ARRANGEMENT
BETWEEN
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM
AND
THE GOVERNMENT OF JAPAN
ON
COOPERATION IN CONSTRUCTION OF NINH THUAN 2 NUCLEAR POWER PLANT PROJECT IN THE SOCIALIST REPUBLIC OF VIET NAM

The Government of the Socialist Republic of Viet Nam and the Government of Japan (hereinafter referred to as the "**two Governments**");

Expressing their mutual interest in promoting cooperation between the two countries in the field of nuclear energy;

Recalling that, at the Viet Nam - Japan Summit Meeting on October 31, 2010, Prime Minister Nguyen Tan Dung affirmed that the Government of the Socialist Republic of Viet Nam decided to select Japan as the cooperation partner of the project of constructing and operating two reactors at the second nuclear power plant site in Ninh Thuan Province in the Socialist Republic of Viet Nam;

Confirming that cooperation between the two countries in the field of the peaceful uses of nuclear energy including the project will be undertaken in accordance with the Agreement between the Government of the Socialist Republic of Viet Nam and Government of Japan the for Cooperation in the Development and Peaceful Uses of Nuclear Energy signed on January 20, 2011(hereinafter referred to as the "**Agreement**"), which will enter into force after the completion of their respective necessary internal procedures; and

Committing further to enhance nuclear safety by sharing the experience and lessons learned from the recent accident in Japan on the basis of thorough investigation of the causes of the accident conducted by the Government of Japan;

HAVE decided as follows:

ITEM I: COOPERATION UNDER THIS ARRANGEMENT

1. The two Governments will cooperate with each other, to the extent possible and where appropriate, subject to the laws and regulations in force in the respective countries, for the purpose of facilitating the smooth

implementation of Ninh Thuan 2 Nuclear Power Plant Project (hereinafter referred to as the "**Project**", whose outline is attached as an integral part of this Arrangement), which is to be conducted by the entities of the two countries referred to in the Attachment (hereinafter referred to as the "**Executing Entities**").

2. Cooperation under this Arrangement will be implemented in accordance with the Agreement, other relevant international agreements in force between the two countries and applicable laws and regulations in force in the respective countries.

ITEM II: COORDINATING AGENCIES

1. For the purpose of facilitating the smooth implementation of the Project, the two Governments have respectively designated the following Ministries as the Coordinating Agencies:

   (a) On the part of the Government of Japan, Ministry of Economy, Trade and Industry of Japan (**METI**); and

   (b) On the part of the Government of the Socialist Republic of Viet Nam, Ministry of Industry and Trade (**MOIT**).

2. If there is any change in or addition to the Coordinating Agencies of either of the Governments, the Government will so inform the other Government in a written form through diplomatic channel.

3. For the purpose of monitoring jointly the progress of the implementation of the Project and facilitating the Executing Entities to engage smoothly in their cooperative activities, a technical steering committee composed of the Coordinating Agencies may be established upon a request of either Government. Matters related to the establishment of the technical steering committee will be decided separately between the two Governments.

ITEM III: AREAS OF COOPERATION

The two Governments will, taking note of the importance of the elements of cooperation stated in paragraph 1 of this Item, coordinate the cooperation referred to in Item I of this Arrangement for a successful and smooth implementation of the Project, including the cooperation activities in the areas referred to in paragraph 2 of this Item:

1. Elements of cooperation referred to in the "Japan-Viet Nam Joint Statement on the Comprehensive Development of Strategic Partnership for Peace and Prosperity in Asia" on October 31, 2010:

(a) Provision of assistance in conducting feasibility studies for the Project (hereinafter referred to as the "**FS**");

(b) Provision of low-interest and preferential loans for the Project;

(c) Uses of the most advanced and proven technology with the highest safety standards for the Project;

(d) Technology transfer and provision of training of human resources for the Project;

(e) Cooperation in spent fuel and radioactive waste management and treatment for the Project; and

(f) Supply of nuclear fuel for the whole life of the Project.

2. Areas of Cooperation:

(a) Site investigation and evaluation, and development of Site Approval Dossier and the FS of the Project;

(b) Design, construction, commissioning and operation of Ninh Thuan 2 Nuclear Power Plant in Ninh Thuan Province in the Socialist Republic of Viet Nam (hereinafter referred to as the "**NPP**");

(c) Quality assurance of all the works in all phases of the implementation of the Project;

(d) Human resources development in the fields of design, construction, operation, maintenance, management, inspection and supervision of the NPP including those related to nuclear safety;

(e) Preparation of a fuel management plan of the NPP for both short term and long term;

(f) Provision of nuclear fuel for the whole life of the NPP;

(g) Technology transfer in the field of nuclear energy in relation to the implementation of the Project;

(h) Personnel training and development of nuclear regulations including licensing and supervision of the NPP, nuclear safety, nuclear security, and emergency response;

(i) Enhancement of nuclear safety and cooperation in preparation of the security and safety plan;

(j) Development of implementing measures for physical protection and safeguards for nuclear material of the NPP;

(k) Accounting for and control of nuclear material for the NPP;

(l) Spent fuel and radioactive waste management and treatment of the NPP;

(m) Public acceptance of the NPP; and

(n) Other cooperation activities and facilities as decided by the two Governments.

ITEM IV: SITE PROVISION, LICENSING, APPROVAL AND REGULATIONS

For the purpose of facilitating the implementation of the Project and as a part of the cooperation activities referred to in Item III, the Government of the Socialist Republic of Viet Nam will:

1. Enact and implement laws and regulations on peaceful uses of nuclear energy, nuclear safety, nuclear security and nuclear liability conforming with international standards and required for the Project, including those related to permits and licenses;

2. Determine the Project site, including approving the Investment Project, permitting personnel participating in the Project to access the Project site;

3. Take all measures to establish and maintain favorable environment for the implementation of the Project, including promoting public awareness regarding the use of nuclear energy;

4. Conduct licensing and inspection process and Quality Assurance and Quality Control (hereinafter referred to as the "**QA/QC**");

5. Grant the Executing Entities necessary licenses and permits for the Project;

6. Complete the environmental impact assessment for the Project;

7. Ensure nuclear safety of the NPP as a whole by taking appropriate measures;

8. Ensure nuclear security of the Project site by developing and implementing programs and measures for physical protection of the NPP;

9. Provide support for timely delivery of the equipment for the NPP such as approval of related documents, import license, custom clearance and tax-related arrangements;

10. Supervise Vietnamese Executing Entity which is to operate the NPP, including conducting regular inspection of the NPP and requiring Vietnamese Executing Entity to submit necessary reports;

11. Assign and manage a sufficient number of qualified personnel in the Government as well as the Vietnamese Executing Entity necessary for the implementation of the Project, by taking such measures as providing adequate treatment or incentive;

12. Develop and secure nuclear fuel supply chain necessary for the operation of the NPP;

13. Take appropriate measures regarding storage, transportation, processing and disposal of spent fuel and radioactive waste related to the NPP; and

14. Inspect and supervise the compliance of the NPP construction requirements with necessary cooperation from the Japanese side. In the meantime, the Vietnam side will, independently or with a third party consultant, implement supervision and inspection activities of the observation of the NPP construction requirements.

ITEM V: FEASIBLITY STUDY

The Government of Japan will fully provide financial support to Japan Atomic Power Company (hereinafter referred to as the "**JAPC**") in conducting the FS and Site Approval Dossier and supervise the performance of the JAPC by reflecting on the discussion at the technical steering committee.

ITEM VI: HUMAN RESOURCE DEVELOPMENT

For the purpose of facilitating the smooth implementation of the Project, and as a part of the cooperation activities referred to in Item III, the Government of Japan will support human resources development for the Vietnamese side for safe and stable operation of the NPP, by training approximately 1,000 personnel.

ITEM VII: FINANCIAL SUPPORT TO THE PROJECT

As a part of the cooperation activities referred to in paragraph 1 of Item III, the Government of Japan will take an appropriate approach and commit to the provision of a package of low interest and the most preferential loans applicable in accordance with internationally accepted principles and regulations to the Government of the Socialist Republic of Viet Nam for the purpose of full implementation of the Project.

The framework including provisional major financial elements such as amount, interest rate, grace period and repayment period of such loans will be negotiated and concurred by both sides, and set out in a separate document of financial arrangement for the Project.

ITEM VIII: MISCELLANEOUS

1. The two Governments will consult each other amicably on any matters regarding this Arrangement.

2. This Arrangement will come into operation from the date of signature. This Arrangement may be modified by mutual consent in writing of the two Governments. Either Government may terminate this Arrangement by giving 6 month's prior written notice to the other Government.

3. All necessary communication for the cooperation under this Arrangement will be done in English.

Done in Tokyo on this thirty first day of October 2011, in duplicate in the English language.

For the Government of the Socialist Republic of Viet Nam	**For the Government of Japan**
Nguyen Tan Dung	**Yoshihiko Noda**
Prime Minister	**Prime Minister**

ATTACHMENT

1. Project: Ninh Thuan 2 Nuclear Power Plant Project

1.1 Location

The site of the Project is in Vinh Hai commune, Ninh Hai district, Ninh Thuan Province, the Socialist Republic of Viet Nam.

1.2 Executing Entities

The Project will be implemented by the following Executing Entities:

(a) Executing Entity of the Vietnamese side: Vietnam Electricity (**EVN**); and

(b) Executing Entities of the Japanese side:

(1) To perform feasibility studies for the Project (hereinafter referred to as the "**FS**") with the EVN: the Japan Atomic Power Company (**JAPC**),

(2) To develop concrete cooperative activities after FS to the Project with the EVN: International Nuclear Energy Development of Japan, and

(3) To execute an EPC contract: a Japanese EPC contractor will be selected through a procedure in accordance with the laws, regulations and practices of both sides, subject to the consultation between both sides after determining the scope of works funded by each source of financing, and considering the fact that Japan was selected as a partner with regard to the Project.

If there is any change in or addition to the Executing Entities of either side, it will be so informed to the other side in a written form through the diplomatic channel.

2. Cooperation Activities

For the implementation of the Project, the following activities and allotment of expenses may be considered, where necessary, performed by the Executing Entities based upon agreements and/or MOCs which will be negotiated and concluded between Executing Entities:

2.1 Activities by the Japanese side for construction and commissioning of the NPP:

2.1.1 Site investigation and evaluation, and development of Site Approval Dossier and the FS of the Project;

2.1.2 Design, construction, and commissioning of the Project;

2.1.3 Preparation of technical design documents for the construction items of the NPP;

2.1.4 Development of safety analysis reports with consideration to safety requirements regulated by the laws and regulations in force in the respective countries, International Atomic Energy Agency's recommendations as well as the results of the environmental impact assessment for the Project;

2.1.5 Installation of the construction items of the NPP;

2.1.6 Observation of construction requirements of the NPP in all construction phases including conducting inspection as EPC contractor;

2.1.7 Preparation of QA/QC programs in all construction phases of the NPP;

2.1.8 Tests, organization and implementation of start-up activities to bring the NPP into operation;

2.1.9 Development of operation, maintenance and technical repair manuals of the NPP;

2.1.10 Supplying necessary equipment, tools and materials with sufficient quantity as required and in a timely manner as scheduled to bring the NPP into operation;

2.1.11 Provision of technical maintenance services for the supplied equipment, tools and materials including consulting services and supply of spare parts;

2.1.12 Support repair and maintenance activities of the NPP;

2.1.13 Development of the systems for monitoring and diagnosing construction process;

2.1.14 Provision of technical advice for the development of programs and measures for physical protection of the NPP;

2.1.15 Support for planning and carrying out of radiation protection measures;

2.1.16 Supply of technical devices for site protection of the NPP;

2.1.17 Support in retrofit and rehabilitation of the NPP beyond its scheduled lifetime;

2.1.18 Preparation of thermal-hydraulic calculation programs for the NPP safety analysis, including training of the personnel;

2.1.19 Technical assistance for the application for licenses;

2.1.20 Technical assistance for preparation for emergency;

2.1.21 Human resources training in the fields of design, construction, operation, maintenance, management, inspection and supervision of the NPP; and

2.1.22 Facilitation of local companies in the Socialist Republic of Viet Nam in terms of the supply of equipment, tools, materials, and services and the performance of other activities necessary for the implementation of the Project.

2.2 Nuclear fuel supply for the whole life of the Project:

2.2.1 Supply of nuclear fuel for the whole life of the Project;

2.2.2 Preparation of a fuel management plan for the NPP for both short term and long term, to ensure a safe and efficient operation of the NPP; and

2.2.3 Provision of fresh nuclear fuel for the NPP, equipment for inspecting and repairing fuel assemblies and associated technical services for the NPP during its operation.

2.3 Spent fuel and radioactive waste management and treatment for the project:

Assistance to the safe management of spent fuels and others related radioactive wastes from the NPP.

2.4 Assistance for the development of nuclear energy in the Socialist Republic of Viet Nam:

2.4.1 Assistance in preparation of specific programs in the field of nuclear energy, such as localization of nuclear items, fuel assembly manufacturing, radiation protection and nuclear safety by using Japanese experiences and related advanced technologies;

2.4.2 Assistance in construction of a research center in the field of nuclear energy; and

2.4.3 Assistance in instructing and training Vietnamese personnel for design and construction of nuclear reactors.

3. Activities by the Vietnamese side

3.1 Provision of available reliable data and documents regarding the Project site to the Executing Entities of the Japanese side;

3.2 Upon the consensus of both sides, participation in design and construction of the NPP, including the construction of main and supporting items and the assembly of equipment;

3.3 Upon the consensus of both sides, design and construction of infrastructure for the NPP, including water and electricity supply, construction of access roads to the Project site;

3.4 Provision of skilled operator; and

3.5 Support of the Executing Entities of both sides and other organizations related to the Project in obtaining licenses/permits in compliance with the Vietnamese law, required for smooth implementation of the Project.