The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

His Excellency
Fernando Lorenzo
Minister of Economy and Finance
Ministry of Economy and Finance
Montevideo, Uruguay

Loan No. 7445-UR (Promoting Innovation to Enhance Competitiveness Project)
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement between the República Oriental del Uruguay the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-captioned Project, dated June 21, 2007, as amended (the Loan Agreement). Please note that capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Loan Agreement.

In accordance with: (a) the findings of the Project's supervision mission of September 2012; and (b) the Borrower's letters dated April 9, 2012 and June 13, 2012, requesting the Bank to: (i) revise the scope of selected Project activities; (ii) revise the Project's outcome and intermediate indicators; and (iii) reallocate loan proceeds among Categories of expenditures, I am pleased to inform you that the Bank concurs with your request and therefore proposes to amend the Loan Agreement as follows:

1. Part 3 (a) of Schedule 1 to the Loan Agreement is hereby amended to read in its entirety as follows:

“(a) Providing grants for subprojects to: (i) create new technology centers and networks and/or upgrade the capacity of existing ones; and (ii) support technological improvements of companies operating in the productive sector, to:

(i) facilitate the transfer and adaptation of existing technologies to enterprises incorporated under the Borrower’s law;

(ii) address sectoral quality issues;

(iii) identify bottlenecks and opportunities for further innovation of products and processes at the sectoral level;

(iv) conduct research and development to develop such products and processes;

(v) facilitate the commercialization of new products; and
2. The table in Section IV.A.2 of Schedule 2 to the Loan Agreement is amended and replaced in its entirety to read as set forth in attachment 1 to this Amendment Letter.

All other provisions of the Loan Agreement, except as amended herein, shall remain in full force and effect.

Please confirm your agreement to the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter will be executed in two counterparts, each of which shall be deemed an original and one of which shall be returned to us. The provisions of this Amendment Letter will become effective as of the date of your countersignature, upon receipt by the Bank of one fully executed original of this Amendment Letter.

Please also note that the restructuring paper dated November 12, 2012 will be disclosed on the Bank’s external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Penelope J. Brook
Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region

AGREED:

REPUBLICA ORIENTAL DEL URUGUAY

By [Signature]

Authorized Representative

Name: FERNANDO LORENZO

Title: Ministro de Economia y Finanzas

Date: 3/17/12
<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, works, Training and consultants’ services (including audits) for the Project (except those covered in Categories 2 or 3 below)</td>
<td>2,330,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Grants</td>
<td>18,599,600</td>
<td>85%</td>
</tr>
<tr>
<td>(3) Operating costs</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Refund of the Project Preparation Advance</td>
<td>50,400</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>(5) Front-end Fee</td>
<td>65,000</td>
<td>Amount payable pursuant to Section 2.04 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(6) Premium for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.08 (c) of this Agreement</td>
</tr>
<tr>
<td>(7) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(8) Access to Scientific Publications</td>
<td>4,204,500</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>26,000,000</strong></td>
<td></td>
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</tbody>
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