

No. 12279

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

Loan Agreement—*Power Transmission Project* (with schedules and General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 20 September 1972

Authentic text : English.

Registered by the International Bank for Reconstruction and Development on 22 January 1973.

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

Contrat d'emprunt — *Projet relatif à l'électrification* (avec annexes et Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 20 septembre 1972

Texte authentique : anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 22 janvier 1973.

LOAN AGREEMENT¹

AGREEMENT, dated September 20, 1972, between IRAN (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) The Borrower, acting through its agency the Khuziatan Water and Power Authority, is presently engaged in construction of the Reza Shah Kabir Dam and related hydroelectric facilities and that the said dam and hydroelectric facilities are scheduled to be completed by May 31, 1974;

(B) In view of the foregoing, the Borrower has requested the Bank to assist in the financing of the Project described in Schedule 2 to this Agreement by making the Loan as hereinafter provided;

(C) The Project will be carried out by the Iran Power Generation and Transmission Company with the Borrower's assistance and, as part of such assistance, the Borrower will make available to the Iran Power Generation and Transmission Company the proceeds of the Loan as hereinafter provided; and

(D) The Bank is willing to make the Loan available upon the terms and conditions set forth hereinafter and in a project agreement of even date herewith² between the Bank and the Iran Power Generation and Transmission Company;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I. GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,³ with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof and to the amendment of Section 6.02 (i) thereof to read as follows: "Any event specified in paragraph (e) or (f) of Section 7.01 shall have occurred." (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings :

(a) "Project Agreement" means the agreement between the Bank and the Iran Power Generation and Transmission Company of even date herewith, as the same

¹ Came into force on 8 January 1973, upon notification by the Bank to the Government of Iran.

² The said Agreement entered into force on 8 January 1973. As it does not constitute an international agreement or a part of the present Agreement, it is not reproduced herein. However, it was published by the Bank as document LN 856 IRN, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Loan Agreement.

³ See p. 192 of this volume.

may be amended from time to time, and such term includes all schedules to the Project Agreement;

(b) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and the Iran Power Generation and Transmission Company pursuant to Section 3.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Loan Agreement;

(c) "Plan Law" means the Law dated 27 *Esfand 1346* providing for the Fourth National Five Year Development Plan of the Borrower, together with any amendment or amendments thereof;

(d) "Plan Organization" means the Plan Organization the functions and responsibilities of which are defined in the Plan Law, or any other organization or organizations which may be charged hereafter by law with functions and responsibilities of similar scope and character and shall include any successor or successors thereto;

(e) "TAVANIR" means the Iran Power Generation and Transmission Company, a joint stock company organized and operating in accordance with the Law dated 26 *Esfand 1342* and with its Charter (*assasnameh*) enacted pursuant to the said Law, and shall include any successor or successors thereto;

(f) "KWPA" means the Khuzistan Water and Power Authority, a joint stock company organized and operating in accordance with the Law dated 9 *Khordad 1339* and the Law dated 26 *Esfand 1342* and with its charter (*assasnameh*) which entered into force on 26 *Esfand 1347* enacted pursuant to the said Law, and shall include any successor or successors thereto;

(g) "Regional Electricity Company" means any regional electricity company organized and operating in accordance with the Law dated 26 *Esfand 1342* and with the Resolution (*Mosavabeh*) of the Joint Committee on Water and Power of Parliament dated 25 *Azar 1343* as amended on 17 *Azar 1344* and on 4 *Ordibehesht 1346*, and shall include any successor or successors thereto; and

(h) "Ministry of Water and Power" means the Borrower's Ministry of Water and Power whose powers and responsibilities are as set forth in the Law dated 26 *Esfand 1342*.

Article II. THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to fifty-one million dollars (\$ 51,000,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed under the Loan Agreement; provided, however, that, except as the Bank shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Bank shall otherwise agree, the goods and services (other than those of consultants) required for the Project and to be financed out of the

proceeds of the Loan shall be procured pursuant to the provisions set forth or referred to in Section 2.04 of the Project Agreement.

Section 2.04. The Closing Date shall be March 31, 1977 or such other date as shall be agreed between the Borrower and the Bank.

Section 2.05. 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 principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of seven and one-fourth of one per cent ($7\frac{1}{4}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

Section 2.09. If and when the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in article VIII of the General Conditions.

Section 2.10. The Managing Director of the Plan Organization of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

Article III. EXECUTION OF THE PROJECT

Section 3.01. (a) The Borrower shall cause TAVANIR to carry out the Project with due diligence and efficiency and in conformity with sound public utility practices.

(b) Without any limitation or restriction upon any of its other obligations under the Loan Agreement, the Borrower shall cause TAVANIR to perform in accordance with the provisions of the Project Agreement and the Subsidiary Loan Agreement all the obligations therein set forth, shall take and cause the Ministry of Water and Power to take all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable TAVANIR to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(c) The Borrower shall relend the proceeds of the Loan to TAVANIR under a subsidiary loan agreement to be entered into between the Borrower and TAVANIR, for a period of twenty years including four years' grace at an interest rate of seven and one-fourth of one per cent ($7\frac{1}{4}\%$) per annum and under such other terms and conditions as shall be satisfactory to the Bank.

(d) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan, and except as the Bank shall otherwise agree, the Borrower shall not assign, nor amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

Section 3.02. Except as the Bank shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively for the Project.

Section 3.03. The Borrower : (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) shall enable the Bank's accredited representatives to inspect the Project, the goods financed out of the proceeds of the Loan and any relevant records and documents; and (iii) shall furnish to the Bank all such information as the Bank shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

Article IV. OTHER COVENANTS

Section 4.01. (a) It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan or the Bonds by way of a lien on governmental assets.

(b) To that end the Borrower (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt except as otherwise disclosed in writing by the Borrower to the Bank, and (ii) undertakes that, except as the Bank shall otherwise agree, if any such lien shall be created, it will *ipso facto* equally and ratably, and at no cost to the Bank or the holders of the Bonds, secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds and in the creation of any such lien express provision will be made to that effect. The Borrower shall promptly inform the Bank of the creation of any such lien.

(c) The foregoing representation and undertaking shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(d) As used in this Section, the term "governmental assets" means assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including the Bank Markazi Iran or any institution performing the functions of a central bank for the Borrower.

Section 4.02. (a) The Borrower shall take and shall cause its Ministry of Water and Power to take all such action as shall be necessary from time to time to cause TAVANIR's rates to be set and maintained at such levels as may be necessary to provide revenue sufficient to produce, until March 1978, an annual rate of return of not less than 6% on the value of TAVANIR's net fixed assets in operation valued in accordance with sound and consistently maintained methods of valuation acceptable to the Bank, plus an adequate working capital allowance, to be calculated on a basis acceptable to the Bank, and shall by a date not later than March 31, 1978 or such later date as shall be agreed by the Bank review with the Bank the need for a higher rate of return for the period thereafter.

(b) The Borrower shall, by a date not later than May 31, 1974 or such later date as may be agreed to by the Bank, take such action, and cause its Ministry of Water and Power to take, such action as shall be necessary :

- (i) to set rates satisfactory to the Bank for the sale of electricity by KWPA to TAVANIR from supplies generated at the Reza Shah Kabir hydroelectric plant; and
- (ii) to ensure that a compensation agreement, satisfactory to the Bank, is promptly entered into by KWPA and TAVANIR providing for payment of amounts due to TAVANIR in return for transmitting electric power for the account of KWPA.

(c) The provisions of paragraph (a) of this Section shall be deemed to supersede all prior agreements between the Borrower and the Bank concerning TAVANIR's rates for the sale of electric power.

Section 4.03. (a) The Borrower shall ensure that TAVANIR has the full responsibility for system planning of power transmission and thermal power generation.

(b) The Borrower shall take and shall cause the Ministry of Water and Power to take all such steps as shall be necessary to transfer to TAVANIR by a date not later than May 31, 1974 or such later date as may be mutually acceptable to the Borrower and the Bank, all 230 kV transmission lines and associated substations presently owned and operated by KWPA, and which are to be used for power transmission and are to be connected with the 400 kV and 230 kV transmission lines included in the Project.

Article V. CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Borrower and the Bank shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Loan Agreement, the performance by TAVANIR of its obligations under the Project Agreement, and the Subsidiary Loan Agreement, the administration, operations and financial condition, resources and expenditures of TAVANIR and, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out any part of the Project, and other matters relating to the purposes of the Loan; and
- (b) 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 Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the organization, operations, financial condition and projections (short- and medium-term), resources and expenditures of TAVANIR.

(b) The Borrower and the Bank shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof, the performance by either of them of its obligations under the Loan Agreement or the performance by TAVANIR of its obligations under the Project Agreement and the Subsidiary Loan Agreement.

Section 5.03. The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

Article VI. TAXES AND RESTRICTIONS

Section 6.01. 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 imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the foregoing shall not apply to taxation of 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 Borrower.

Section 6.02. The Loan Agreement, the Project Agreement and the Bonds shall be free from any taxes on or in connection with the execution, issue, delivery or registration thereof imposed under the laws of the Borrower or laws in effect in its territories and the Borrower shall bear the cost of any taxes, payable on or in connection with the execution, issue, delivery or registration of any of the abovementioned agreements or transactions.

Section 6.03. The payment of the principal of, and interest and other charges on, the Loan and the Bonds shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII. REMEDIES OF THE BANK

Section 7.01. If any event specified in Section 7.01 of the General Conditions or in Section 7.03 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

Section 7.02. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified :

(a) a default shall have occurred in the payment of principal or interest or any other payment required under the Subsidiary Loan Agreement;

(b) a default shall have occurred in the performance of any other obligation (i) on the part of TAVANIR, under the Project Agreement or under the Subsidiary Loan Agreement, or (ii) on the part of the Borrower, under the Subsidiary Loan Agreement;

(c) TAVANIR shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by TAVANIR or by others whereby any of its property or assets shall or may be distributed among, or administered for the benefit of, its creditors;

(d) any creditor of TAVANIR shall have demanded payment of monies lent to TAVANIR, prior to the agreed maturity of any loan having an original maturity of one year or longer, in accordance with the terms of such loan;

(e) the Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of TAVANIR or for the suspension of its operations;

(f) The Law dated 26 *Esfand* 1342 or the Resolution (*Mosavabeh*) of the Joint Committee on Water and Power of Parliament dated 25 *Azar* 1343 as amended on 17 *Azar* 1344 and on 4 *Ordibehesht* 1346 or TAVANIR's charter (*assasnameh*), dated 17 *Esfand* 1347 or any of the provisions thereof, shall have been amended, suspended, abrogated, repealed or waived in such a way as to materially and adversely affect the ability of TAVANIR to carry out the covenants, agreements and obligations set forth in the Project Agreement or the Subsidiary Loan Agreement;

(g) a subsidiary or any other entity shall have been created or acquired or taken over by TAVANIR, if such creation, acquisition or taking over would adversely affect the conduct of TAVANIR's business or TAVANIR's financial situation or the carrying out of the Project; and

(h) an extraordinary situation shall have arisen which shall make it improbable that TAVANIR will be able to perform its obligations under the Project Agreement or under the Subsidiary Loan Agreement.

Section 7.03. For the purposes of Section 7.01 of the General Conditions, the following additional events are specified :

(a) The events specified in paragraph (a) of Section 7.02 of this Loan Agreement shall occur and shall continue for a period of thirty days after notice thereof shall have been given by the Bank to the Borrower and TAVANIR.

(b) The events specified in paragraph (b) or in paragraph (f) or in paragraph (g) of Section 7.02 of this Loan Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower and TAVANIR.

(c) Any event specified in paragraph (c) or paragraph (d) or paragraph (e) of Section 7.02 of this Loan Agreement shall occur.

Article VIII. EFFECTIVE DATE; TERMINATION

Section 8.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions :

(a) The execution and delivery of the Project Agreement on behalf of TAVANIR have been duly authorized or ratified by all necessary corporate and governmental action.

(b) The execution and delivery of the Subsidiary Loan Agreement on behalf of the Borrower and TAVANIR, respectively, have been duly authorized or ratified by all necessary corporate and governmental action.

Section 8.02. The following are specified as additional matters, within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank :

(a) That the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, TAVANIR, and constitutes a valid and binding obligation of TAVANIR in accordance with its terms.

(b) That the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and TAVANIR, respectively, and constitutes a valid and binding obligation of the Borrower and TAVANIR in accordance with its terms.

Section 8.03. The date December 22, 1972, is hereby specified for the purposes of section 11.04 of the General Conditions.

Article IX. REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Managing Director of the Plan Organization of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Borrower :

Plan Organization
Tehran
Iran

Cable address :
Barnameh
Tehran

For the Bank :

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

Cable address :
Intbafrad
Washington, D.C.

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

Iran :

By ZIA SAFAI
Authorized Representative

International Bank for Reconstruction and Development :

By J. BURKE KNAPP
Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE LOAN

The table below sets forth the Categories of items to be financed out of the proceeds of the Loan and the allocation of the amounts of the Loan to each Category :

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>
I. 400 kV transmission lines	20,500,000
II. 400 kV sub-stations	7,900,000
III. Engineering services for 400 kV transmission	1,300,000
IV. 230 kV transmission lines	5,000,000
V. 230 kV sub-stations	5,700,000
VI. Engineering services for 230 kV transmission	500,000
VII. Consulting and technical services for the training program	3,000,000
VIII. Unallocated	7,100,000
TOTAL	<u>51,000,000</u>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of :

- (a) expenditures in the currency of the Borrower, or for goods produced in or services supplied from, the territories of the Borrower, except that in the event that a local manufacturer is awarded a contract for equipment and supplies with respect to Categories I, II, IV and V of paragraph 1 of this Schedule in accordance with the provisions of Schedule 1 to the Project Agreement, withdrawals may be made in respect of expenditures in the currency of the Borrower representing the ex-factory price, net of identifiable taxes, of such items (provided that the Borrower shall have previously furnished to the Bank evidence satisfactory to the Bank establishing the proportion of such expenditures which constitutes the identifiable taxes);
- (b) expenditures prior to the date of this Agreement; and
- (c) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof.

3. Notwithstanding the allocation of an amount of the Loan set forth in the second column of the table in paragraph 1 above :

- (a) if the estimate of the expenditures under Category I, II, III, IV, V, VI or VII shall decrease, the amount of the Loan then allocated to any such Category and no longer required therefor will be reallocated by the Bank by increasing correspondingly the unallocated amount of the Loan;
- (b) if the estimate of the expenditures under Category I, II, III, IV, V, VI or VII shall increase, a corresponding amount will be allocated by the Bank, at the request of the Borrower, to such Category from the unallocated amount of the Loan, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of any other expenditures under any of the said Categories; and
- (c) if the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 2.04 of the Project Agreement, no expenditures for such item shall be financed out of the proceeds of the Loan and the Bank may, without in any way restricting or limiting any other right, power or remedy of the Bank under the Loan Agreement, by notice to the Borrower, cancel such amount of the Loan as in the Bank's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Loan.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of the construction of transmission facilities in southwestern Iran, and related training and engineering assistance, and includes :

Part A. A single circuit 400 kV transmission system (approximately 845 km) to transmit the power output of the Reza Shah Kabir hydroelectric plant to the major load centers of Arak, Esfahan, Omidieh and Ahwaz;

Part B. A 230 km kV transmission system to extend the existing interconnected system to Shiraz, via Kazerun (approximately 206 km of double circuit line) with a connection to Borazjan (approximately 77 km of single circuit line); and

Part C. Devising and implementing a three year comprehensive training program for TAVANIR's staff.

The Project is expected to be completed by March 20, 1976.

SCHEDULE 3

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
October 15, 1976	870,000	October 15, 1984	1,540,000
April 15, 1977	900,000	April 15, 1985	1,595,000
October 15, 1977	935,000	October 15, 1985	1,650,000
April 15, 1978	970,000	April 15, 1986	1,710,000
October 15, 1978	1,005,000	October 15, 1986	1,775,000
April 15, 1979	1,040,000	April 15, 1987	1,840,000
October 15, 1979	1,075,000	October 15, 1987	1,905,000
April 15, 1980	1,115,000	April 15, 1988	1,975,000
October 15, 1980	1,155,000	October 15, 1988	2,045,000
April 15, 1981	1,200,000	April 15, 1989	2,120,000
October 15, 1981	1,240,000	October 15, 1989	2,195,000
April 15, 1982	1,285,000	April 15, 1990	2,275,000
October 15, 1982	1,335,000	October 15, 1990	2,360,000
April 15, 1983	1,380,000	April 15, 1991	2,445,000
October 15, 1983	1,430,000	October 15, 1991	2,530,000
April 15, 1984	1,485,000	April 15, 1992	2,620,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1 $\frac{1}{4}$ %
More than three years but not more than six years before maturity	2%
More than six years but not more than eleven years before maturity	3 $\frac{1}{2}$ %
More than eleven years but not more than sixteen years before maturity	5 $\frac{1}{4}$ %
More than sixteen years but not more than eighteen years before maturity	6 $\frac{1}{4}$ %
More than eighteen years before maturity	7 $\frac{1}{4}$ %

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
 GENERAL CONDITIONS, DATED 31 JANUARY 1969
 GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS
 [Not published herein. See *United Nations, Treaty Series, vol. 691, p. 300.*]
