

CONFORMED COPY

LOAN NUMBER 3343 POL

(Agricultural Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

NATIONAL BANK OF POLAND

Dated July 10, 1991

LOAN NUMBER 3343 POL

PROJECT AGREEMENT

AGREEMENT, dated July 10, 1991, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and NATIONAL BANK OF POLAND (NBP).

WHEREAS (A) by the Loan Agreement of even date herewith between Republic of Poland (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to one hundred million dollars (\$100,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that NBP agree to undertake such obligations toward the Bank as are set forth in this Agreement;

(B) by a subsidiary loan agreement to be entered into between the Borrower and NBP, the proceeds of the loan provided for under the Loan Agreement will be re-lent to NBP on the terms and conditions set forth in said Subsidiary Loan Agreement; and

WHEREAS NBP, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Loan Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

## ARTICLE II

### Execution of Part B of the Project

Section 2.01. (a) NBP declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, shall carry out Part B of the Project and conduct its operations and affairs in accordance with sound financial standards and practices, with qualified management and personnel, and in accordance with the Act and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Bank and NBP shall otherwise agree, NBP shall carry out Part B of the Project in accordance with the Implementation Program set forth in the Schedule to this Agreement.

## ARTICLE III

### Financial Covenants

Section 3.01. (a) NBP shall maintain procedures and records adequate to monitor and record the progress of Part B of the Project and of each Sub-project (including its cost and the benefits to be derived from it) and to reflect in accordance with sound accounting practices its operations, resources and expenditures in respect of Part B of the Project.

(b) NBP shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section and the records and accounts for the separate accounts referred to in Section 3.02 of this Agreement for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of said records and accounts for such year as so audited; and (B) the report of such audit by said auditors of such scope and in such detail as the Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information concerning said records and accounts as well as the audit thereof, as the Bank shall from time to time reasonably request.

Section 3.02. Except as the Bank shall otherwise agree, NBP shall, in respect of repayments in dollars and, separately, in respect of repayments in Zlotys, to NBP under the Subsidiary Lending Agreements:

(a) open, by the date on which it shall receive the first repayment of principal under any such Subsidiary Lending Agreement, and, thereafter, maintain a separate account on its books in accordance with the provisions of Section 3.01 (a) of this Agreement; and

(b) upon receipt of each such repayment, credit the same to the said separate account. All amounts to be so credited shall be utilized by NBP, to the extent they are not yet required to meet NBP's repayment obligations to the Borrower under the Subsidiary Loan Agreement, exclusively to finance, through the Participating Banks, specific development projects similar to the Sub-projects on terms and conditions similar to those applicable to the Sub-loans.

#### ARTICLE IV

##### Effective Date; Termination; Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the Loan Agreement becomes effective.

Section 4.02. This Agreement and all obligations of the Bank and of NBP thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify NBP thereof.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

#### ARTICLE V

##### Miscellaneous Provisions

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

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.

Telex:

248423 (RCA),  
82987 (FTCC),  
64145 (WUI) or  
197688 (TRT)

For NBP:

National Bank of Poland  
Swietokrzyska 11/21  
00-950 Warsaw  
Republic of Poland

Cable address:

NARBANK  
Poland

Telex:

814681 NBP PL

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of NBP may be taken or executed by the President of NBP or such other person or persons as the President of NBP shall designate in writing, and NBP shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature

of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names 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 /s/ Kemal Dervis  
Acting Regional Vice President  
Europe, Middle East and North Africa

NATIONAL BANK OF POLAND

By /s/ Jacek Tomorowicz  
Authorized Representative

SCHEDULE  
Implementation Program  
for Part B of the Project

The provisions of this Schedule shall apply for the purposes of Section 2.01 (b) of this Agreement.

A. General

1. NBP shall: (a) duly perform all its obligations under the Subsidiary Loan Agreement, and, except as the Bank shall otherwise agree, not take or concur in any action which would have the effect of assigning, amending, abrogating or waiving the Subsidiary Loan Agreement or any provision thereof; (b) at the request of the Bank, exchange views with the Bank with regard to the progress of Part B of the Project, the performance of its obligations under this Agreement and under the Subsidiary Loan Agreement and other matters relating to the purposes of Part B of the Project; and (c) promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of Part B of the Project, the accomplishment of the purposes thereof, or the performance by NBP of its obligations under this Agreement and under the Subsidiary Loan Agreement.

2. NBP shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project Agreement and Part B of the Project.

B. Part B (1) of the Project

1. NBP shall carry out the Credit facility under Part B (1) of the Project through the Participating Banks, and, to this end, without limitation upon its other obligations under this Agreement, NBP shall:

(a) make available to the Participating Banks the equivalent of the proceeds of the Loan referred to in the Annex to this Schedule under subsidiary lending agreements to be entered into between the Borrower and each of the Participating Banks, under terms and conditions which shall have been approved by the Bank and

which shall include those set forth in said Annex; and

(b) exercise its rights under the Subsidiary Lending Agreements in such manner as to protect the interests of the Bank and NBP and to accomplish the purposes of the Loan, and shall not assign, amend, abrogate or waive any of the Subsidiary Lending Agreements, or any provision thereof.

2. NBP shall:

(a) coordinate and monitor the overall execution of Part B (1) of the Project and supervise the carrying out by the Participating Banks of their obligations pursuant to their respective Subsidiary Lending Agreements in accordance with policies and procedures satisfactory to the Bank;

(b) take all measures to ensure that the aggregate amount of all Sub-loans, or the amount of any one Sub-loan, made by the Participating Banks and the Participating Cooperative Banks, or any one Participating Bank or Participating Cooperative Bank, to any one Beneficiary shall not exceed the equivalent of \$5,000,000; and

(c) in order to facilitate the carrying out of the tasks referred to in subparagraphs (a) and (b) of this paragraph, maintain its Project Appraisal and Implementation Division with facilities, staff and other resources and terms of reference satisfactory to the Bank.

C. Part B (2) of the Project

1. In order to assist NBP in the carrying out of Part B (2) of the Project, NBP shall employ consultants with qualifications, experience and terms of reference satisfactory to the Bank.

2. NBP shall take all measures required on its part to ensure that the monitoring system under Part B (2) of the Project shall be developed and its implementation initiated by June 30, 1992.

#### ANNEX TO SCHEDULE

##### Terms and Conditions

##### of the Subsidiary Lending Agreements

Further to the provisions of paragraph 2 (b) of Part B of the Schedule to this Agreement, the principal terms and conditions set forth or referred to in this Annex shall apply for the purposes of paragraph 1 (a) said Part B.

A. Terms

(1) The principal amount of a Subsidiary Lending to be made available to a Participating Bank under its respective Subsidiary Lending Agreement shall be:

(a) the equivalent of the aggregate amount of the principal of all Sub-loans made out of the proceeds thereof either directly by the Participating Bank or through the Participating Cooperative Banks; and

(b) denominated in dollars and Zlotys, with the portion thereof denominated in dollars being the sum total of the Sub-loans made out of its proceeds and denominated in dollars, and with the portion thereof denominated in Zlotys being the sum total of the Sub-loans made out of its proceeds and denominated in Zlotys.

(2) The portion of the Subsidiary Loan denominated in: (a) dollars shall be charged, on the principal amount thereof withdrawn and outstanding from time to time, interest during each six-month period commencing on January 1 and July 1 of each calendar year at a rate equal to LIBOR plus a margin, as shall be calculated by NBP on the basis of guidelines acceptable to the Bank; and (b) Zlotys shall be charged, on the principal amount thereof withdrawn and outstanding from time to time, interest at the same rate charged from time to time by NBP on similar loans denominated in Zlotys and made out of

its own resources in accordance with its applicable policies, as such rate shall be reviewed from time to time by the Bank and NBP and adjusted, as necessary, by agreement between the Bank and NBP.

(3) Each Subsidiary Lending shall be repaid in accordance with an amortization schedule pursuant to which each portion thereof utilized in the making of a Sub-loan, directly or through a Participating Cooperative Bank, shall have a maturity calculated to conform to the amortization schedule applicable to such Sub-loan.

(4) The right of each Participating Bank to the use of the proceeds of its respective Subsidiary Lending shall be: (a) suspended upon failure by such Participating Bank to perform any of its obligations under its respective Subsidiary Lending Agreement; and (b) terminated if such right shall have been suspended pursuant to subparagraph (a) hereof for a continuous period of sixty days.

#### B. Conditions

A Subsidiary Lending Agreement may be entered into with a regional cooperative bank or a commercial bank, duly established and operating under the laws of the Borrower, which NBP shall have determined, and the Bank shall have agreed, that such bank:

(1) is in compliance with all legal and regulatory requirements applicable to its operations;

(2) is operating pursuant to investment lending policies and procedures which the Bank and NBP shall have judged acceptable, and has undertaken to maintain said policies and procedures;

(3) has a sound financial structure and satisfactory financial performance, and the organization, management, staff and other resources required for the efficient carrying out of its operations, including the activities proposed to be undertaken under Part B (1) of the Project;

(4) has adopted and undertaken to maintain suitable procedures to enable it effectively to finance Sub-projects through Sub-loans to Beneficiaries made:

(a) through Participating Cooperative Banks under Subsidiary Financing Agreements to be entered into between itself and each such Participating Cooperative Bank on the terms and conditions set forth or referred to in Attachment 1 to this Annex; or

(b) directly by it on the terms and conditions set forth or referred to in Attachment 2 to this Annex;

(5) has undertaken to exercise its rights under the Subsidiary Financing Agreements it is a party to and under its agreements providing for Sub-loans in such manner as to protect its interests and the interests of the Bank and NBP and to achieve the purposes of the Loan, and, except as NBP shall otherwise agree, not assign, amend, abrogate or waive any such agreement or any provision thereof;

(6) has undertaken to carry out its activities under Part B (1) of the Project, appraise Sub-projects financed through Sub-loans made by it and thereafter supervise the carrying thereof and the carrying out of the obligations pursuant to the Subsidiary Financing Agreements it is party to by the respective Participating Cooperative Banks in accordance with the investment lending policies and procedures referred to in paragraph B (1) hereof;

(7) has undertaken to exchange views with, and furnish all such information to, the Bank or NBP, as may be reasonably requested by the Bank or NBP, with regard to the progress of its activities under Part B (1) of the Project, the performance of its obligations under its respective Subsidiary Lending Agreement, and other matters relating to the purposes of Part B (1) of the Project;

(8) has undertaken to promptly inform the Bank and NBP of any condition which interferes or threatens to interfere with the progress of its activities under Part B (1) of the Project; and

(9) has undertaken to: (i) maintain records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition; (ii) have its financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank and NBP; (iii) furnish to the Bank, through NBP, as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of said financial statements and accounts for such year as so audited; and (B) the report of such audit by said auditors in such scope and detail as the Bank or NBP shall have reasonably requested; and (iv) furnish to the Bank, through NBP, such other information concerning said records, accounts and financial statements as well as the audit thereof as the Bank or NBP shall from time to time reasonably request.

ATTACHMENT 1 TO THE ANNEX  
TO SCHEDULE

Terms and Conditions of the  
Subsidiary Financing Agreements

The principal terms and conditions set forth or referred to in this Attachment shall apply for the purposes of paragraph (4) (a) of Part B of the Annex to the Schedule to this Agreement.

A. Terms

(1) The principal amount of a Subsidiary Finance to be made available to a Participating Cooperative Bank under its respective Subsidiary Financing Agreement shall be:

(a) the equivalent of the aggregate amount of the principal of all Sub-loans made out of the proceeds thereof; and

(b) denominated in dollars and Zlotys, with the portion thereof denominated in dollars being the sum total of the Sub-loans made out of its proceeds and denominated in dollars, and with the portion thereof denominated in Zlotys being the sum total of the Sub-loans made out of its proceeds and denominated in Zlotys.

(2) Each Subsidiary Finance shall be charged, on the principal amount thereof withdrawn and outstanding from time to time, interest at the rate of interest applicable to loans made by the Participating Bank pursuant to its investment lending policies and procedures referred to in paragraph B (2) of the Annex to the Schedule to this Agreement.

(3) Each Subsidiary Finance shall be repaid in accordance with an amortization schedule pursuant to which each portion thereof utilized in the making of a Sub-loan shall have a maturity calculated to conform to the amortization schedule applicable to such Sub-loan.

(4) The right of the Participating Cooperative Bank to the use of the proceeds of its respective Subsidiary Finance shall be: (a) suspended upon failure by such Participating Cooperative Bank to perform any of its obligations under its respective Subsidiary Financing Agreement; and (b) terminated if such right shall have been suspended pursuant to subparagraph (a) hereof for a continuous period of sixty days.

B. Conditions

A Subsidiary Financing Agreement may be entered into with a local cooperative bank, duly established and operating under the laws of the Borrower, which the Participating Bank shall have determined, and NBP shall have agreed, that such bank:

(1) is in compliance with all legal and regulatory requirements applicable to its operations;

(2) is operating pursuant to investment lending policies and procedures which the Bank, NBP and the Participating Bank shall have judged acceptable, and has undertaken to maintain said policies and procedures;

(3) has a sound financial structure, including a capital adequacy ratio of at least 3% as calculated in accordance with NBP's applicable requirements, and a satisfactory financial performance, and the organization, management, staff and other resources required for the efficient carrying out of its operations, including the activities proposed to be undertaken under Part B (1) of the Project;

(4) has adopted and undertaken to maintain suitable procedures to enable it effectively to:

(a) finance Sub-projects through Sub-loans made by it to Beneficiaries on the terms and conditions set forth or referred to in Attachment 2 to the Annex to the Schedule to this Agreement;

(b) exercise its rights under its agreements providing for Sub-loans in such manner as to protect its interests and the interests of the Bank, NBP and the Participating Bank and to achieve the purposes of the Loan, and, except as NBP and the Participating Bank shall otherwise agree, not assign, amend, abrogate or waive any such agreement or any provision thereof;

(c) carry out its activities under Part B (1) of the Project, appraise Sub-projects financed through Sub-loans made by it and thereafter supervise the carrying out thereof, in accordance with its investment lending policies and procedures referred to in paragraph B (2) hereof;

(d) exchange views with, and furnish all such information to the Bank, NBP or the Participating Bank, as may be reasonably requested by the Bank, NBP or the Participating Bank, with regard to the progress of its activities under Part B (1) of the Project, the performance of its obligations under its respective Subsidiary Financing Agreement, and other matters relating to the purposes of Part B (1) of the Project; and

(e) promptly inform the Bank, NBP and the Participating Bank of any condition which interferes or threatens to interfere with the progress of its activities under Part B (1) of the Project; and

(5) has undertaken to: (i) maintain records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition; (ii) have its financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank and NBP; (iii) furnish to NBP, through the Participating Bank, as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of said financial statements and accounts for such year as so audited, and (B) the report of such audit by said auditors in such scope and detail as NBP or the Participating Bank shall have reasonably requested; and (iv) furnish to the Bank and NBP, through the Participating Bank, such other information concerning said records, accounts and financial statements as well as the audit thereof as the Bank, NBP or the Participating Bank shall from time to time reasonably request.

ATTACHMENT 2 TO THE ANNEX  
TO SCHEDULE

Terms and Conditions of the Sub-loans  
The principal terms and conditions set forth or referred to in



this Attachment shall apply for the purposes of paragraph (4) (b) of Part B of the Annex to the Schedule to this Agreement and of paragraph (4) (a) of Part B of Attachment 1 to said Annex.

A. Terms

(1) The principal amount of each Sub-loan shall be: (a) denominated in dollars or Zlotys, as may be requested by the Beneficiary; and (b) the equivalent in the currency of denomination (determined as of the date or respective dates of withdrawal from the Loan Account or payment out of the Special Account) of the value of the currency or currencies so withdrawn or paid out on account of the cost of goods and services financed out of the proceeds of the Loan for the Sub-project.

(2) Each Sub-loan shall be charged interest, on the principal amount thereof withdrawn and outstanding from time to time, at the rate of interest applicable to loans made by the Participating Bank or the Participating Cooperative Bank making the Sub-loan pursuant to its investment lending policies and procedures referred to in paragraph B (2) of the Annex to the Schedule to this Agreement and paragraph B (2) of Attachment 1 to said Annex, respectively.

(3) Sub-loans shall each be made for a period of at least two years but not exceeding 12 years, inclusive of an appropriate grace period not exceeding three years.

(4) Sub-loans shall be made on terms whereby the Participating Bank or the Participating Cooperative Bank, as the case may be, shall obtain, by written contract or other appropriate legal means, rights adequate to protect its interests and those of the Bank and NBP, including the right to:

(a) suspend or terminate the right of the Beneficiary to the use of the proceeds of a Sub-loan upon failure by such Beneficiary to perform its obligations under its contract providing for the Sub-loan;

(b) require that each Beneficiary shall undertake to: (i) carry out and operate the Sub-project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and practices and appropriate environmental standards satisfactory to the Bank, and provide, promptly as needed, the funds, facilities and other resources required for the purpose; (ii) procure the goods and services to be financed out of the proceeds of the Loan at a reasonable price, account being taken also of other relevant factors such as time of delivery and efficiency and reliability of the goods and availability of maintenance facilities and spare parts therefor, and in the case of services, of their quality and the competence of the parties rendering them, and use such goods and services exclusively in the carrying out of Sub-project; (iii) enable the Bank, NBP and the Participating Bank or Participating Cooperative Bank making the Sub-loan to inspect such goods and the sites and works included in the Sub-project, the operation thereof, and any relevant records and documents; (iv) take out and maintain such insurance, against such risks and in such amounts as shall be consistent with sound business practice, including, without limitation, such insurance to cover hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Loan to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Beneficiary to replace or repair such goods; (v) maintain records and accounts adequate to reflect in accordance with consistently maintained sound accounting practices its operations and financial conditions; and (vi) prepare and furnish to the Participating Bank or the Participating Cooperative Bank, for forwarding to NBP as may be requested by the Bank or NBP, all such information as the Bank, NBP or the Participating Bank or Participating Cooperative Bank making the Sub-loan shall reasonably request relating to the foregoing, to its administration, operations and financial condition and to the benefits to be derived from the Sub-project; and

(c) require each Beneficiary, other than an individual entrepreneur, to: (i) maintain the debt to equity and the debt service coverage ratios and the ratio of current assets to current liabilities as specified in paragraph 1 (c) of Part B of this Attachment; (ii) have its financial statements (balance sheets, income statements and cash flow statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank and NBP; (iii) furnish to the Participating Bank or the Participating Cooperative Bank making the Sub-loan, for forwarding to NBP as may be requested by the Bank or NBP, as soon as available, but in any case not later than six months after the end of each such year certified copies of its financial statements for such year as so audited, and the report of such audit by said auditors, of such scope and in such detail as the Bank or NBP shall have reasonably requested; and (iv) furnish to the Participating Bank or the Participating Cooperative Bank making the Sub-loan, for forwarding to NBP as may be requested by the Bank or NBP, such other information concerning the accounts and records, referred to in paragraph (b) (v) hereof, and said financial statements, as well as the audit thereof, as the Bank or NBP shall from time to time reasonably request.

#### B. Conditions

(1) Sub-loans shall be made to Beneficiaries who are individual entrepreneurs, cooperatives and enterprises with majority private sector ownership, who each shall have established, to the satisfaction of the Participating Bank or the Participating Cooperative Bank making the Sub-loan, on the basis of guidelines satisfactory to the Bank, that: (a) it is creditworthy, and has a sound financial structure and the organization, management, staff and other resources required for the efficient carrying out of the Sub-project; (b) its projected cash generation or equity increases shall be sufficient to enable it to meet the estimated expenditures required for the Sub-project and to contribute at least 10% of the estimated cost thereof; and (c) for each Beneficiary other than an individual entrepreneur, it is in a position to maintain a debt to equity ratio of not more than 1.5:1, a debt service coverage ratio of not less than 1.3:1, and a ratio of current assets to current liabilities of not less than 1.5:1.

(2) Sub-loans shall be made for Sub-projects: (a) to develop and expand the Beneficiaries' productive facilities and fixed assets, other than land and housing, and to cover their requirements for permanent working capital; and (b) which are each determined to be technically feasible and financially viable and designed with appropriate environmental standards satisfactory to the Bank, provided, however, that, in addition, for Sub-projects proposed to be carried out under Sub-loans of more than \$500,000 equivalent each, such Sub-projects shall be calculated to have a financial rate of return of at least 15% each, all as shall be determined and calculated by the Participating Bank or the Participating Cooperative Bank making the Sub-loan to the satisfaction of NBP, on the basis of appraisals carried out in accordance with guidelines satisfactory to the Bank.

(3) Expenditures for goods and services required for a Sub-project shall be eligible for financing out of the proceeds of the Loan:

(a) if such expenditures shall have been made not earlier than ninety days prior to the date on which the Bank or NBP shall have received the information required under subparagraphs (b) or (c) hereof, as the case may be;

(b) if the Sub-loan for such Sub-project shall have been (i) in an amount equivalent to \$3,000,000 or more, or (ii) one of the first two Sub-loans to be made by each Participating Bank in an amount equivalent to \$100,000 or more, and such Sub-loan shall have been approved by the Bank on the basis of information furnished to the Bank comprising an application, in form satisfactory to the

Bank, together with a description of the Beneficiary and an appraisal of the Sub-project, including a description of the expenditures proposed to be financed out of the proceeds of the Loan, the proposed terms and conditions of the Sub-loan, including the schedule of amortization thereof, and such other information as the bank shall reasonably request; and

(c) if the Sub-loan shall have been a Sub-loan other than a Sub-loan referred to in subparagraph (b) hereof and such Sub-loan shall have been approved by NBP on the basis of information furnished to NBP comprising a summary description of the Beneficiary and the Sub-project, including a description of the expenditures to be financed out of the proceeds of the Loan and terms and conditions of the Sub-loan, including the schedule of amortization therefor, provided, however, that such information shall contain, in addition, for Sub-loans of between \$100,000 and \$500,000 equivalent each, a summary of the appraisal of the Sub-project, and for Sub-loans of more than \$500,000 equivalent each, the appraisal report of the Sub-project.

