

No. 6414

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
AUSTRIA**

**Guarantee Agreement—*Third Industrial Credit Project*  
(with related letter, annexed Loan Regulations No. 4 and  
Loan Agreement between the Bank and Oesterreichische  
Investitionskredit Aktiengesellschaft). Signed at Wash-  
ington, on 15 June 1962**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 5 December  
1962.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
AUTRICHE**

**Contrat de garantie — *Troisième projet relatif au crédit  
industriel* (avec lettre y relative et, en annexe, le Règle-  
ment n° 4 sur les emprunts et le Contrat d'emprunt  
entre la Banque et l'Oesterreichische Investitionskredit  
Aktiengesellschaft). Signé à Washington, le 15 juin 1962**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le  
5 décembre 1962.*

No. 6414. GUARANTEE AGREEMENT<sup>1</sup> (*THIRD INDUSTRIAL CREDIT PROJECT*) BETWEEN THE REPUBLIC OF AUSTRIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 15 JUNE 1962

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AGREEMENT, dated June 15, 1962, between REPUBLIC OF AUSTRIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Oesterreichische Investitionskredit Aktiengesellschaft (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower ;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

*Section 1.01.* The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,<sup>3</sup> subject, however, to the modifications thereof set forth in Schedule 2<sup>4</sup> to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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<sup>1</sup> Came into force on 14 September 1961, upon notification by the Bank to the Government of Austria.

<sup>2</sup> See p. 138 of this volume.

<sup>3</sup> See p. 136 of this volume.

<sup>4</sup> See p. 156 of this volume.

*Article II*

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

*Article III*

*Section 3.01.* It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien hereafter created on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor, of any agency of the Guarantor or of the Oesterreichische Nationalbank or any other institution performing the functions of a central bank, as security for any external debt, such lien will equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The Guarantor further undertakes that, within the limits of its constitutional powers, it will make the foregoing undertaking effective with respect to liens on the assets of any of its political subdivisions and their agencies.

*Section 3.02.* (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

*Section 3.03.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Guarantor or laws in effect in its territories ; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 3.04.* This Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

#### *Article V*

*Section 5.01.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Minister of Finance  
Himmelfortgasse  
Vienna 1  
Austria

Alternative address for cablegrams and radiograms :

Finanzministerium  
Vienna

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Austria :

By Wilfried PLATZER  
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

#### LETTER RELATING TO THE GUARANTEE AGREEMENT

AUSTRIAN EMBASSY  
WASHINGTON 8, D. C.

June 15, 1962

International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington 25, D. C.

Dear Sirs :

Please refer to Section 3.01 of the Guarantee Agreement (*Third Industrial Credit Project*) of even date<sup>1</sup> herewith between the Republic of Austria and International Bank for Reconstruction and Development.

<sup>1</sup> See p. 128 of this volume.

In view of the broad scope of the term "agency" as used in this Section, I fear that the Section may interfere with the business of nationalized enterprises in Austria. These enterprises are organized as commercial corporations under the Austrian Corporation Law, are not included in the Government budget, and conduct their business along the lines of private companies.

My Government therefore requests your agreement under said Section 3.01 that said Section shall not apply to such enterprises which have been nationalized pursuant to the Nationalization Law No. 168 of July 26, 1946 (published in the *Bundesgesetzblatt* of September 16, 1946) and pursuant to the Second Nationalization Law No. 81 of March 26, 1947 (published in the *Bundesgesetzblatt* of May 10, 1947). It would be understood that in the unlikely contingency that the central gold and foreign exchange reserves of Austria were held by any such nationalized enterprise then the said Section would apply to that enterprise notwithstanding the foregoing agreement.

If you can give your agreement pursuant to this request, please do so by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Yours truly,

Republic of Austria :

By Wilfried PLATZER  
Authorized Representative

*Confirmed :*

International Bank for  
Reconstruction and Development :

By Michael L. LEJEUNE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN  
MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT  
(THIRD INDUSTRIAL CREDIT PROJECT)

AGREEMENT, dated June 15, 1962, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and OESTERREICHISCHE INVESTITIONSKREDIT AKTIENGESELLSCHAFT (hereinafter called the Borrower), a company organized and existing under the laws of the Republic of Austria (hereinafter called the Guarantor).

WHEREAS by agreements dated April 28, 1958<sup>1</sup> and September 25, 1959,<sup>2</sup> both between the Bank and the Borrower, the Bank made loans to the Borrower to finance part of the Borrower's program to contribute to the industrial development of Austria by providing credits to, and making other productive investments in, enterprises in Austria ; and

WHEREAS the Guarantor made available to the Borrower for said program eighty million Austrian schillings pursuant to the First Counterpart Funds Loan Agreement and proposes to further assist the Borrower ; and

WHEREAS the Borrower has requested the Bank to make a further loan for said program ;

Now THEREFORE, the parties hereto hereby agree as follows :

*Article I*

LOAN REGULATIONS ; SPECIAL DEFINITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of the Loan Regulations No. 4 of the Bank dated February 15, 1961,<sup>3</sup> subject, however, to the modifications thereof set forth in Schedule 2<sup>4</sup> to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Wherever used in this Agreement, or any Schedule thereto :

(a) the terms "First Loan Agreement" and "Second Loan Agreement" shall mean the loan agreement dated April 28, 1958 and the loan agreement dated September 25, 1959, respectively, both between the Bank and the Borrower, as the same have been or may be amended from time to time by agreement between the Bank and the Borrower ;

(b) the term "First Counterpart Funds Loan Agreement" shall mean the agreement dated August 7, 1958, between the Guarantor and the Borrower, providing for a loan by the Republic of Austria to the Borrower in an aggregate principal amount of eighty million Austrian schillings (S80,000,000), and shall include such changes in said agreement as may from time to time be agreed by the parties thereto and the Bank ;

<sup>1</sup> United Nations, *Treaty Series*, Vol. 359, p. 145.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 355, p. 223.

<sup>3</sup> See p. 136 of this volume.

<sup>4</sup> See p. 156 of this volume.

(c) the term "Second Counterpart Funds Loan Agreement" shall mean the agreement to be entered into between the Republic of Austria and the Borrower, providing for a loan by the Republic of Austria to the Borrower in an aggregate principal amount of approximately forty million Austrian schillings (S40,000,000), and shall include such changes in such agreement as may from time to time be agreed by the parties thereto and the Bank ;

(d) the term "Investment Enterprise" shall mean an enterprise to which the Borrower shall have granted a credit, or in which it shall have made an investment, in accordance with and as provided in Section 3.01 of this Agreement ; and

(e) the term "Investment Project" shall mean a specific investment project to be carried out by an Investment Enterprise as shall have been approved in writing by the Bank pursuant to the provisions of Section 2.02 (a) (i) of this Agreement or in respect of which amounts shall have been credited to the Loan Account pursuant to the provisions of Section 2.02 (a) (ii) of this Agreement.

Words importing the singular number include the plural number and *vice versa*.

## Article II

### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to five million dollars (\$5,000,000).

*Section 2.02.* (a) The Bank shall open a Loan Account on its books in the name of the Borrower. The amount of the Loan shall be credited to the Loan Account in instalments as follows :

(i) When any Investment Project shall be approved by the Bank as in Section 3.02 of this Agreement provided, there shall be so credited to the Loan Account such part of the Loan as the Bank shall approve.

(ii) There shall be so credited to the Loan Account such part of the Loan as the Borrower shall from time to time request, but not exceeding, with respect to any Investment Project, such limit as shall from time to time be agreed by the Bank.

(b) Except as the Bank and the Borrower shall otherwise agree, no amount shall be credited to the Loan Account pursuant to paragraph (a) (ii) of this Section for any Investment Project, if the Borrower has made, or has agreed to make, available other amounts to the Investment Enterprise carrying out such Investment Project and the amount to be credited to the Loan Account, together with all other amounts made available or agreed to be made available by the Borrower to such Investment Enterprise and not repaid, would exceed such limit as shall from time to time be agreed by the Bank.

(c) The Loan Account may, by agreement between the Bank and the Borrower, be reduced by any amount credited thereto pursuant to paragraph (a) of this Section. No such reduction shall be deemed *ipso facto* to be a cancellation of any portion of the Loan.



*Section 2.03.* Amounts credited to the Loan Account in respect of an Investment Project may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement, and shall be applied exclusively to credits for or investments in the Investment Project in respect of which such amounts were credited to the Loan Account.

*Section 2.04.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1 %) per annum on the amount of each part of the Loan standing to the credit of the Borrower from time to time in the Loan Account. Such commitment charge shall accrue from the several dates on which amounts shall be credited to the Loan Account to the respective dates on which (a) they are withdrawn from the Loan Account or are cancelled pursuant to Article V of the Loan Regulations or (b) the Loan Account is reduced in respect of such amounts pursuant to Section 2.02 (c) of this Agreement.

*Section 2.05.* The Borrower shall pay interest at the rate of five and three-fourths per cent ( $5\frac{3}{4}$  %) per annum on the principal amount of each part of the Loan withdrawn from the Loan Account and outstanding from time to time. Interest shall accrue from the respective dates on which amounts shall be so withdrawn.

*Section 2.06.* Interest and other charges shall be payable semi-annually on April 1 and October 1 in each year.

*Section 2.07.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1<sup>1</sup> to this Agreement.

### Article III

#### DESCRIPTION OF THE PROJECT ; USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Project for which the Loan is granted is a program to contribute to the industrial development of Austria by providing credits for productive purposes to enterprises in Austria, and by making other productive investments in such enterprises, for specific Investment Projects, all in accordance with the statutes (*Satzung*) of the Borrower, as amended from time to time, and in furtherance of the corporate purposes of the Borrower, as therein set forth.

*Section 3.02.* The proceeds of the Loan shall be applied exclusively to expenditures on such Investment Projects as shall from time to time be approved in writing by the Bank pursuant to the provisions of Section 2.02 (a) (i) of this Agreement or in respect of which amounts shall have been credited to the Loan Account pursuant to the provisions of Section 2.02 (a) (ii) of this Agreement. Notwithstanding the provisions of Section 4.01 of the Loan Regulations, except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made on account of expenditures made for any such Investment Project more than 90 days prior to the submission of the Investment Project to the Bank for approval, or, in the case of credits to the Loan Account pursuant to the provisions of Section 2.02 (a) (ii) of this Agreement, more than 90 days prior to the request for credit to the Loan Account.

<sup>1</sup>See p. 154 of this volume.

*Section 3.03.* (a) When submitting an Investment Project to the Bank for approval pursuant to the provisions of Section 2.02 (a) (i) of this Agreement, the Borrower shall furnish to the Bank an application, in form satisfactory to the Bank, containing a description of such Investment Project and such other information as the Bank shall reasonably request.

(b) When submitting a request to the Bank pursuant to the provisions of Section 2.02 (a) (ii) of this Agreement to credit the Loan Account in respect of an Investment Project, the Borrower shall furnish to the Bank a brief description, in form satisfactory to the Bank, of such Investment Project and of the terms and conditions of the Borrower's credit for or other investment in such Investment Project.

(c) Except as the Bank and the Borrower shall otherwise agree, requests for approval of Investment Projects pursuant to the provisions of Section 2.02 (a) (i) of this Agreement and for credits to the Loan Account pursuant to the provisions of Section 2.02 (a) (ii) of this Agreement shall be submitted on or before June 30, 1964.

#### Article IV

##### BONDS

*Section 4.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 4.02.* Any two Directors (*Vorstandsmitglieder*) for the time being of the Borrower and such person or persons as they shall jointly appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

#### Article V

##### PARTICULAR COVENANTS

*Section 5.01.* The Borrower shall carry out the Project and conduct its operations and affairs in accordance with sound financial and investment standards and practices, with qualified and experienced management and in accordance with its statutes (*Satzung*), as amended from time to time.

*Section 5.02.* Any credit granted by the Borrower to, or other investment made by the Borrower in, an Investment Enterprise for an Investment Project to be financed wholly or partly out of the proceeds of the Loan shall be granted or made on terms whereby the Borrower shall obtain, by the written agreement of such Investment Enterprise or other appropriate legal means, rights adequate to protect the interests of the Bank and the Borrower, including the right to require such Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound engineering and financial standards, including the maintenance of adequate records; the right to require that the proceeds of the credit or investment shall be applied

exclusively to the expenditures on such Investment Project ; the right of the Bank and the Borrower to inspect the sites, works and construction included in such Investment Project, the operation thereof and any relevant records and documents ; the right to require that such Investment Enterprise shall take out and maintain such insurance, against such risks and in such amounts, as shall be consistent with sound business practice ; and the right to obtain all such information as the Bank and the Borrower shall reasonably request relating to the foregoing and to the operations and financial condition of such Investment Enterprise. Such rights shall include appropriate provision whereby further access by such Investment Enterprise to use of the proceeds of the credit or investment may be suspended or terminated by the Borrower upon failure by such Investment Enterprise to carry out the terms of such credit or investment.

*Section 5.03.* The Borrower shall exercise its rights in relation to each Investment Project in such manner as to protect the interests of the Bank and the Borrower.

*Section 5.04.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

*Section 5.05.* (a) Except as the Bank shall otherwise agree, the Borrower shall not incur, assume or guarantee any debt, if at the time or as a result thereof the total amount of debt incurred, assumed and guaranteed by the Borrower and then outstanding (including those portions only of loans from the Guarantor pursuant to the First Counterpart Funds Loan Agreement and the Second Counterpart Funds Loan Agreement which shall at that time have become due for payment) would exceed an amount equal to three and one-half times the aggregate of (a) the unimpaired capital, surplus and general reserves of the Borrower, determined in accordance with sound accounting practices, and (b) the aggregate amount of the loans from the Guarantor pursuant to the First Counterpart Funds Loan Agreement and the Second Counterpart Funds Loan Agreement at the time outstanding but not yet due for payment.

(b) Except as the Bank shall otherwise agree, the Borrower shall not redeem or purchase shares of its capital stock.

*Section 5.06.* The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price

of such property ; or (ii) any lien arising in the ordinary course of banking transactions, provided, however, that the aggregate amount of debt so secured and outstanding shall not exceed ten per cent (10 %) of the total assets of the Borrower.

*Section 5.07.* The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement<sup>1</sup> or the Bonds, or the payment of principal, interest or other charges thereunder ; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 5.08.* The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds.

*Section 5.09. (a)* The Borrower shall not amend its statutes (*Salzung*) without the approval of the Bank.

*(b)* The Borrower shall duly perform all its obligations under the First Counterpart Funds Loan Agreement and the Second Counterpart Funds Loan Agreement. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving any provision of the First Counterpart Funds Loan Agreement or the Second Counterpart Funds Loan Agreement, without the approval of the Bank.

*Section 5.10.* Without the approval of the Bank no repayment in advance of maturity shall be made in respect of the loans from the Guarantor pursuant to the First Counterpart Funds Loan Agreement or the Second Counterpart Funds Loan Agreement.

## Article VI

### MODIFICATION OF SECOND LOAN AGREEMENT

*Section 6.01.* Section 5.06 of the Second Loan Agreement is amended to read as follows :

"SECTION 5.06. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided,

<sup>1</sup> See p. 128 of this volume.

however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; or (ii) any lien arising in the ordinary course of banking transactions, provided, however, that the aggregate amount of debt so secured and outstanding shall not exceed ten per cent (10 %) of the total assets of the Borrower."

### Article VII

#### REMEDIES OF THE BANK

*Section 7.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in Section 7.02 of this Agreement for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations shall occur, or (iii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

*Section 7.02.* The following is specified as an event for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations :

Any one or all of the following loans shall have become due and payable for any reason prior to the agreed maturity thereof :

- (i) the loan provided for in the First Counterpart Funds Loan Agreement ;
- (ii) the loan provided for in the Second Counterpart Funds Loan Agreement ,
- (iii) the loan provided for in the agreement dated November 13, 1961 between Schweizerische Bankgesellschaft, Schweizerischer Bankverein, Schweizerische Kreditanstalt and Bank Leu & Co. A.G., of the one part, and the Borrower, of the other part, providing for a loan to the Borrower in an aggregate principal amount of thirteen million Swiss francs (SF13,000,000).

*Section 7.03.* The Bank and the Borrower hereby agree that for the purposes of the First Loan Agreement, the Second Loan Agreement and this Loan Agreement, respectively, an event referred to in paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to any such Agreement shall be deemed to be an event under paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to any other such Agreement.

*Article VIII*

## EFFECTIVE DATE ; TERMINATION

*Section 8.01.* The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 9.01 (c) of the Loan Regulations :

That the Second Counterpart Funds Loan Agreement, in form and substance satisfactory to the Bank, shall have been duly executed and delivered as between the parties thereto and shall have become fully effective in accordance with its terms.

*Section 8.02.* The following is specified as an additional matter within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinions to be furnished to the Bank :

That the Second Counterpart Funds Loan Agreement has been duly and validly executed and constitutes a valid and binding obligation of the parties thereto in accordance with its terms.

*Section 8.03.* A date ninety days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Article IX*

## MISCELLANEOUS

*Section 9.01.* The Closing Date shall be December 31, 1964 or such other date as may from time to time be agreed between the Bank and the Borrower.

*Section 9.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.  
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad  
Washington, D. C.

For the Borrower :

Oesterreichische Investitionskredit Aktiengesellschaft  
Am Hof 4  
Vienna 1  
Austria

Alternative address for cablegrams and radiograms :

Investcred  
Vienna

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

Oesterreichische Investitionskredit Aktiengesellschaft :

By Wilfried PLATZER  
Authorized Representative

### SCHEDULE 1

#### AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
October 1, 1967 . . . .	\$190,000	October 1, 1972 . . . .	\$250,000
April 1, 1968 . . . .	195,000	April 1, 1973 . . . .	255,000
October 1, 1968 . . . .	200,000	October 1, 1973 . . . .	265,000
April 1, 1969 . . . .	205,000	April 1, 1974 . . . .	270,000
October 1, 1969 . . . .	210,000	October 1, 1974 . . . .	280,000
April 1, 1970 . . . .	215,000	April 1, 1975 . . . .	290,000
October 1, 1970 . . . .	225,000	October 1, 1975 . . . .	295,000
April 1, 1971 . . . .	230,000	April 1, 1976 . . . .	305,000
October 1, 1971 . . . .	235,000	October 1, 1976 . . . .	315,000
April 1, 1972 . . . .	245,000	April 1, 1977 . . . .	325,000

\* To the extent that any portion of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

#### PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on prepayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity . . . . .	½ %
More than three years but not more than six years before maturity . . . . .	2 %
More than six years but not more than eleven years before maturity . . . . .	3½ %
More than eleven years but not more than thirteen years before maturity . . . . .	4¾ %
More than thirteen years before maturity . . . . .	5¾ %

## SCHEDULE 2

### MODIFICATIONS OF LOAN REGULATIONS NO. 4

For the purposes of this Agreement, the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1961, shall be deemed to be modified as follows :

(a) Sections 2.01, 2.02 and 2.03 are deleted.

(b) The following new paragraph is added as paragraph (d) to Section 2.05 :

“(d) The Bank and the Borrower may from time to time agree upon arrangements for prepayment and the application thereof in addition to, or in substitution for, those set forth in the provisions of paragraph (b) of Section 2.05 and of Section 6.16 of these Regulations.”

(c) Section 3.02 is amended to read as follows :

“SECTION 3.02. *Currency in which Withdrawals are to be Made.* Except as the Bank and the Borrower shall otherwise agree, withdrawals shall be made in the currency in which the Loan is denominated.”

(d) Section 4.01 is amended to read as follows :

“SECTION 4.01. *Withdrawal from the Loan Account.* The Borrower shall be entitled to withdraw from the Loan Account, in dollars or such other currencies (other than the currency of the Guarantor) as may be agreed upon between the Bank and the Borrower, the equivalent of such amounts as shall be required by it to finance amounts expended on investment projects, provided that the Bank and the Borrower may make arrangements for advances on account of such withdrawals. Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.”

(e) Section 4.02 is deleted.

(f) Section 4.03 is amended to read as follows :

“SECTION 4.03. *Applications for Withdrawal.* When the Borrower shall desire to withdraw any amount from the Loan Account, the Borrower shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request. Applications for withdrawal, with the necessary documentation as hereinafter in this Article provided, shall,



except as the Bank and the Borrower shall otherwise agree, be made promptly in relation to expenditures on investment projects."

(g) Section 5.01 is amended to read as follows :

"SECTION 5.01. *Cancellation by the Borrower.* The Borrower may by notice to the Bank (i) cancel any portion of the Loan which shall not have been credited to the Loan Account, or (ii) cancel any portion of any part or parts of the Loan which shall have been credited to the Loan Account and which the Borrower shall not have withdrawn prior to the giving of such notice."

(h) Section 5.03 is amended by the deletion of the words "from the Loan Account" therefrom wherever they occur.

(i) Section 5.04 is deleted.

(j) Section 5.05 is amended to read as follows :

"SECTION 5.05. *Application of Reduction of Loan Account and of Cancellation to Maturities.* Except as otherwise agreed between the Bank and the Borrower, any cancellation pursuant to this Article or any reduction of the Loan Account pursuant to Section 2.02 (c) of the Loan Agreement in respect of any part of the Loan credited to the Loan Account shall be applied *pro rata* to the several maturities of the principal amount of the Loan as set forth in the amortization schedule to the Loan Agreement, except that the principal amount of any such maturity so cancelled shall not exceed the amount of such maturity remaining after deducting the principal amount of Bonds of such maturity theretofore delivered as requested pursuant to Article VI and the Bonds or the portions of the Loan of such maturity theretofore sold or agreed to be sold by the Bank."

(k) Paragraph 4 of Section 10.01 is amended to read as follows :

"The term 'Loan' means the loan provided for in the Loan Agreement, and the term 'part of the Loan' means the portion of the Loan credited to the Loan Account in respect of an investment project."

(l) Paragraph 10 of Section 10.01 is amended to read as follows :

"The term 'Loan Account' means the account on the books of the Bank to which the amount of each part of the Loan is to be credited as provided in the Loan Agreement."

(m) Paragraph 12 of Section 10.01 is deleted.