OFFICIAL DOCUMENTS

LOAN NUMBER 8767-JO

Loan Agreement
(Innovative Startups Fund Project)

between

THE HASHEMITE KINGDOM OF JORDAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated 21 August, 2017
LOAN AGREEMENT

AGREEMENT dated 21 August 2017, between THE HASHEMITE KINGDOM OF JORDAN ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifty million United States Dollars ($50,000,000) ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 (e) of the General Conditions.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through the JLGC in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

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

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) The JLGC’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the JLGC to perform any of its obligations under the Project Agreement.

(b) JLGC has failed to comply with any of its obligations under the Subsidiary Agreement.

(c) The Articles of Association establishing ISSF have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the JLGC to perform any of its obligations under the Project Agreement.

(d) The Management Agreement between ISSF and the ISSF Manager has been amended, suspended, abrogated, repealed or waived so as to affect materially and
adversely the ability of the JLGC to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that either of the events specified in paragraph (a) and (b) of Section 4.01 of this Agreement has occurred.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Legal Matters consists of the following.

(a) The Subsidiary Agreement has been duly authorized by the Borrower and JLGC and is legally binding upon the Borrower and JLGC in accordance with its terms.

(b) The Management Agreement between ISSF and the ISSF Manager has been duly authorized by ISSF and the ISSF Manager and is legally binding on ISSF and the ISSF Manager in accordance with its terms.

(c) The JLGC has established the ISSF in accordance with the laws and regulations of the Borrower such that the ISSF has the capacity to perform the functions and obligations assigned to it under the Project.

(d) The Articles of Association and Memorandum of Association have been signed by JLGC and the Central Bank of Jordan ("CBJ") and are legally binding on JLGC and the CBJ in accordance with their respective terms.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Planning and International Cooperation.

6.02. The Borrower’s Address is:

Ministry of Planning and International Cooperation
Post Office Box 555
Amman, 11118
The Hashemite Kingdom of Jordan
Facsimile:

962-6-464 9341

6.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Cable address: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
Washington, D.C.

AGREED at Amman, Jordan, as of the day and year first above written.

THE HASHEMITE KINGDOM OF JORDAN

By

Authorized Representative

Name: Imad Najib Fakhoury

Title: Minister of Planning and International Cooperation

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Saroj Jha

Title: Regional Director
SCHEDULE 1

Project Description

The objective of the Project is to increase private early stage equity finance for innovative small and medium enterprises ("SMEs").

The Project consists of the following parts:

Part A: Equity/Quasi Equity Financing Program

1. Establishment and operation of a legal and financial mechanism, namely an Innovative Startups and SMEs Fund ("ISSF"), designed to leverage both public and private sources of funding by providing equity and quasi-equity capital financing ("ISSF Investments") to financial intermediaries and/or to young innovative SMEs ("ISSF Beneficiaries").

2. Provision of financing to ISSF Beneficiaries to cover costs incurred by them associated with starting up and commercializing their business activities, including, inter alia, costs related to registering and maintaining intellectual property rights, field testing of products in the new markets, and back office support.

Part B: Deal flow creation support

Provision of financing to selected professional support providers ("Eligible Professional Services Providers"), including, inter alia, accelerators, incubators and business development support entities to implement: (1) incubation and acceleration programs for entrepreneurs; (2) investment readiness and business development services for young and established SMEs; and (3) establishment and maintenance of Jordanian-based business angel groups, training and mentoring of angel group members and managers.

Part C: Project Management, Coordination and Monitoring and Evaluation

Provision of technical advisory services and material assistance to support the management, coordination, and monitoring and evaluation of the Project, and to cover the Project-related management and Operating Costs, including costs incurred by JLGC in setting up ISSF, and Incremental Fees.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through its Ministry of Planning and International Cooperation, shall:

   (a) cause the Project to be carried out by JLGC (the “Project Implementing Entity”);

   (b) no later than forty-five (45) days from the Effective Date, enter into a tripartite agreement with the Central Bank of Jordan (“CBJ”) and JLGC, whereby the CBJ agrees to provide financing to JLGC in an amount equivalent to thirteen million eight hundred eighty thousand United States Dollars ($13,880,000) (“Co-Financing”) from CBJ’s own resources, on terms and conditions acceptable to the Bank, to cover the projected counterpart financing requirements; and

   (c) establish and maintain throughout the life of the Project a Monitoring Committee to monitor progress and implementation of the Project. The Monitoring Committee shall include representatives, inter alia, of JLGC, Ministry of Planning and International Cooperation, Ministry of Finance, Ministry of Industry and Trade, and CBJ.

2. The Borrower shall ensure that JLGC:

   (a) implements the Project and establishes and maintains throughout the life of the Project an Implementation Group, with a mandate, terms of reference and a composition acceptable to the Bank;

   (b) is responsible for overall coordination of the Project and overall management of its activities, including monitoring and evaluation, fiduciary and safeguards management, and reporting requirements;

   (c) establishes and maintains the ISSF throughout the life of the Project, in a form and with functions and management satisfactory to the Bank and having the capacity to perform its functions under Parts A and B of the Project;

   (d) in accordance with the criteria established in the POM and acceptable to the Bank, and no later than ninety (90) days from the Effective Date, will cause ISSF to recruit a manager of ISSF (“ISSF Manager”), with terms of reference and qualifications satisfactory to the Bank, to manage ISSF’s investment activities in accordance with the Project Operations Manual;

   (e) no later than ninety (90) days from the Effective Date, recruits a senior accountant to assist with execution of the Project;
(f) no later than one hundred eighty (180) days from the Effective Date, procures, installs and adopts an Enterprise Resource Planning ("ERP") or other accounting software system for project accounting, budgeting and reporting within ISSF and ensures that the ISSF finance and accounting staff are fully trained in the adopted software system;

(g) selects a Board of Directors for ISSF, in a form, composition and with functions satisfactory to the Bank, and comprising individuals with expertise in private sector industry, equity finance, legal, and/or accountancy background with the Director General of JLGC acting as the Chairman of the Board;

(h) causes ISSF to hire an external auditor of ISSF with qualifications and terms of reference acceptable to the Bank no later than six (6) months after the Effective Date and shall not change said external auditor or revise or amend its terms of reference, throughout the life of the Project, without the approval of the Bank;

(i) causes ISSF to hire a consultancy firm- or extend the scope of the external auditor to perform an annual audit of the ISSF Beneficiaries, to ensure that the selection criteria set forth in the POM are met and the necessary due diligence has been carried out ("Agreed Upon Procedures Review");

(j) Within one hundred eighty (180) days from Effective Date, causes the Board of Directors of ISSF to establish and maintain the Investment Committee in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank. The Investment Committee shall be chaired by one of the members of the Board of Directors (other than the Chairman of JLGC) and consist of the ISSF Manager and private sector individuals selected by the Board of Directors of ISSF, approved by JLGC and acceptable to the Bank; and

(k) causes ISSF to enter into a management agreement with ISSF Manager ("Management Agreement") on terms and conditions acceptable to the Bank, which shall include, *inter alia*, the following:

(i) without prejudice to the provisions of subparagraph 2(b) above, the ISSF Manager shall: (A) recruit and maintain, throughout the life of the Project, the necessary personnel, with mandate, terms of reference and composition (including a financial officer, an accountant and an internal auditor) acceptable to the Bank; and (B) be responsible for carrying out coordination of the Project and day-to-day management of its activities, including monitoring and evaluation, fiduciary and safeguards management, and reporting requirements;

(ii) the ISSF Manager shall carry out the Project in accordance with the Project Operations Manual and shall not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual without the prior approval of the Bank;
(iii) The ISSF Manager shall maintain, throughout Project implementation, pre-screening, evaluation and supervision procedures for ISSF Investments, acceptable to the Bank; and

(iv) The ISSF Manager shall select Eligible Professional Services Providers for implementing Part B of the Project, in accordance with the Bank-approved guidelines and eligibility criteria, and as reflected in the POM, to carry out Part B of the Project.

3. For the purposes of Project implementation, the Borrower shall ensure that:

   (a) JLGC enters into a Project Agreement with the Bank;
   
   (b) JLGC ensures that ISSF carries out the Project in accordance with the Project Operations Manual and the Project Agreement and does not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual without the prior approval of the Bank; and
   
   (c) JLGC monitors and manages the Designated Account in accordance with the provisions of this Agreement, the Project Agreement and the POM.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to JLGC under a subsidiary agreement between the Borrower and JLGC (“Subsidiary Agreement”), under terms and conditions approved by the Bank, which shall include the following:

   (a) JLGC shall carry out the Project in accordance with the provisions of this Agreement, the Project Agreement and the POM;
   
   (b) JLGC shall exercise its rights under the Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan;
   
   (c) except as the Bank shall otherwise agree, JLGC or the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions;
   
   (d) JLGC shall not be liable to the Borrower for any Loan Payments, and shall not be liable to the Borrower for financial losses from ISSF Investments;
   
   (e) JLGC shall return any profits from ISSF Investments to the Borrower twelve (12) years after the Closing Date or at such later date as the Borrower and JLGC shall agree;
   
   (f) JLGC shall cause the Board of Directors of ISSF to make any Agreed Exits in accordance with the terms, conditions and methods set forth in the POM, and shall reinvest any amounts arising from such Agreed Exits in further ISSF Investments in accordance with the provisions of this Agreement, the Project Agreement and
the POM, and shall return any amounts remaining from such Agreed Exits to the Borrower twelve (12) years after the Closing Date or at such later date as the Borrower and JLGC shall agree; and

(g) to facilitate the carrying out of Parts A and B of the Project, JLGC shall:

(i) establish and maintain the ISSF in accordance with the provisions of this Agreement, the Project Agreement and the POM; and

(ii) ensure that any key changes to the investment strategies pursued by the Board of Directors of ISSF or ISSF Manager receive prior approval by the Bank, JLGC and the Investment Committee.

2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

D. ISSF Sub-Financing

1. The Borrower, through JLGC, shall ensure that ISSF selects ISSF Beneficiaries and approves ISSF Investments and the related ISSF Sub-financing in accordance with the eligibility criteria, terms and investment guidelines set forth in the Project Operations Manual, including the requirements that each ISSF Beneficiary must:

(a) have physical operational presence in the Borrower’s territory and, if the ISSF Beneficiary is a financial intermediary, invest in companies physically located in the Borrower’s territory;

(b) not have an adverse or disclaimer audit opinion in the last three years;

(c) not be under litigation or on a list of banned or suspended companies by JLGC or by the Bank; and

(d) not have any key personnel with a criminal record or who are on any list of banned or suspended individuals by JLGC or by the Bank.

2. The Borrower shall ensure, through JLGC, that ISSF provides ISSF Sub-Financing to ISSF Beneficiaries in accordance with the eligibility criteria, procedures and investment guidelines acceptable to the Bank and included in the POM, which shall include the following:
(a) the choice of ISSF Beneficiaries and the selection of investment activities and sectors of activity shall be undertaken according to industry best practices and on the basis of principles of good governance, equity and transparency; and

(b) no investment activity or sector of activity shall benefit from funding under the Project if it belongs to the negative list of activities or sectors of activity deemed ineligible for support under the Project and specified in the ESMF and POM.

3. To facilitate the carrying out of Part A(1) of the Project, the Borrower shall cause JLGC to ensure that each ISSF Sub-financing Agreement entered into between the ISSF and each ISSF Beneficiary includes provisions that ensure that the ISSF obtains rights adequate to protect its interests and those of JLGC, the Borrower, and the Bank, including the right to:

(a) terminate the right of the ISSF Beneficiary to use the proceeds of the ISSF Sub-financing, or obtain a refund of all or any part of the amount of the ISSF Sub-financing received, upon the ISSF Beneficiary’s failure to perform any of its obligations under the ISSF Sub-financing Agreement; and

(b) require each ISSF Beneficiary to:

(i) carry out its operations with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards (including Safeguards Instruments) and practices, all satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;

(ii) provide, promptly as needed, the resources required for the purpose of the ISSF Sub-financing;

(iii) maintain policies and procedures adequate to enable it to monitor and evaluate its operations, in accordance with indicators acceptable to the Bank;

(iv) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect its operations, resources and expenditures;

(v) have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the ISSF and, if so requested, the Bank;

(vi) enable the ISSF and the Bank to inspect the ISSF Beneficiary’s operations and any relevant records and documents; and
(vii) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing.

4. The Borrower shall cause JLGC to ensure that ISSF shall exercise the rights and carry out the obligations of the ISSF under each ISSF Sub-financing Agreement in such manner as to protect the interests of JLGC, the Borrower and the Bank and to accomplish the purposes of the Loan.

5. The Borrower shall cause JLGC to ensure that the ISSF shall not assign, amend, terminate, abrogate, waive or fail to enforce any ISSF Sub-financing Agreement or any of its provisions, except as the Bank and the Borrower shall otherwise agree.

E. Investment Support Financing

To facilitate the carrying out of Part A(2) of the Project, the Borrower, through JLGC, shall ensure that:

1. the ISSF provides Investment Support Financing to ISSF Beneficiaries, selected in accordance with the eligibility criteria and terms set forth in the Project Operations Manual, and subject to Investment Committee’s review, recommendation/approval; and

2. an Investment Support Financing Agreement is entered into between ISSF and each ISSF Beneficiary, in accordance with terms and conditions set forth in the Project Operations Manual.

F. Deal Flow Creation Financing

To facilitate the carrying out of Part B of the Project, the Borrower, through JLGC, shall ensure that:

1. the ISSF provides Deal Flow Creation Financing to Eligible Professional Services Providers, selected in accordance with the eligibility criteria and terms set forth in the Project Operations Manual; and

2. a Deal Flow Creation Financing Agreement is entered into between ISSF and each Eligible Professional Services Provider, in accordance with the terms and conditions set forth in the Project Operations Manual.

G. Safeguards.

1. The Borrower shall cause JLGC to monitor on a continuing basis the implementation of the Safeguard Instruments and ensure that the Project is executed in strict accordance with such Safeguard Instruments, and, upon the occurrence of any event or condition likely to interrupt or interfere with the smooth implementation of the Safeguard Instruments, the Borrower shall cause JLGC to act promptly to deal with or address such event or condition, and inform the Borrower and the Bank accordingly.

2. For the purposes of any ISSF Investment or other activity under the Project, and prior to implementation thereof, the Borrower shall ensure that any plan, action plan, fact sheet or
other instrument required in terms of any one or more of the Safeguard Instruments, shall have been duly:

(a) prepared in form and substance satisfactory to the Bank, and, except as otherwise agreed with the Bank, submitted to the Bank for review and approval, and

(b) thereafter adopted and publicly disclosed.

3. The Borrower shall cause JLGC to take all measures necessary on its part to regularly collect, compile, and submit to the Bank, on an annual basis, reports on the status of compliance with the Safeguard Instruments, giving details of:

(a) measures taken in furtherance of such Safeguard Instruments;

(b) any event or condition which interferes or threatens to interfere with the smooth implementation of such Safeguard Instruments; and

(c) remedial measures taken or required to be taken to address such event or condition.

4. Except as the Bank shall otherwise agree in writing, the Borrower shall not amend, waive or abrogate, or cause to be amended, waived or abrogated, any provision of the Safeguard Instruments.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause JLGC to 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 acceptable to the Bank and set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

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

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause JLGC and ISSF to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through JLGC, shall cause ISSF to have the Project’s 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 ISSF.
The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

4. The Borrower shall ensure that each audit referred to in the preceding paragraph shall include an audit of Project Accounts, and of Eligible Expenditures, conducted in accordance with guidelines and modalities agreed with the Bank, and reflected in the external auditor’s terms of reference.

Section III. **Procurement**

All goods, works, non-consulting services and consulting services 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 the World Bank Procurement Regulations for Borrowers under Investment Project Financing dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated May 11, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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 February 1, 2017, 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.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) ISSF Investments for Part A(1) of the Project, goods, non-consulting services, consulting services and Training under Part B</td>
<td>46,875,000</td>
<td>98%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consulting services and Training under Part A(2) and Part C, Project Operating Costs and Incremental Fees</td>
<td>3,000,000</td>
<td>50%</td>
</tr>
</tbody>
</table>
(3) Front-end Fee  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
<td>125,000</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AMOUNT</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made:
   
   (a) prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $500,000 may be made for payments, previously agreed with the Bank, made prior to this date but on or after May 11, 2017 for Eligible Expenditures; and
   
   (b) under Category 1, unless the Chief Financial Officer has been hired by ISSF.

2. The Closing Date is November 30, 2023.
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) the Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15</td>
<td>1.64%</td>
</tr>
<tr>
<td>Beginning May 15, 2022 through November 15, 2051</td>
<td>1.64%</td>
</tr>
<tr>
<td>On May 15, 2052</td>
<td>1.60%</td>
</tr>
</tbody>
</table>

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

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

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

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (a) 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 (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. “Agreed Exit” means any exit from any ISSF Investment in accordance with the terms, conditions and methods set forth in the POM.


3. “Articles of Association” means the Articles of Association of ISSF establishing ISSF as a Jordanian Private Shareholding Company.

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

5. “Deal Flow Creation Financing” means a payment made out of the proceeds of the Loan to an Eligible Professional Services Provider under Part B of the Project.

6. “Deal Flow Creation Financing Agreement” means an agreement between the ISSF and an Eligible Professional Services Provider pursuant to Schedule 2, Section I, Part F, paragraph 2 of this Agreement describing the rights, duties and responsibilities of each party, which shall comply with the provisions of this Agreement, the Project Agreement and the POM, and the format of which shall be set forth in the POM.

7. “Designated Account” means the designated account opened by JLGC for the purposes of the Project, into which amounts withdrawn from the Loan will be deposited, in accordance with the provisions of the General Conditions and the Disbursement Guidelines.


9. “Eligible Professional Services Provider” means a professional support provider, including, inter alia, accelerators, incubators, and business development support entities, which has met the eligible criteria set forth in the POM to be eligible for Deal Flow Creation Financing under Part B of the Project.

10. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework, dated May 3, 2017, issued by or on behalf of the Borrower and thereafter publicly disclosed, providing an analysis of potential impacts on the human and biophysical environment associated with the Project, an assessment of the risks and likelihood of potential adverse social and environmental impacts, and a checklist of plans and measures designed to prevent, manage or mitigate such potential adverse impacts.

11. “Implementation Group” means the group established within JLGC assigned to work on implementation of the Project, comprising of civil servants including the Project Director,
Project Coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.

12. "Incremental Fees" means legal fees directly related and limited to the costs of establishing ISSF and preparation of any legal opinions as may be requested by the Bank during implementation of the Project, all based on budgets acceptable to the Bank, but excluding any fees arising from or related to disputes, arbitration, mediation, litigation or settlement.

13. “Innovative Startup and SMEs Fund,” or “ISSF” means a holding company to be established for the Project by JLGC as a subsidiary of JLGC and the Central Bank of Jordan under the laws of the Borrower for the purpose of making ISSF Investments and holding the equity interests in such ISSF Investments, referred to in Section I.B.1(g) of Schedule 2 to this Agreement.

14. “Investment Committee” means the investment committee referred to in Section 1.A.2(j) of Schedule 2 to this Agreement, responsible for review and approval of ISSF Investments.

15. “Investment Support Financing” means a payment made out of the proceeds of the Loan to an ISSF Beneficiary under Part A(2) of the Project.

16. “Investment Support Financing Agreement” means an agreement between the ISSF and an ISSF Beneficiary pursuant to Schedule 2, Section I, Part E, paragraph 2 of this Agreement describing the rights, duties and responsibilities of each party, which shall comply with the provisions of this Agreement, the Project Agreement and the POM, and the format of which shall be set forth in the POM.

17. “ISSF Investment” means equity investment made by the ISSF in an ISSF Beneficiary pursuant to Section I(D) of Schedule 2 which has met the eligibility criteria set forth in the POM.

18. “ISSF Beneficiary” means any Financial Intermediary, an innovative SME, or a new startup which has met the eligible criteria set forth in Section I(D) of Schedule 2 and the POM to be eligible for an ISSF Sub-financing or Investment Support Financing under Part A of the Project.

19. “ISSF Manager” means a physical or legal person selected to manage the ISSF and referred to in Section I.A.2(d) of Schedule 2 to this Agreement.

20. “ISSF Management Fee” means a fee for the administration expenses incurred by the ISSF Manager in relation to the Project, as determined and defined in the detailed budget setting out an analysis of, and calculation for the ISSF Management Fee, acceptable to the World Bank, as such budget may be updated from time to time by agreement between the ISSF Manager, JLGC and the Bank.

21. “ISSF Sub-financing” means a payment made out of the proceeds of the Loan to an ISSF Beneficiary in exchange for an ISSF Investment.
22. “ISSF Sub-financing Agreement” means an agreement between the ISSF and an ISSF Beneficiary pursuant to Schedule 2, Section I, Part D, paragraph 3 of this Agreement, describing the rights, duties and responsibilities of each party, which shall comply with the provisions of this Agreement, the Project Agreement and the POM, and the format of which shall be set forth in the POM.

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

24. “JLGC” or “Project Implementing Entity” means the legal entity established pursuant to Jordan’s Company’s Law No. 22, 1994, under Registration No. 242, by the Borrower pursuant to the Project Implementing Entity’s Legislation, or any legal successor thereto.


26. “Management Agreement” means the agreement referred to in Section 1.A.2(k) of Schedule 2 to this Agreement, to be entered into between ISSF and ISSF Manager, outlining management responsibilities for ISSF the purpose of Parts A and B of the Project.

27. “Memorandum of Association” means the Memorandum of Association of ISSF establishing ISSF as a Jordanian Private Shareholding Company.

28. “Operating Costs” means the reasonable incremental expenses incurred on account of Project implementation by ISSF and JLGC, management and monitoring, including office supplies, the cost of publication of procurement notices, vehicle operation, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, and other miscellaneous costs directly associated with Project, as determined by the Bank but excluding salaries of civil servants and employees of the Borrower or the Project Implementing Entity.


30. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 11, 2017 and referred to in Section IV of the Procurement Regulations, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

31. “Project Operations Manual” or “POM” means the project operations manual, acceptable to the Bank setting forth procedures and requirements for carrying out the Project, and adopted by the Project Implementing Entity, as the same may be amended from time to time with the agreement of the Bank.

32. “Safeguard Instruments” means any one or more of the ESMF and any other safeguard instrument derived therefrom or adopted pursuant thereto.
33. “SME” means a small or medium-size enterprise.

34. “Startup” means any SME in the process of becoming operational or any existing SME that has yet to sell its product or service commercially, as set forth in the POM.

35. “Subsidiary Agreement” means the agreement referred to in Section 1.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the JLGC.

36. “Training” means expenditures for the Project related to study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel and per diem costs of trainees and trainers.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

   “Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

   “19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest.”