February 17, 2016

H.E. Dr. Sahar Nasr
Minister of International Cooperation
Ministry of International Cooperation
8 Adly Street
Cairo
Arab Republic of Egypt

Arab Republic of Egypt: Giza North Power Project
(Loan No. 7895-EG)
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement dated November 4, 2010 ("Original Loan Agreement"), between the Arab Republic of Egypt ("Borrower") and the International Bank for Reconstruction and Development ("Bank"), for the Giza North Power Project ("Project"), as amended by the letter dated April 8, 2012. Further, we refer to the letter dated August 17, 2015, and the letter dated November 9, 2015, from the Borrower’s Ministry of International Cooperation requesting certain amendments to the Project.

Accordingly, we propose to amend the Original Loan Agreement in respect of the provisions below:

1. Article 2.02 is amended to read as follows:

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

2. Article 3.01 is amended to read as follows:

   "3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Part A.1, Part A.2 (a) and Part B of the Project through EEHC, with the assistance of CEPC and EETC, and Part A.2 (b) and Part A.3 of the Project through GASCO, in accordance with the provisions of Article V of the General Conditions, the Original Project Agreement, the EEHC Project Agreement and the GASCO Project Agreement."

3. The title of Part A of Schedule 1 (Project Description) is amended to read as follows:

   "Part A: The Giza North Power Plant and Gas Pipelines Network"
4. In Part A of Schedule 1 (Project Description), a new paragraph 3 is added to read as follows:

"3. Connecting the following power plants to the gas pipeline system through the construction of gas pipelines as set forth below to secure adequate supply of gas for sustainable operation of the said power plants:

(a) for the Beni Suef Power Plant: (i) a pipeline of approximately 115 km; (ii) a pipeline of approximately 65 km; and (iii) a pipeline of approximately 65 km;

(b) for the New Capital Power Plant, a pipeline of approximately 4 km;

(c) for the Elborlous Power Plant, a pipeline of approximately 50 km;

(d) for the 6 October Power Plant, a pipeline of approximately 400 m;

(e) for the Damahour Power Plant, a pipeline of approximately 4 km;

(f) for the ElSauof Power Plant, a pipeline of approximately 3.5 km;

(g) for the Mahmoudia Power Plant: (i) a pipeline of approximately 7 km; (ii) a pipeline of approximately 15 km; and (iii) a pipeline of approximately 27 km; and

(h) for the Suez Power Plant, a pipeline of approximately 25 km."

5. Section I.A of Schedule 2 is amended to read as follows:

"A. Subsidiary Loan Agreements

1. To facilitate the carrying out of Part A.1 of the Project, the Borrower shall make the proceeds of the Loan under Category (2) available to EEHC under a subsidiary loan agreement between the Borrower and EEHC, under terms and conditions mutually agreeable to the Borrower and the Bank, which shall include, inter alia, the following: (i) repayment of principal, and payment of interest, charges and premium in accordance with Article II of this Agreement and Article III of the General Conditions; (ii) payment of any other charges which may be required by the Borrower; and (iii) foreign exchange risk to be borne by EEHC ("Subsidiary Loan Agreement").

2. To facilitate the carrying out of Part A.2 (b) and Part A.3 of the Project, the Borrower shall make the proceeds of the Loan under Category (5) available to GASCO under a subsidiary loan agreement between the Borrower and GASCO, under terms and conditions mutually agreeable to the Borrower and the Bank, which shall include, inter alia, the following: (i) repayment of principal, and payment of interest, charges and premium in accordance with Article II of this Agreement and Article III of the General Conditions; (ii) payment of any other charges which may be required by the Borrower; and (iii) foreign exchange risk to be borne by GASCO ("GASCO Subsidiary Loan Agreement").
3. The Borrower shall exercise its rights under the Subsidiary Loan Agreement and the GASCO Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as mutually agreed upon between the Borrower and the Bank, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or the GASCO Subsidiary Loan Agreement or any of their provisions.

4. The Borrower shall cause the Project Implementing Entities to carry out their Respective Parts of the Project pursuant to the provisions of the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants dated October 15, 2006, and revised in January 2011."

6. Section I.B of Schedule 2 is amended to read as follows:

"B. Safeguards

1. The Borrower shall cause each of the Project Implementing Entities to ensure that remedial measures are taken during the implementation and operation of their Respective Parts of the Project in accordance with the provisions set forth in the ESMP, the RPF, the GASCO ESIA, and the GASCO RPF.

2. Without limitation on the provisions of paragraph 1 of this Section I.B, for the purpose of carrying out their Respective Parts of the Project, the Borrower shall cause each of the Project Implementing Entities to:

   (a) prepare and disclose, prior to the commencement of any works requiring land acquisition under the Project, Resettlement Action Plans, acceptable to the Bank, in accordance with the RPF and the GASCO RPF; and

   (b) implement the Resettlement Action Plans, to the extent provided in the RPF and the GASCO RPF, including, unless otherwise agreed with the Bank, payment in full of compensation to all affected people prior to commencing any related works. Except as mutually agreed upon between the Borrower and the Bank, the Borrower or any of the Project Implementing Entities shall not amend, suspend or abrogate any of the provisions of the Resettlement Action Plans.

3. Without limitation on the provisions of paragraph 1 of this Section I.B, for the purpose of carrying their Respective Parts of the Project, the Borrower shall cause each of the Project Implementing Entities to:

   (a) prepare and disclose, prior to the commencement of any works under the Project, Site-specific EMPs, acceptable to the Bank, in accordance with the ESIA and the GASCO ESIA; and

   (b) carry out the Site-specific EMPs, in accordance with the ESIA and the GASCO ESIA. Except as mutually agreed upon between the Borrower and the Bank, the Borrower or any of the Project Implementing Entities shall not amend, suspend or abrogate any of the provisions of the Site-specific EMPs.
4. Without limitation on the provisions of paragraph 1 of this Section 1.B, the Borrower shall, prior to the commencement of any works relating to the construction of any gas pipeline for a corresponding power plant described in Part A.3 of the Project, ensure that: (a) an environmental and social due diligence of the relevant power plant is conducted under terms of reference acceptable to the Bank; and (b) measures acceptable to the Bank are taken in a manner acceptable to the Bank to address adverse impacts identified in the said environmental and social due diligence.”

7. Section II.A of Schedule 2 is amended to read as follows:

“A. Project Reports

The Borrower shall cause the Project Implementing Entities 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 the indicators agreed with the Bank. Each Project Report shall cover the period of one (1) 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.”

8. Section II.B of Schedule 2 is amended to read as follows:

“B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause the Project Implementing Entities 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 Entities to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in accordance with the provisions of Section 5.09 of the General Conditions.

3. The Borrower shall cause the Project Implementing Entities to have the Financial Statements related to the Project 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 (1) fiscal year of the Project Implementing Entities. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.”

9. Section III of Schedule 2 is deleted in its entirety and replaced by the following:

“Section III. Procurement

1. Except as the Bank shall otherwise agree, procurement of the works and goods required for Part A.1 of the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of the Schedule to the Original Project Agreement.

2. Except as the Bank shall otherwise agree, procurement of the goods required for Part A.3 of the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of the Schedule to the GASCO Project Agreement.”
10. Section IV.A.1 of Schedule 2 is amended to read as follows:

   “1. The Borrower may, through the Project Implementing Entities, withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional arrangements 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 arrangements), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.”

11. The table in paragraph 2 of Section IV.A of Schedule 2 is deleted in its entirety and is replaced by the following table:

<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) Works</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods under Part A.1 of the Project</td>
<td>572,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>Amount due under Section 2.07 (c) of this Agreement</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(5) Goods under Part A.3 of the Project</td>
<td>28,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>600,000,000</td>
<td></td>
</tr>
</tbody>
</table>

12. In paragraph 1 of Section IV.B of Schedule 2, the period at the end of subparagraph (b) is deleted and replaced by the phrase “; or”, and a new subparagraph (c) is added to read as follows:

   “(c) under Category (5) until the GASCO Subsidiary Loan Agreement has been amended to include provisions for the financing of Part A.3 of the Project, including provisions referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement, satisfactory to the Bank.”

13. Paragraph 2 of Section IV.B is amended to read as follows:

   “2. The Closing Date is March 31, 2017.”

14. Section I of the Appendix is amended to read as follows:

   “Section I. Definitions”
1. "Beni Suef Power Plant" means a power plant constructed or to be constructed in the vicinity of the city of Beni Suef within the governorate of Beni Suef.

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

3. "CEPC" means the Cairo Electricity Production Company, an Egyptian joint stock company, wholly owned by EEHC, and established and operating pursuant to Law No. 159 of 1981, or any successor or successors thereof.

4. "Co-financier" means, respectively, the European Investment Bank (EIB) and the Organization of Petroleum Exporting Countries Fund for International Development (OFID), referred to in paragraph 15 of the Appendix to the General Conditions.

5. "Co-financing" means, respectively, an amount of €300,000,000 from EIB and an amount of US$30,000,000 from the OFID, to be provided by the respective Co-financier to assist in financing the Project.

6. "Co-financing Agreement" means the agreement to be entered into between the Borrower and each Co-financier providing for the Co-financing. Each Co-financing Agreement is expected to have become effective by not later than February 20, 2012.

7. "Damanhour Power Plant" means a power plant constructed or to be constructed in the vicinity of the city of Damanhour within the governorate of Al Beheira.

8. "EEHC" means the Egyptian Electricity Holding Company established and operating pursuant to Law No. 164 of 2000, or any successor or successors thereof.

9. "EEHC Project Agreement" means the agreement to be signed between the Bank and Project Implementing Entity, of the same date as the Loan Agreement for the Additional Loan for the Giza North Power Project, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the EEHC Project Agreement.

10. "EETC" means the Egyptian Electricity Transmission Company established and operating pursuant to Law No. 159 of 1981 of the Borrower, or any successor or successors thereof.

11. "Elborlous Power Plant" means a power plant constructed or to be constructed in the vicinity of the city of Balteem within the governorate of Kafr Alsheikh.

12. "ElSauof Power Plant" means a power plant constructed or to be constructed in the vicinity of the city of Alexandria within the governorate of Alexandria.

13. "Environmental and Social Management Plan" or "ESMP" means the Borrower's environmental and social management plan for the Project prepared in accordance with the ESIA and originally provided to the Bank on January 26,
2010, and subsequently revised from time to time by agreement between the Borrower and the Bank, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank.

14. “ESIA” means the Borrower’s environmental and social impact assessment for the Project provided to the Bank on January 26, 2010, as subsequently amended, setting forth the matters to be addressed in the ESMP regarding mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank.

15. “GASCO” means the Egyptian Natural Gas Company, established in March 1997 pursuant to Investment Law No. 230 of 1989 and amended by Law No. 8 of 1997, or any successor or successors thereof.

16. “GASCO ESIA” means the Borrower’s updated environmental and social impact assessment for its Respective Parts of the Project, disclosed in-country on February 9, 2016 and in the Bank’s InfoShop on February 10, 2016, setting forth the matters to be addressed in the Site-Specific EMP regarding mitigating, monitoring and institutional measures to be taken during the implementation and operation of its Respective Parts of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank in accordance with its policies.

17. “GASCO Project Agreement” means the agreement to be signed between the Bank and GASCO, of the same date as the Loan Agreement for the Additional Loan for the Giza North Power Project, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the GASCO Project Agreement.

18. “GASCO RPF” means the Borrower’s updated resettlement policy framework for its Respective Parts of the Project, disclosed in-country on February 9, 2016, and in the Bank’s InfoShop on February 10, 2016, setting forth the rules, procedures and guidelines for the acquisition of land and/or other assets from persons affected by the Project (if any), and/or the resettlement and rehabilitation of such persons (if any), and the compensation thereof.

19. “GASCO Subsidiary Loan Agreement” means the subsidiary loan agreement between the Borrower and GASCO, dated September 23, 2012, as the same may be amended from time to time; and such term includes all schedules to the GASCO Subsidiary Loan Agreement.


21. “Mahmoudia Power Plant” means a power plant constructed or to be constructed in the vicinity of the city of Al-Mahmodia within the governorate of Al Beheira.
22. “New Capital Power Plant” means a power plant constructed or to be constructed in the vicinity of the governorate of Cairo.

23. “Original Project Agreement” means the agreement between the Bank and the Project Implementing Entity, dated November 4, 2010, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Original Project Agreement.


25. “Project Implementing Entities” means both EEHC and the Project Implementing Entity (GASCO).

26. “Project Implementing Entity” means EEHC.

27. “Project Implementing Entity (GASCO)” means GASCO.

28. “Resettlement Action Plan” or “RAP” means the site-specific resettlement action plan, or abbreviated resettlement action plan, as the case may be, to be prepared and adopted pursuant to paragraph 2 of Section 1.B of Schedule 2 to this Agreement, satisfactory to the Bank, containing, inter alia, a program of actions, measures and policies for compensation of persons affected by land acquisition, including compensation arrangements, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms for each site; and “RAPs” means more than one such RAP.

29. “Resettlement Policy Framework” or “RPF” means the Borrower’s resettlement policy framework for the Project originally provided to the Bank on January 26, 2010, and subsequently amended, setting forth the rules, procedures and guidelines for the acquisition of land and/or other assets from persons affected by the Project (if any), and/or the resettlement and rehabilitation of such persons (if any), and the compensation thereof.

30. “Respective Parts of the Project” means: (i) in the case of EEHC, Parts A.1, A.2 (a), and B of the Project; and (ii) in the case of GASCO, Parts A.2 (b) and A.3 of the Project.

31. “Site-specific EMP” means a site-specific environmental management plan to be prepared pursuant to paragraph 3 of Section 1.B of Schedule 2 to this Agreement, satisfactory to the Bank, in respect of works to be undertaken by the Borrower under the Project defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under each phase of the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with mutual agreement of the Bank and the Borrower; and “Site-specific EMPs” refers to more than one such Site-specific EMP.
32. "Subsidiary Loan Agreement" means the agreement to be entered into between
the Borrower and the Project Implementing Entity pursuant to the provisions of
paragraph 1 of Section I.A of Schedule 2 to this Agreement, as the same may be
amended from time to time; and such term includes all schedules to the
Subsidiary Loan Agreement.

33. "Suez Power Plant" means a power plant constructed or to be constructed in the
vicinity of the city of Suez within the governorate of Suez.

34. "6 October Power Plant" means a power plant constructed or to be constructed in
the vicinity of the city of 6 October within the governorate of Giza."

All the terms and conditions of the Original Loan Agreement, as amended, that have not
been amended hereby shall remain unchanged and in full force and effect.

Please indicate your agreement with the foregoing amendments on behalf of the
Borrower by countersigning and dating two (2) original copies of this letter and returning one
countersigned original to us. Upon receipt by the Bank of the countersigned copy, these
amendments shall become effective as of the date of this letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Asad Alam
Asad Alam
Country Director
Egypt, Yemen and Djibouti

AGREED:

ARAB REPUBLIC OF EGYPT

By:

Name: Sabry Nasr
Title: Minister of International Cooperation
Date: February 23, 2016