Date: 27 Dec, 2017

H.E. Dr. Sahar Nasr
Minister of Investment and International Cooperation
Ministry of Investment and International Cooperation
Cairo, Arab Republic of Egypt

Excellency:

Re: Egypt National Railways Restructuring Project
(Loan Number 7656-EG)
Second Amendment to the Loan Agreement

We refer to the Loan Agreement dated August 2, 2009, between the Arab Republic of Egypt ("Borrower") and International Bank for Reconstruction and Development ("Bank") for the above-referenced Project, as amended ("Project"). We also refer to your letter dated July 17, 2017, requesting certain changes to the Project.

We are pleased to inform you that the Bank has agreed to your request, and consequently the Loan Agreement is amended as set forth below:

1. Part A.1 of Schedule 1 to the Loan Agreement is amended to read as follows:

   "1. Modernizing the signaling system along the Cairo - Alexandria line, including the
      Cairo - Benha/Arab El Raml and Arab El Raml - Alexandria sections, the Beni Suef -
      Asyut line, and the Asyut-Sohag-Naga Hamady line, consisting of: (i) an automatic block
      signaling system (on an open line); (ii) electronic interlocking systems (in stations); and
      (iii) a level-crossing protection system, through the carrying out of works, and provision
      of consultants' services for supervisory engineering, and goods."

2. The table under Section IV.A.2 of Schedule 2 to the Loan Agreement is amended as follows:

<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) Goods and works under Parts A.1 and A.2 of the Project</td>
<td>164,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Works under Part B of the Project</td>
<td>83,700,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(3) Front-end Fee | 675,000 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
<td></td>
</tr>
</tbody>
</table>

(4) Premia for Interest Rate Caps and Interest Rate Collars | 0 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount due under Section 2.07(e) of this Agreement</td>
<td></td>
</tr>
</tbody>
</table>

(5) Unallocated | 12,325,000 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

(6) Consultants’ Services under Parts A.3 and C.2 of the Project | 9,000,000 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL AMOUNT | 270,000,000 |

3. Section I.C of Schedule 2 to the Loan Agreement is deleted in its entirety and replaced with the following:

"C. Safeguards

The Borrower shall cause the Project Implementing Entity to ensure that remedial measures are taken during the implementation and operation of the Project in accordance with the provisions set forth in the ESIA, ESMP and the RPF."

4. Section IV.B.2 of Schedule 2 to the Loan Agreement is deleted and replaced with the following:

"2. The Closing Date is December 31, 2020."

5. Paragraphs 2 and 3 of the Appendix to the Loan Agreement are amended to read as follows:

"2. "Environmental and Social Impact Assessment" or "ESIA" means the Project Implementing Entity’s environmental and social impact assessment report, furnished to the Bank on October 7, 2008, updated and disclosed in country on November 22, 2017, and by the World Bank on November 23, 2017, in form and substance satisfactory to the Bank, assessing the environment and social impacts of the Project.

3. "Environmental and Social Management Plan" or "ESMP" means the Project Implementing Entity’s environmental management plan for the Project furnished to the Bank on October 7, 2008, updated and disclosed in country on November 22, 2017, and by the World Bank on November 23, 2017, as such plan may be updated 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 potential adverse environmental and social impacts to levels acceptable to the Bank."
6. A new Paragraphs 15 is added to the Appendix to the Loan Agreement to read as follows:

"15. "Resettlement Policy Framework" or "RPF" means the Project Implementing Entity's resettlement policy framework for the Project disclosed in country on November 20, 2017, and by the World Bank on November 21, 2017, in form and substance satisfactory to the Bank. as such framework may be updated from time to time by agreement between the Borrower and the Bank, setting forth resettlement policies, processes and mitigating measures to be taken during the implementation and operation of the Project."

All other provisions of the Loan Agreement shall remain in full force and effect, except as specifically amended by this Amendment Letter.

Please confirm your agreement to the foregoing on behalf of the Borrower by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us. Upon receipt by the Bank of the countersigned copy of this Amendment Letter, the Amendment Letter shall become effective as of the date of this letter.

Sincerely yours,

INTERATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Jamal Abdulaziz
Acting Country Director
Egypt, Yemen and Djibouti

AGREED AND CONFIRMED:
ARAB REPUBLIC OF EGYPT

By: [Signature]
Authorized Representative

Name: Saber Ahmed Naeem
Title: Ministry of Industry & International Cooperation
Date: January 9, 2018