

CONFORMED COPY

LOAN NUMBER 7539 TU

Loan Agreement

(Fourth Export Finance Intermediation Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

Dated May 28, 2008

LOAN NUMBER 7539 TU

LOAN AGREEMENT

Agreement dated May 28, 2008, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (EXIMBANK) (“Borrower” or “Eximbank”).

The Borrower and the Bank hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions, or in the Appendix to this Agreement.

ARTICLE II - LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement: (a) the amount of one hundred fifty million Dollars (\$150,000,000); and (b) the amount of ninety-four million nine hundred thousand Euro (EUR 94,900,000), as such amounts may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing Parts B and C of the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower

shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.

- 2.05. The Payment Dates are March 1 and September 1 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV.A of Schedule 2 to this Agreement.

ARTICLE III - PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts B and C of the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that Parts B and C of the Project are carried out in accordance with the provisions of Schedule 2 to this Agreement and the Operational Manual.

ARTICLE IV - EFFECTIVENESS; TERMINATION

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

ARTICLE V - REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the General Manager and the Chief Executive Officer of the Borrower.

- 5.02. The Borrower's Address is:

Turkiye Ihracat Kredi Bankasi A.S.
Milli Mudafaa Cad. No. 20/B
06100 Bakanliklar
Ankara, Turkey

Facsimile:

(90) (312) 417 3466

- 5.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

By: /s/ Ahmed Kilicoglu

Authorized Representative

By: /s/ Osman Aslan

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: /s/ Ulrich Zachau

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (a) support exports by providing medium and long term working capital and investment finance to private exporting enterprises; and (b) improve the ability of the financial sector to provide financial resources to firms through development of financial intermediaries.

The Project consists of the following parts:

Part A: TSKB Credit Line

The establishment and operation of a credit facility within TSKB for the financing, through the provision of Sub-loans and Lease Financing by PFIs to Beneficiary Enterprises, enabling such Beneficiary Enterprises to finance the costs related to the carrying out of Sub-projects.

Part B: Eximbank Credit Line

The establishment and operation of a credit facility within Eximbank for the financing, through the provision of Sub-loans to Beneficiary Enterprises, enabling such Beneficiary Enterprises to finance the costs related to the carrying out of Sub-projects.

Part C: Strengthening Risk Management Capacity at Eximbank

(a) Provision of assistance for improving emergency management and the establishment of disaster recovery center for operational risk management.

(b) Implementation of a ratings based credit appraisal system and monitoring in accordance with the requirements under Basel II.

(c) Upgrading information technology infrastructure to support the above-mentioned improvements.

(d) Provision of consultants' services for strengthening credit risk management related to carrying out Part B of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Implementation

1. Except as the Bank shall otherwise agree, the Borrower shall maintain, until the completion of the Project, the PIU, and ensure that the PIU functions at all times in a manner and with staffing and budgetary resources necessary and appropriate for Project implementation, and satisfactory to the Bank.
2. The Borrower shall maintain the Operational Manual in form and content satisfactory to the Bank, shall duly perform all its obligations under the Operational Manual and shall not assign, amend, abrogate or waive the Operational Manual without obtaining the prior approval of the Bank.
3. The Borrower shall, throughout the implementation of the Project, comply with the applicable prudential regulations of the Guarantor.
4. For the purposes of carrying out Part B of the Project, the Borrower shall:
 - (a) make Sub-loans to Beneficiary Enterprises on the terms and conditions set forth in the Operational Manual, including, without limitation, the terms and conditions set forth in paragraph B of this Section I;
 - (b) ensure that, except as the Bank shall otherwise agree, the aggregate amount of outstanding Sub-loans to any one Beneficiary Enterprise shall not exceed the equivalent of \$20,000,000;
 - (c) ensure that no expenditures for a Sub-project shall be eligible for financing out of the proceeds of the Loan unless the first two Sub-loans shall have been approved by the Bank;
 - (d) exercise its rights in relation to each such Sub-loan in such manner as to protect its interests and the interests of the Guarantor and the Bank, comply with its obligations under its agreements for Sub-loans and achieve the purposes of the Project;
 - (e) make its best effort possible to utilize all payments made by Beneficiary Enterprises under the Sub-loans to finance additional export development projects;
 - (f) appraise Sub-projects and supervise, monitor and report on the carrying out by the Beneficiary Enterprises of Sub-projects, in accordance with the Operational Manual;

(g) ensure that each Sub-project shall comply with environmental review procedures set forth in the Operational Manual. To that end, the Borrower shall require each Beneficiary Enterprises applying for a Sub-loan, to furnish evidence satisfactory to the Bank showing that the Sub-project in respect of which the application has been prepared is in accordance with such procedures;

(h) ensure that for Sub-projects which require an environmental mitigation plan, the Beneficiary Enterprises shall carry out such environmental mitigation plan in a timely manner, requiring such environmental mitigation plan to be in compliance with: (aa) environmental standards satisfactory to the Bank; and (bb) the applicable laws and regulations of the Guarantor relating to health, safety and environmental protection, and shall include adequate information on the carrying out of such environmental management plans in the progress reports referred to in Section II.A of this Schedule 2; and

(i) ensure that: (aa) goods and works to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of this Schedule 2; and (bb) such goods and works shall be used exclusively in the carrying out of the Sub-project.

5. The Borrower shall ensure that Parts B and C of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines issued by the Bank on October 15, 2006, which are applicable to all IBRD loans and IDA credits and grants.

B. Terms and Conditions of Sub-loans

1. Each Sub-loan shall be made on terms and conditions, including those relating to the maturity, foreign currency denomination, interest rate and other charges determined in accordance with the Borrower's investment and lending policies and practices, provided, that the interest rate to be charged on the principal amount thereof outstanding from time to time shall equal at least to the rate payable under Section 2.04 of this Agreement plus the administrative and other costs and an appropriate credit risk margin acceptable to the Bank.

2. No expenditures for a Sub-project shall be eligible for financing out of the proceeds of the Loan unless:

(a) the first two Sub-loans for such Sub-projects shall have been approved by the Bank and such expenditures shall have been made not earlier than one hundred eighty (180) days prior to the date on which the Borrower shall have received the application and information required under paragraph 3 (a) of this Section in respect of such Sub-loan; or

(b) the Sub-loan for such Sub-project shall have been, respectively, a free-limit Sub-loan for which the Bank has authorized withdrawals from the Loan Account

and such expenditures shall have been made not earlier than one hundred eighty (180) days prior to the date on which the Borrower shall have received the request and information required under paragraph 3 (a) of this Section in respect of such free-limit Sub-loan. For the purposes of this Agreement, a “free-limit Sub-loan” shall be a Sub-loan, other than the first two Sub-loans by the Borrower, and other than any Sub-loan to a Beneficiary Enterprise in an amount exceeding the sum of \$5,000,000 equivalent (when added to all other free-limit Sub-loans financed or proposed to be financed out of the proceeds of the Loan to the same Beneficiary Enterprise), the foregoing amount being subject to change from time to time as determined by the Bank.

3. (a) When presenting a Sub-loan (other than a free-limit Sub-loan) to the Bank for approval, the Borrower shall furnish to the Bank an application, in form satisfactory to the Bank, together with:

- (i) an appraisal of the Beneficiary Enterprise and of the Sub-project, including a description of the expenditures proposed to be financed out of the proceeds of the Loan;
- (ii) the proposed terms and conditions of the Sub-loan, including the schedule of amortization of the Sub-loan;
- (iii) evidence of compliance with the Operational Manual and specifically with the environmental review procedures set forth in the Operational Manual; and
- (iv) such other information as the Bank shall reasonably request.

(b) Each Sub-loan shall be approved on the basis of evaluation guidelines adopted by the Borrower satisfactory to the Bank.

4. (a) Sub-loans shall be made to the Beneficiary Enterprises which each shall have established and maintained during the duration of its respective Sub-loan to the satisfaction of the Borrower that:

- (i) it is a Private Enterprise;
- (ii) it provides export services as defined by the Operational Manual in various sectors specified in the Operational Manual;
- (iii) it is financially sound and is in compliance with the criteria specified in the Operational Manual; and
- (iv) it has a satisfactory financial structure and the organization, management, staff and financial and other resources required for

the efficient carrying out of its operations, including the carrying out of the Sub-project.

(b) For purposes of this paragraph, an enterprise shall be considered to be a “Private Enterprise” when more than fifty percent (50%) of the shares or other equity interest thereof is held by persons or companies other than the Guarantor, any agency or subdivision thereof, or any local governmental authority, or entities controlled by the Guarantor or such agencies or subdivisions.

5. The Sub-loans shall be made for Sub-projects which are each determined, on the basis of an appraisal carried out in accordance with procedures acceptable to the Bank set forth in the Operational Manual, to:

(a) be technically feasible and economically, financially and commercially viable;

(b) be targeted towards generation of exports consistent with the Beneficiary Enterprise’s export growth projections; and

(c) be in compliance with the requirements pertaining to environmental protection applicable under the laws and regulations of the Guarantor and the environmental review procedures set forth in the Operational Manual.

6. Sub-loans shall be made on terms whereby the Borrower shall obtain, by written contract with the Beneficiary Enterprise or by other appropriate legal means, rights adequate to protect its interests and those of the Bank and the Guarantor, including the right to:

(a) require the Beneficiary Enterprise to carry out and operate the facilities financed under the Sub-project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards, and in accordance with the provisions of Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower, and to maintain adequate records;

(b) without limitation to the generality of the provisions of the preceding paragraph (a), require the Beneficiary Enterprise to carry out and operate the Sub-project with due regard to applicable social impact, ecological, environmental and pollution control standards and in accordance with the provisions of the Operational Manual;

(c) for Sub-projects which need an environmental mitigation plan, require the Beneficiary Enterprise to carry out such environmental mitigation plan in a timely manner;

(d) require: (i) that the goods and works to be financed out of the proceeds of the Sub-loans shall be procured in accordance with Section III of this Schedule; and (ii)

that such goods and works shall be used exclusively in the carrying out of the Sub-project;

(e) inspect, by itself or jointly with representatives of the Bank, if the Bank shall so request, such goods and the sites, works, plants and construction included in the Sub-project, the operation thereof, and any relevant records and documents;

(f) require that: (i) the Beneficiary Enterprise shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be consistent with sound business practice; and (ii) without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Sub-loan to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Beneficiary Enterprise to replace or repair such goods;

(g) 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 the Beneficiary Enterprise and to the benefits to be derived from the Sub-project; and

(h) suspend or terminate the right of the Beneficiary Enterprise to the use of the proceeds of the Sub-loan upon failure by such Beneficiary Enterprise to perform its obligations under its contract with the Borrower.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

2. For purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than March 30, 2014.

B. Financial Management, Financial Statements and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for Part C of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Procurement of Goods and Works under Sub-projects - Established Private or Commercial Practices.** Contracts for goods or works for Sub-projects under Part B of the Project estimated to cost the equivalent of \$10,000,000 or less per contract may be awarded in accordance with the established private or commercial practices which have been found acceptable to the Bank.

3. **Procurement of Goods under Part C of the Project.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods to be procured under Part C of the Project. The

Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Shopping
(b)	Direct Contracting

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services under Part C of the Project shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Selection based on Consultants' Qualifications
(b)	Individual Consultants

D. Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Bank: (a) all contracts for goods and works procured on the basis of International Competitive Bidding; (b) the first two contracts procured on the basis of established private or commercial practice; and (c) contracts to be procured under Part C of the Project, as set forth in the Procurement Plan. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional

instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (Expressed in Dollars)	Amount of the Loan Allocated (Expressed in Euro)	Percentage of Expenditures to be Financed
(1) Sub-loans	145,925,000	94,662,750	100%
(2) Consultants’ Services and Goods for Part C of the Project	3,700,000	0	100%
(3) Front-end Fee	375,000	237,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Interest Rate Cap or Collar Premium	0	0	Amounts payable pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	<u>150,000,000</u>	<u>94,900,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawals shall be made from the Loan Account:

(a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed EUR 18,980,000 equivalent for the Euro Tranche of the Loan and \$30,000,000 equivalent for the Dollar Tranche of the Loan may be made for payments made prior to this date but on or after July 1, 2007, for eligible expenditures under Category (1); and

(b) under Category (1) unless the Sub-loan has been made in accordance with criteria and procedures set forth in the Operational Manual and on terms and conditions referred to in paragraph B of Section I of this Schedule 2.

2. The Closing Date is June 30, 2013.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each March 1 and September 1 Beginning March 1, 2014 through September 1, 2037	2.04%
On March 1, 2038	2.08%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
- (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beneficiary Enterprise” means an enterprise satisfying the appropriate criteria as set forth in paragraph 4 of Section I.B of Schedule 2 to this Agreement to which the Borrower proposes to make or has made a Sub-loan.
3. “BIS” means the Bank for International Settlements.
4. “Category” means a category set forth in the table in Section IV.A of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
6. “Dollar Tranche of the Loan” means the amount of the Loan specified in Section 2.01 (a) of this Agreement.
7. “Euro Tranche of the Loan” means the amount of the Loan specified in Section 2.01 (b) of this Agreement.
8. “Free-limit Sub-loan” means a Sub-loan proposed to be made in an amount less than the threshold specified for prior Bank review under Section I.B.2 of Schedule 2 to this Agreement, for a Sub-project which qualifies to be approved by the Borrower in the absence of such prior review pursuant to the provisions of such paragraph.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008).
10. “International Financial Reporting Standards” or “IFRS” mean the accounting standards issued or endorsed by the International Accounting Standards Board.
11. “Loan Tranche” means any of the Dollar Tranche or the EUR Tranche of the Loan.
12. “Operational Manual” means the manual adopted by the Borrower on April 15, 2008, setting out the operational and administrative procedures in respect of the preparation, approval, processing, financing, implementation and supervision of Sub-loans.
13. “PIU” means the project implementation unit of the Borrower.

14. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
15. “Procurement Plan” means the Borrower’s procurement plan for Part C of the Project, dated April 14, 2008, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
16. “Statutes” means the statutes of the Borrower published in Trade Registry Gazette No. 1847 dated September 11, 1987 (Trade Registry No.13048), and such other laws, decrees, licenses, charter or regulations governing the operations of the Borrower as may be adopted or enacted from time to time.
17. “Sub-loan” means a loan made or proposed to be made by the Borrower, out of the proceeds of the Loan allocated from time to time to Category (1) of the table set forth in Section IV.A of Schedule 2 to this Agreement, for purposes of financing all or a portion of the expenditures incurred by a Beneficiary Enterprise for goods and works under a Sub-project.
18. “Sub-project” means a specific project, selected in accordance with paragraph 5 of Section I.B. of Schedule 2 to this Agreement, which is proposed to be carried out by a Beneficiary Enterprise, in whole or in part through the utilization of the proceeds of a Sub-loan.
19. “TSKB” means Türkiye Sinai Kalkinma Bankasi A.Ş., a bank duly established under the Guarantor’s laws, which is responsible for carrying out Part A of the Project pursuant to the Loan Agreement of same date between the Bank and TSKB (Loan 7538-TU).