LOAN NUMBER 3363-VIE
(Additional to Loan Number 2741-VIE)

LOAN AGREEMENT
(Ordinary Operations)

(Ha Noi Metro Rail System Project (Line 3: Nhon – Ha Noi Station Section)
– Additional Financing)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 8 NOVEMBER 2016

VIE 40080

LOAN AGREEMENT
(Ordinary Operations)

LOAN AGREEMENT dated 8 November 2016 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement dated 13 October 2011 between the Borrower and ADB ("Original Loan Agreement"), ADB agreed to provide a loan to the Borrower from ADB's ordinary capital resources in an amount of two hundred ninety-three million Dollars ($293,000,000) ("Original Loan") for the purposes of the project described in Schedule 1 to the Original Loan Agreement ("Original Project");

(B) by an agreement herewith entered into between the Borrower and ADB ("Special Operations Loan Agreement"), ADB has agreed to provide the Borrower an additional loan from ADB's Special Funds resources in various currencies equivalent to four million one hundred seven thousand Special Drawing Rights (SDR4,107,000) ("Special Operations Loan") for the purposes of the project described in Schedule 1 to the Special Operations Loan Agreement;

(C) the Borrower has applied to ADB for an additional loan for the purposes of the project described in Schedule 1 to this Loan Agreement ("Project");

(D) the Borrower has also applied to the Clean Technology Fund ("CTF") for an additional loan ("CTF Loan") in an amount not exceeding the equivalent of fifty million Dollars ($50,000,000) to be administered by ADB and upon the terms and conditions set forth in a loan agreement of even date herewith between the Borrower and ADB ("CTF Loan Agreement") for the purposes of the Project;

(E) the Project will be carried out by Ha Noi People's Committee ("HPC"), and for this purpose the Borrower will make available to HPC the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB;

(F) the Borrower has also applied to European Investment Bank ("EIB") for, and EIB approved, a loan not exceeding seventy million Euros (€70,000,000) to finance a portion of the Project ("EIB Loan") upon terms and conditions to be set forth in the loan agreement between the Borrower and EIB;

(G) the Borrower also applied to Direction Générale du Trésor ("DGT") for, and DGT approved, loans not exceeding eighty-five million Euros (€85,000,000) to finance a portion of the Project ("DGT Loan") upon terms and conditions set forth in the loan agreements between the Borrower and DGT;

(H) the Borrower also applied to Agence Française de Développement ("AFD") for, and AFD approved, loans not exceeding sixty-nine million Euros (€69,000,000) to finance a portion of the Project ("AFD Loan") upon terms and conditions set forth in the loan agreements between the Borrower and AFD; and

(l) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and HPC ("Project Agreement");

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB's Ordinary Capital Resources, dated 1 July 2001 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 3.03 is deleted and the following is substituted therefor:

> **Commitment Charge; Credit.** (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.
>
> (b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the credit against the interest payable by the Borrower.

(b) Section 3.06 is deleted and the following is substituted therefor:

> **Rebate.** (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.
>
> (b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the

Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

(c) Section 3.07 is deleted and the following is substituted therefor:

Surcharge. (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations, the Original 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 Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

(b) "FMSAP" means financial management and sustainability action plan to be prepared for the Project;

(c) "GAP" means the gender action plan dated 12 August 2010 prepared for the Original Project, including any update thereto for the Project, and agreed to between HPC and ADB;

(d) "IA" or "Project Implementing Agency" means MRB responsible for implementation of the Project as described in the PAM;

(e) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2015, as amended from time to time);

(f) "MRB" means Ha Noi Metropolitan Railway Management Board established within HPC and previously known as Ha Noi Metropolitan Rail Transport Project Board (HRB);

(g) "PAM" means the Project administration manual for the Project dated 22 October 2015 and agreed between HPC and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(h) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);

(i) "Procurement Plan" means the procurement plan for the Project dated 22 October 2015 and agreed between HPC and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(j) "Subsidiary Loan Agreement" means each agreement between the Borrower and HPC, satisfactory to ADB, referred to in Sections 3.01(a) of this Loan Agreement and the CTF Loan Agreement; and

(k) "Works" means construction or civil works to be financed out of the proceeds of the Loan and the CTF Loan, including services such as drilling or mapping, all Project related civil, structural, building services, architectural/builders work and all necessary utility 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 lend to the Borrower from ADB's ordinary capital resources an amount of fifty-nine million Dollars ($59,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(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 2 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) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations.

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 1 June and 1 December 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 2 to this Loan Agreement.

Section 2.06. (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, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;

(ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and

(iii) the setting of limits on the Floating 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 said Floating Rate.

(b) Any conversion requested pursuant to subsection (a) hereinabove that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(6) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall onlend the proceeds of the Loan to HPC under a Subsidiary Loan Agreement upon terms and conditions satisfactory to ADB.

(b) The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of the Original Loan Agreement, this Loan Agreement and the Project Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 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 this 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 Project.

Section 3.05. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 December 2019 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 Original Loan Agreement and Schedule 5 to this Loan 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 HPC 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.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 9.01(l) of the Loan Regulations:

(a) if the Original Loan, Special Operations Loan, and/or the CTF Loan shall have become liable for suspension or cancellation or shall have become repayable prior to their agreed maturity date;

(b) the Borrower shall have failed to perform one or more of its obligations under the (i) Original Loan Agreement; (ii) the Special Operations Loan Agreement; and/or (iii) the CTF Loan Agreement; and

(c) if the EIB Loan, the DGT Loan, or the AFD Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations: any of the events specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 10.01(f) of the Loan Regulations:

(a) the Special Operations Loan Agreement shall have been duly executed and delivered on behalf of the Borrower; and

(b) the CTF Loan Agreement shall have been duly executed and delivered on behalf of the Borrower.

Section 6.02. The following is specified as an additional matter for the purposes of Section 10.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: the matters specified in Section 6.01 of this Loan Agreement shall have been satisfied.

Section 6.03. 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 10.04 of the Loan Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The State Bank of Viet Nam of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

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

Facsimile Numbers:

(844) 38250-612
(844) 38258-385.

For ADB

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

Facsimile Numbers:

(632) 636-2015.

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 _____

LE MINH HUNG
Governor
State Bank of Viet Nam

ASIAN DEVELOPMENT BANK

By _____

ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is competitive metro rail services along the Project corridor through improved public transport systems in the Project Districts.

2. The Project shall support cost increase of Works as per component 1 of the Original Project described in paragraph 2 of Schedule 1 to the Original Loan Agreement.

3. The Project is expected to be completed by 30 June 2019.

SCHEDULE 2

Amortization Schedule

(Ha Noi Metro Rail System Project (Line 3: Nhon – Ha Noi Station Section) - Additional Financing)

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, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Payment Due	Installment Share (Expressed as a %)
1 June 2021	1.505144
1 December 2021	1.580401
1 June 2022	1.659421
1 December 2022	1.742392
1 June 2023	1.829512
1 December 2023	1.920988
1 June 2024	2.017037
1 December 2024	2.117889
1 June 2025	2.223783
1 December 2025	2.334972
1 June 2026	2.451721
1 December 2026	2.574307
1 June 2027	2.703022
1 December 2027	2.838174
1 June 2028	2.980082
1 December 2028	3.129086
1 June 2029	3.285541
1 December 2029	3.449818
1 June 2030	3.622309
1 December 2030	3.803424
1 June 2031	3.993595
1 December 2031	4.193275
1 June 2032	4.402939
1 December 2032	4.623086
1 June 2033	4.854240
1 December 2033	5.096952

Schedule 2

Payment Due	Installment Share (Expressed as a %)
1 June 2034	5.351799
1 December 2034	5.619389
1 June 2035	5.900359
1 December 2035	6.195343
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, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

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.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be 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.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table).

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Interest and Commitment Charges

3. The amount allocated to Category 2 is for financing interest and commitment charges on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest and commitment charges.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

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

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

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Ha Noi Metro Rail System Project (Line 3: Nhon – Ha Noi Station Section) - Additional Financing)			
Number	**Item**	**Total Amount Allocated for ADB Financing ($) Category**	**Basis for Withdrawal from the Loan Account**
1	Works	37,300,000	100% of total expenditure claimed*
2	Interest and Commitment Charges during Construction	1,900,000	100% of amounts due
3	Unallocated	19,800,000	
	Total	**59,000,000**	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4

Procurement of Goods and Works

General

1. The procurement of Goods and Works shall be subject to and governed by the Procurement Guidelines.

2. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines, as applicable.

Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of International Competitive Bidding method of procurement.

4. The method of procurement is subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the method of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Domestic Preference

5. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods.

Condition for Award of Contract

6. The Borrower shall cause HPC not to award any Works contract which involves involuntary resettlement impacts, until HPC has updated the RP and submitted to ADB the final updated RP based on the Project's detailed design, and obtained ADB's clearance of such updated RP.

Industrial or Intellectual Property Rights

7. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

8. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the

consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

ADB's Review of Procurement Decisions

9. Contracts procured under international competitive bidding procedures shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project

Implementation Arrangements

1. Save for the provisions set forth in this Schedule, the Borrower shall, or shall cause HPC to ensure that the Project is implemented in accordance with Schedule 5 to the Original Loan Agreement and the detailed arrangements set forth in the PAM. The following provisions are in addition to or replace a number of the provisions from Schedule 5 to the Original Loan Agreement with effect from the Effective Date of this Loan Agreement. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Operation and Maintenance

2. The following language shall be added to Paragraph 5 of Schedule 5 to the Original Loan Agreement:

The Borrower shall further cause HPC to ensure that the operating subsidy for the Project is provided in a timely manner and is sufficient to maintain financial sustainability, including to cover operation and maintenance costs and to cover debt service for the Project.

Financial Performance

3. The following new paragraphs shall be added to Schedule 5 to the Original Loan Agreement:

(i) The Borrower shall cause HPC to make the funds available for servicing its debt obligations.

(ii) The Borrower shall through HPC cause MRB to ensure that (a) 6 months after the Effective Date, it prepares and submits to ADB (i) the annual financially sustainable investment and operations plan for the Project and baseline for planning and monitoring of investment costs, operation and maintenance costs, passenger demand forecast, cost recovery fare level, and fare and other revenues; and (ii) annual projected financial statements for the Project; and (b) 6 months prior to the Project completion date, it submits to ADB an updated baseline as referred to in sub-clause (a)(i) above.

(iii) The Borrower shall through HPC cause MRB to ensure that FMSAP is prepared, approved by all cofinanciers to the Project, including ADB, and submitted to ADB within 6 months from the Effective Date, including clear actions to mitigate risks relating to (a) poor financial management systems; (b) auditing systems delay; (c) institutional capacity constraints; (d) cost escalation; (e) funds flow coordination issues; and (f) financial sustainability issues.

Schedule 5

Safeguards

4. The following new paragraph shall be added to Schedule 5 to the Original Loan Agreement:

The Borrower shall cause HPC to ensure that (a) the Project does not have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of the SPS. In the event that the Project does have any such impact, the Borrower shall cause HPC to take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS; and (b) all covenants relating to environmental, indigenous peoples or involuntary resettlement impacts, as stated in the Original Loan Agreement, are complied with.

Governance and Anticorruption

5. The following subheads (a) and (b) shall replace sub-head (a) of paragraph 6 of Schedule 5 to the Original Loan Agreement and existing sub-heads (b) to (d) of paragraph 6 of Schedule 5 to the Original Loan Agreement shall be re-numbered as sub-heads (c) to (e)

(a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

Gender and Development

6. The following paragraph shall replace paragraph 11 of the Original Loan Agreement:

The Borrower shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets include, but not limited to: (i) employment targets for women and gender-specific core labor standards as part of all Works and other transport services employment generation; (ii) consideration of gender-inclusive physical design features to ensure accessible, safe, secure, comfortable and affordable metro system for women; and (iii) mitigation of gender-related impacts of resettlement and Work's social risks, such as the risk of HIV/AIDS and sexually transmitted infections, human trafficking during Works and violation of the labor standards.

Labor Standards, Health and Safety

8. The following paragraphs shall replace paragraph 13 of the Original Loan Agreement:

(i) The Borrower shall cause HPC to ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with

during the Project implementation. The Borrower shall cause HPC to include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; and (e) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.

(ii) The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 3 above and provide ADB with regular reports.