LOAN NUMBER 8286-VIE(AIF)

LOAN AGREEMENT
(Ha Noi and Ho Chi Minh City Power Grid Development Sector Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 07 November 2014

VIE 46391

LOAN AGREEMENT

LOAN AGREEMENT dated _____ between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement of even date herewith between the Borrower and ADB ("OCR Loan Agreement"), ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources in an amount of $172,700,000 ("OCR Loan") for the purposes of the project described in Schedule 1 to the OCR Loan Agreement ("Project");

(B) the Project will be carried out in relevant parts by Hanoi Power Corporation ("EVN HANOI") and Ho Chi Minh City Power Corporation ("EVN HCMC", and together with EVN HANOI, the "Executing Agencies"), and for this purpose the Borrower will relend to the Executing Agencies the proceeds of the loan provided for therein upon terms and conditions satisfactory to ADB;

(C) the Borrower has also applied to ADB for a loan ("Loan") for the purposes of the Project to be funded by ADB entirely from participation in the Loan by ASEAN Infrastructure Fund Limited ("AIF");

(D) by a participation agreement of even date herewith between ADB and AIF ("Participation Agreement"), ADB has agreed to grant to AIF a participation in the Loan ("Participation") on the terms and conditions set forth therein; and

(E) ADB has agreed to make a Loan to the Borrower upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and the Executing Agencies;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. All the provisions of the General Conditions Applicable to Loans made by ADB Funded Through Participations of ASEAN Infrastructure Fund Limited, dated 13 September 2013 ("General Conditions"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the General Conditions and in the OCR Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Consulting Services" means the services to be financed out of the proceeds of the Loan as described in paragraph 2 of Schedule 1 to the OCR Loan Agreement;

(b) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services; and

(c) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to make to the Borrower the Loan in an amount of one hundred million Dollars ($100,000,000), with funds to be obtained entirely through the Participation in the Loan by AIF.

(b) The Loan has a principal repayment period of 15 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 1 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

(a) LIBOR; and

(b) 1.40% as provided by Section 3.02 of the General Conditions.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 March and 15 September in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Loan Agreement.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall relend the proceeds of the Loan to the Executing Agencies upon terms and conditions satisfactory to ADB and shall cause the Executing Agencies to apply such proceeds to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement, the OCR Loan Agreement, and the Project Agreement.

(b) The Borrower shall ensure that the proceeds of the Loan are relent to the Executing Agencies in the following amounts:

(i) $43,170,000 to EVN HANOI; and

(ii) $56,830,000 to EVN HCMC.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to the OCR Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Subprojects selected in accordance with the criteria and procedure set forth in paragraph 3 of Schedule 1 and paragraph 33 of Schedule 5 of the OCR Loan Agreement, respectively.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the General Conditions shall be 31 December 2020 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to the OCR Loan Agreement and the Project Agreement.

Section 4.02. The Borrower shall make available, or cause to be made available, promptly as needed, the funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.05. The Borrower shall take all actions which shall be necessary on its part to enable the Executing Agencies to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.06. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreement shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.

Section 4.07. ADB's obligation to disburse any amount from the Loan Account shall be subject to ADB's receipt of a corresponding amount from AIF in accordance with the terms of the Participation Agreement. In the event AIF does not pay any amount of the Participation in the Loan to ADB, ADB, by notice to the Borrower, shall cancel the corresponding amount of the Loan.

Section 4.08 (a) Except as ADB may otherwise agree, any cancellation by the Borrower of any unwithdrawn amount of the Loan under Section 8.03 of the General Conditions shall be made pro-rata with the cancellation of the OCR Loan: at 36.67% in respect of the Loan, 63.33% in respect of the OCR Loan, or as otherwise provided in the PAM.

(b) Except as ADB may otherwise agree, any prepayment by the Borrower of the Loan under Section 3.05(b) of the General Conditions shall be made pro-rata with the prepayment of the OCR Loan: at 36.67% in respect of the Loan, 63.33% in respect of the OCR Loan, or as otherwise provided in the PAM.

ARTICLE V

Effectiveness

Section 5.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the General Conditions: the OCR Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Borrower, and all conditions precedent to its effectiveness shall have been fulfilled, subject only to the effectiveness of this Loan Agreement.

Section 5.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the General Conditions.

ARTICLE VI

Delegation of Authority

Section 6.01. The Borrower hereby designates the Executing Agencies as its agent for the purposes of taking any action or entering into any agreement required or permitted under Section 3.03 of this Loan Agreement and under Sections 5.01, 5.02 and 5.03 of the General Conditions.

Section 6.02. Any action taken or any agreement entered into by the Executing Agencies pursuant to the authority conferred under Section 6.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.03. The authority conferred on the Executing Agencies under Section 6.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VII

Miscellaneous

Section 7.01. The Governor of the State Bank of Vietnam is designated as representative of the Borrower for the purposes of Section 11.02 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower

State Bank of Vietnam
47 - 49 Ly Thai To
Ha Noi, Viet Nam

Facsimile Numbers:

(84-4) 3 8250-612
(84-4) 3 8258-385.

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2336.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN BINH
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
TOMOYUKI KIMURA
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Amortization Schedule

(Ha Noi and Ho Chi Minh City Power Grid Development Sector Project)

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 shall 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 ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

Sequence	Date Payment Due	Installment Share (Expressed as a %)
1	15 March 2020	3.333333
2	15 September 2020	3.333333
3	15 March 2021	3.333333
4	15 September 2021	3.333333
5	15 March 2022	3.333333
6	15 September 2022	3.333333
7	15 March 2023	3.333333
8	15 September 2023	3.333333
9	15 March 2024	3.333333
10	15 September 2024	3.333333
11	15 March 2025	3.333333
12	15 September 2025	3.333333
13	15 March 2026	3.333333
14	15 September 2026	3.333333
15	15 March 2027	3.333333
16	15 September 2027	3.333333
17	15 March 2028	3.333333
18	15 September 2028	3.333333
19	15 March 2029	3.333333
20	15 September 2029	3.333333
21	15 March 2030	3.333333
22	15 September 2030	3.333333

23	15 March 2031	3.333333
24	15 September 2031	3.333333
25	15 March 2032	3.333333
26	15 September 2032	3.333333
27	15 March 2033	3.333333
28	15 September 2033	3.333333
29	15 March 2034	3.333333
30	15 September 2034	3.333343
	Total	100.000000

2. If the proceeds of the Loan shall not 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 as follows:

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

(b) Any withdrawal made 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 ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date.

3. Withdrawals made 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.

SCHEDULE 2

Allocation and Withdrawal of Loan Proceeds

General

1. This Schedule sets forth the allocation of the Loan.

Basis for Withdrawal from the Loan Account

2. (a) Subject to Section 3.01 hereof, and except as ADB may otherwise agree, the proceeds of the Loan shall be disbursed on the basis of the following withdrawal percentages:

(i) Goods – 30.7% of total expenditure claimed; and

(ii) Works, Consulting Services, and other eligible expenditures – 33.3% of total expenditure claimed.

(b) All disbursements from the Loan Account shall be made pro-rata to the corresponding disbursements from the OCR Loan: at 36.67% in respect of the Loan and 63.33% in respect of the OCR Loan, or as otherwise provided in the PAM.

(c) ADB shall be entitled to withdraw from the Loan Account and pay itself, on behalf of the Borrower, the amounts required to meet payments, when due, of the interest and commitment charges.

Reallocation

3. Notwithstanding the allocation of Loan amount between the Executing Agencies pursuant to Section 3.01(b) hereof,

(a) if the amount of the Loan allocated to any Executing Agency appears to be insufficient to finance expenditures on a Subproject, ADB may, by notice to the Borrower, (i) reallocate to such Executing Agency, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Executing Agency but, in the opinion of ADB, are not needed to meet expenditures of such other Executing Agency's ongoing Subprojects, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan allocated to any Executing Agency appears to exceed all agreed expenditures relevant to the Subprojects of that Executing Agency, ADB may, by notice to the Borrower, reallocate such excess amount to the other Executing Agency.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook, provided, however, that the commitment

procedure in the Loan Disbursement Handbook shall be applied in accordance with, and be subject to, Section 5.02 of the General Conditions.

Condition for Withdrawal from Loan Account

5. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account until the Subsidiary Loan Agreement, in form and substance satisfactory to ADB, has been duly executed and delivered on behalf of the Borrower and EVN HANOI and EVN HCMC, respectively.

Retroactive Financing

6. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement in connection with the Works, Goods, and Consulting Services, subject to a maximum amount equivalent to 20% of the Loan amount.