Loan Agreement

(Financing Innovative Startups and Small and Medium Enterprises Project)

between

KINGDOM OF MOROCCO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 16, 2017
LOAN AGREEMENT

AGREEMENT dated June 16, 2017, between KINGDOM OF MOROCCO ("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 fifty million Dollars ($50,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project 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 Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(b) The Agreement establishing Fonds Innov Invest has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that either of the events specified in paragraph (a) and (b) of Section 4.01 of this Agreement has occurred.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.

(b) The Project Operations Manual has been prepared, in form and substance satisfactory to the Bank, and adopted by the Borrower and the Project Implementing Entity.

(c) The Borrower has caused the Project Implementing Entity to prepare draft terms of reference, acceptable to the Bank, for the recruitment of an external auditor.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity, and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred twenty (120) 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:

Ministère de l'Economie et des Finances
Avenue Mohammed V
Rabat
Kingdom of Morocco

Cable address: MINFIN
Facsimile: 212-537-67-75-30/32
212-537-76-40-81

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 Rabat, Kingdom of Morocco, as of the day and year first above written.

KINGDOM OF MOROCCO

By

[Signature]

Authorized Representative
Name: Mohamed Boussaid
Title: Minister of Economy and Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative
Name: Michael Hamaide
Title: Senior Country Officer
SCHEDULE I

Project Description

The objective of the Project is to facilitate the increase of private equity and quasi-equity finance for innovative startups and small and medium enterprises in the Project Area.

The Project consists of the following parts:

Part A: Financing Program

1. Establishment of a legal and financial model designed to leverage both public and private sources of funding, using both newly created and existing angel funds and investment management companies as vehicles whereby to: (a) provide equity or quasi-equity capital to young innovative SMEs, and (b) provide concessional loans to Beneficiaries.

2. Establishment of a legal and financial model designed to leverage both public and private sources of funding, using both newly created and existing early stage/venture capital funds as vehicles whereby to: (a) provide equity or quasi-equity capital to young innovative SMEs, (b) provide concessional loans to Beneficiaries.

Part B: Ecosystem Support

1. Provision of financing, using one or more ecosystem providers as intermediaries, to provide pre-seed grants for the benefit of young entrepreneurs and young innovative SMEs to support early testing or development of a business concept or idea.

2. Provision of financing, using one or more ecosystem providers as intermediaries, to provide soft loans for the benefit of new start-ups and entrepreneurs to facilitate the commercialization of their products, prototypes or technological solutions.

3. Provision of financing to selected ecosystem providers in order to provide non-cash support for the benefit of entrepreneurs, including: (a) mentoring programs, (b) design of investment readiness programs, and (c) development of the business angel network.
Part C: Project Management, Coordination and Monitoring and Evaluation

Provision of technical advisory services and material assistance to support the management, coordination, and monitoring and evaluation of the Project, and to cover its management and operational costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall establish and maintain, or cause the Project Implementing Entity to establish and maintain:

   (a) a Steering Committee, whose mandate and composition shall be acceptable to the Bank, which shall be responsible for Project oversight, provide strategic guidance and verify its coherence within the broader national development agenda;

   (b) a Technical Committee, whose mandate and composition shall be acceptable to the Bank, which shall meet on a six-monthly basis or more often, as needed, to review progress reports and verify the progress of the Project, having regard to performance indicators, and the monitoring and evaluation framework; and

   (c) the Project Management Unit, whose mandate and composition shall be acceptable to the Bank, charged with responsibility for Project execution, and responsible for overall coordination of the Project and day-to-day management of its activities, including monitoring and evaluation, fiduciary and safeguards management, and reporting requirements.

2. The Borrower shall cause the Project Implementing Entity to:

   (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Bank, the carrying out of the Project and the achievement of the objective thereof;

   (b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, not later than June 30, 2020, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
(c) review with the Borrower and the Bank, not later than September 30, 2020, or such later date as the Borrower or the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report, and the Borrower’s and Bank’s views on the matter.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part A of the Project, the Borrower shall make the equivalent of the proceeds of the Loan allocated to Category (1) available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity ("Subsidiary Agreement Part A"), under terms and conditions approved by the Bank, which shall include the following:

   (a) the proceeds of the Financing made available under Subsidiary Agreement Part A ("Subsidiary Financing Part A") shall be provided to the Project Implementing Entity in the form of budgetary allocations; and

   (b) the amount of the Subsidiary Financing Part A shall be applied exclusively to finance equity investments, loans and management fees under Part A of the Project, in accordance with the provisions of the Project Agreement and the procedures and criteria set forth in the Project Operations Manual.

2. To facilitate the carrying out of Part B of the Project, the Borrower shall make the equivalent of the proceeds of the Loan allocated to Category (2) available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity ("Subsidiary Agreement Part B"), under terms and conditions approved by the Bank, which shall include the following:

   (a) the proceeds of the Financing made available under Subsidiary Agreement Part B ("Subsidiary Financing Part B") shall be provided to the Project Implementing Entity in the form of budgetary allocations; and

   (b) the amount of the Subsidiary Financing Part B shall be applied exclusively to finance loans and grants under Part B of the Project, in accordance with the provisions of the Project Agreement and the procedures and criteria set forth in the Project Operations Manual.

3. To facilitate the carrying out of Part C of the Project, the Borrower shall make the equivalent of the proceeds of the Loan allocated to Category (3) available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity ("Subsidiary Agreement Part C"), under terms and conditions approved by the Bank.
4. The Borrower shall exercise its rights under the Subsidiary Financing Part A, Subsidiary Financing Part B, and Subsidiary Agreement Part C 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 shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement Part A, Subsidiary Financing Part B or Subsidiary Agreement Part C, or any of the provisions thereof, if such assignment, amendment, abrogation or waiver may materially or adversely affect the implementation of the Project.

C. Anti-Corruption

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

D. Safeguards

1. The Borrower shall cause the Project Implementing Entity to monitor on a continuing basis the implementation of the Safeguard Instruments and ensure that the Project is executed in strict accordance with such Safeguard Instruments, and, upon the occurrence of any event or condition likely to interrupt or interfere with the smooth implementation of the Safeguard Instruments, the Borrower shall cause the Project Implementing Entity to act promptly to deal with or address such event or condition, and inform the Borrower and the Bank accordingly.

2. For the purposes of any Subproject or other activity under the Project, and prior to implementation thereof, the Borrower shall cause the Project Implementing Entity to ensure that any plan, action plan, fact sheet or other instrument required in terms of any one or more of the Safeguard Instruments, shall have been duly:

(a) prepared in form and substance satisfactory to the Bank, and, except as otherwise agreed with the Bank, submitted to the Bank for review and approval, and

(b) thereafter adopted and publicly disclosed.

3. The Borrower shall cause the Project Implementing Entity to take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the six-monthly reports referred to in Section II.A below, reports on the status of compliance with the Safeguard Instruments, giving details of:

(a) measures taken in furtherance of such Safeguard Instruments;

(b) any event or condition which interferes or threatens to interfere with the smooth implementation of such Safeguard Instruments; and
remedial measures taken or required to be taken to address such event or condition.

4. Except as the Bank shall otherwise agree in writing, the Borrower shall not amend, waive or abrogate, or cause to be amended, waived or abrogated, any provision of the Safeguard Instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions, and on the basis of indicators acceptable to the Bank and set forth in the Project Operations Manual. Each Project 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. Financial Management, Financial Reports and Audits

1. The Borrower shall cause the Project Implementing Entity to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause the Project Implementing Entity to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall ensure that the Project Implementing Entity shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

4. The Borrower shall ensure that each audit referred to in the preceding paragraph shall include an audit of Project Accounts, and of Eligible Expenditures of Participating Intermediaries, conducted in accordance with guidelines and modalities agreed with the Bank, and reflected in the external auditor's terms of reference.
Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (subject to the additional provisions set forth in subparagraph 3 below)</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>
3. **Additional Provisions for National Competitive Bidding**

National Competitive Bidding may be used subject to the following qualifications:

(a) The bidding documents shall include explicitly the bid evaluation method, award criteria and bidder qualification criteria.

(b) Technical, administrative and financial envelopes shall be opened immediately after the bid opening session has started and prices shall be read aloud.

(c) The bids shall be evaluated on the basis of price and other criteria expressed either in pass/fail terms or in monetary terms, and disclosed in the bidding documents.

(d) Contracts shall be awarded to the qualified bidder who has submitted the least-cost evaluated and substantially responsive bid, as stipulated in the bidding document.

(e) Standard bidding documents and bid evaluation reports acceptable by the Bank shall be used.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection Based on Consultants Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection of consulting firms</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines</td>
</tr>
<tr>
<td>for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

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 shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.
### Amount of the Loan Allocated (expressed in USD) and Percentage of Expenditures to be financed (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-financings and management fees under Part A of the Project</td>
<td>42,000,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(2) Sub-financings under Part B of the Project</td>
<td>6,000,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Consultants’ services, goods, non-consulting services and Operating Costs other than under Categories (1) and (2)</td>
<td>1,875,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>125,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>50,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) for payments made prior to the date of this Agreement;
   
   (b) under Category (1), unless the Project Implementing Entity has signed at least one Administration Agreement with a Participating Financial Intermediary; or
   
   (c) under Category (2), unless the Project Implementing Entity has signed at least one Participation Agreement with a Participating Non-Financial Intermediary.

2. The Closing Date is December 31, 2023.
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 May 15 and November 15, Beginning May 15, 2022, through November 15, 2041</td>
<td>2.5%</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: (a) 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 (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. "Administration Agreement" means an Administration Agreement between the Project Implementing Entity and a Participating Financial Intermediary, and referred to in Section I.D.1 of the Schedule to the Project Agreement.

2. "Agreement establishing Fonds Innov Invest ("FII")" means the Innovation Investment Fund Agreement, dated June 22, 2016, between the Borrower and the Project Implementing Entity, providing for the establishment of an innovation investment fund to be managed by the Project Implementing Entity.


4. "Beneficiary" means an innovative SME, entrepreneur, new startup or other beneficiary of a Sub-financing, and party to a Sub-financing Agreement.

5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


7. "Environmental and Social Management Framework" or "ESMF" means the Environmental and Social Management Framework, dated January 25, 2017, issued by or on behalf of the Borrower and thereafter publicly disclosed, providing an analysis of potential impacts on the human and biophysical environment associated with the Project, an assessment of the risks and likelihood of potential adverse social and environmental impacts, and a checklist of plans and measures designed to prevent, manage or mitigate such potential adverse impacts.

8. "Equity Investment" means an equity or quasi-equity investment under Part A of the Project.


10. "Investment Agreement" means an agreement providing for an equity investment.
11. "MoEF" means the Borrower's Ministry of Economy and Finance, or any successor thereto.

12. "Operating Costs" means the incremental operating costs arising under the Project on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle rental, operation, maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but does not include civil service salaries.

13. "Participating Financial Intermediary" or "PFI" means a Participating Financial Intermediary referred to in Section I.D.1 of the Schedule to the Project Agreement, and deemed eligible to participate in Part A of the Project, having regard to the eligibility criteria set forth in the Project Operations Manual.

14. "Participating Intermediary" or "PI" means a Participating Financial Intermediary or Participating Non-Financial Intermediary, or both.

15. "Participating Non-Financial Intermediary" or "PNFI" means a Participating Non-Financial Intermediary referred to in Section I.E.1 of the Schedule to the Project Agreement, and deemed eligible to participate in Part B of the Project, having regard to the eligibility criteria set forth in the Project Operations Manual.

16. "Participation Agreement" means a Participation Agreement between the Project Implementing Entity and a Participating Non-Financial Intermediary, and referred to in Section I.E.1 of the Schedule to the Project Agreement.


18. "Procurement Plan" means the Borrower's procurement plan for the Project, dated February 8, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

19. "Project Account" means a project account referred to under Section I.D.3 (b) or I.E.1 (b) of the Project Agreement.


21. "Project Implementing Entity" means Caisse Centrale de Garantie, a public institution and assimilated credit institution, established and operating under the
laws of the Borrower, including the Project Implementing Entity's Legislation, and empowered to operate a seed, early-stage, and venture capital financing program through public funding, pursuant to the Agreement establishing Fonds Innov Invest.

22. "Project Implementing Entity's Legislation" means the Borrower's Law No. 47-95, promulgated by Royal Decree No. 1-96-107 of August 7, 1996, as amended from time to time.

23. "Project Management Unit" means the Project Management Unit referred to in Section 1.A.1 (b) of Schedule 2 to this Agreement.


25. "Safeguard Instruments" means any one or more of the ESMF and any other safeguard instrument derived therefrom or adopted pursuant thereto.

26. "SME" means a small or medium-size enterprise.

27. "Steering Committee" means the Steering Committee referred to in Section 1.A.1 (a) of Schedule 2 to this Agreement.

28. "Subsidiary Agreement" means the agreement referred to in Section 1.B.1 ("Subsidiary Agreement Part A"), Section 1.B.2 ("Subsidiary Agreement Part B") and Section 1.B.3 ("Subsidiary Agreement Part C") of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.

29. "Sub-financing" means, singly or collectively, an Equity Investment, a Sub-loan and/or a Sub-grant, and includes financing provided to a Participating Non-Financial Intermediary to provide non-cash support to other Beneficiaries.

30. "Sub-financing Agreement" means an agreement providing for a Sub-financing.

31. "Sub-grant" means a sub-grant under Part B of the Project.

32. "Sub-grant Agreement" means an agreement providing for a Sub-grant.

33. "Sub-loan" means a sub-loan under Part A or Part B of the Project, as the case may be.

34. "Sub-loan Agreement" means an agreement providing for a Sub-loan.
35. "Sub-project" means any activity, investment activity or sector of activity under Part A or Part B of the Project, financed or to be financed out of the proceeds of a Sub-financing Agreement.

36. "Technical Committee" means the Technical Committee referred to in Section 1.A.1 (b) of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

"Section 3.01. Front-end Fee: Commitment Charge

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

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

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

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:
68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".