Loan Agreement

(Additional Financing for the Uruguay Road Rehabilitation and Maintenance Program)

between

REPÚBLICA ORIENTAL DEL URUGUAY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated July 6, 2015
LOAN AGREEMENT

Agreement dated July 2, 2012, between REPÚBLICA ORIENTAL DEL URUGUAY ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for purpose of providing additional financing for activities related to the Original Program (as defined in the Appendix to this Agreement). 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 seventy million Dollars ($70,000,000), 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 I 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. The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date.

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, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore 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 February 15 and August 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.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower, through MTOP, shall, and shall cause CVU to, carry out the activities under the Program which fall within their administrative/legal responsibility, all 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 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 Events of Suspension consists of the following;

(a) that the CVU shall have failed to comply with any of its obligations under the Subsidiary Agreement; and

(b) that the CVU shall have failed to comply with any of their obligations under the Assignment Agreement, in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of the CVU to carry out the Program activities under its responsibility.
4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been amended in a manner acceptable to the Bank.

5.02. Without prejudice to the provisions of the General Conditions, 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 Minister of Economy and Finance.

6.02. The Borrower’s Address is:

Ministerio de Economía y Finanzas
Colonia No. 1089, Tercer Piso
Montevideo, Uruguay
Facsimile: 5982 1712 2688
e-mail: organismos_multilaterales@mef.gub.uy

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: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Montevideo, República Oriental del Uruguay, as of the day and year first above written.

REPUBLICA ORIENTAL DEL URUGUAY

By

Authorized Representative

Name: DANilo AstOrI

Title: MINISTRO DE ECONOMIA Y FINANZAS

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: HECLEo HENFELDE

Title: COUNTRY DIRECTOR
Section I. **Implementation Arrangements**

A. **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 or 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.

B. **Anti-Corruption**

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.

C. **Other Program Institutional and Implementation Arrangements**

1. **Program Institutions**

   (a) Without limitation on the generality of Part A of this Section I, the Borrower shall maintain or cause to be maintained during the implementation of the Program, the offices, units and branches within MTOP (including, *inter alia*, DNV, DNTop and DINAPLO), CVU, MEF, MVOTMA and the Borrower’s Supreme Audit Institution (*Tribunal de Cuentas*), each assigned with responsibilities for implementing the Program, including, as applicable, technical, environmental and social safeguards, fiduciary responsibilities, all with powers, functions, capacity, staffing and resources satisfactory to the Bank to fulfill their respective functions under the Program.

2. **Subsidiary Agreement**

   (a) For the purposes of carrying out the Program, the Borrower, through MTOP, shall amend the Subsidiary Agreement, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, CVU’s obligation to carry out the Program activities under its responsibility in accordance with: (i) technical, financial, and administrative practices and the Program Fiduciary, Environmental and Social Systems, all acceptable to the Bank; and (ii) the provisions of the Anti-Corruption Guidelines.
SCHEDULE 1

Program Description

The objectives of the Program are to improve the condition of the National Road Network and enhance road sector management.

The Program consists of the following activities to be carried out within the National Road Network from January 1, 2013 until December 31, 2019:

(1) Road rehabilitation and/or maintenance works, which consists of, inter alia: (i) pavement rehabilitation; (ii) pavement resurfacing; (iii) shoulders’ rehabilitation and/or surfacing; (iv) repairing and/or upgrading drainage systems; and (v) rehabilitation and maintenance of road vertical and horizontal signaling.

(2) Bridge rehabilitation and maintenance works, which consists of, inter alia: (i) structure repairing of deck, abutments, piers and foundations; and (ii) the enhancement of bridge functional characteristics, such as increasing bridge extension, deck widening and increasing of bridge bearing capacity.

(3) Bridge reconstruction works, which consists of the construction of a new structure and its contiguous road accesses to replace an existing bridge on the same location or in its vicinity.

(4) Road safety investments, which consists of, inter alia: (i) investments to improve visibility; (ii) investments to reduce road crashes severity; and (iii) the acquisition, installation and maintenance of road safety equipment.

(5) Provision of technical assistance to DNV, DNTop and DINAPLO, including, inter alia: (i) the carrying out of road condition surveys; (ii) the carrying out of training and capacity building activities; and (iii) the carrying out of studies required to implement the Program.
(b) The Borrower, through MTOP, shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank otherwise agrees, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreements or any of its provisions.

(c) Throughout the implementation of the Program, the Borrower shall exercise its rights and carry out its obligations under the Concession Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the objectives of the Program.

3. Additional Program Implementation Arrangement

Without limitation on the generality of Part A of this Section I, unless otherwise agreed by the Bank, the Borrower shall carry out the Program Action Plan or cause the Program Action Plan to be carried out, in accordance with such schedule as shall have been approved by the Bank, and in a manner satisfactory to the Bank.

Section II. Excluded Activities

The Borrower shall ensure that the Program shall include no 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 procurement of: (i) works, estimated to cost $50,000,000 equivalent or more per contract; (ii) goods, estimated to cost $30,000,000 equivalent or more per contract; (iii) non-consulting services, estimated to cost $20,000,000 equivalent or more per contract; and (iv) consultants' services, estimated to cost $15,000,000 equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

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: (a) include, inter alia, the information referred to in Section 5.08 (b) of the General Conditions and the list of works contracts under execution in the National Road Network; and (b) cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. Program Financial Audits

1. Without limitation on the generality of Section I.A and C of this Schedule 2 and Section 5.09 of the General Conditions, the Borrower:
(a) through MTOP, 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 one year after the end of such period; and

(b) shall cause CVU to: (i) have its financial statements audited by independent auditors acceptable to the Bank in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of said financial statements shall cover the period of CVU’s one fiscal year; and (ii) (A) not later than one year after the end of each fiscal year, furnish to the Borrower, through MTOP, and the Bank the audited financial statement for each such period; and (B) make publicly available in a timely fashion and in a manner acceptable to the Bank, the financial statements for each such period.

C. Technical Audits

The Borrower, through MTOP, shall: (a) not later than six months after the Effective Date, hire independent auditors under terms of reference satisfactory to the Bank, to carry out the verification of compliance of the First, Second and Fourth DLIs which are set forth in the table in Section IV.A.2 of this Schedule; and (b) cause said independent auditors to, not later than thirty days after the verification of compliance of said DLIs has been completed, prepare and furnish to the Borrower and the Bank, a report on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

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 results (“Disbursement Linked Results” or “DLRs”) achieved by the Borrower, 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:
<table>
<thead>
<tr>
<th>Disbursement Linked Indicator</th>
<th>Disbursement Linked Result</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) First DLI:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative number of kilometers of the National Road Network from a baseline of 524 kilometers rehabilitated at a minimum rating of 85, as measured by the IES for the first Loan withdrawal under this Category; and at least 50 additional kilometers rehabilitated on the terms stipulated herein in respect of each subsequent Loan withdrawal.</td>
<td>DLR#1: Each kilometer.</td>
<td>$23,000,000, of which $25,843 for each DLR</td>
</tr>
<tr>
<td>(2) Second DLI:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of kilometers of the National Road Network maintained through Performance-based Contracts.</td>
<td>DLR#2.1: 3,000 kilometers in calendar year 2017.</td>
<td>DLR#2.1: $7,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DLR#2.2: 3,000 kilometers in calendar year 2018.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DLR#2.3: 3,000 kilometers in calendar year 2019.</td>
</tr>
<tr>
<td>(3) Third DLI</td>
<td>DLR#3.1 (a): MTOP's central laboratory for roadworks quality assurance has carried out at least 5% of the asphalt, pavement and soil tests required by the work contracts in execution in calendar year 2017, as reflected in the Program Reports.</td>
<td>DLR#3.1(a): 1,000,000</td>
</tr>
<tr>
<td>DLR#3.1 (b): MTOP's central laboratory for roadworks quality assurance has carried out at least 5% of the asphalt, pavement and soil tests required by the works contracts in execution in calendar year 2018, as reflected in the Program Reports.</td>
<td>DLR#3.1(b): 1,000,000</td>
<td></td>
</tr>
<tr>
<td>DLR#3.1 (c): MTOP's central laboratory for roadworks quality assurance has carried out at least 5% of the asphalt, pavement and soil tests required by the works contracts in execution in calendar year 2019, as reflected in the Program Reports.</td>
<td>DLR#3.1(c): 1,000,000</td>
<td></td>
</tr>
<tr>
<td>DLR#3.2: (a) a study to assess which areas of the National Road Network are subject</td>
<td>DLR#3.2(a): 1,000,000</td>
<td></td>
</tr>
</tbody>
</table>
to climatic risks has been completed.

DLR #3.2 (b): number of selected bridges from a baseline of 0 have been diagnosed against climatic risks.

DLR#3.2(c): a contingency plan for catastrophic climate related events has been developed.

DLR#3.2(b): $50,000 for each bridge diagnosed up to an amount of $1,000,000

DLR#3.2(c): 1,000,000

(4) Fourth DL1

<table>
<thead>
<tr>
<th>Number of km of the National Road Network that benefitted from road safety improvements.</th>
<th>DLR #4: each kilometer.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DLR#4: $20,000,000, of which $76,000 for each DLR</td>
</tr>
</tbody>
</table>

| TOTAL AMOUNT | $70,000,000 |

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; or
(b) for any DLR referred to in the table in Part A.2 of this Section unless and until the Bank is satisfied based on evidence acceptable to the Bank that said DLR has been fully achieved on terms and in a manner acceptable to the Bank.

2. Notwithstanding the provisions of Part B.1(b) of this Section:

(a) If the Borrower has partially achieved any DLR under Category (2), the Bank may authorize the withdrawal of a portion of the amount of the Loan then allocated to said DLR, provided that the number of kilometers maintained under the pertinent DLR shall have exceeded the DLR Baseline, which portion of the Loan amount to be withdrawn shall be calculated in accordance with a formula acceptable to the Bank.

(b) If any DLR under Category (2), has not been achieved or has been partially achieved (and, as a result of which a portion of the Loan has been withdrawn pursuant to paragraph 2 (a) herein), the Bank may at any time, by notice to the Borrower, decide in its sole discretion to: (i) authorize the withdrawal of the unwithdrawn portion of Loan proceeds then allocated to said DLR, at such later date (prior to the Closing Date) if and when the Bank shall be satisfied that the pertinent DLR under the same Category for any subsequent calendar year has been fully achieved; (ii) reallocate the unwithdrawn portion of the proceeds of the Loan then allocated to such DLR under said Category to any other Category; and/or (iii) cancel said unwithdrawn portion of the proceeds of the Loan then allocated to such DLR under said Category.

3. The Closing Date is June 30, 2020.

4. Notwithstanding the foregoing provisions of this Section IV, if the Bank establishes after the Closing Date that the Withdrawn Loan Balance exceeds 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

The Borrower and the Bank hereby agree to amend the Original Loan Agreement as set forth in Schedule 4 to this Agreement.
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.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15</td>
<td></td>
</tr>
<tr>
<td>Beginning August 15, 2022 through August 15, 2034</td>
<td>4%</td>
</tr>
</tbody>
</table>

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
Amendments to the Original Loan Agreement

The Borrower and the Bank hereby agree to amend Schedule 1 of the Original Loan Agreement as follows:

1. The first two paragraphs of Schedule 1 are hereby amended to read in its entirety as follows:

   “The objectives of the Program are to improve the condition of the National Road Network and enhance road sector management.

   The Program consists of the following activities to be carried out within the National Road Network from January 1, 2013 until December 31, 2019:”.

2. Paragraph 4 of Schedule 1 is hereby amended to read in its entirety as follows:

   “(4) Road safety investments, which consists of, inter alia: (i) investments to improve visibility; (ii) investments to reduce road crashes severity; and (iii) the acquisition, installation and maintenance of road safety equipment.”
APPENDIX

Section I. Definitions


2. “Assignment Agreement” means the agreement (Contrato de Cesión) of February 18, 2003, entered into between CVU and CND pursuant to which CND assigned its rights and obligations under the Concession Agreement to CVU.

3. “CAF” means Corporación Andina de Fomento, Andean Development Corporation, established pursuant to its articles of agreement, dated February 7, 1968.

4. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

5. “Co-financier” means: (i) Inter-American Development Bank; (ii) CAF; (iii) FOCEM; and (iv) FONPLATA.

6. “Co-financing” means, for purposes of paragraph 16 of the Appendix to the General Conditions: (i) an amount of $81,200,000 to be provided by Inter-American Development Bank; (ii) an amount of $90,600,000 to be provided by CAF; (iii) an amount of $28,200,000 to be provided by FOCEM; and (iv) an amount of $31,000,000 to be provided by FONPLATA, to assist in financing the Program.

7. “Co-financing Agreement” means: (i) the agreement between the Borrower and the Inter-American Development Bank, dated March 15, 2012; (ii) the agreements between the Borrower and CAF, dated February 25, 2014 and October 25, 2016; (iii) the agreements to be entered between the Borrower and FOCEM; and the agreements between the Borrower and FONPLATA, dated February 17, 2016 and September 27, 2016, providing for the Co-financing.

8. “CND” means Corporación Nacional para el Desarrollo, the Borrower’s Development Corporation, established pursuant to the Borrower’s Law No. 15.785, dated December 4, 1985, and published in the Borrower’s official gazette on December 23, 1985.

9. “Concession” means the Borrower’s road concession (currently administered by CVU (as defined below)), whereby CVU is responsible for the construction, rehabilitation and maintenance works of selected roads and bridges within the National Road Network.

10. “Concession Agreement” means the agreement entered into between the Borrower, through MTOP (as defined below) and CND dated October 5, 2001 (as amended to the date of this Agreement) for purposes of, inter alia, granting to CND the administration of the Mega-Concession (as defined below).

11. “CVU” means Corporación Vial del Uruguay, S.A., an entity vested with legal personality, which has been assigned the rights and obligations of Corporación Nacional para el
Desarrollo (CND) under the Concession Agreement pursuant to the terms of the Assignment Agreement (defined above).

12. “DINAPLO” means Dirección Nacional de Planificación y Logística, the Borrower’s National Department of Logistics and Planning within MTOP (as defined below).

13. “Disbursement Linked Indicator” or “DLI” means, in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

14. “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.

15. “DLR Baseline” means, for the purpose of Section IV.B.2 (a) of Schedule 2 to this Agreement, the following baseline results: (i) 1,500 kilometers for DLR 2.1; (ii) 1,500 kilometers for DLR 2.2; and (iii) 1,500 kilometers for DLR 2.3.

16. “DNTop” means Dirección Nacional de Topografia, the Borrower’s National Department of Topographies Surveying within MTOP (as defined below).

17. “DNV” means Dirección Nacional de Vialidad, the Borrower’s National Department of Highways within MTOP (as defined below).


21. “IES” means Índice de Estado de Superficie, the Borrower’s index served to rate the condition of the road after the same has been rehabilitated, as defined in MTOP’s Instructivo de Medición del Índice de Estado de Superficie, dated August 2000.

22. “MEF” means Ministerio de Economía y Finanzas, the Borrower’s Ministry of Economy and Finance.


24. “MVOTMA” means Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente, the Borrower’s Ministry of Housing, Land Planning and Environment.

26. "Original Loan Agreement" means the loan agreement between the Borrower and the Bank, dated December 11, 2012 (Loan No 8205-UY), in support of the Original Program.

27. "Original Program" means the Program described in the Original Loan Agreement.

28. "Performance-Based Contract" means a multi-year contract under the Program, entered into by the Borrower, through MTOP and/or DNV, with a private sector contractor, whereby payments to the contractor are based, inter alia, on the quality of the road maintenance carried out by said private sector contractor.

29. "Program Action Plan" means the Borrower's plan dated February 23, 2017, acceptable to the Bank, and referred to in Section I.C.3 of Schedule 2 to this Agreement, as said plan may be amended from time to time with the agreement of the Bank.

30. "Program Fiduciary, Environmental and Social Systems" means the Borrower's systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.

31. "Subsidiary Agreement" means the agreement dated February 17, 2013, referred to in Section I.C.2 of Schedule 2 to this Agreement.

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.
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;".

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, 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."

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.

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."

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."

Paragraph (d) of Section 7.03, Cancellation by the Bank, entitled "Misprocurement", is deleted, and subsequent paragraphs are relettered accordingly.

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.

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.