OFFICIAL DOCUMENTS

March 14, 2017

The Honorable Pravind Kumar Jugnauth
Prime Minister
Ministry of Finance and Economic Development
1st Floor, Prime Minister’s Office
Treasury Building
REPUBLIC OF MAURITIUS

Dear Honorable Prime Minister,

Mauritius: (P132425) Second Trade and Competitiveness Development Policy Loan
IBRD Loan no. 4889-MU - Amendment to Loan Agreement

We refer to the Loan Agreement (Second Trade and Competitiveness Development Policy Loan) entered into between The Republic of Mauritius (the ‘Borrower’) and the International Bank for Reconstruction and Development (the ‘Bank’), dated March 18, 2008 (the ‘Loan Agreement’).

Pursuant to communications with your office in September 2016 seeking access to the embedded interest and currency conversion options offered for Bank loans that accrue interest at a rate based on the variable spread, we are pleased to confirm the Bank’s agreement to your request and to this end, the Bank proposes to amend the terms of the Loan Agreement in respect of the Loan on the terms and conditions more particularly set forth in Annex I.

All terms of the Loan Agreement not hereby amended shall remain in full force and effect.

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

Sincerely Yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Mark R. Lundell
Country Director for Mauritius
Mauritius: Second Trade and Competitiveness Development Policy Loan
IBRD Loan no. 4889-MU – Amendment to Loan Agreement

AGREED:
THE REPUBLIC OF MAURITIUS

By __________________________
Authorized Representative

The Honourable Pravind Kumar Jugnauth
Name __________________________

Prime Minister
Minister of Finance and Economic Development
Title __________________________

Date: 01 June 2017
ANNEX I

Amendment to the Loan Agreement

I. A new Section 2.08 is added to the Loan Agreement to read as follows:

“(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prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan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; (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.”

II. Section II of the Appendix to the Loan Agreement providing for modifications to the General Conditions for Loans is amended by the insertion of the following modifications and re-numbering the remaining paragraphs accordingly:

“3. Paragraphs (a), (b) and (c) of Section 3.02 (Interest) are amended to read as follows:

“(a) The Borrower shall pay the Bank interest on the Withdrawn Loan Balance at the rate specified in the Loan Agreement; provided, however, that if the Agreement provides for Conversions, such rate may be modified from time to time in accordance with the provisions of Article IV. Interest shall accrue from the respective dates on which amounts of the Loan are withdrawn and shall be payable semi-annually in arrears on each Payment Date.
(b) If interest on any amount of the Withdrawn Loan Balance is based on a Variable
Spread, the Bank shall notify the Loan Parties of the interest rate on such amount
for each Interest Period, promptly upon its determination.

(c) If interest on any amount of the Loan is based on LIBOR or EURIBOR, and
the Bank determines that such Reference Rate has permanently ceased to be
quoted for the relevant Currency, the Bank shall apply such other comparable
Reference Rate for such Currency as it may reasonably determine. The Bank shall
promptly notify the Loan Parties of such other rate.

(d) If interest on any amount of the Withdrawn Balance is payable at the Variable
Rate, then whenever, in light of changes in market practice affecting the
determination of the interest rate applicable to such amount, the Bank determines
that it is in the interest of its borrowers as a whole and of the Bank to apply a basis
for determining such interest rate other than as provided in the Loan Agreement
and these General Conditions, the Bank may modify the basis for determining such
interest rate upon not less than three months’ notice to the Loan Parties of the new
basis. The new basis shall become effective on the expiry of the notice period unless
a Loan Party notifies the Bank during such period of its objection to such
modification, in which case the modification shall not apply to such amount of the
Loan.”

4. Paragraph (a) of Section 3.04 (Prepayment) is amended to read as follows:

“(a) After giving not less than forty-five days' notice to the Bank, the Borrower may
repay the Bank the following amounts in advance of maturity, as of a date
acceptable to the Bank (provided that the Borrower has paid all Loan Payments due
as at such date, including any prepayment premium calculated pursuant to
paragraph (b) of this Section): (i) the entire Withdrawn Loan Balance as at such
date, or (ii) the entire principal amount of any one or more maturities of the Loan.
Any partial prepayment of the Withdrawn Loan Balance shall be applied in the
manner specified by the Borrower, or in the absence of any specification by the
Borrower, in the following manner: (A) if the Loan Agreement provides for the
separate amortization of specified disbursed amounts of the principal of the Loan
(“Disbursed Amounts”), the prepayment shall be applied in the inverse order of the
Disbursed Amounts, with the Disbursed Amount which has been withdrawn last
being repaid first and with the latest maturity of said Disbursed Amount being
repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse
order of the Loan maturities, with the latest maturity being repaid first.”

5. Paragraph (a) of Section 3.07 (Currency of Payment) is amended to read as follows:

“(a) The Borrower shall pay all Loan Payments in the Loan Currency; and, if a
Conversion has been effected in respect of any amount of the Loan, as further
specified in the Conversion Guidelines.”
6. Section 4.01. (Conversions Generally) is amended to read as follows:

“(a) The Borrower may, at any time, request a conversion of the terms of the Loan in accordance with the Loan Agreement in order to facilitate prudent debt management. Each such request shall be furnished by the Borrower to the Bank in accordance with the Conversion Guidelines and, upon acceptance by the Bank, the conversion requested shall be considered a Conversion for the purposes of these General Conditions.

(b) Upon acceptance by the Bank of a request for a Conversion, the Bank shall take all actions necessary to effect the Conversion in accordance with these General Conditions, the Loan Agreement and the Conversion Guidelines. To the extent any modification of the provisions of the Loan Agreement providing for withdrawal or repayment of the proceeds of the Loan is required to give effect to the Conversion, such provisions shall be deemed to have been modified as of the Conversion Date. Promptly after the Execution Date for each Conversion, the Bank shall notify the Loan Parties of the financial terms of the Loan, including any revised amortization provisions and modified provisions providing for withdrawal of the proceeds of the Loan.

(c) Except as otherwise provided in the Conversion Guidelines, the Borrower shall pay a transaction fee for each Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the Execution Date. Transaction fees provided for under this paragraph shall be either: (i) payable as a lump sum not later than sixty days after the Execution Date; or (ii) expressed as percentage per annum and added to the interest rate payable on each Payment Date.”

7. A new Section 4.02. is added to read as follows; the subsequent Sections of Article IV are renumbered accordingly; and all references to such renumbered Sections are similarly renumbered.

“Section 4.02. Conversion to a Fixed Rate or Fixed Spread of Loan that Accrues Interest at a Rate Based on the Variable Spread

(a) A Conversion to a Fixed Rate of all or any amount of the Loan that accrues interest at a rate based on the Variable Spread shall be effected first by fixing the Variable Spread applicable to such amount into the Fixed Spread for the Loan Currency and adding to such Fixed Spread the Variable Spread Fixing Charge, followed immediately by the Conversion requested by the Borrower.

(b) A Conversion to a Fixed Spread of the full amount of the Loan that accrues interest at a rate based on the Variable Spread, shall be effected by fixing the Variable Spread applicable to such amount into the Fixed Spread for the Loan Currency and adding to such Fixed Spread the Variable Spread Fixing Charge, in accordance with the Conversion Guidelines.”
8. The newly renumbered Section 4.05(a) and (b) is modified to read as follows:

"Section 4.05. Interest Rate Cap; Interest Rate Collar

(a) Interest Rate Cap. Upon the establishment of an Interest Rate Cap on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless on any Reference Rate Reset Date during the Conversion Period: (i) for a loan that accrues interest at a Variable Rate based on the Reference Rate and the Fixed Spread, the Variable Rate exceeds the Interest Rate Cap, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap; or (ii) for a loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate exceeds the Interest Rate Cap, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap plus the Variable Spread.

(b) Interest Rate Collar. Upon the establishment of an Interest Rate Collar on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless on any Reference Rate Reset Date during the Conversion Period: (i) for a loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, the Variable Rate: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to such upper limit; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to such lower limit; or (ii) for a loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to such upper limit plus the Variable Spread; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the Interest Period to which the Reference Rate Reset Date relates, the Borrower shall pay interest on such amount at a rate equal to such lower limit plus the Variable Spread."

13. Section 7.05. (Application of Cancelled Amounts to Maturities of the Loan) is deleted in its entirety; the subsequent Sections of Article VII are renumbered accordingly; and all references to such renumbered Sections are similarly renumbered:

14. The newly renumbered Section 7.07. (Acceleration during a Conversion Period) is amended to read as follows:
"If the Loan Agreement provides for Conversions, and if any notice of acceleration is given pursuant to Section 7.06 during the Conversion Period for any Conversion: (a) the Borrower shall pay a transaction fee in respect of any early termination of the Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the date of such notice; and (b) the Borrower shall pay any Unwinding Amount owed by it in respect of any early termination of the Conversion, or the Bank shall pay any Unwinding Amount owed by it in respect of any such early termination (after setting off any amounts owed by the Borrower under the Loan Agreement), in accordance with the Conversion Guidelines."

15. A new Section 10.05. is added to read as follows:

"Section 10.05. Disclosure

The Bank may disclose the Legal Agreements and any information related to the Legal Agreements in accordance with its policy on access to information, in effect at the time of such disclosure."

III. In addition to the modifications to the Appendix of the General Conditions set forth in the Loan Agreement, the following modifications to the terms and definitions set forth in the Appendix are added, with the remaining terms re-numbered accordingly:

"Conversion Date" means for a Conversion, the Execution Date or such other date as the Bank shall determine on which the Conversion enters into effect, as further specified in the Conversion Guidelines.

"Conversion Guidelines" means, for a Conversion, the "Guidelines for Conversion of Loan Terms" issued from time to time by the Bank and in effect at the time of the Conversion.

"Default Interest Rate" means for any Default Interest Period:

(a) in respect of any amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate immediately prior to the application of the Default Interest Rate: the Default Variable Rate plus one half of one percent (0.5%); and

(b) in respect of any amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Fixed Rate immediately prior to the application of the Default Interest Rate: Default LIBOR plus the Fixed Spread plus one half of one percent (0.5%).

"Default Reference Rate" means the Reference Rate for the relevant Interest Period; it being understood that for the initial Default Interest Period, Default Reference Rate shall be equal to Reference Rate for the Interest Period in which the amount referred to in Section 3.02(e) first becomes overdue.
“Default Variable Rate” means the Variable Rate for the relevant Interest Period; provided that:

(a) for the initial Default Interest Period, Default Variable Rate shall be equal to the Variable Rate for the Interest Period in which the amount referred to in Section 3.02(e) first becomes overdue; and

(b) for an amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate based on a Fixed Reference Rate and the Variable Spread immediately prior to the application of the Default Interest Rate, “Default Variable Rate” shall be equal to the Default Reference Rate plus the Variable Spread.”

“EURIBOR” means for any Interest Period, the Euro interbank offered rate for deposits in Euro for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page as of 11:00 a.m., Brussels time, on the Reference Rate Reset Date for the Interest Period.

“Fixed Reference Rate” means:

(a) upon an Interest Rate Conversion 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, the fixed rate equivalent of the relevant Reference Rate for the Loan Currency applicable to the amount of the Loan to which the Conversion applies, which fixed rate equivalent shall be equal to either: (i) the interest rate that reflects the fixed rate of interest payable by the Bank under the Interest Hedge Transaction or Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the Screen Rate; and

(b) upon a Currency Conversion of an amount of the Loan that shall accrue interest at a Variable Rate based on a “Fixed Reference Rate” and the Variable Spread, the fixed rate equivalent of: (i) the relevant Reference Rate for the Approved Currency applicable to the amount of the Loan to which the Conversion applies; plus (ii) a spread (if any) to the relevant Reference Rate as reasonably determined by the Bank in accordance with the Conversion Guidelines, which fixed rate equivalent shall be equal to either: (A) the interest rate that reflects the fixed rate of interest payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (B)
"Fixed Spread" means the Bank’s fixed spread for the initial Loan Currency in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement; provided, that: (a) for purposes of determining the Default Interest Rate, pursuant to Section 3.02(d), that is applicable to an amount of the Withdrawn Loan Balance on which interest is payable at a Fixed Rate, the “Fixed Spread” means the Bank’s fixed spread in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement, for the Currency of denomination of such amount; (b) for purposes of fixing the Variable Spread pursuant to Section 4.02, “Fixed Spread” means the Bank’s fixed spread for the Loan Currency in effect at 12:01 a.m. Washington, D.C. time on the Conversion Date; and (c) upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance pursuant to Section 4.04(a), the Fixed Spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines.

“Interest Rate Cap” means a ceiling that sets an upper limit: (a) in respect of any portion of the loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate; or (b) in respect of any portion of the loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.

“Interest Rate Collar” means a combination of a ceiling and a floor that sets an upper and a lower limit: (a) in respect of a loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate; or (b) in respect of a loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.

“Interest Rate Conversion” means a change of the interest rate basis applicable to all or any amount of the Withdrawn Loan Balance: (a) from the Variable Rate to the Fixed Rate or vice versa; or (b) from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; or (c) 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.

“LIBOR” means, for any Interest Period, the London interbank offered rate for deposits in the relevant Loan Currency for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page.

The definition of the “LIBOR Reset Date” is deleted in its entirety and replaced by the definition of the “Reference Rate Reset Date” (see below).

“Loan Currency” means the Currency in which the Loan is denominated; provided that if the Loan Agreement provides for Conversions, “Loan Currency” means the Currency in which the Loan is denominated from time to time. If the Loan is
denominated in more than one currency. “Loan Currency” refers separately to each of such Currencies.

“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, 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.

“Reference Rate” means, for any Interest Period:

(a) for USD and JPY, LIBOR for the relevant Loan Currency. If such rate does not appear on the Relevant Rate Page, the Bank shall request the principal London office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in the relevant Loan Currency to leading banks in the London interbank market at approximately 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the quotations. If less than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the rates quoted by four major banks selected by the Bank in the relevant Financial Center, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in the relevant Loan Currency to leading banks for six months. If less than two of the banks so selected are quoting such rates, the Reference Rate for the relevant Loan Currency for the Interest Period shall be equal to the respective Reference Rate in effect for the Interest Period immediately preceding it;

(b) for Euro, EURIBOR. If such rate does not appear on the Relevant Rate Page, the Bank shall request the principal Euro Area office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in Euro to leading banks in the

Euro area interbank market at approximately 11:00 a.m. Brussels time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the quotations. If less than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the rates quoted by four major banks selected by the Bank in the relevant Financial Center, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in Euro to leading banks for six months. If less than two of the banks so selected are quoting
such rates, the Reference Rate for Euro for the Interest Period shall be equal to the Reference Rate in effect for the Interest Period immediately preceding it;

(c) if the Bank determines that LIBOR (in respect of USD and JPY) or EURIBOR (in respect of Euro) has permanently ceased to be quoted for such currency, such other comparable reference rate for the relevant currency as the Bank shall determine pursuant to Section 3.02 (c); and

(d) for any currency other than USD, Euro or JPY: (i) such reference rate for the initial Loan Currency as shall be specified or referred to in the Loan Agreement; or (ii) in the case of a Currency Conversion to such other currency, such reference rate as shall be determined by the Bank in accordance with the Conversion Guidelines and notice thereof given to the Borrower in accordance with Section 4.01(b).

“Reference Rate Reset Date” means:

(a) for USD and JPY, the day two London Banking Days prior to the first day of the relevant Interest Period (or: (i) in the case of the initial Interest Period, the day two London Banking Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two London Banking Days prior to the date of the Loan Agreement; and (ii) if the Conversion Date for a Currency Conversion of an amount of the Unwithdrawn Loan Balance to either USD or JPY falls on a day other than a Payment Date, the initial Reference Rate Reset Date for the Approved Currency shall be the day two London Banking Days prior to the first or fifteenth day of the month in which the Conversion Date falls, whichever day immediately precedes the Conversion Date; provided, that if the Conversion Date falls on the first or fifteenth day of such month, the Reference Rate Reset Date for the Approved Currency shall be the day two London Banking Days prior to the Conversion Date);

(b) for Euro, the day two TARGET Settlement Days prior to the first day of the relevant Interest Period (or: (i) in the case of the initial Interest Period the day two TARGET Settlement Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two TARGET Settlement Days prior to the date of the Loan Agreement; and (ii) if the Conversion Date of a Currency Conversion of an amount of the Unwithdrawn Loan Balance to Euro falls on a day other than a Payment Date, the initial Reference Rate Reset Date for the Approved Currency shall be the day two TARGET Settlement Days prior to the first or fifteenth day of the month in which the Conversion Date falls, whichever day immediately precedes the Conversion Date; provided that if the Conversion Date falls on the first or fifteenth day of such month, the Reference Rate Reset Date for the Approved Currency shall be the day two TARGET Settlement Days prior to the Conversion Date);
(c) if, for a Currency Conversion to an Approved Currency, the Bank determines that market practice for the determination of the Reference Rate Reset Date is on a date other than as set forth in sub-paragraphs (a) or (b) of this Section, the Reference Rate Reset Date shall be such other date as further specified in the Conversion Guidelines; and

(d) for any currency other than USD, Euro and JPY: (i) such day for the initial Loan Currency as shall be specified or referred to in the Loan Agreement; or (ii) in the case of a Currency Conversion to such other currency, such day as shall be determined by the Bank and notice thereof given to the Borrower in accordance with Section 4.01(b).

“Relevant Rate Page” means the display page designated by an established financial market data provider selected by the Bank as the page for the purpose of displaying the Reference Rate for deposits in the Loan.

“Screen Rate” means:

(a) for an Interest Rate Conversion from the Variable Rate to the Fixed Rate, the fixed rate of interest determined by the Bank on the Execution Date on the basis of the Variable Rate and market rates displayed by established information vendors reflecting the Conversion Period, the Currency amount and the repayment provisions of the amount of the Loan to which the Conversion applies;

(b) for an Interest Rate Conversion from the Fixed Rate to the Variable Rate, the variable rate of interest determined by the Bank on the Execution Date on the basis of the Fixed Rate and market rates displayed by established information vendors reflecting the Conversion Period, the Currency amount and the repayment provisions of the amount of the Loan to which the Conversion applies;

(c) for an Interest Rate Conversion 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), the variable rate of interest determined by the Bank on the Execution Date on the basis of the Reference Rate or Fixed Reference Rate (as the case may be) applicable prior to the Conversion and market rates displayed by established information vendors reflecting the Conversion Period, the Currency amount and the repayment provisions of the amount to which the Conversion applies;

(d) for a Currency Conversion of an amount of the Unwithdrawn Loan Balance, the exchange rate between the Loan Currency immediately prior to the Conversion and the Approved Currency, determined by the Bank on the Execution Date on the basis of market exchange rates displayed by established information vendors;
(e) for a Currency Conversion of an amount of the Withdrawn Loan Balance that accrues interest at a Variable Rate based on:

(i) a Reference Rate and the Fixed Spread, each of: (A) the exchange rate between the Loan Currency immediately prior to the Conversion and the Approved Currency, determined by the Bank on the Execution Date on the basis of market exchange rates displayed by established information vendors; and (B) the fixed rate of interest or the variable rate of interest (whichever applies to the Conversion), determined by the Bank on the Execution Date in accordance with the Conversion Guidelines on the basis of the interest rate applicable to such amount immediately prior to the Conversion and market rates displayed by established information vendors reflecting the Conversion Period, the Currency amount and the repayment provisions of the amount of the Loan to which the Conversion applies; or

(ii) a Reference Rate or a Fixed Reference Rate and the Variable Spread, each of: (A) the exchange rate between the Loan Currency immediately prior to the Conversion and the Approved Currency, determined by the Bank on the Execution Date on the basis of market exchange rates displayed by established information vendors; and (B) the fixed rate of interest or the variable rate of interest (whichever applies to the Conversion), determined by the Bank on the Execution Date in accordance with the Conversion Guidelines on the basis of the Reference Rate or the Fixed Reference Rate (as the case may be) applicable to such amount immediately prior to the Conversion plus a spread (if any) and market rates displayed by established information vendors reflecting the Conversion Period, the Currency amount and the repayment provisions of the amount of the Loan to which the Conversion applies; and

(f) for the early termination of a Conversion, each of the rates applied by the Bank for the purpose of calculating the Unwinding Amount as of the date of such early termination in accordance with the Conversion Guidelines on the basis of market rates displayed by established information vendors reflecting the remaining Conversion Period, Currency amount and repayment provisions of the amount of the Loan to which the Conversion and such early termination apply.

“Variable Rate” means a variable rate of interest applicable to the Withdrawn Loan Balance equal to the sum of: (1) the Reference Rate for the initial Loan Currency; plus (2) the Variable Spread, if interest accrues at a rate based on the Variable Spread, or the Fixed Spread if interest accrues at a rate based on the Fixed Spread; provided, that:

(a) upon an Interest Rate Conversion from a variable rate based on the Variable Spread to a variable rate based on a Fixed Spread, the “Variable Rate” applicable to the amount of the Loan to which the Conversion applies shall be equal to the sum
of: (i) the Reference Rate for the Loan Currency; plus (ii) the Fixed Spread; plus (iii) the Variable Spread Fixing Charge;

(b) upon an Interest Rate Conversion from the Fixed Rate, the “Variable Rate” applicable to the amount of the Loan to which the Conversion applies shall be equal to either: (i) the sum of: (A) the Reference Rate for the Loan Currency; plus (B) the spread to the Reference Rate, if any, payable by the Bank under the Interest Hedge Transaction relating to the Conversion (adjusted in accordance with the Conversion Guidelines for the difference, if any, between the Fixed Rate and the fixed rate of interest receivable by the Bank under the Interest Hedge Transaction); or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the Screen Rate;

(c) upon an Interest Rate Conversion from a variable rate based on:

(i) a Reference Rate and the Variable Spread to a variable rate based on a Fixed Reference Rate and the Variable Spread, the “Variable Rate” applicable to the amount of the Loan to which the Conversion applies shall be equal to the sum of: (A) the Fixed Reference Rate for the Loan Currency; plus (B) a spread (if any) to the Reference Rate as reasonably determined by the Bank in accordance with the Conversion Guidelines; plus (C) the Variable Spread; or

(ii) a Fixed Reference Rate and the Variable Spread to a variable rate based on a Reference Rate and the Variable Spread, the “Variable Rate” applicable to the amount of the Loan to which the Conversion applies shall be equal to the sum of: (A) the Reference Rate for the Loan Currency; plus (B) a spread (if any) to the Reference Rate as reasonably determined by the Bank in accordance with the Conversion Guidelines; plus (C) the Variable Spread;

(d) upon a Currency Conversion to an Approved Currency of an amount of the Unwithdrawn Loan Balance, and upon withdrawal of any of such amount, the “Variable Rate” applicable to such amount shall be equal to the sum of: (i) the Reference Rate for the Approved Currency; plus (ii) the Variable Spread if such amount accrues interest at a rate based on the Variable Spread, or the Fixed Spread if such amount accrues interest at a rate based on the Fixed Spread; and

(e) upon a Currency Conversion to an Approved Currency of an amount of the Withdrawn Loan Balance that accrues interest at a variable rate during the Conversion Period, the “Variable Rate” applicable to such amount shall:

(i) for a loan that accrues interest at a variable rate based on a Reference Rate and the Fixed Spread, be equal to either: (A) the sum of: (1) the Reference Rate for the Approved Currency; plus (2) the spread to the Reference Rate, if any, payable by the Bank under the Currency Hedge Transaction relating to the Currency Conversion; or (B) if the Bank so
determines in accordance with the Conversion Guidelines, the interest rate component of the Screen Rate; or

(ii) for a loan that accrues interest at a variable rate based on a Reference Rate and the Variable Spread, be equal to the sum of: (A) the Reference Rate for the Approved Currency; plus (B) a spread (if any) to the Reference Rate for the Approved Currency as reasonably determined by the Bank in accordance with the Conversion Guidelines; plus (C) the Variable Spread; or

(iii) for a loan that accrues interest at a variable rate based on a Fixed Reference Rate and the Variable Spread, be equal to the sum of: (A) the Fixed Reference Rate for the Approved Currency; plus (B) a spread (if any) to the Reference Rate for the Approved Currency as reasonably determined by the Bank in accordance with the Conversion Guidelines; plus (C) the Variable Spread.

"Variable Spread" means, for each Interest Period: (1) the Bank's standard variable spread for Loans in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement; (2) minus (or plus) the weighted average margin, for the Interest Period, below (or above) LIBOR, or other reference rates, for six-month deposits, in respect of the Bank's outstanding borrowings or portions thereof allocated by it to fund loans that carry interest at a rate based on the Variable Spread; as reasonably determined by the Bank and expressed as a percentage per annum. In the case of a Loan denominated in more than one Currency, "Variable Spread" applies separately to each of such Currencies.

"Variable Spread Fixing Charge" means, for a Conversion to a Fixed Rate or a Fixed Spread of all or any portion of the Loan that accrues interest at a rate is based on the Variable Spread, the Bank's charge for such a Conversion in effect 12:01 a.m. Washington, D.C. time, one calendar day prior to the execution of the Conversion."