

(SECOND<sup>1</sup> INDUSTRIAL DEVELOPMENT BANK PROJECT)

AGREEMENT, dated September 10, 1953, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and the INDUSTRIAL DEVELOPMENT BANK OF TURKEY (hereinafter called the Borrower).

WHEREAS on October 19, 1950, the Bank made to the Borrower a loan of an amount equivalent to nine million dollars (\$9,000,000) and is willing at this time to make to it an additional loan in an amount equivalent to nine million dollars (\$9,000,000), the purpose of both loans being to contribute to the industrial development of Turkey by enabling the Borrower to provide foreign exchange to private enterprises in Turkey for specific productive development projects ; and

WHEREAS the Bank has indicated its willingness to continue to participate in the future in the financing of the Borrower's operations, the extent of such participation to be determined from time to time by agreement between the Bank, the Borrower and the Government of Turkey in the light of all relevant considerations, including progress made in achieving the basic objectives of the Borrower, the financial position and needs of the Borrower and the Turkish economic situation ;

NOW THEREFORE, the parties hereto hereby agree as follows :

*Article I*

## LOAN REGULATIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated October 15, 1952, (a copy of which has been attached hereto as Schedule 3<sup>2</sup> to this Loan Agreement), subject, however, to the modifications thereof set forth in Schedule 2<sup>3</sup> to this Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

<sup>1</sup> See Loan Agreement dated 19 October 1950. *United Nations, Treaty Series, Vol. 157, p. 342.*

<sup>2</sup> See p. 94 of this volume.

<sup>3</sup> See p. 94 of this volume.

*Article II*

## THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to nine million dollars (\$9,000,000).

*Section 2.02.* The Bank shall open a Loan Account on its books in the name of the Borrower. The amount of the Loan shall be credited to the Loan Account in instalments as follows :

(a) There shall be so credited such amounts as shall from time to time be agreed upon by the Bank and the Borrower as required to meet the reasonable administrative expenses of the Borrower payable in foreign currency. (For the purposes of this Loan Agreement, the term "foreign currency" means any currency other than currency of the Guarantor) ;

(b) When any investment project shall be approved by the Bank as in Section 3.02 provided, there shall be so credited an amount equal to the estimated foreign currency cost thereof as approved by the Bank ;

(c) Additional amounts may be so credited by agreement between the Bank and the Borrower ;

provided, however, that, unless the Bank shall otherwise agree, (i) amounts credited to the Loan Account shall not exceed in the aggregate one-fourth of the amount of the Loan until the paid-in capital of the Borrower shall have been increased to 15,750,000 Turkish liras and evidence thereof satisfactory to the Bank shall have been furnished to the Bank ; (ii) such amounts shall not exceed in the aggregate one-half of the amount of the Loan until such capital shall have been increased to 17,500,000 Turkish liras and evidence thereof satisfactory to the Bank shall have been furnished to the Bank ; and (iii) such amounts shall not exceed in the aggregate three-fourths of the amount of the Loan until such capital shall have been increased to 18,750,000 Turkish liras and evidence thereof satisfactory to the Bank shall have been furnished to the Bank. All such increases of capital shall be unimpaired except for taxes and general expenses.

Amounts credited to the Loan Account, which shall not exceed in the aggregate the amount of the Loan, may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

*Section 2.03.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1 %) per annum on the amount of the Loan standing to the credit of the Borrower from time to time in the Loan Account. Such commitment charge shall accrue from the several dates on which amounts shall be credited to the Loan Account to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V thereof.

*Section 2.04.* The Borrower shall pay interest at the rate of four and seven-eighths per cent ( $4\frac{7}{8}\%$ ) per annum on the principal amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

*Section 2.05.* Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1 %) per annum on the principal amount of any such special commitments outstanding from time to time.

*Section 2.06.* Interest and other charges shall be payable semi-annually on February 15 and August 15 in each year.

*Section 2.07.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1<sup>1</sup> to this Loan Agreement.

### Article III

#### DESCRIPTION OF THE PROJECT ; USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Project for which the Loan is granted is a program to contribute to the industrial development of Turkey by providing credits for productive purposes to enterprises in Turkey in which private capital is or may be invested, and by making other productive investments in such enterprises, for specific development projects, all in accordance with the Statutes of the Borrower, as amended from time to time, and in furtherance of the corporate purposes of the Borrower as therein set forth. (Such enterprises are herein called "investment enterprises" and such specific development projects are herein called "investment projects").

*Section 3.02.* The proceeds of the Loan shall be applied exclusively to the cost of goods which will be required for the carrying out of the Project, including the carrying out of such investment projects as shall from time to time be approved in writing by the Bank. Notwithstanding the provisions of Section 4.01 of the Loan Regulations, except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made on account of expenditures made for any such investment project more than 60 days prior to the submission of the investment project to the Bank for approval. Except as the Bank and the Borrower shall otherwise agree, no investment project shall be so approved by the Bank after three years from the Effective Date.

*Section 3.03.* Whenever the Borrower shall desire to submit an investment project to the Bank for approval the Borrower shall submit to the Bank an application in such form as shall be agreed between the Bank and the Borrower. Such application shall contain a description of such investment project and such other information as the Bank shall reasonably request.

*Section 3.04.* Any credit granted by the Borrower to, or other investment made by the Borrower in, an investment enterprise for an investment project to be financed in whole or in part out of the proceeds of the Loan, shall be granted or made on terms whereby

<sup>1</sup> See p. 92 of this volume.

the Borrower shall obtain, by the written agreement of such investment enterprise or other appropriate legal means, rights adequate to protect the interests of the Borrower and the Bank, including the right to require that the goods to be purchased with proceeds of the Loan shall be used exclusively in the carrying out of such investment project, the rights to require such investment enterprise to carry out the investment project with due diligence and efficiency and in accordance with sound engineering standards, and the right to obtain all such information as the Borrower shall reasonably request relating to the foregoing and to the financial condition of such investment enterprise. Such rights shall include appropriate provision whereby further access by such enterprise to use of the proceeds of the Loan may be suspended or terminated by the Borrower upon failure by such investment enterprise to carry out the terms of such credit or other investment.

#### *Article IV*

##### BONDS

*Section 4.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 4.02.* Any two members of the Board of Directors of the Borrower acting jointly are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project and conduct its operations in accordance with sound banking standards and under the supervision of qualified and experienced management.

(b) The Borrower shall maintain records adequate to disclose the use made of the goods, to record the progress of the Project and of each investment project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the financial condition and operations of the Borrower; shall enable the Bank's representatives to inspect any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, the investment projects and the financial condition and operations of the Borrower.

*Section 5.02.* The Borrower shall exercise its rights in relation to each investment project financed in whole or in part out of the proceeds of the Loan in such manner as to protect the interests of the Borrower and the Bank and to make available to the Bank information concerning the progress of such investment project and the use therein of goods purchased with the proceeds of the Loan.

*Section 5.03.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition of substantial importance which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

*Section 5.04.* The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect, provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; or (iii) any lien arising in the ordinary course of banking transactions to secure a debt maturing not more than one year after the date on which it is originally incurred.

*Section 5.05.* The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Loan Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder ; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 5.06.* The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Loan Agreement, the Guarantee Agreement or the Bonds.

*Section 5.07.* The Borrower shall make or cause to be made adequate arrangements for insurance of the goods financed with the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Guarantor.

*Section 5.08.* Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur any debt if thereby the aggregate indebtedness of the Borrower would exceed 75,400,000 Turkish liras or its equivalent in other currencies. For this purpose, however, the term "debt" does not include (i) debt in favor of the Guarantor, repayable in the currency of the Guarantor only from that portion of the net profits (determined after due allowance for legal reserve funds) of the Borrower, during any fiscal year of the Borrower, in excess of the amount of net profits for such fiscal year required by applicable law to enable the Borrower to pay a dividend in cash equal to six per cent (6 %) of its paid-in capital, all in accordance with Law No. 5660 passed by the

Grand National Assembly of the Guarantor on March 25, 1950 ; or (ii) debt incurred by the Borrower in the ordinary course of banking transactions and maturing not more than one year after the date on which it is originally incurred.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Loan Agreement or in the Bonds to the contrary notwithstanding.

#### Article VII

##### EFFECTIVE DATE ; TERMINATION

*Section 7.01.* The following events are specified as additional conditions to the effectiveness of this Loan Agreement within the meaning of Section 9.01 (c) of the Loan Regulations :

(a) The subscribed capital of the Borrower shall have been increased from 12,500,000 Turkish liras to 18,750,000 Turkish liras ; and

(b) The paid-in capital of the Borrower shall have been increased from 12,500,000 Turkish liras to 14,000,000 Turkish liras, such increase of capital to be unimpaired except for taxes and general expenses ; and

(c) The Borrower shall, after the date of this Loan Agreement, have increased its borrowings from T.C. Merkez Bankasi (Central Bank of the Republic of Turkey) or other domestic sources by not less than 12,500,000 Turkish liras upon terms and conditions satisfactory to the Bank.

*Section 7.02.* A date ninety days after the date of this Loan Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

#### Article VIII

##### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be five years after the Effective Date.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Bank : International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C., United States of America.

For the Borrower : the Industrial Development Bank of Turkey (Turkiye Sinai Kalkinma Bankasi), Anadolu Sigorta Han, Galata, Istanbul, Turkey.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By Eugene R. BLACK  
President

The Industrial Development Bank of Turkey :

By E. DEMIRTAS  
Authorized Representative

### SCHEDULE 1

#### AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Principal Amount Outstanding After Each Payment (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Principal Amount Outstanding After Each Payment (expressed in dollars)*</i>
Feb. 15, 1958 .	—	\$9,000,000	Aug. 15, 1963 .	424,000	4,854,000
Aug. 15, 1958 .	\$333,000	8,667,000	Feb. 15, 1964 .	434,000	4,420,000
Feb. 15, 1959 .	341,000	8,326,000	Aug. 15, 1964 .	445,000	3,975,000
Aug. 15, 1959 .	350,000	7,976,000	Feb. 15, 1965 .	456,000	3,519,000
Feb. 15, 1960 .	358,000	7,618,000	Aug. 15, 1965 .	467,000	3,052,000
Aug. 15, 1960 .	367,000	7,251,000	Feb. 15, 1966 .	479,000	2,573,000
Feb. 15, 1961 .	376,000	6,875,000	Aug. 15, 1966 .	490,000	2,083,000
Aug. 15, 1961 .	385,000	6,490,000	Feb. 15, 1967 .	502,000	1,581,000
Feb. 15, 1962 .	394,000	6,096,000	Aug. 15, 1967 .	514,000	1,067,000
Aug. 15, 1962 .	404,000	5,692,000	Feb. 15, 1968 .	527,000	540,000
Feb. 15, 1963 .	414,000	5,278,000	Aug. 15, 1968 .	540,000	—

#### PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 5 years before maturity . . . . .	1/2 %
More than 5 years but not more than 10 years before maturity . . . . .	1 %
More than 10 years before maturity . . . . .	1 3/4 %

## SCHEDULE 2

### MODIFICATIONS OF LOAN REGULATIONS NO. 4<sup>1</sup>

The provisions of Loan Regulations No. 4 of the Bank dated October 15, 1952, are modified as follows :

(a) The second sentence of Section 2.02 of Article II thereof shall be inapplicable.

(b) The first sentence of paragraph 13 of Section 10.01 thereof shall be modified to read as follows :

The term "goods" means equipment, supplies and services which are required for the Project, including investment projects.

## SCHEDULE 3

*Note :*

A copy of Loan Regulations No. 4 of the Bank dated October 15, 1952, was attached to the executed copies of the Loan Agreement as provided for in Section 1.01 of the Loan Agreement.

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<sup>1</sup> See p. 80 of this volume.