

No. 9326

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

Guarantee Agreement—*Development Finance Corporation Project* (with annexed Loan Regulations No. 4, as amended, and Loan Agreement between the Bank and the National Investment Bank for Industrial Development, S.A.). Signed at Washington, on 18 March 1968

Official text : English.

Registered by the International Bank for Reconstruction and Development on 29 November 1968.

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

Contrat de garantie — *Projet relatif à des sociétés financières de développement* (avec, en annexe, le Règlement n° 4 sur les emprunts, tel qu'il a été modifié, et le Contrat d'emprunt entre la Banque et la Banque nationale d'investissements pour le développement industriel, S.A.). Signé à Washington, le 18 mars 1968

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 29 novembre 1968.

No. 9326. GUARANTEE AGREEMENT¹ (*DEVELOPMENT FINANCE CORPORATION PROJECT*) BETWEEN THE HELLENIC STATE AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 18 MARCH 1968

AGREEMENT, dated March 18, 1968, between THE HELLENIC STATE (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement² of even date herewith between the Bank and National Investment Bank for Industrial Development S.A. (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement, the Bank has agreed to make to the Borrower a loan in various currencies equivalent to twelve million five hundred thousand dollars (\$12,500,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the payment of the principal of and interest and other charges on such loan; 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 Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961 as amended February 9, 1967,³ subject, however, to the modifications thereof set forth in Schedule 2 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.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreement and in the Loan Regulations shall have the respective meanings therein set forth.

¹ Came into force on 11 July 1968, upon notification by the Bank to the Government of Greece.

² See p. 90 of this volume.

³ See p. 90 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 the Bonds, and the punctual performance of the obligations of the Borrower under Section 5.08 of the Loan Agreement.

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 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 as security for any external 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. 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; or (iii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iv) any lien upon real estate or other property in Greece or revenues or receipts in currency of the Guarantor, if such lien is given by a political subdivision or by an agency of a political subdivision of the Guarantor under arrangements or circumstances which would not result in priority in the allocation or realization of foreign exchange.

The term “assets of the Guarantor” as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any agency of any such political subdivision or of the Bank of Greece or of any other institution performing the functions of a central bank.

If the Guarantor, because of constitutional or other legal provisions, shall be unable to make the foregoing effective with respect to any lien on any assets of a political subdivision or agency of a political subdivision, the Guarantor, except as the Bank shall otherwise agree, shall give to the Bank an equivalent

lien or equivalent priority in the allocation or realization of foreign exchange, as the case may be, satisfactory to the Bank.

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 and the Bank shall promptly inform each other 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, and free from all restrictions, 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.

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 Guarantor covenants that it will not take or permit any of its political subdivisions or any of its agencies or any agency of any political subdivision to take any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, and will take or cause to be taken all reasonable action which shall be necessary in order to enable the Borrower to perform such covenants, agreements and obligations.

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 :

The Ministry of Finance
Athens, Greece

With copies to :

The Ministry of Economic Coordination
Athens, Greece

For the Bank :

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

Cable address :

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.

Section 5.03. If the Loan Agreement terminates pursuant to Section 7.03 thereof, this Agreement and all obligations of the parties hereunder shall terminate.

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.

The Hellenic State :

By Christian X. PALAMAS
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN
MEMBER GOVERNMENTS*[Not published herein. See United Nations, Treaty Series, Vol. 598, p. 270]*

LOAN AGREEMENT

(DEVELOPMENT FINANCE CORPORATION PROJECT)

AGREEMENT, dated March 18, 1968, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and NATIONAL INVESTMENT BANK FOR INDUSTRIAL DEVELOPMENT S.A. (hereinafter called the Borrower), a banking Société Anonyme created and existing under the laws of the Guarantor.

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to the Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961 as amended February 9, 1967,¹ subject, however, to the modifications thereof set forth in Schedule 2 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. Unless the context otherwise requires, the following terms wherever used in the Loan Agreement have the following meanings :

(a) the term "Statement of Policies" means the Statement of Policies and Procedures of the Borrower adopted by resolution of its Board of Directors on June 30, 1965;

(b) the term "Investment Enterprise" means an enterprise to which the Borrower shall propose to make or shall have made a sub-loan or in which it shall propose to make or shall have made an investment in accordance with, and as provided in, Section 3.01 of this Agreement;

(c) the term "Investment Project" means a specific investment project to be carried out by an Investment Enterprise, as submitted to the Bank for approval pursuant to Article III of this Agreement, or in respect of which a request for a credit to the Loan Account shall have been made pursuant to Section 2.02(b) of this Agreement;

¹ See above.

(d) the term “ sub-loan ” means a loan or credit made or proposed to be made by the Borrower out of the proceeds of the Loan to an Investment Enterprise for an Investment Project;

(e) the term “ investment ” means an investment, other than a sub-loan, made or proposed to be made by the Borrower out of the proceeds of the Loan in an Investment Enterprise for an Investment Project;

(f) the term “ subsidiary ” means any company the majority of the outstanding voting stock of which is owned or effectively controlled by the Borrower or by any one or more subsidiaries of the Borrower or by the Borrower and one or more of its subsidiaries;

(g) the term “ drachmas ” and the symbol “ Dr ” mean currency of the Guarantor;

(h) the term “ foreign currency ” means any currency other than currency of the Guarantor.

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 twelve million five hundred thousand dollars (\$12,500,000).

Section 2.02. 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 installments as follows :

(a) Upon approval by the Bank of any Investment Project as in Article III of this Agreement provided, there shall be credited such portion of the Loan as the Borrower shall have requested and the Bank shall have approved; provided, however, that, unless the Bank shall otherwise agree, such portion of the Loan shall not exceed the estimated costs in foreign currency of such Investment Project.

(b) There shall also be so credited, as of the date of dispatch of notice by the Bank to the Borrower relating thereto, in respect of any Investment Project for which the Borrower is to make or has made a sub-loan and for which no application has been submitted pursuant to Section 3.03(a) and no credit has been made to the Loan Account pursuant to paragraph (a) of this Section, such portion of the Loan as the Borrower shall from time to time request; provided, however, that such portion to be so credited in respect of any Investment Project shall not, when added to the estimated costs thereof to be financed by the Borrower out of funds other than the proceeds of the Loan, exceed with respect to such Investment Project such limit in respect of the estimated total costs thereof to be financed by the Borrower as shall from time to time be determined by the Bank; and provided further that, unless the Bank shall otherwise agree, such portion of the Loan shall not exceed the estimated costs in foreign currency of such Investment Project.

(c) Any amount credited to the Loan Account pursuant to this Section may, upon request of the Borrower, be reduced, as of the date of dispatch of notice by the Bank to the Borrower relating thereto, by any amount which will not be required for the

Investment Project in respect of which it was so credited. No such reduction before the Closing Date shall be deemed *ipso facto* to be a cancellation of any such amount.

Section 2.03. Amounts credited to the Loan Account in respect of Investment Projects 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 each such amount shall be applied exclusively to the Investment Project in respect of which such amount was credited to the Loan Account.

Section 2.04. Three-fourths of one percent ($\frac{3}{4}$ of 1%) per annum is specified for the purpose of Section 2.02 of the Loan Regulations as the commitment charge payable on the unwithdrawn amount of the Loan.

Section 2.05. The Borrower shall pay interest on the principal amount of each Part of the Loan withdrawn from the Loan Account and outstanding from time to time at such rate as shall have been notified by the Bank to the Borrower, at the time such Part of the Loan was credited to the Loan Account or at such other time or times as shall have been agreed upon between the Bank and the Borrower, as being the rate then generally applicable to new Bank loans of the same maturity to similar borrowers. Interest shall accrue from the respective dates on which amounts shall be so withdrawn.

Section 2.06. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on February 1 and August 1 in each year.

Section 2.08. (a) The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 1 to this Agreement as such schedule shall be amended from time to time by the Bank and as reasonably required to : (i) conform in relevant part substantially to the aggregate of the amortization schedules applicable to the sub-loans and investments; and (ii) take into account any cancellations pursuant to Article V of the Loan Regulations, any reductions under Section 2.02(c) of this Agreement and any payments made by the Borrower under Section 2.09, except that payments due hereunder shall be made on February 1 and August 1 in each year. Such amendments of Schedule 1 shall include amendments of the premiums on prepayment and redemption if required.

(b) The amortization schedules applicable to the Investment Projects shall provide for appropriate periods of grace, and, unless the Bank and the Borrower shall otherwise agree : (i) shall not extend beyond fifteen years from the date when the corresponding amounts are credited to the Loan Account and (ii) shall provide for approximately equal semi-annual, or more frequent, aggregate payments of principal plus interest, or approximately equal semi-annual, or more frequent, payments of principal.

Section 2.09. Unless the Bank and the Borrower shall otherwise agree :

(a) (i) If a sub-loan or any portion thereof shall be repaid to the Borrower in advance of maturity, or (ii) if the Borrower shall sell, transfer, assign or otherwise dispose of a sub-loan or investment or any portion thereof, the Borrower shall promptly notify the Bank and shall repay to the Bank on the next following interest payment date an amount of the Loan equivalent to the amount credited to the Loan Account and at the time outstanding in respect of such sub-loan or investment, or to such portion thereof, as the case may be, together with the premium specified in Schedule 1 to this Agreement or in any amendment thereof under Section 2.08(a). The policy stated in Section 2.05(c) of the Loan Regulations with respect to premiums shall apply to any such repayment.

(b) Any amount so repaid by the Borrower shall be applied by the Bank to the maturity or maturities of the principal amount of the Loan corresponding to the maturity or maturities of the sub-loan or investment or portion thereof so repaid or disposed of.

Article III

DESCRIPTION OF THE PROJECT; USE OF PROCEEDS OF THE LOAN

Section 3.01. The Project for which the Loan is granted is the financing by the Borrower of development in Greece through loans for productive purposes to enterprises in Greece which are controlled by private investors, and through other productive investments in such enterprises, all for specific development projects, in accordance with the Articles of Association and Statement of Policies of the Borrower and in furtherance of the corporate purposes of the Borrower as therein set forth.

Section 3.02. Except as the Bank and the Borrower shall otherwise agree : (a) the proceeds of the Loan shall be applied exclusively to the foreign currency cost of goods required to carry out Investment Projects in respect of which amounts shall have been credited to the Loan Account pursuant to the provisions of Section 2.02 of this Agreement and (b) no withdrawals shall be made on account of expenditures made by any Investment Enterprise for any such Investment Project more than 120 days prior to the date on which the Bank shall have received the application for approval under Section 3.03(a) of this Agreement or the request for credit to the Loan Account under Section 2.02(b) of this Agreement.

Section 3.03. (a) When submitting an Investment Project to the Bank for approval, the Borrower shall furnish to the Bank an application, in form satisfactory to the Bank together with a description of such Investment Project and of the terms and conditions of the Borrower's sub-loan to or investment in the Investment Enterprise, including the amortization schedule proposed therefor, and such other information as the Bank shall reasonably request.

(b) Each request by the Borrower for a credit to the Loan Account pursuant to paragraph (b) of Section 2.02 of this Agreement shall contain a summary of the Investment Project for which the portion of the Loan to be credited is requested and of the terms and conditions of the sub-loan for such Investment Project, including the schedule of amortization thereof.

(c) Except as the Bank and the Borrower shall otherwise agree, applications for approval of Investment Projects pursuant to the provisions of Section 3.03(a) of this Agreement and request for credits to the Loan Account pursuant to the provisions of Section 2.02(b) of this Agreement shall be submitted to the Bank on or before December 31, 1969.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Chairman of the Board of Directors of the Borrower and such person or persons as he shall 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, under the supervision of qualified and experienced management, and in accordance with its Articles of Association and the Statement of Policies.

Section 5.02. (a) The Borrower shall exercise its rights in relation to each Investment Project financed in whole or in part with the proceeds of the Loan in such manner as to protect the interests of the Bank and of the Borrower.

(b) The Borrower undertakes that any sub-loan will be granted on terms whereby the Borrower shall obtain, by written agreement or other appropriate legal means : (i) rights adequate to protect the interest of the Bank and the Borrower, including the right to require the Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound technical and financial standards and maintain adequate records; (ii) the right to require that the goods to be financed with the proceeds of the Loan shall be used exclusively in the carrying out of the Investment Project; (iii) the right of the Bank to inspect, jointly with the Borrower, such goods, the sites, works, plants and construction included in the Investment Project, the operation thereof, and any relevant records and documents; (iv) the right to require that the 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 that without any limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to acquisition, transportation and delivery of the goods

financed out of the proceeds of the Loan to the place of use or installation, and that any indemnity thereunder shall be payable in a currency freely usable by the Investment Enterprise to replace or repair such goods; (v) the right to obtain all such information as the Bank or the Borrower shall reasonably request relating to the foregoing and to the administration, operations and financial condition of such Investment Enterprise; and (vi) the right of the Borrower to suspend or terminate access by the Investment Enterprise to the use of the proceeds of the Loan upon failure by such Investment Enterprise to perform its obligations under its agreement with the Borrower.

(c) The Borrower shall at all times make adequate provision to protect itself against any loss resulting from changes in the rate of exchange between drachmas and the currency or currencies in which the Borrower shall be obligated to make repayments of the principal of the Loan and the Bonds and payments of interest and other charges thereon.

Section 5.03. (a) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the Investment Enterprises, the Investment Projects, the sub-loans and investments, and the administration, operations and financial condition of the Borrower.

(b) The Borrower shall maintain records adequate to record the progress of the Project and of each Investment Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower, and shall enable the Bank's representatives to examine such records.

(c) The Borrower shall have its financial statements (balance sheet and related statement of earnings and expenses) certified annually by an independent accounting firm acceptable to the Bank and shall, promptly after their preparation and not later than three months after the close of the fiscal year of the Borrower to which they apply, transmit to the Bank certified copies of such statements and a signed copy of the accounting firm's report.

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 the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and any other matters relating to the purposes of the Loan.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

Section 5.05. Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall not incur or permit any subsidiary to incur any debt if, after the incurrence of any such debt, the consolidated debt of the Borrower and its

subsidiaries then incurred and outstanding would be greater than four times the consolidated capital and surplus of the Borrower and subsidiaries.

For the purposes of this Section :

(a) The term “ debt ” means any debt incurred by the Borrower or a subsidiary maturing more than one year after the date on which it is originally incurred.

(b) The term “ incur ” with reference to any debt includes any modification of the terms of payment of such debt. Debt shall be deemed to be incurred (i) under a loan contract or agreement, on the date and to the extent it is drawn down pursuant to such loan contract or agreement and (ii) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into.

(c) Whenever in connection with this Section it shall be necessary to value in terms of drachmas debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt.

(d) The term “ consolidated debt of the Borrower and its subsidiaries ” means the total amount of debt of the Borrower and subsidiaries excluding debt owed by the Borrower to any subsidiary or by any subsidiary to the Borrower or to any other subsidiary.

(e) The term “ consolidated capital and surplus of the Borrower and subsidiaries ” means the aggregate of the total unimpaired capital, surplus and free reserves of the Borrower and subsidiaries after excluding such items of capital, surplus and free reserves as shall represent equity interest by the Borrower or any subsidiary in the Borrower or any subsidiary.

Section 5.06. The Borrower undertakes that, except as the Bank shall otherwise agree : (a) if the Borrower shall create any lien on any of its assets as security for any 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; and (b) if any lien shall be created on any assets of the Borrower, other than under (a) above, the Borrower shall create in favor of the Bank an equivalent lien satisfactory to the Bank which shall secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds; 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.

Section 5.07. In the event the Borrower establishes or acquires any subsidiary, the Borrower shall cause such subsidiary to observe and perform the obligations of the Borrower hereunder to the extent to which such obligations shall or may be applicable thereto, as though such obligations were binding upon such subsidiary.

Section 5.08. Subject to the exemptions conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement, 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 its territories on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement 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 5.09. 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.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations or in paragraphs (c) or (d) of Section 6.02 of this Agreement shall occur and shall continue for a period of thirty days, or (ii) if a default shall occur in the payment of principal or interest or any other payment required under any other loan agreement between the Bank and the Borrower or under any bond delivered pursuant thereto and such default shall continue for a period of 30 days, or (iii) if a default shall occur in the payment of principal or interest or any other payment required under any loan agreement or under any guarantee agreement between the Guarantor and the Bank or under any bond delivered pursuant to any such agreement under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement and such default shall continue for a period of thirty days, or (iv) if any event specified in paragraphs (a) or (b) of Section 6.02 of this Agreement shall occur, or (v) 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 6.02. The following additional events are specified for the purposes of paragraph (1) of Section 5.02 of the Loan Regulations :

- (a) demand shall have been made for repayment in advance of maturity of any part of the principal amount of any loan with an original maturity of one year or more by reason of any default on the part of the Borrower or otherwise as provided in the relative contractual instruments, or any security constituted thereunder shall have become enforceable;

- (b) a resolution shall have been passed for the dissolution or liquidation of the Borrower;
- (c) a change shall have been made in the Borrower's Articles of Association without the Bank's consent which, in the Bank's judgment, shall be a substantial change; and
- (d) the Statement of Policies shall have been amended without the Bank's consent.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01(d) of the Loan Regulations :

(a) Except as the Bank shall otherwise agree, all necessary acts, consents and approvals to be performed or given by the Guarantor, its political subdivisions or agencies or by any agency of any political subdivision or otherwise to be performed or given in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, together with all necessary powers and rights in connection therewith, have been performed or given.

(b) The Borrower has certified in writing to the Bank that, as of a date to be agreed between the Bank and the Borrower (which shall be prior to the Effective Date), there has been no material adverse change in its condition since the date of this Agreement.

(c) Arrangements, on terms and conditions satisfactory to the Bank, shall have been made in respect of the credits of up to an aggregate of 600,000,000 Dr made or to be made available by The National Bank of Greece, S.A. and the Bank of Greece to the Borrower pursuant to agreements dated March 30, 1966 and June 23, 1966, respectively, whereby the dates by which the proceeds of such credits must be utilized by the Borrower have been extended to December 31, 1971.

Section 7.02. The following are specified as additional matters within the meaning of Section 9.02(c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

(a) That all acts, consents and approvals referred to in Section 7.01(a) together with all necessary powers and rights in connection therewith, have been duly and validly performed or given and that no other such acts, consents or approvals are required in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained.

(b) The arrangements referred to in paragraph (c) of Section 7.01 are valid and binding on the parties.

Section 7.03. The date of June 17, 1968 is hereby specified for purposes of Section 9.04 of the Loan Regulations.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1971 or such other date or dates as shall be agreed upon between the Bank and the Borrower.

Section 8.02. 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, D.C. 20433
United States of America

Cable address :

Intbafrad
Washington, D.C.

For the Borrower :

National Investment Bank for Industrial Development S.A.
6 Sophocleous Street
Athens, Greece

Cable address :

Natinvest
Athens, Greece

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

National Investment Bank for Industrial Development S.A. :

By George GONDICAS
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>
August 1, 1969	90,000	February 1, 1975	800,000
February 1, 1970	180,000	August 1, 1975	830,000
August 1, 1970	280,000	February 1, 1976	870,000
February 1, 1971	385,000	August 1, 1976	905,000
August 1, 1971	490,000	February 1, 1977	940,000
February 1, 1972	620,000	August 1, 1977	810,000
August 1, 1972	650,000	February 1, 1978	670,000
February 1, 1973	675,000	August 1, 1978	520,000
August 1, 1973	705,000	February 1, 1979	370,000
February 1, 1974	735,000	August 1, 1979	210,000
August 1, 1974	765,000		

* 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 repayment in advance of maturity of any part 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 two years before maturity	$\frac{1}{2}$ of 1%
More than two years but not more than four years before maturity	2 $\frac{1}{4}$ %
More than four years but not more than seven years before maturity	3 $\frac{3}{4}$ %
More than seven years but not more than nine years before maturity	5%
More than nine years before maturity	6 $\frac{1}{4}$ %

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 as amended February 9, 1967, shall be modified as follows :

- (a) Sections 2.01 and 2.03 shall be deleted.
- (b) The first sentence of Section 2.05(b) shall not apply to any repayment by the Borrower in accordance with paragraph (a) of Section 2.09 of the Loan Agreement.

(c) The following subparagraph (d) shall be added 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 paragraph (b) of Section 2.05 and in Section 6.16 of these Regulations.”

(d) The second sentence of Section 4.01 shall read as follows :

“Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of (a) expenditures in the currency of the Guarantor or for goods produced in (including services supplied from) the territories of the Guarantor or (b) 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) The words “Investment Project” shall be substituted for the word “Project” in the second sentence of Section 4.03.

(f) Section 5.03 shall be deleted and replaced by the following new Section :

“SECTION 5.03. *Cancellation by the Bank.* If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (b) by the Closing Date any portion of the Loan shall not have been credited to the Loan Account or shall remain unwithdrawn from the Loan Account, the Bank may by notice to the Borrower terminate the right of the Borrower to request credits to the Loan Account or to make withdrawals from the Loan Account, as the case may be, with respect to such amount or portion of the Loan. Upon the giving of such notice such amount or portion of the Loan shall be cancelled.”

(g) Section 5.05 shall be deleted and replaced by the following new Section :

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

(h) Section 6.04 shall be deleted and replaced by the following new Section :

“ SECTION 6.04. *Interest on Bonds; Service Charge.* Bonds shall bear interest at such rate as the Bank shall request, not in excess, however, of the rate of interest on the portion of the Loan represented by such Bonds. If the rate of interest on any Bond shall be less than the rate of interest on the portion of the Loan represented by such Bond, the Borrower shall, in addition to the interest payable on such Bond, pay to the Bank a service charge on the principal amount of such portion of the Loan at a rate equal to the difference between the interest rate on such portion of the Loan and the interest rate on such Bond. Such service charge shall be payable on the dates on which and in the currency in which such interest is payable. ”

(i) Paragraph (a) of Section 6.11 shall be deleted and the following paragraph shall be substituted therefor :

“ (a) Bonds representing a portion of the Loan and bearing interest at one rate may be exchanged for Bonds bearing interest at any other rate not in excess of the rate of interest on such portion of the Loan. ”

(j) Paragraph (b) of Section 6.16 shall be deleted and the following paragraph shall be substituted therefor :

“ (b) If any Bond so to be redeemed shall bear interest at a rate less than the rate of interest on the portion of the Loan represented by such Bond, the Borrower shall pay to the Bank on the date fixed for redemption the service charge provided for in Section 6.04 accrued and unpaid at such date on the principal amount of such portion of the Loan represented by such Bond. ”

(k) The first sentence of paragraph (h) of Section 7.04 shall be deleted and the following sentence shall be substituted therefor :

“ The Arbitral Tribunal shall afford to all parties a fair hearing, shall render its award in writing and shall state the reasons upon which it is based. ”

(l) Paragraph 4 of Section 10.01 shall be deleted and the following paragraph shall be substituted therefor :

“ 4. 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. ”

(m) Paragraph 10 of Section 10.01 shall be deleted and the following paragraph shall be substituted therefor :

“ 10. 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. ”

(n) Paragraph 11 of Section 10.01 shall be deleted and the following paragraph shall be substituted therefor :

“ 11. The term ‘Project’ means the project for which the Loan is granted, as described in Section 3.01 of the Loan Agreement and as the description thereof shall be amended from time to time by agreement between the Bank and the Borrower. ”

(o) The first sentence of paragraph 12 of Section 10.01 shall be deleted and the following sentence shall be substituted therefor :

“ 12. The term ‘goods’ means equipment, supplies and services required by Investment Enterprises to carry out Investment Projects financed out of the proceeds of the Loan. ”
