Loan Agreement

(Geothermal Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

TÜRKİYE KALKINMA BANKASI A.Ş.

Dated November 30, 2016
LOAN AGREEMENT

AGREEMENT dated November 30, 2016, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and TÜRKİYE KALKINMA BANKASI A.Ş. (“BORROWER”). 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 one hundred million United States Dollars (US$100,000,000), 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 Part B of 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, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days (30), then the interest payable by the Borrower shall instead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 February 15 and August 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 objectives of the Project. To this end, the Borrower shall carry out Part B of the Project in accordance with the provisions of Article V of the General Conditions.

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 Part B of the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS

4.01. The Additional Condition of Effectiveness consists of the following:

The Borrower has approved the Project Operations Manual, acceptable to the Bank.

4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Chairman and the General Manager of the Borrower.

5.02. The Borrower’s Address is:

Türkiye Kalkınma Bankası A.Ş.
Necatişey Caddeşi
No. 98
Bakanlıklar 06100
Ankara,
Turkey

Facsimile:

(90-312) 231 3125
(90-312) 229 6810
5.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address: INTBAFRAD
Telex: 248423(MCI) or 1-202-477-6391
Facsimile: 64145(MCI)

AGREED at Ankara, Republic of Turkey, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
By: ____________________________
Authorized Representative
Name: Johannes Zurt
Title: Country Director

TÜRKİYE KALKINMA BANKASI A.Ş.
By: ____________________________
Authorized Representative
Name: Ahmet Buçukönu
Title: Chairman and General Manager

By: ____________________________
Authorized Representative
Name: Bahattin Seckin
Title: Deputy General Manager
SCHEDULE 1

Project Description

The objective of the Project is to scale up private sector investment in geothermal energy development in the Republic of Turkey’s territory.

The Project consists of the following parts:

Part A: Risk Sharing Mechanism for Resource Validation

1. Risk Sharing Mechanism for Resource Validation – establishing a mechanism to promote private sector development of renewable geothermal energy investments in the early stage of geothermal exploratory and confirmation drilling stages (“Exploration Sub-projects”) by sharing the risk with Geothermal Explorers of failing to validate a geothermal energy resource through said Risk Sharing Mechanism.

2. Technical Assistance for TKB - strengthening capacity of TKB to supervise implementation of the RSM.

Part B: Loan Facility for Resource Development

Providing financing to Geothermal Developers to support license holders and financiers investing in geothermal project development at: (i) the capacity/production drilling stage; and (ii) the steam gathering, power plant, or direct use facility construction stage (“Development Sub-projects”).
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For purposes of carrying out Part B of the Project, the Borrower shall operate and maintain, until the completion of the Project, its Project Implementation Unit with functions, responsibilities, and adequate staffing and budgetary resources necessary and appropriate for implementation of Part B of the Project, all satisfactory to the Bank.

2. The Borrower shall carry out Part B of the Project in accordance with the relevant provisions of the Project Operations Manual and shall not assign, amend, abrogate, terminate, waive, or fail to enforce any provisions of the POM without obtaining the prior approval of the Bank.

B. Sub-project Financing

For the purposes of carrying out Part B of the Project, the Borrower shall, in accordance with the POM and the provisions set forth below:

1. Determine the eligibility of Geothermal Developers;

2. Determine the eligibility of Development Sub-projects;

3. Enter into a Sub-project Financing Agreement with each Geothermal Developer for eligible Development Sub-projects;

4. Exercise its rights and carry out its obligations under each Sub-project Financing Agreement in such manner as to protect its interests and the interests of the Guarantor and the Bank;

5. Not, except as the Bank shall otherwise agree, amend, waive or fail to enforce any provisions concerning the ESMF or the RPF of any Sub-project Financing Agreement; and


Eligibility of Geothermal Developers

7. Ensure that each Geothermal Developer has established, to the satisfaction of the Bank, that:
(a) It is a private enterprise where more than fifty percent (50%) of the shares or other equity interest thereof is held by persons or companies other than the Borrower, any agency or subdivision thereof, or any local governmental authority, or any entities controlled by the Borrower or such agencies or subdivisions;

(b) It has: (i) a satisfactory financial, organizational and management structure; and (ii) adequate staff and financial and other resources required for the efficient carrying out of its operations, including the pertinent Development Sub-project;

(c) It has the required certificates and licenses from the Guarantor’s relevant local or national authorities with respect to compliance with applicable environmental laws and regulations of the Guarantor; and

(d) It has not already entered into Sub-project Financing Agreements for two Sub-projects financed by the Borrower pursuant to this Loan Agreement.

Development Sub-project Eligibility

8. Ensure that prior to the approval of a Development Sub-project, the pertinent Geothermal Developer has established to the satisfaction of the Bank and, on the basis of an appraisal carried out in accordance with procedures acceptable to the Bank, that:

(a) the pertinent Development Sub-project is technically feasible and economically, financially, commercially and environmentally viable;

(b) the pertinent Development Sub-project is in compliance with all requirements pertaining to environmental protection applicable under the Guarantor’s laws and regulations and the ESMF, including the preparation of: (i) an acceptable environmental management plan in accordance with the ESMF; and (ii) if applicable, an acceptable RAP in accordance with the RPF;

(c) the total amount of the Development Sub-project Financing in respect of the one or two Development Sub-projects to the same Geothermal Developer is less than eighty million Dollars (US$80,000,000) in the aggregate;

(d) the total amount of any one Development Sub-project is less than sixty million Dollars (US$60,000,000); and

(e) no more than sixty percent (60%) of the proceeds of the Loan are provided to Development Sub-projects involving net CO₂ emissions expected to be
above the 2014 Grid Emission Factor of 583 g/kWh, unless the Bank agrees otherwise.

9. Obtain approval of the Bank for the first two (2) Development Sub-projects.

**Sub-project Financing Agreement**

10. Upon approval of any given Development Sub-project, the Borrower shall on-lend a portion of the Loan (the “Development Sub-project Financing”) to the pertinent Geothermal Developer pursuant to a Sub-project Financing Agreement, to be entered into between Borrower and said Geothermal Developer on terms and conditions acceptable to the Bank, including the following provisions:

(a) The obligation of the Geothermal Developer to:

(i) be charged interest on the principal amount of the Development Sub-project Financing that has been withdrawn and outstanding from time to time, at such a rate as may be determined by the Borrower on the basis of its assessment of market conditions and risk management;

(ii) carry out and operate the facilities financed by the Development Sub-project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards, and in accordance with the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the immediate beneficiary, and to maintain adequate records;

(iii) carry out and operate the facilities financed by the Development Sub-project with due regard to applicable social impact, ecological, environmental and pollution control standards and in accordance with the POM, the ESMF, the applicable EMP, and the RPF and RAP, if applicable;

(iv) carry out any procurement for the Development Sub-project in accordance with the provisions of Section III of this Schedule; and

(v) provide annual reports of CO₂ emissions from its Development Sub-project to the Borrower and the Bank, satisfactory to the Borrower and the Bank.

(b) The repayment schedule for the repayment by the Geothermal Developer of the Sub-project Financing shall be for no less than eight (8) years. If, however, the use of the Sub-project Financing shall include the purchase of equipment to capture CO₂ emissions, the repayment schedule for the
repayment by the Geothermal Developer of the Sub-project Financing shall be for no less than ten (10) years.

(c) The Borrower shall retain the right to inspect, by itself or jointly with representatives of the Bank, if the Bank so requests, such goods, sites, works, plants and construction included in the Development Sub-project, the operation thereof, and any relevant documents and records of the Geothermal Developer or its contractors or consultants.

(d) The Borrower shall establish a separate account, in accordance with policies and procedures satisfactory to the Bank, in which it shall deposit and record the repayments of principal and interest by the Geothermal Developer under the pertinent Development Sub-project Financing.

(e) The Geothermal Developer shall take out and maintain insurance with responsible insurers, satisfactory to the Bank, against such risks and in such amounts as shall be consistent with sound business practices. Without any limitation upon the foregoing, such insurance shall cover hazards incident to the Development Sub-project activities.

(f) The Geothermal Developer shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards, subject to audit by the Borrower and the Bank.

(g) The Borrower shall retain the right to suspend or terminate the right of the Geothermal Developer to receive financing from the Borrower upon failure by the Geothermal Developer to perform its obligations under its Sub-project Financing Agreement.

(h) The Geothermal Developer shall agree that the Borrower may provide to the Bank and the Bank may disclose to the public the location and nature of the Development Sub-project and the date on which Development Sub-project activities started and were completed.

11. The Borrower shall provide financing from its own resources for Part B of the Project in an amount equivalent to no less than twenty-five percent (25%) of the total Loan amount.

C. Anti-Corruption

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

1. The Borrower shall ensure that Part B of the Project is carried out in accordance with the ESMF and the RPF, in a manner acceptable to the Bank.

2. Prior to effectiveness of a Sub-project Financing Agreement, the Borrower shall ensure that the relevant Geothermal Developer:

   (a) prepares a site-specific Environmental Management Plan in accordance with the ESMF, including disclosure and public consultation, in form and substance satisfactory to the Bank; and

   (b) prepares a Resettlement Action Plan in accordance with the RPF, including disclosure and public consultation, in form and substance satisfactory to the Bank.

3. During implementation of each Development Sub-project, the Borrower shall ensure that the relevant Geothermal Developer implements the Development Sub-project in accordance with the applicable EMP and RAP, in a manner satisfactory to the Bank.

4. The Borrower shall: (a) include in each Project Report referred to in Section II, Part A, paragraph 1 of Schedule 2 to this Agreement, specific information concerning the implementation status of the EMPs and any RAP, including any corrective action to be taken therein by the Borrower and/or the Geothermal Developer; and (b) immediately thereafter, implement or cause the Geothermal Developer to implement said corrective action in a manner acceptable to the Bank.

5. The Borrower shall not assign, amend, abrogate or waive the ESMF or the RPF or any provision thereof, and shall ensure that each Geothermal Developer does not assign, amend, abrogate or waive its EMP and, if applicable, the corresponding RAP, without the prior approval of the Bank.

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**Section II. Project Monitoring Reporting and Evaluation**

A. **Project Reports**

1. The Borrower shall monitor and evaluate the progress of Part B of the Project (including progress in the implementation of the ESMF, EMPs, RPF, and RAPs referred to in Section I, Part D, paragraph 4 of this Schedule 2) 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. 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.
2. Without limitation on the provisions of paragraph 1. above, the Borrower shall also include in the Project Report, basic information relating to each Development Sub-project approved for financing under Part B of the Project, including the location and nature of the Development Sub-project, and the date on which Development Sub-project activities started and were completed. Additionally, the Borrower agrees that the Bank may disclose the foregoing information to the public.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained 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 prepare and furnish to the Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for Part B of the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall have:

   (a) the Financial Statements for Part B of 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 fiscal year of the Borrower. 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; and

   (b) its entity financial statements audited in accordance with standards set forth in Section 5.09(b) of the General Conditions. Each audit of such entity financial statements shall cover the period of one fiscal year of the Borrower and be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-Consulting Services. All goods, works and non-consulting services required for Part B of 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 Part B of 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, Works, Non-consulting Services and Consultants’ Services**

**Well-established Private Sector Procurement Methods or Commercial Practices.** Contracts for goods, works, non-consulting services and consultants’ service under each Development Sub-project shall be awarded in accordance with the well-established private sector procurement methods or commercial practices which have been found acceptable to the Bank and described in the POM.

**C. Review by the Bank of Procurement Decisions**

All contracts procured under each Development Sub-project 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.
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services and consultants’ services under Development Sub-projects</td>
<td>99,750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>250,000</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>(3) Interest Rate Cap or Interest Rate Collar premium</td>
<td></td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>100,000,000</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 for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed twenty million Dollars (US$20,000,000) may be made for payments made prior to this date but on or after the date twelve (12) months prior to the date of this Agreement, for Eligible Expenditures under Category (1).

2. The Closing Date is December 31, 2022.
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 February 15 and August 15</td>
<td></td>
</tr>
<tr>
<td>Beginning February 15, 2027 through February 15, 2041</td>
<td>3.33%</td>
</tr>
<tr>
<td>On August 15, 2041</td>
<td>3.43%</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: (i) 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 (ii) 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


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


4. “CTF Grant Agreement” means the agreement between TKB and the Bank, acting as an implementing agency of the Clean Technology Fund, to assist in the financing of Part A of the Project.

5. “Development Sub-project” means any investment in the development of geothermal energy resources which has met the criteria set forth in the POM for benefitting from financing under Part B of this Project.

6. “Development Sub-Project Financing” means a loan made or to be made by the Borrower out of the proceeds of the Loan to a Geothermal Developer to finance the carrying out of a Development Sub-project.

7. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework prepared by the Borrower and disclosed on September 1, 2016, acceptable to the World Bank, which sets forth policies and procedures for environmental and social screening of Sub-projects, for conducting environmental assessments and specifying requirements for environmental mitigation measures to be included in EMPs, and lists the international aquifers and eligible list of river basins in Turkey.

8. “Environmental Management Plan” or “EMP” means a site-specific environmental management plan comprised of an environmental mitigation plan and environmental monitoring plan to be prepared and adopted by a Geothermal Developer pursuant to the EMF and to be implemented by the Geothermal Developer in accordance with the provisions of Schedule 2, Section I, Part D, paragraph 2 of this Agreement, satisfactory to the Bank, wherein are set forth specific details of measures to manage identified or potential environmental risks and to mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under Part B of the Project, together with an environmental and social baseline for each site, details of the relevant
environmental legislative framework, 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 the Bank’s prior written approval.

9. “Exploration Sub-project” means any exploration of geothermal energy resources investment which has met the criteria set forth in the POM for benefitting from the RSM under Part A of this Project.

10. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

11. “Geothermal Developer” means any private developer of renewable geothermal energy which has met the criteria set forth in the POM to carry out a Development Sub-project.

12. “Geothermal Explorer” means any private developer of renewable geothermal energy which has met the criteria set forth in the POM to carry out an Exploration Sub-project.

13. “Grid Emission Factor” means a combination of the emission levels of power plants both in existence and under construction.


15. “Project Operations Manual” or “POM” means the project operations manual, satisfactory to the World Bank, describing and setting forth procedures for implementation of the Project and related institutional arrangements, and including, inter alia, timetables of actions required to be carried out under the Project, the respective roles and responsibilities of the agencies involved in the implementation of the Project, staffing, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, and other fiduciary and administrative arrangements and necessary terms of reference, as the same may be amended from time to time by agreement with the World Bank.

16. “Resettlement” means the impacts of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; (ii) right, title or interest in any house, land (including premises,
agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

17. “Resettlement Action Plan” or “RAP” means a resettlement action plan, satisfactory to the Bank, to be prepared in accordance with the RPF and implemented by the applicable Geothermal Developer for carrying out the corresponding Development Sub-project, setting forth, inter alia, the principles and objectives, the affected persons’ eligibility criteria, compensation, assistance and rehabilitation entitlements, as well as the monitoring and reporting arrangements.

18. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework prepared by the Borrower and disclosed on September 5, 2016, satisfactory to the Bank, and defining the modalities for Resettlement under the Project and describing the policies, procedures, plans and actions (including the guidelines for the preparation and implementation of resettlement action plans), and institutional measures related to Resettlement and other social impacts that may arise during the implementation of the Project.

19. “Risk Sharing Mechanism” or “RSM” means the mechanism created under Part A of the Project.

20. “Sub-project Financing Agreement” means an agreement referenced in paragraph 10 of Schedule 2, Section 1, Part B, whereby the Borrower on-lends a portion of the Loan to a Geothermal Developer.

21. “Türkiye Kalkınma Bankası A.Ş.” or “TKB” means the Borrower, a joint-stock company established pursuant to the statutes published in Official Gazette No. 23849 dated October 17, 1999 (Trade Registry No. 32345), or any legal successor thereto.

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 (60) 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”.

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