

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8584-PH

Loan Agreement

(Social Welfare Development and Reform Project II)

between

REPUBLIC OF THE PHILIPPINES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *April 29*, 2016

LOAN AGREEMENT

AGREEMENT dated *April 29*, 2016, between REPUBLIC OF THE PHILIPPINES ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of four hundred and fifty million Dollars (\$450,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread ; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are January 15 and July 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section III of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through its Department of Social Welfare and Development (“DSWD”) in accordance with the provisions of Article V of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that the Legal Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to carry out the Project or to perform any of its obligations under this Agreement.

ARTICLE V — TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Secretary of Finance.
6.02. The Borrower's Address is:

Department of Finance
Department of Finance Building
Bangko Sentral Complex
Roxas Blvd.
Manila, Philippines
Facsimile:
(63-2) 523-9216

- 6.03. The Bank's Address is:

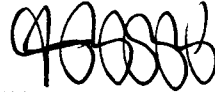
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Manila, Republic of the Philippines, as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

By



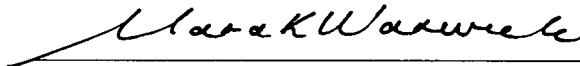
Authorized Representative

Name: CESAR V. PURISIMA

Title: SECRETARY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: COUNTRY DIRECTOR

Title: MARA WARWICK

SCHEDULE 1

Project Description

The objective of the Project is to support the National Program Support for Social Protection of DSWD to improve the use of health and education services of poor children.

The Project consists of the following parts:

Part 1: Support to the Pantawid Pamilya

Provision by the Borrower of Conditional Cash Transfer Grants (“CCT Grants”) under the Pantawid Pamilya to CCT Beneficiaries in order to enable them to access health and/or education services under the terms and conditions set out in the Pantawid Pamilya Operations Manual.

Part 2: Strengthening of CCT Implementation and Monitoring and Evaluation

Enhancing the capacity of the DSWD’s Pantawid Pamilya National Project Management Office (“NPMO”) to deliver the Pantawid Pamilya, including through: (a) strengthening policy analysis and monitoring and evaluation capacity, including conducting a Pantawid Pamilya impact evaluation and annual Pantawid Pamilya implementation spot checks; (b) training of central, regional and municipal staff to deliver the Pantawid Pamilya ; (c) developing content for, and strengthening capacity to deliver, strategic communications, including strengthening the beneficiary feedback mechanism; and (d) training for the development and delivery of family and youth development sessions.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall vest responsibility for overall management and oversight of the Project in the DSWD.
2.
 - (a) The Borrower shall carry out the Project in accordance with the Pantawid Pamilya Operations Manual, satisfactory to the Bank, that shall regulate in detail the design and implementation of the Pantawid Pamilya, including the procedures for selection of CCT Beneficiaries using the National Household Targeting System, satisfactory to the Bank, that shall set out the institutional arrangements, including fiduciary arrangements, for the Project.
 - (b) Except as the Bank shall otherwise agree, the Borrower shall not amend, waive or fail to enforce the Pantawid Pamilya Operations Manual or any provision thereof. In case of any conflict between the provisions of this Agreement and those of the Pantawid Pamilya Operations Manual, the provisions of this Agreement shall prevail.
3. For the purposes of Part 1 of the Project, the Borrower shall maintain throughout the period of Project implementation:
 - (a) the National Advisory Committee, which is responsible for advice on policy regarding the design of and implementation mechanisms for the Pantawid Pamilya , and for coordination among government agencies at the national level;
 - (b) the NPMO, which shall be responsible for the implementation of Part 1 of the Project; and
 - (c) Regional Project Management Offices, which shall be responsible for the implementation of Part 1 of the Project at the regional level.
4. The Borrower shall designate, under contract or other arrangements, an independent third party to carry out spot checks as set out in this paragraph, and not later than October 31 in each year, commencing October 31, 2016, carry out such spot checks, mutually satisfactory to the Bank and the Borrower, to verify:

- (a) that CCT Beneficiaries receiving grants under Part 1 of the Project meet the eligibility criteria set out in the Pantawid Pamilya Operations Manual for the Project; and
 - (b) that CCT Beneficiaries receiving grants under Part 1 of the Project are complying with the requirements of the Pantawid Pamilya and in particular those set out in the Pantawid Pamilya Operations Manual for the Project.
5. The Borrower shall designate, under contract or other arrangements, an independent third party to carry out an impact evaluation of the Pantawid Pamilya, as set out in this paragraph, and submit to the Bank, not later than June 30, 2019 an impact evaluation report mutually satisfactory to the Bank and the Borrower.

B. Eligibility Criteria, Terms and Conditions for Conditional Cash Transfer Grants

1. Except as the Bank shall otherwise agree, a CCT Grant shall be made only to the Beneficiaries who satisfy the eligibility criteria set forth in the Pantawid Pamilya Operations Manual.

2. Terms and Conditions for Providing CCT Grants for Health Services

CCT Grants to enable Beneficiaries to access health services shall be provided in accordance with the terms and conditions set out in the Pantawid Pamilya Operations Manual, which shall include the following:

- (a) Beneficiaries shall be selected using the National Household Targeting System.
- (b) The Beneficiary shall be a household with one or more children less than eighteen (18) years old or a pregnant woman.

3. Terms and Conditions for Providing CCT Grants for Education Services

CCT Grants to enable Beneficiaries to access education services shall be provided in accordance with the terms and conditions set out in the Pantawid Pamilya Operations Manual, which shall include the following:

- (a) Beneficiaries shall be selected using the National Household Targeting System.
- (b) The Beneficiary shall be a household with children in the age groups of 3 to 18 years old.

- (c) Beneficiary households will receive payments under the CCT Grant: (i) for selected children between 6-18 years old so long as they are enrolled in primary and secondary school and maintain a class attendance rate of 85% every month; and (ii) for selected children between 3-5 years old so long as they are enrolled in day care centers or kindergarten.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Indigenous Peoples Policy Framework (“IPPF”) in a manner satisfactory to the Bank.
2. Without limitation on its other reporting obligations under this Agreement, the Borrower shall collect, compile and submit to the Bank consolidated reports on the status of compliance with the IPPF, giving details of:
 - (a) measures taken in accordance with the IPPF;
 - (b) conditions, if any, which interfere or threaten to interfere with the implementation of the said measures; and
 - (c) remedial measures taken or required to be taken to address such conditions.
3. The Borrower shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the IPPF unless the Bank has provided its prior approval thereof in writing, and the Borrower has complied with the same consultation and disclosure requirements as applicable to the original adoption of the IPPF.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank and as set out in the Pantawid Pamilya Operations Manual. Each Project Report shall cover the period of one calendar year, and shall be furnished to the Bank not later than sixty (60) days after the end of the period covered by such report.

2. The Borrower shall: (a) on or about the date twenty four (24) months after the Effective Date, prepare and furnish to the Bank a mid-term report, in such detail as the Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report; and (b) review with the Bank such mid-term report, on or about the date sixty (60) days after its submission.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank, interim unaudited financial reports upon submission of each withdrawal application, not later than sixty (60) days after the end of the period covering such interim unaudited financial report/withdrawal application, but no less than once per calendar year and, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine (9) months after the end of such period.

Section III. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Conditional Cash Transfer Grants under Part 1 of the Project	448,875,000	100% of amounts disbursed under each CCT Grant
(2) Front-end Fee	1,125,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	450,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed US\$90,000,000 may be made for payments made prior to this date but on or after March 1, 2015, for Eligible Expenditures under Category (1).

2. The Closing Date is December 31, 2019.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each January 15 and July 15 Beginning July 15, 2026 through July 15, 2040	3.33%
On January 15, 2041	3.43%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date[, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as

withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Category” means a category set forth in the table in Section III of Schedule 2 to this Agreement.
3. “CCT Beneficiary” means a household eligible to receive a CCT Grant under Part 1 of the Project; and “CCT Beneficiaries” means all such households.
4. “Conditional Cash Transfer Grant” and “CCT Grant” means a grant to be provided under Part 1 of the Project.
5. “Department of Social Welfare and Development” and the acronym “DSWD” means the Borrower’s Department of Social Welfare and Development, or any successor or successors thereto.
6. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
7. “Indigenous People’s Policy Framework” and the acronym “IPPF” means the Borrower’s framework dated September 8, 2015, and disclosed in Infoshop on September 13, 2015, acceptable to the Bank, which sets out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to ensure meaningful consultation with, and the informed participation of, indigenous peoples within the Project area who are affected by the Project, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.
8. “Internal Audit Service” or “IAS” means the internal audit service of DWSD or any successor or successors thereto.
9. “Legal Framework” means the framework of the Borrower establishing the Pantawid Pamilya and comprising among others the following: (a) Memorandum Circular No. 09, Series of 2007, for Creating the Ahon Pamilyang Pilipino Program (AAP) National Advisory Committees and Defining their Roles and Responsibilities; (b) Administrative Order No. 16, Series of 2008, for Guidelines on the Implementation of Pantawid Pamilyang Pilipino Program (4Ps); (c) Joint Memorandum Circular No. 01, Series of 2009, for Defining the Institutional

Arrangements for the Implementation, Monitoring and Evaluation of the Pantawid Pamilyang Pilipino Program (4Ps), as may be revised from time to time.

10. “National Advisory Committee” means the National Advisory Committee, referred to in Section I.A.3 (a) of Schedule 2 to this Agreement, an inter-agency committee comprising representatives of the DSWD and the following agencies of the Borrower or any successor thereof: the Department of Education, Department of Health, National Anti-Poverty Commission, and Department of the Interior and Local Government.
11. “National Household Targeting System”, otherwise known as Listahanan is a national data base that is used to identify the poor households in the Philippines for the purpose of receiving assistance from the Government under the Pantawid Pamilya.
12. “National Program Support for Social Protection” means the social protection program of the DSWD which aims at consolidating and intensifying the nationwide implementation of the Borrower’s social protection reforms, as established by Development Budget Coordination Committee Resolution 2015-3, dated October 14, 2015.
13. “National Project Management Office” or “NPMO” mean the unit in DSWD to be maintained by the Borrower to carry out Part 1 of the Project at the national level, as provided for in Section I.A.3 (b) of Schedule 2 to this Agreement.
14. “Pantawid Pamilya” means the Borrower’s program for the assistance to poor families through the provision of cash transfers conditional on compliance with the conditions referred to the Pantawid Pamilya Operations Manual fully known as the Pantawid Pamilyang Pilipino Program.
15. “Pantawid Pamilya Operations Manual” means the Borrower’s operations manual for the Pantawid Pamilya referred to in Section I.A.2 of Schedule 2 to this Agreement, updated December 22, 2015, in form and substance satisfactory to the Bank, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day implementation of the Project, including detailed eligibility criteria, rules and procedures for administration and fiduciary management of the Pantawid Pamilya; (b) disbursement, financial management and internal audit; (c) procurement; (d) environmental and social management; (e) monitoring, evaluation, reporting and communication; (f) each of the requirements set out in Section I.B of Schedule 2 to this Agreement; (g) detailed grievance redress mechanisms; and (h) an annex setting out the implementation arrangements for the Project including Project monitoring indicators, and fiduciary and safeguard requirements, as such plan may be revised from time to time with the prior approval of the Bank; as said manual may be modified from time to time

with the prior written approval of the Bank; and such term includes any schedules, annexes and attachments to the Pantawid Pamilya Operations Manual.

16. “Regional Program Management Office” or “RPMO” means a regional project management office, which is part of the DSWD/NPMO, and is responsible for carrying out Part 1 of the Project at the regional level, as provided for in paragraph Section I A.3(c) of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.