LOAN NUMBER 8041-VN

# Loan Agreement

(Trung Son Hydropower Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 28, 2011

## LOAN AGREEMENT

AGREEMENT dated June 28, 2011, between SOCIALIST REPUBLIC OF VIETNAM ("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, an amount of three hundred thirty million Dollars ($330,000,000), as such amount 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 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 the Reference Rate for the Loan Currency plus the Variable 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.

2.05. The Payment Dates are March 15 and September 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the provision of 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; and (ii) a change of the interest rate basis applicable to 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 from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread.

(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 cause: (a) Parts 1, 3, and 4 of the Project to be carried out by TSHPCO; (b) Part 2 of the Project to be carried out by NPT; and (c) EVN to maintain the Task Force, all 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 — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following namely that the Subsidiary Agreements have been executed by the Borrower, acting through MOF, and the Project Implementing Entities, respectively, in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

4.02. The Additional Legal Matters consist of the following.

(a) The Subsidiary Agreements have been duly authorized and executed by the Borrower and each of the Project Implementing Entities and are legally binding upon the Borrower and the Project Implementing Entities in accordance with their respective terms.

(b) The Project Agreement has been duly authorized by each of the Project Implementing Entities, and is legally binding upon each of them in accordance with its terms.

(c) The Resettlement Policy Framework and the Transmission Line Resettlement Policy Framework have been duly authorized by the Prime Minister and are legally binding upon the Borrower and the Project Implementing Entities in accordance with their respective terms.

4.03. The Effectiveness Deadline is the date (90) days after the date of this Agreement.

## ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

5.02. The Borrower's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hà Nội
Socialist Republic of Vietnam

| Cable: | Telex: | Facsimile: |
|---|---|---|
| VIETBANK<br>Hanoi | 412248<br>NHTWVT | (84-4) 3825-0612 |

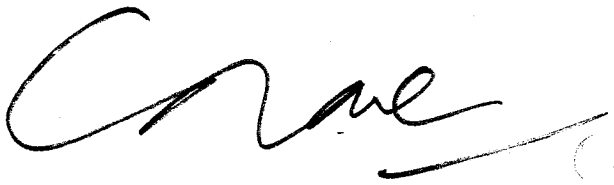
5.03. The Bank's Address is:

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

| Cable address: | Telex: | Facsimile: |
|---|---|---|
| INTBAFRAD<br>Washington, D.C. | 248423(MCI) or<br>64145(MCI) | 1-202-477-6391 |

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By 

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 

Authorized Representative

## SCHEDULE 1

## Project Description

The objective of the Project is to supply least-cost electric power in a safe and environmentally and socially sustainable way.

The Project consists of the following parts:

1. **Dam and Ancillary Construction**

(a) Dam and Appurtenant Structures

Construction and operation of the Trung Son Hydropower Plant on the Ma River near Co Me Village with an installed capacity of 260 megawatts and a dam 84.5 meters high and 535 meters long at the crest which is expected to create a reservoir 38.5 kilometers long in area of approximately 13.13 square kilometers, including: (i) construction of the dam and related facilities including intake structure, forebay, penstocks, turbine and control buildings, discharge canal, electrical switchyard, and emergency fuse-gate and spillway; (ii) acquisition and installation of hydraulic-mechanical and electro-mechanical equipment; and (iii) construction of site facilities and infrastructure, including material quarries, borrow pits, workers' camp, office and living facilities, hydrological and water quality measuring stations, water and sanitation facilities, and roads within the site, as well as environmental management and mitigation measures relating directly to construction activities.

(b) Access Road and Bridges

Construction of an access road and bridges including: (i) construction of an approximately 20.4 kilometers of access road between Co Luong Village and the dam site; and (ii) construction of bridges on the access road between Co Luong Village and the dam site, as well as environmental management and mitigation measures relating directly to construction activities.

(c) Power Supply Lines

Extension of an existing 35 kilovolt power line from its termination at Co Me Village to the dam construction site, and upgrading of the supply as load demand grows, as well as construction of substations.

(d) Project Management

Provision of support for the implementation of the above activities, including the acquisition of services and support for design, supervision and management, quality assurance, and environmental monitoring, including independent environmental and social monitoring.

2. **Transmission Line**

Construction of a double circuit 220 kilovolt power line to transmit the power generated from the Trung Son Hydropower Plant to the national power grid connection point in Tan Lac District, including construction of transmission lines; acquisition and installation of equipment, including towers, insulators, conductors, optical ground wire and accessories, as well as carrying of an independent environmental and social monitoring of these activities.

3. **Social and Environmental Impact Management**

(a) Resettlement, Livelihoods and Ethnic Minorities Development

Provision of support for the implementation of the RLDP, including resettlement, rehabilitation, compensation and livelihoods development measures that will improve, or at least maintain, the living standards and income earning capacity of people impacted by the Project, including ethnic minorities (excluding land acquisition and resettlement and rehabilitation payments to Affected Persons).

(b) Health Support

Provision of support for the implementation of the first phase of the PHAP, including upgrading and construction of public health infrastructure, as well as the provision of training, monitoring and surveillance.

(c) Environment Management

Provision of support for the management of biodiversity, protected areas, and physical cultural resources; carrying out of studies on water quality, maintaining a part of the Ma River intact, and cumulative environment impacts in the river basin; and provision of training and capacity building.

## 4. Capacity Development and Scale-Up

Provision of support to strengthen capacity to bring hydropower projects up to international standards, including carrying out of studies on planning and implementation for social development, environment and health management, basin management plans integrated with other water uses, studies of cumulative impacts of projects, consideration of alternatives and mitigation measures, hydrology and dam safety, project preparation and management, and preparation of financial and economic documents.

## SCHEDULE 2

## Project Execution

### Section I. Implementation Arrangements

### A. Subsidiary Agreement

1. To facilitate the carrying out of each Project Implementing Entity's Respective Part of the Project, the Borrower shall make part of the proceeds of the Loan available to each Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Borrower and the respective Project Implementing Entity, under terms and conditions acceptable to the Bank, which shall include the following:

   (a) the principal amount of the Loan made available under the Subsidiary Agreement ("Subsidiary Loan") shall be denominated and repayable in Dollar (determined as of the date or respective dates of withdrawal from the Loan Account);

   (b) interest shall be charged on the principal amount withdrawn and outstanding from time to time at a rate not less than the rate of interest applicable from time to time to the Loan pursuant to Section 2.04 of the Loan Agreement, plus an on-lending fee to be determined from time to time pursuant the Borrower's regulations;

   (c) the principal amount of the Loan (including the proportionate amount of the fee paid pursuant to Section 2.03 of the Loan Agreement and any caps and collars) shall be repayable over a period not exceeding twenty-two (22) years from the date of the Subsidiary Agreement, inclusive of a grace period not exceeding six (6) years;

   (d) ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;

   (e) ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Project Operations Manual, and, except as the Bank shall otherwise agree in writing, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof; and

   (f) ensure that each contract for civil works required for its Respective Part of the Project and to be financed out of the proceeds of the Loan shall include the obligation of the respective contractor to implement, and

monitor and evaluate the RPF, RAP, EMP, RLDP, AR-EMP, AR-RAP, TL-EMF, TL-EMP, TL-RPF, TL-RP, TL-EMPF, or TL-EMDP, as the case may be.

2. The Borrower shall exercise its rights under each 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 in writing, the Borrower shall not assign, amend, abrogate or waive any of the Subsidiary Agreements or any of their respective provisions.

**B. Anti-Corruption**

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

**C. Safeguards**

1. The Borrower shall take, and shall cause the Project Provinces to take, all measures necessary to comply with, or all measures necessary to enable the Project Implementing Entities to comply with, the provisions of Section I.D. of the Schedule to the Project Agreement.

2. The Borrower shall ensure that each contract for civil works required for the Project and to be financed out of the proceeds of the Loan shall include the obligation of the respective contractor to implement and monitor and evaluate the RPF, RAP, EMP, RLDP, AR-EMP, AR-RAP, TL-EMF, TL-EMP, TL-RPF, TL-RP, TL-EMPF, or TL-EMDP, as the case may be.

**Section II. <u>Project Monitoring Reporting and Evaluation</u>**

**A. Project Reports**

The Borrower shall monitor and evaluate the progress of the Project and shall cause the Project Implementing Entities to prepare Project Reports for their Respective Part of the Project in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one (1) calendar semester, and the Borrower shall consolidate all the Project Reports received from the Project Implementing Entities into one (1) single Project Report that 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 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 each Project Implementing Entity 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 its Respective Part of the Project covering the quarter, in from and substance satisfactory to the Bank.

3. The Borrower shall cause each Project Implementing Entity to 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 (1) 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 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. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

| Procurement Method | |
|---|---|
| (a) | National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2 |
| (b) | Shopping |
| (c) | Direct Contracting |
| (d) | Community Participation in Procurement |

## C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services 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) | Quality Based Selection |
| (b) | Selection Based on Consultants' Qualification |
| (c) | Selection of Individual Consultants |
| (d) | Single Source Selection |

## D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. 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 USD)** | **Percentage of Expenditures to be financed (inclusive of Taxes)** |
|---|---|---|
| (1) Eligible Expenditures under Parts 1 and 3 of the Project | 302,225,000 | 100% |
| (2) Eligible Expenditures under Part 2 of the Project | 23,950,000 | 100% |
| (3) Eligible Expenditures under Part 4 of the Project | 3,000,000 | 100% |
| (4) Front-end Fee | 825,000 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| **TOTAL AMOUNT** | **330,000,000** | |

3. For purposes of the above table in paragraph 2 of this Section IV.A:

(a) The term "Eligible Expenditures under Parts 1and 3 of the Project" means expenditures incurred under Part 1 of the Project for the reasonable costs of: (i) consultants' services; (ii) goods; (iii) civil works; and (iv) training and workshops.

(b) The term "Eligible Expenditures under Part 2 of the Project" means expenditures incurred under Part 2 of the Project for the reasonable costs of: (i) consultants' services; (ii) goods; and (iii) civil works.

(c) The term "Eligible Expenditures under Part 4 of the Project" means expenditures incurred under Part 4 of the Project for the reasonable costs of: (i) consultants' services; (ii) goods; and (iii) training and workshops.

(d) In all cases, the term "Eligible Expenditures" excludes salaries, fees, honoraria, bonuses and salary supplements of civil servants and staff of the Project Implementing Entities.

4. The term "training and workshops" referred to above means the reasonable costs of expenditure incurred by the TSHPCO, based on annual budgets approved by the Bank, in facilitating and conducting training and workshop activities under the Project, including costs of training or workshop materials, equipment and venue rental, and per diem and transportation for those attending the training or workshop.

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $20,000,000 equivalent may be made for payments made prior to this date but on or after March 1, 2011 for Eligible Expenditures.

2. The Closing Date is December 31, 2017.

## ANNEX to SCHEDULE 2

## National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in Article 18 on *Open Bidding of the Law on Procurement 61/2005/QH11* dated November 29, 2005, Law 38/2009/QH12 dated June 19, 2009 on Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, and *Decree 85/2009/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated October 15, 2009 (collectively, "National Procurement Laws") with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006 and May 2010 (the "Guidelines") and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

1. The eligibility of bidders shall be as defined under Section I of the Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation, nor shall foreign bidders be asked or required to form joint ventures with national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

2. In addition to the foregoing requirements, equitized Government-owned enterprises in which the Borrower holds less than fifty percent of the shares are eligible to participate, *provided that* the procuring entity or investment owner does not own shares (or represent the Government's shares) in the enterprise and the governing Board and management team are autonomous from the procuring entity and the investment owner. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

3. Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to

be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

4. Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing a minimum of thirty (30) days, from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Borrower is encouraged to advertise in the Government Public Procurement Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard Bidding Documents, acceptable to the Bank, shall be used.

Qualification Criteria

6. Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merits points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.

Bid Submission, Bid Opening and Bid Evaluation

7. Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened.

(a) Bidding documents shall be sold to anyone who is willing to pay the required fee of the bidding documents which shall not exceed the costs of printing, reproduction and delivery, and no other conditions shall be imposed on the sale of the bidding documents.

(b) Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.

(c) A contract shall be awarded to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(e) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Bank's prior agreement.

(f) A copy of the minutes of the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Bank with respect to contracts subject to prior review.

Rejection of All Bids and Re-bidding

8 All bids shall not be rejected or new bids solicited without the Bank's prior written agreement.

Complaints by Bidders and Handling of Complaints

9. The Borrower shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

Fraud and Corruption

10. The Bank shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Bank, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Bank.

Right to Inspect/Audit

11. Each bidding document and contract financed from the proceeds of a loan shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Bank. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

License

12. Foreign contractors shall be given a reasonable opportunity to apply for and obtain work license, which shall not be arbitrarily withheld.

Publication of the Award of Contract

13. The Borrower shall publish the following information on contract award in the Government Public Procurement Newspaper or on a free and open access website or on another means of publication acceptable to the Bank: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract awarded. This publication shall be updated regularly.

## SCHEDULE 3

### Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each March 15 and September 15, the first installment to be payable on the thirteenth ($13^{th}$) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the forty-fourth ($44^{th}$) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-thirty two (1/32) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after March 15, 2039, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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 (1) Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.

## APPENDIX

### Section I. Definitions

1. "Access Road Environmental Management Plan" or "AR-EMP" means the plan, acceptable to the Bank, dated November 16, 2008 adopted by TSHPCO through its Letter Number 1 dated March 17, 2011 and referred to in paragraph 4(a) of Section I.D of the Schedule to the Project Agreement, which sets forth the environmental protection measures in respect of Part 1(b) of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said AR-EMP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

2. "Access Road Resettlement Action Plan" or "AR-RAP" means the action plan, acceptable to the Bank, adopted by TSHPCO through its Letter Number dated March 17, 2011 and referred to in paragraph 4(b) of Section I.D of the Schedule to the Project Agreement which sets forth measures, in respect of Part 1(b) of the Project, for land acquisition, resettlement, compensation, and rehabilitation of Affected Persons, and measures designed to ensure meaningful consultation with and informed participation of ethnic minority communities in Project activities, and Project benefits for said communities which are culturally appropriate and socially inclusive, as said AR-RAP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

3. "Affected Persons" means persons who, on account of implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

4. "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 and revised in January 2011.

5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. "Co Luong Village" means the village in Mai Chau District of the Borrower's Hoa Binh Province.

7. "Co Me Village" means the village in Quan Hoa District of the Borrower's Thanh Hoa Province.

8. "Construction Supervision and Quality Assurance Plan" means the plan, acceptable to the Bank, adopted by TSHPCO through its Letter Number 1 dated March 17, 2011, and referred to in paragraph 10(g) of Section I.D of the Schedule to the Project Agreement, which sets forth measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the construction of or work on the TSHP, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

9. "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 and May 2010.

10. "Dam Safety Plans" means, collectively, the: (a) Construction Supervision and Quality Assurance Plan; (b) Emergency Preparedness Plan; (c) Instrumentation Plan; and (d) Operation and Maintenance Plan.

11. "Emergency Preparedness Plan" means, collectively: (a) the framework plan and estimate of funds, acceptable to the Bank, adopted by TSHPCO through its Letter Number 1 dated March 17, 2011, and referred to in paragraph 10(j) of Section I.D of the Schedule to the Project Agreement; and (b) the plan, acceptable to the Bank, to be prepared by TSPHCO pursuant to paragraph 10(j) of Section I.D of the Schedule to the Project Agreement, which sets forth measures, including clear statements on the responsibility for dam operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, in the event dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to TSHP, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

12. "Environmental Management Plan" or "EMP" means the plan, acceptable to the Bank, adopted by TSHPCO through its Letter Number 1, dated March 17, 2011, and referred to in paragraph 2 of Section I.D of the Schedule to the Project Agreement, which sets forth the specific actions, measures and policies designed to maximize the benefit of Parts1 (other than Part 1(b)) and 3 of the Project, as well as eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures

and policies, as said EMP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

13. "Environmental and Social Panel of Experts" or "ESPOE" means the independent panel of experts established pursuant to Decision Numbers 102/QĐ-ATĐTS-P2 dated May 21, 2008; 116/QĐ- ATĐTS- P2 dated June 20th 2008; and No. 201/QĐ-ATĐTS-P2 dated December 31, 2008, both of Decision Trung Son Hydropower Project Management Board under EVN, and referred to in paragraph 9 (a) of Section I.D of the Schedule to the Project Agreement, as said panel may be reconstituted from time to time with the prior written agreement of the Bank under terms of reference and with experts whose qualifications and experience are acceptable to the Bank.

14. "Ethnic Minorities Development Plan" or "EMDP" means the plan included as a part of the RLDP referred to in paragraph 3(b) of Section I.D of the Schedule to the Project Agreement, which sets forth measures, in respect of Parts 1 (other than Part 1(b)) and 3 of the Project, designed to ensure that ethnic minority communities affected by said Parts 1 (other than Part 1(b)) and 3 of the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

15. "EVN's Charter" means the Charter of EVN issued under Decree 14/CP of the Government of the Socialist Republic of Vietnam, dated January 27, 1995, as revised to the date hereof.

16. "Financial Improvement Plan" means NPT's plan, dated December 1, 2010, acceptable to the Bank, and referred to in paragraph 7 of Section II.B of the Schedule to the Project Agreement, setting forth a time-bound action plan for purposes of improvement of NPT's financial performance, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

17. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

18. "Governance and Accountability Framework" or "GAF" means the framework document adopted by TSHPCO's Letter Number 1 dated March 17, 2011, and referred to in paragraph 2 of Section I.C of the Schedule to the Project Agreement, which sets forth measures developed to reinforce Project governance, enhance transparency of Project activities, increase public

accountability, and reduce opportunities for corruption, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

19. "Hoa Binh Province" means the administrative area under this name established in accordance with the Borrower's constitution and laws, or any successor thereto.

20. "Instrumentation Plan" means the plan, acceptable to the ESPOE and the Bank, to be prepared pursuant to paragraph 10(h) of Section I.D of the Schedule to the Project Agreement, which sets forth detailed measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to TSHP, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

21. "Ma River" means the river bearing this name in the northern mountains region of the Borrower's territory.

22. "MOF" means the Recipient's Ministry of Finance or any successor thereto.

23. "National Power Transmission Corporation" or "NPT" means the corporation established and operating pursuant to EVN's Decision Numbers 223/QD-EVN dated April 11, 2008 and 510/QD-EVN dated August 28, 2008, and operating under NPT's Charter, responsible for ensuring safe, continuous and stable power transmission in Vietnam, or any successor thereto.

24. "Northern Vietnam Power Projects Management Board" or "NPPMB" means the department within NPT referred to in paragraph 4 of Section I.A of the Schedule to the Project Agreement responsible for management, coordination, and implementation of NPT's Respective Part of the Project.

25. "NPT's Charter" means the Charter of NPT issued under EVN's Decision Number 510/QD-EVN dated August 28, 2008, as revised to the date hereof.

26. "NPT's Respective Part of the Project" means Part 2 of the Project to be implemented by NPT in accordance with this Agreement and the Project Agreement.

27. "Operation and Maintenance Plan" means the plan, acceptable to the Bank, to be prepared by TSHPCO pursuant to paragraph 10(i) of Section I.D of the Schedule to the Project Agreement, which sets forth measures, including organizational structure, staffing, technical expertise, and training required, equipment and facilities needed, operation and maintenance procedures and funding arrangements, including long-term maintenance and safety inspections, for the

operation and maintenance of TSHP, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

28. "Power Purchase Agreement" or "PPA" means the agreement to be entered into between EVN and TSHPCO and referred to in paragraph 6 of Section I.A of the Schedule to the Project Agreement, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such agreement.

29. "Prime Minister" means the Prime Minister of the Socialist Republic of Vietnam, the highest ranking official in the executive branch of the Borrower's government.

30. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006 and May 2010.

31. "Procurement Plan" means the Borrower's procurement plan for the Project, dated January 11, 2011 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.

32. "Project Implementation Plan" means the plan, acceptable to the Bank, under the POM setting forth main Project implementation milestones and sequencing the implementation of Project activities, as the same may be updated from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

33. "Project Implementing Entity" means TSHPCO or NPT, and "Project Implementation Entities" means, collectively, TSHPCO and NPT.

34. "Project Operations Manual" or "POM" means the document, acceptable to the Bank, adopted by TSHPCO's Letter Number 1 dated March 17, 2011, and referred to in paragraph 1(a) of Section I.B of the Schedule to the Project Agreement, which sets forth guidelines, policies and procedures for the implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such manual.

35. "Project Provinces" means, collectively, Hoa Binh Province, Son La Province, and Thanh Hoa Province.

36. "Project Technical Advisory Panel" or "PTAP" means the independent panel of experts, satisfactory to the Bank, established pursuant to EVN's Decision

Number 6334/QĐ-EVN dated April 14, 2008 and referred to in paragraph 10(a) of Section I.D of the Schedule to the Project Agreement, as said panel may be reconstituted from time to time with the prior written agreement of the Bank under terms of reference and with experts whose qualifications and experience are acceptable to the Bank.

37. "Public Health Action Plan" or "PHAP" means the plan of actions included in the Health Impact Assessment of Trung Son Hydropower Project dated December 8, 2010 adopted by TSHPCO's Letter Number 1 dated March 17, 2011 setting forth actions and measures to address public health aspects of the Project, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

38. "Resettlement, Livelihoods and Ethnic Minorities Development Program" or "RLDP" means the program document dated adopted by TSHPCO through its Letter Number 1 dated March 17, 2011 containing, among other aspects, the RP and EMDP, and referred to in paragraph 3 of Section I.D of the Schedule to the Project Agreement, which sets forth measures, in respect of Parts 1 (other than Part 1 (b)) and 3 of the Project, for land acquisition, resettlement, compensation, and rehabilitation of Affected Persons, and measures designed to ensure that ethnic minority communities affected by said Parts 1 (other than Part 1(b)) and 3 of the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said RLDP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such program.

39. "Resettlement Action Plan" or "RAP" means a resettlement plan referred to in paragraph 1(b) of Section I.D of the Schedule to the Project Agreement to be prepared by a Project Implementing Entity which sets forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Affected Persons in accordance with the guidelines and procedures set forth in RPF, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

40. "Resettlement Plan" or "RP" means the resettlement plan included as a part of the RLDP and referred to in paragraph 3(a) of Section I.D of the Schedule to the Project Agreement which sets forth measures, in respect of Part 1 (other than Part 1 (b)) and 3 of the Project, for land acquisition, resettlement, compensation, and rehabilitation of Affected Persons, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

41. "Resettlement Policy Framework" or "RPF" means the policy framework, agreed with the Bank, for resettlement and land acquisition, approved by the Borrower's Prime Minister Decision Number 442/ TTg-KTN dated March 27, 2009 and referred to in paragraph 1 (b) of Section I.D of the Schedule to the Project Agreement, and setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, to carry out the acquisition of land and related assets under the Project and compensation, resettlement, and rehabilitation of Affected Persons, and the preparation of RAPs during the implementation of the Project, as said RPF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

42. "Son La Province" means the provincial administrative area under this name established in accordance with the Borrower's constitution and laws, and any successor thereto.

43. "Subsidiary Agreement" means each agreement referred to in Section 4.01 and Section I.A.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make a part of the proceeds of the Loan available to a Project Implementing Entity, as said Agreement may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such agreement.

44. "Tan Lac District" means the district administrative area under this name established within Hoa Binh Province in accordance with the Borrower's law, or any successor thereto.

45. "Task Force" means the advisory group, satisfactory to the Bank, established within EVN pursuant to its Decision Number 187/QD-EVN dated March 4, 2011 and referred to in paragraph 3 of Section I.A of the Schedule to the Project Agreement for purposes of providing facilitation support to TSHPCO, as said advisory group may be reconstituted from time to time with the prior written agreement of the Bank under terms of reference and with members whose qualifications and experience are acceptable to the Bank.

46. "Thanh Hoa Province" means the provincial administrative area under this name established in accordance with the Borrower's constitution and laws, or any successor thereto.

47. "Transmission Line Ethnic Minorities Planning Framework" or "TL-EMPF" means the framework, acceptable to the Bank, adopted by NPT through it Decision Number 5376/EVN-KHCN&MT+DT dated December 28, 2010, and referred to in paragraph 6(e) of Section I.D of the Schedule to the Project Agreement, which sets forth the policies and procedures, in respect of Part 2 of the Project, to ensure that ethnic minority communities affected by said Part 2 of

the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as said TL-EMDF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

48. "Transmission Line Ethnic Minorities Development Plan" or "TL-EMDP" means a plan, acceptable to the Bank, to be developed by NPT, and referred to in paragraph 6(e) of Section I.D of the Schedule to the Project Agreement, which sets forth measures, in respect of Part 2 of the Project, designed to ensure that ethnic minority communities affected by said Part 2 of the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said TL-EMDP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

49. "Transmission Line Environmental Management Framework" or "TL-EMF" means the framework, acceptable to the Bank, adopted by NPT through its Decision 5376/EVN-KHCN&MT+DT dated December 28, 2010 and referred to in the paragraph 6(a) of Section I.D of the Schedule to the Project Agreement, which sets forth the environmental protection measures in respect of Part 2 of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said framework, as said TL-EMF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

50. "Transmission Line Environmental Management Plan" or "TL-EMP" means a plan, acceptable to the Bank, to be developed and adopted by NPT, and referred to in the paragraph 6(a) of Section I.D of the Schedule to the Project Agreement, which sets forth the specific actions, measures and policies designed to maximize the benefit of Part 2 of the Project, as well as eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said TL-EMP may be revised from time to time with the prior agreement of the Bank, and such term includes any annexes or schedules to such plan.

51. "Transmission Line Resettlement Plan" or "TL-RP" means a plan, acceptable to the Bank, to be developed and adopted by NPT, and referred to in the paragraph 6(c) of Section I.D of the Schedule to the Project Agreement, which sets forth principles and procedures governing the acquisition of land and related assets, and the resettlement, compensation, resettlement and rehabilitation of Affected Persons in respect of Part 2 of the Project, as said TL-RAP may be revised from

time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

52. "Transmission Line Resettlement Policy Framework" or "TL-RPF" means the policy framework for resettlement and land acquisition, acceptable to the Bank, approved by the Borrower's Prime Minister Decision Number 1856/ TTg- KTN dated October 15, 2010 and referred to in paragraph 6(c) of Section I.D of the Schedule to the Project Agreement, which sets forth policies and procedures for land acquisition, compensation, resettlement and rehabilitation of Affected Persons in respect of Part 2 of the Project, and the preparation of a TL-RAP during the implementation of Part 2 of the Project, as said TL-RPF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

53. "Trung Son Hydropower Company Limited" or "TSHPCO" means the company established and operating pursuant to EVN's Decision Number 130/QD-EVN dated March 17, 2011, and TSHPCO's Charter, responsible for developing, operating and maintaining TSHP, or any successor thereto.

54. "Trung Son Hydropower Plant" or "TSHP" means the hydropower plant to be constructed under Part 1 of the Project on the Ma River near Co Me Village with an installed capacity of 260 megawatts and comprising a dam 84.5 meters high and 513 meters long at the crest, spillways, gates and related electrical generation facilities, and also including intake structure, forebay, penstocks, turbines and generators, turbine and control buildings, discharge canal, electrical switchyard, and emergency fuse-gate and spillway.

55. "TSHPCO's Charter" means the Charter of TSHPCO issued under EVN's Decision Number 130/QDD-EVN dated March 17, 2011, as revised to the date hereof.

56. "TSHPCO's Respective Part of the Project" means, collectively, Parts 1, 3, and 4 of the Project to be implemented by TSHPCO in accordance with this Agreement and the Project Agreement.

57. "Vietnam Dong" means the lawful currency of the Borrower.

58. "Vietnam Electricity" or "EVN" means an enterprise established and operating pursuant to Decision No. 562/QĐ-TTg dated October 10, 1994, Decision No. 148/2006/QĐ-TTg dated June 22, 2006, and Decision No. 163/QD-TTg dated October 22, 2007, all of the Recipient's Prime Minister, and pursuant to EVN's Charter, responsible for developing, operating and maintaining, directly or indirectly, facilities for the generation, transmission and, in part, distribution of electricity in the Borrower's territory, or any successor thereto.

**Section II. Modification to the General Conditions**

The modification to the General Conditions is as follows, namely, paragraph (a) of Section 2.05 is modified to read as follows:

"Section 2.05 Eligible Expenditure

(a) the payment is for the financing of the reasonable cost of goods, works, services, training and workshops, required for the Project, and to be financed out of the proceeds of the Loan and procured, all in accordance with the provisions of the Loan Agreement;"