

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8600-PK

Loan Agreement

(Punjab Jobs and Competitiveness Program)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *June 17*, 2016

LOAN AGREEMENT

AGREEMENT dated June 17, 2016, between the ISLAMIC REPUBLIC OF PAKISTAN ("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 one hundred million Dollars (USD100,000,000), 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 program described in Schedule 1 to this Agreement ("Program").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 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amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 September 1 and March 1 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 IV of Schedule 2 to this Agreement.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall cause the Program to be carried out by the Program Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Program Agreement.
- 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 Program 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 Program Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Program Implementing Entity to perform any of its obligations under the Program Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; 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 the Secretary to the Government of Pakistan, Economic Affairs Division, Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization, or any Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer in that Division, each such person acting individually.

6.02. The Borrower's Address is:

Economic Affairs Division
Ministry of Finance, Revenue, Economic Affairs, Statistics and
Privatization
Islamabad
Pakistan
Facsimile:
92-51-921-8976

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

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Islamabad, Islamic Republic of Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By



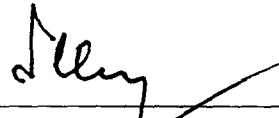
Authorized Representative

Name: Tariq Bajawa

Title: Secretary, EAD

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Patchamuthu Illangovan

Title: Country Director

SCHEDULE 1

Program Description

The objectives of the Program are to improve the investment climate and to promote investments and jobs in more inclusive and sustainable industrial estates in Punjab.

The Program consists of the following activities:

Part 1: Investment Climate Reforms

Carrying out a program of activities designed to improve the administrative interface for business regulations in Punjab, through improved systems for business registration, contract enforcement, issuance of construction permits and property registration.

Carrying out a program of activities designed to support the contribution of Punjab to meeting the Borrower's commitments related to GSP+ Labor Conventions.

Carrying out a program of activities designed to improve investment promotion in Punjab.

Part 2: Spatial Development

Carrying out a program of activities designed to help prioritize and coordinate large infrastructure investments in Punjab in support of the Punjab Growth Strategy.

Carrying out a program of activities designed to improve industrial infrastructure in Punjab, including through the strengthening of the capacities of EPA, the provision of CETPs in Existing Industrial Estates, and the improvement of systems for developing New Industrial Estates through public-private partnerships.

Carrying out a program of activities designed to develop and implement a new institutional set-up to better support New Industrial Estates, Existing Industrial Estates and industrial clusters in Punjab.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. On-lending Arrangement

1. To facilitate the carrying out of the Program, the Borrower shall make the proceeds of the Loan available to the Program Implementing Entity, under the same terms and conditions as under which they are made available by the Bank to the Borrower, and in accordance with the Borrower's on-lending and budgetary policies and procedures.
2. Notwithstanding the preceding paragraph, in the event of a conflict between the on-lending and budgetary policies and procedures of the Borrower and the provisions of this Agreement, including such additional instructions as the Bank shall have specified by notice to the Borrower pursuant to Section IV.A.1 of this Schedule, the provisions of this Agreement, including said additional instructions, shall govern.
3. The Borrower shall exercise its rights under the on-lending arrangements referred to in Section I.A.1 of this Schedule 2 in such manner as to protect its interests and those of the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, or waive its rights under said arrangements.

B. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Borrower shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Bank ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

1. the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
2. the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

C. Anti-Corruption

Without limitation on the provisions of Section I.B of this Schedule 2, the Borrower shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

D. Other Program Institutional and Implementation Arrangements

1. Program Action Plan

- (a) Without limitation on the generality of Section I.B of this Schedule 2, the Borrower shall:
 - (i) ensure that the Program Action Plan is carried out, in a manner satisfactory to the Bank; and
 - (ii) refrain from amending, revising, waiving, voiding, suspending or abrogating, or allowing to be amended, revised, waived, voided, suspended or abrogated, any provision of the Program Action Plan, without the prior written concurrence of the Bank.
- (b) In case of any inconsistency between the provisions of the Program Action Plan and those of this Agreement and/or the Program Agreement, the provisions of the latter agreements shall prevail.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes any activities which:

- A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (i) works, estimated to cost \$ 50,000,000 (fifty million Dollars) equivalent or more per contract; (ii) goods, estimated to cost \$ 30,000,000 (thirty million Dollars) equivalent or more per contract; (iii) non-consulting services, estimated to cost \$ 20,000,000 (twenty million Dollars) equivalent or more per contract; or (iv) consultants' services, estimated to cost \$ 15,000,000 (fifteen million Dollars) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

- 1. (a) The Borrower shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 5.08 of the General Conditions. Each Program Report shall cover the period of one calendar

semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) Without limitation on the generality of the provision of Section III A.1 (a) above, each Program Report shall include a section on compliance with the Program Action Plan in general and with the actions taken by the Program Implementing Entity to implement the recommendations of Section 7 of the ESSA in particular.

2. Without limitation on the generality of the provisions of Section III.A.1 above, the Borrower shall cause the Program Implementing Entity to:

(a) for the purpose of verifying Disbursement Linked Results, engage, not later than June 30 of each calendar year, with the first such engagement not later than June 30, 2017, an independent third party entity or entities, with qualifications, experience and terms of reference satisfactory to the Bank, to undertake the verification process referred to in Section III.A.2(b) below;

(b) undertake, at least annually, a verification process, in a manner satisfactory to the Bank, through the independent third party entity or entities engaged pursuant to Section III.A.2(a) above, to ascertain whether the Disbursement Linked Results have been achieved for the Period under review; and

(c) furnish to the Bank corresponding verification reports, in form and substance acceptable to the Bank, by not later than August 31 of each calendar year, with the first such engagement not later than August 31, 2017.

3. Mid-term Review. The Borrower shall:

(a) carry out jointly with the Bank and the Program Implementing Entity, not later than thirty (30) months after the Effective Date, or such other period as may be agreed with the Bank, a midterm review of the Program to assess the status of Program implementation, as measured against the indicators agreed with the Bank and the legal covenants included or referred to in this Agreement.

(b) to this end, cause the Program Implementing Entity to prepare and furnish to the Bank at least one (1) month before such review, a report, in scope and detail satisfactory to the Bank and integrating the results of the monitoring and evaluation activities performed pursuant to Section III.A.1 of this Schedule, on the progress achieved in the carrying out of the Program during the period preceding the date of such report (including

compliance with the Program Action Plan and implementation of the recommendations of Section 7 of the ESSA) and setting out the measures recommended to ensure the efficient carrying out of the Program and the achievement of the objective thereof during the period following such date; and

- (c) review jointly with the Bank and the Program Implementing Entity the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Program and the achievement of the objective thereof, based on the conclusions and recommendations of such report and the Bank's views on the matter.

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule 2 and Section 5.09 of the General Conditions, the Borrower shall have the 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 IV. 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 may specify from time to time by notice to the Borrower to: [(a) pay the Front-end Fee; (b) pay each Interest Rate Cap or Interest Rate Collar premium; and (c)] finance the Program Expenditures, on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Program Implementing Entity, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Loan Allocated (expressed in USD)
(1) DLI #1: Aggregate improvement (compared to the previous Period but without taking into account declining performance) of the Program Implementing Entity’s performance in business registration, contract enforcement, construction permits	(i) Period 1: Aggregate performance of 61	0

<p>and property registration (all such terms as defined in Doing Business 2016), indexed to the absolute performance of the top performer in Doing Business 2016 based on the Doing Business 2016 methodology.</p>	<p>(ii) Over the successive Periods: Aggregate performance of 75</p>	<p>1,430,000 per point of improved performance rounded to closest point, with a maximum aggregate amount of 20,000,000 for the Category</p>
<p>(2) DLI #2: Steps taken by the Program Implementing Entity to improve its contribution to the Borrower's compliance with the GSP+ Labor Conventions.</p>	<p>(i) (a) The Borrower has carried out an analysis of the gaps between the Program Implementing Entity's labor laws and the GSP+ Labor Conventions.</p>	<p>2,000,000</p>
	<p>(i)(b) The Program Implementing Entity has improved its labor inspection regime through the introduction of portable device-based inspection.</p>	<p>2,000,000</p>
	<p>(ii) The draft of the new labor laws have been finalized and would ensure, if enacted, the Program Implementing Entity's compliance with the GSP+ Labor Conventions.</p>	<p>3,000,000</p>
	<p>(iii) The draft laws referred to in (ii) immediately above have been submitted to stakeholders for consultation, their recommendations have been incorporated in the draft laws; the revised draft of the new labor laws would continue to ensure, if enacted, the Program Implementing Entity's compliance with the GSP+ Labor Conventions.</p>	<p>3,000,000</p>

	(iv) The new labor laws ensuring the Program Implementing Entity's compliance with the GSP+ Labor Conventions have been submitted to the Provincial Assembly of Punjab.	3,000,000
(3) DLI # 3: Steps towards the improvement of investment promotion.	(i) Period 1: (a) Approval of the PBIT Strategy by the PBIT Board; (b) PBIT Investor Database has been developed; and (c) PBIT has carried out at least one Investor Engagement Mission.	3,000,000
	(ii) Period 2: Number of Investment Announcements by Foreign Investors during the Period: 5.	1,000,000 (in case of partial achievement, 200,000 per Investment Announcement)
	(iii) Period 3: Number of Investment Announcements by Foreign Investors during the Period: 10.	2,000,000 (in case of partial achievement, 200,000 per Investment Announcement)
	(iv) Period 4: Number of Investment Announcements by Foreign Investors during the Period: 15.	3,000,000 (in case of partial achievement, 200,000 per Investment Announcement)
	(v) Period 5: Number of Investment Announcements by Foreign Investors during the Period: 15	3,000,000 (in case of partial achievement, 200,000 per Investment Announcement)

<p>(4) DLI # 4: Steps towards developing and implementing a spatial strategy for the Program Implementing Entity, to prioritize and coordinate public investments.</p>	<p>(i) Period 1: The Program Implementing Entity follows the recommendations of the prefeasibility study for the possible development of a new city, which have been validated by the Panel of Experts.</p>	<p>6,000,000</p>
	<p>(ii) Period 2: The draft spatial strategy for the Program Implementing Entity has been developed in close collaboration with EPA to ensure compliance with the Program Implementing Entity's environmental laws and regulations and the recommendations of Section 7 (Recommendations and Proposed Actions) of the ESSA, validated by the Panel of Experts, and finally approved by the Cabinet (after completion of this procedure, the "Spatial Strategy").</p>	<p>6,000,000</p>
	<p>(iii) Period 3: 80 % of the total value of all Infrastructure PC-Is as well as all Industrial Estates PC-Is approved during Period 3 are consistent with the Program Implementing Entity's Spatial Strategy as confirmed by the Panel of Experts.</p>	<p>6,000,000</p>
	<p>(iv) Period 4: 80 % of the total value of all Infrastructure PC-Is as well as all Industrial Estates PC-Is approved during Period 4 are consistent with the Program Implementing Entity's Spatial Strategy as confirmed by the Panel of Experts.</p>	<p>6,000,000</p>
	<p>(v) Period 5: 80 % of the total value of all Infrastructure PC-Is as well as all</p>	<p>6,000,000</p>

	<p>Industrial Estates PC-Is approved during Period 5 are consistent with the Program Implementing Entity's Spatial Strategy as confirmed by the Panel of Experts.</p>	
<p>(5) DLI # 5: Steps towards the effective development of industrial infrastructure through public private partnerships.</p>	<p>(i) Period 1: (a) The Program Implementing Entity has completed a feasibility study for the development of one Existing or New Industrial Estate, and has been presented it to the PPP Steering Committee following Quality Control by the PPP Cell.</p>	<p>1,000,000</p>
	<p>(i) Period 1: (b) The Program Implementing Entity has completed a feasibility study for the establishment of one new CETP in an Existing Industrial Estate, and has been presented it to the PPP Steering Committee following Quality Control by the PPP Cell.</p>	<p>1,000,000</p>
	<p>(ii) Period 2: One project for the development of an Existing or New Industrial Estate has been presented to the PPP Steering Committee, following Quality Control by the PPP Cell, during Period 2.</p>	<p>2,000,000</p>
	<p>(iii) Period 3: One project for the establishment of a CETP in an Existing Industrial Estate has been presented to the PPP Steering Committee, following Quality Control by the PPP Cell, during Period 3.</p>	<p>2,000,000</p>
	<p>(iv) Period 4: Two projects, for the development of an Existing or New Industrial Estate or the establishment of a CETP in an Existing Industrial Estate, have been presented to the PPP Steering Committee, following</p>	<p>4,000,000 (in case of partial achievement, 2,000,000 per project presented to the PPP Steering</p>

	<p>Quality Control by the PPP Cell, during Period 4.</p>	<p>Committee following quality control by the PPP Cell)</p>
	<p>(v)(a) Period 5: Two projects, for the development of an Existing or New Industrial Estate or the establishment of a CETP in an Existing Industrial Estate, have been presented to the PPP Steering Committee, following Quality Control by the PPP Cell, during Period 5.</p>	<p>4,000,000 (in case of partial achievement, 2,000,000 per project presented to the PPP Steering Committee following quality control by the PPP Cell)</p>
	<p>(v)(b) Period 5: One CETP project in an Existing Industrial Estate previously presented to the PPP Steering Committee is operational.</p>	<p>0</p>
<p>(6) DLI # 6: Steps towards designing and implementing a new institutional framework to support Industrial Estates and clusters.</p>	<p>(i) Period 1: (a) The Program Implementing Entity has designed, and the relevant authorities have approved, a new Policy Framework to Support Industrial Estates; (b) The Program Implementing Entity has designed, and the relevant authorities have approved, the Restructuring Plan for PSIC; and (c) The Cluster Development Initiative has started its activities, with the kick off workshop with beneficiaries for one project to be supported and the recruitment of the technical assistance providers in accordance with the Cluster Development Initiative key principles and criteria.</p>	<p>3,750,000</p>

	<p>(ii) Period 2:</p> <p>(a) The Policy Framework to Support Industrial Estates (and establishment of new entities if included in such framework) has been implemented, as well as the operationalization of each entity included in the new Policy Framework to Support Industrial Estates, through the recruitment of key staff, the development of an operational manual and the assignment of working space;</p> <p>(b) The Program Implementing Entity has implemented the Restructuring Plan for PSIC in accordance with its milestones; and</p> <p>(c) Kick off workshop with beneficiaries for each of the two projects to be supported by the Cluster Development Initiative during the Period.</p>	4,000,000
	<p>(iii) Period 3:</p> <p>Kick off workshop with beneficiaries for each of the two projects to be supported by the Cluster Development Initiative during the Period.</p>	3,000,000
(7) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions	Not applicable	250,000
(8) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 2.08(c) of this Agreement in accordance with Section 4.05 of the General Conditions	Not applicable	0
TOTAL AMOUNT		100,000,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for purposes of Section 2.05 of the General Conditions, for payments for Program Expenditures made prior to the date of this Agreement; and
 - (b) for any DLR under Category (1) through (6),, until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved, including the relevant verification reports referred to in Section III.A.2(c) of this Schedule 2, that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Borrower may withdraw: (i) an aggregate amount not to exceed \$ 25,000,000 as an advance under the Loan; provided, however, in each case, that if the DLRs for said Category in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the provisions of paragraph (3) of this Part B) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if the Bank is not satisfied that any of the DLRs has been achieved, the Bank may, at any time, by notice to the Borrower, decide, in its sole discretion, to: (a) authorize, but only under Categories (1), (3)(ii) through (v), or (5)(iv) and (v)(a), the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula indicated in the table in Section IV.A.2; (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR ; and/or (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.
4. The Closing Date is December 31, 2021.
5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Borrower has failed to provide evidence satisfactory to the Bank that the Withdrawn Loan Balance does not exceed 100% of the total amount of Program Expenditures paid by the Borrower, exclusive of any such expenditures financed by any other financier or by the Bank or the Association under any other loan, credit or grant, the Borrower shall, promptly upon notice from the Bank,

refund to the Bank such excess amount of the Withdrawn Loan Balance. The Bank shall cancel the refunded amount of the Withdrawn Loan Balance.

Section V. Other Undertakings

1. The Borrower represents and warrants that it shall ensure that the Program Implementing Entity at all times during the implementation of the Program carries out the Program in accordance with the provisions of the Borrower's and the Program Implementing Entity's environmental and social laws and regulations, and the Program Action Plan.
2. The Borrower represents and warrants that it shall take all measures necessary on its part to ensure the compliance with the Borrower's and the Program Implementing Entity's environmental and social laws and regulations with respect to the permitting, licensing, construction, operation and/or maintenance of any investment, whether during Program implementation or after the Closing Date: (a) made following an Investment Announcement by a Foreign Investor recognized under DLI#3; (b) in infrastructure or other developments set out in the Spatial Strategy or in any Infrastructure PC-I or Industrial Estates PC-I recognized under DLI#4; (c) in any New Industrial Estate, Existing Industrial Estate or CETP recognized under DLI#5; and (d) made based on the action plan in a New Policy Framework to Support Industrial Estates or in the Cluster Development Initiative recognized under DLI#6; each such DLI corresponding to the table in Section IV.A of this Schedule 2 and each referred to for the purposes of this Section V as a "Follow-On Investment".
3. The Borrower expressly acknowledges and agrees that the Bank shall be held harmless from any losses, claims, damages, awards, penalties, or liability incurred which arise from any claim by any third party out of: (a) the execution of the Program, or any action taken by the Program Implementing Entity or the entities and authorities involved in the implementation of the Program, or any investment made as part of the Program; or (b) any Follow-On Investment.

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)
1	3/1/2021	3
2	9/1/2021	3
3	3/1/2022	3
4	9/1/2022	3
5	3/1/2023	3
6	9/1/2023	3
7	3/1/2024	3
8	9/1/2024	3
9	3/1/2025	3
10	9/1/2025	3
11	3/1/2026	5
12	9/1/2026	5
13	3/1/2027	5
14	9/1/2027	4.5
15	3/1/2028	4.5
16	9/1/2028	3
17	3/1/2029	3
18	9/1/2029	3
19	3/1/2030	3
20	9/1/2030	3
21	3/1/2031	3
22	9/1/2031	3
23	3/1/2032	3.5
24	9/1/2032	4
25	3/1/2033	4

26	9/1/2033	4.5
27	3/1/2034	4.5
28	9/1/2034	4.5

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.

SCHEDULE 4

PROGRAM ACTION PLAN

The Program Action Plan includes institutional strengthening actions to ensure that the coordinating and implementing entities are well equipped to deliver activities and achieve results under the program.

Action Description	DLI	Due Date	Responsible Party	Completion Measurement
Reinforcement of PRMP, starting with designation of project heads.	ALL	January 29, 2016	PRMP	Notification.
Program Steering Committee set up to review progress on a quarterly basis.	ALL	First meeting: Sept 1, 2016	P&D (PRMP)	Minutes of meetings and supporting documents.
Development of Program Manual for activities related to PforR, including verification protocols.	ALL	February 12, 2016	P&D (PRMP)	Operational manual.
Internal and audit function in PRMP established.	ALL	December 31, 2016	P&D (PRMP)	Hiring of staff.
Staffing and operational manual of ICRU.	1	January 29, 2016	P&D	Hiring of staff.
Reinforcement of labor department to undertake labor reforms.	2	May 31, 2016	Labor Department	Issuance of contract for study.
Reform and reinforcement of PBIT.	3	December 31, 2016	DoI	Investor targeting system in place.
Establishment of the expert panel for the Punjab Spatial Strategy.	4	February 12, 2016	P&D	Terms of reference, notification, first review of terms of reference.
Public disclosure of assessment of the panel of experts assessing the economic viability of proposed new sites for new city based on the pre-feasibility study.	4	Jan 1, 2017	P&D	Expression of interest, terms of reference, request for proposals, contract

				award, assessment of panel and decision taken by P&D, published.
Development of operating procedures and regulatory framework for enforcement of the spatial strategy.	4	Jan 1, 2018	P&D	Law/ regulation implemented.
Updates to the Medium Term Development Framework based on outcomes of the Punjab Spatial Strategy.	4	Jun 30, 2018	P&D	Updated Medium Term Development Framework.
Capacity building for line departments to submit sectoral plans for the Annual Development Plan consistent with the Punjab Spatial strategy.	4	Jun 30, 2019	P&D (UU)	Approvals in Annual Development Plan as per Punjab Spatial Strategy.
Reinforcement of capacity of DoI/PIEDMC/FIEDMC to build PPP pipeline and ensure compliance with higher labor and environmental standards.	5	December 31, 2016	DoI	Advisors on board and roadshow held.
Creation of Steering Committee to lead the institutional reforms to improve public support to industrial estates and clusters.	6	May 31, 2016	DoI	Notification.
<p>PRMP to hire an FMS, two procurement and one contract management specialist, whereas PIEDMC and FIEDMC to fill their vacant positions of Manager Finance and Tax and Assistant Manager in the FM departments.</p> <p>PSIC to hire professional accountants and to rationalize existing staff in the finance department.</p> <p>The entities shall appoint and train the fiduciary management staff as identified above, with qualifications</p>	ALL	January 1, 2017	PRMP, PIEDMC, FIEDMC, PSIC	<p>Existing vacant positions as well as identified new positions filled.</p> <p>PSIC staff rationalized and professional accountants hired.</p>

and on terms and conditions satisfactory to the Bank.				New staff hired trained.
PSIC to clear its audit backlog since 2010-11 by outsourcing it to a chartered accounts firm under multiyear audit engagement letter.	6	June 30, 2017	PSIC	Audit completed and audit reports presented to the Performance Audit Cell.
Establish an effective internal audit function at PRMP. Internal audit to carry out financial management, procurements, fixed assets and performance audit at the Program level and reports to the Program Steering Committee on a quarterly basis.	ALL	January 1, 2017	PRMP, P&D	Plan to establish Internal Audit Function agreed with the Bank. Staff hiring completed and IA function established. Program-level internal audit carried out and reports submitted to Program SC.
Complaint Management System is consistently implemented.	ALL	January 1, 2017	PRMP	Implementation of Complaint Management System.
Establishment of Social Units in PIEDMC/FIEDMC.	2	January 1, 2017	IE companies	
Capacity building and establishment of Environmental Monitoring center and management information system for EPA.	5	January 1, 2017	EPA	
Implementation of the Recommendations of Section 7 (Recommendations and Proposed Actions) of ESSA.	2 and 5	June 30, 2019	EPA, Labor and Women Development Departments, IE companies	Environmental and Social Reporting and supervisions' reports.

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.
2. "Cabinet" means the cabinet of government of Punjab.
3. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. "CETP" means a combined effluent treatment plant.
5. "Cluster Development Initiative" means an in-depth and sustained program of technical assistance focusing on helping companies in industrial clusters, and based on the following principles and criteria: (i) demand driven selection process; (ii) support to firms provided as a public good and/or with contributions from participating firms; (iii) technical assistance procured through international competition; (iv) initiative implemented through a competitively recruited world class team reporting to an independent steering committee established by the Program Implementing Entity's department of industry and involving interested stakeholders including the private sector; (v) thorough project monitoring and evaluation including an environmental and social assessment consistent with the Borrower's and the Project Implementing Entity's applicable environmental and social laws and regulations and the recommendations of Section 7 (Recommendations and Proposed Actions) of the ESSA; and (vi) initiative to entail at least 15 million USD worth of technical assistance over a five year-period.
6. "Department of Labor Department" means the Program Implementing Entity's department responsible for labor.
7. "Department of Women's Development" means the Program Implementing Entity's department responsible for women development.
8. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the tables in Section IV.A.2 of Schedule 2 to this Agreement.
9. "Disbursement Linked Result" or "DLR" means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.

10. "DoI" means the Program Implementing Entity's Department responsible for industry.
11. "Doing Business 2016" means the report entitled "Doing Business 2016–Measuring Regulatory Quality and Efficiency" which can be found at www.doingbusiness.org.
12. "EPA" means the Program Implementing Entity's environmental protection agency.
13. "ESSA" means the Project's Environmental and Social Systems Assessment prepared by the World Bank and dated February 2016.
14. "Existing Industrial Estate" means an Industrial Estate with a rate of occupation by producing tenants of 10% or more.
15. "FIEDMC" means Faisalabad Industrial Estate Development Company.
16. "Follow-On Investment" has the meaning ascribed to it in Section V.2 of Schedule 2 to this Agreement.
17. "Foreign Investors" means a company whose shares representing at least 10% of the voting power are owned by one or more persons which are not citizens or whose headquarters are not located in the territory of the Borrower, whether directly or indirectly.
18. "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.
19. "GSP+ Labor Conventions" means, collectively, the following ILO international conventions ratified by the Borrower: (i) C-29 Convention concerning forced or compulsory labor (1930), (ii) C-105 Convention concerning the abolition of forced labor (1957); (iii) C-87 Convention concerning freedom of association and protection of the right to organize (1948); (iv) C-98 Convention concerning the application of the principles of the right to organize and to bargain collectively (1949); (v) C-138 Convention concerning the minimum age for admission to employment (1973); (vi) C-182 Convention concerning the prohibition of and immediate action for elimination of worst forms of child labor (1999); (vii) C-100 Convention concerning equal remuneration of men and women workers for work of equal value (1951); and (viii) C-111 Convention concerning discrimination in respect of employment and occupation (1958).
20. "ICRU" means the Investment Climate Reform Unit of the Program Implementing Entity.

21. "ILO" means International Labor Organization.
22. "Industrial Estate" means an estate created and registered as an industrial estate in the Program Implementing Entity's Property Registry.
23. "Infrastructure PC-I" means a PC-I for a project or program, or an umbrella PC-I for projects and programs with a value of 200 million Pakistani rupees or greater bundled in the Project Implementing Entity's Planning & Development Department's annual plan under infrastructure and urban development, water supply and sanitation, or industries, commerce and investment, or other categories specified in the Program Manual.
24. "Investment Announcement" means a public announcement in the form of a press release or similar public notification of the intention of its author to make a 5 million Dollars capital investment or more in Punjab, appearing in the local or national press or on the investor's own website or in other publicly accessible media, further to completion of the Program Implementing Entity's approval process of the proposed investment including, without limitation, clearance from EPA confirming compliance with the Borrower's and the Program Implementing Entity's applicable environmental laws and regulations.
25. "Investor Engagement Mission" means a mission to engage with at least 20 potential Foreign Investors (such engagement involving at least one hour personal interaction with a senior executive of the targeted potential investor).
26. "New Industrial Estate" means an Industrial Estate whose construction has not yet started or whose rate of occupation by producing tenants is less than 10%.
27. "P&D" means the Program Implementing Entity's Planning and Development Department.
28. "Panel of Experts" means the panel of experts established by the Program Implementing Entity and acceptable to the Borrower and the Bank, pursuant to Notification no. JCE-12/P&D/2015 dated January 13, 2016, with terms of reference, qualifications and experience at all times satisfactory to the Bank.
29. "PBIT" means Punjab Board of Investment and Trade, a company incorporated under Section 42 of the Companies Ordinance 1984 fully owned and controlled by the Program Implementing Entity.
30. "PBIT Board" means PBIT's board of directors.
31. "PBIT Investor Database" means a searchable (through key words) database of at least 300 potential Foreign Investors having a turnover of at least 10MUSD equivalent from the priority areas selected in its strategy referred to in PBIT Strategy, with contact information.

32. "PBIT Strategy" means a strategy for PBIT, which includes the identification of industries and countries selected to target Foreign Investors, service delivery system, business model, detailed implementation plan with key milestones and performance indicators as well as a secured corresponding budget for five years.
33. "PC-I" means the Planning Commission's form for the planning and budgeting of public development projects.
34. "Period" means a period of time of twelve consecutive months (except Period 1), as further defined below.
35. "Period 1" means the period of time starting on the date of this Agreement and ending on June 30, 2017.
36. "Period 2" means the fiscal year 2018 of the Borrower starting on July 1, 2017 and ending on June 30, 2018.
37. "Period 3" means the fiscal year 2019 of the Borrower starting on July 1, 2018 and ending on June 30, 2019.
38. "Period 4" means the fiscal year 2020 of the Borrower starting on July 1, 2019 and ending on June 30, 2020.
39. "Period 5" means the fiscal year 2021 of the Borrower starting on July 1, 2020 and ending on June 30, 2021.
40. "PIEDMC" means Punjab Industrial Estates Development and Management Company.
41. "Planning Commission" means the Recipient's planning commission established by Notification No. Cord (I)-8/84/58-I, dated the 22nd October 1958.
42. "Policy Framework to Support Industrial Estates" means an institutional set-up which includes: (A) the rationalization of the terms of reference of the public entities involved in supporting Industrial Estates, with a plan to strengthen their capacities; (B) the definition of the conditions pursuant to which public and private Industrial Estates (and their compliance with environmental and social requirements) will be regulated; and (C) the mechanism pursuant to which the participation of the private sector will be facilitated, including access to land.
43. "PPP Cell" means the cell established by the Program Implementing Entity to promote, facilitate, coordinate and oversee projects, in accordance with the Punjab Public Private Partnership Bill 2014.

44. "PPP Steering Committee" means the committee established by the Program Implementing Entity to promote, facilitate, coordinate and oversee projects, in accordance with the Punjab Public Private Partnership Bill 2014.
45. "PRMP" means Punjab Resource Management Program, the program management unit established by the Program Implementing Entity and operating under its Planning and Development Department through decision of the departmental development subcommittee dated March 22, 2003, and any successor or successors thereto.
46. "Program" means the program defined in Section 2.01 of this Agreement.
47. "Program Action Plan" means the Borrower's plan attached to this Agreement as Schedule 4 and referred to in Section I.D of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.
48. "Program Fiduciary and Environmental and Social Systems" means the Borrower's and the Program Implementing Entity's systems for the Program referred to in Section I.B of Schedule 2 to this Agreement.
49. "Program Implementing Entity" means the Borrower's Province of Punjab.
50. "Program Implementing Entity's Legislation" means the Borrower's Constitution of 1973.
51. "Program Manual" means the Program Implementing Entity's manual for the implementation of the Program, including the implementation of the recommendations including in Section 7 (Recommendations and Proposed Actions) of the ESSA, to be developed and adopted in accordance with the Program Action Plan, as may be amended from time to time with the agreement of the Bank.
52. "Property Registry" means the form 1 registers maintained under the Urban Immovable Property Tax Rules 1958 of the Borrower or such other registers as satisfactory to the Bank.
53. "PSIC" means Punjab Small Industries Corporation, established and governed by the Punjab Small Industries Corporation Bill, 1973.
54. "Punjab" means the Recipient's province of Punjab.
55. "Punjab Growth Strategy" means the Program Implementing Entity strategy described in the P&D document entitled "Punjab Growth Strategy 2018 – Accelerating Economic Growth and Improving Social Outcomes" dated March 2015.

56. "Quality Control" means a review of the quality of a proposed investment carefully assessing, among other things, the economic viability of the proposed investment, its sustainability and its strict compliance (confirmed by EPA) with the Program Implementing Entity's environmental laws and regulations and the recommendations of Section 7 (Recommendations and Proposed Actions) of the ESSA.
57. "Restructuring Plan of PSIC" means a detailed implementation plan developed on the basis of an in-depth functional and strategic review of PSIC, including the identification of priority customers and services, service delivery system, business model, detailed implementation plan with key milestones and performance indicators as well as a secured corresponding budget for five years.
58. "Spatial Strategy" means the strategy developed and validated by the Panel of Experts and approved by the Cabinet, all in accordance with DLI 4.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term "the Project" is modified to read "the Program", the term "the Project Agreement" is modified to read "the Program Agreement", the term "Project Implementing Entity" is modified to read "the Program Implementing Entity", the term "Project Report" is modified to read "Program Report"; and the term "Eligible Expenditures" is modified to read "Program Expenditures".
2. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the amendments set forth below.
3. Section 2.02, *Special Commitment by the Bank*, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.
4. In Section 2.02 (originally numbered as Section 2.03), the heading "*Applications for Withdrawal or for Special Commitment*" is replaced with "*Applications for Withdrawal*", and the phrase "or to request the Bank to enter into a Special Commitment" is deleted.
5. The section originally numbered as Section 2.04, *Designated Accounts* is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.
6. Paragraph (a) of Section 2.03 (originally numbered as Section 2.05), *Eligible Expenditures* (renamed "Program Expenditures" in accordance with paragraph 1 of this Section II), is modified to read: "(a) the payment is for the financing of the reasonable cost of expenditures required for the Program and to be financed out of

the proceeds of the Loan in accordance with the provisions of the Legal Agreements;”.

7. The last sentence of Section 2.04 (originally numbered as Section 2.06), *Financing Taxes*, is modified to read: “To that end, if the Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Borrower, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Loan, as required to ensure consistency with such policy of the Bank.”
8. Section 2.06 (originally numbered as Section 2.08), *Reallocation*, is modified to read:

“Notwithstanding any allocation of an amount of the Loan to a withdrawal category under the Loan Agreement, the Bank may, by notice to the Borrower, reallocate any other amount of the Loan to such category if the Bank reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.
9. 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.”
10. Section 7.01, *Cancellation by the Borrower*, is modified to read: “The Borrower may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance.”
11. Paragraph (d) of Section 7.03, *Cancellation by the Bank*, entitled “*Misprocurement*”, is deleted, and subsequent paragraphs are re-lettered accordingly.
12. Section 7.04, *Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank*, is deleted in its entirety, and subsequent

Sections in Article VII and references to such Sections are renumbered accordingly.

13. In the Appendix, **Definitions**, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.
14. A new paragraph 19 is inserted with the following definition of "Commitment Charge", and the remaining paragraphs are renumbered accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."
15. 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).
16. 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."
17. 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".
18. Renumbered paragraph 88 (originally paragraph 87) of the Appendix, setting forth the definition of "Special Commitment" is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.