LOAN NUMBER 8302-VIE (CTF)
(Additional to Loan Number 2741-VIE)

LOAN AGREEMENT
(ADB Clean Technology Fund)

(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
acting as an implementing entity of the
Clean Technology Fund

DATED 8 NOVEMBER 2016

VIE 40080

LOAN AGREEMENT
(ADB Clean Technology Fund)

LOAN AGREEMENT dated 8 November 2016 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB"), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund ("CTF").

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 of even date herewith entered into between the Borrower and ADB ("Ordinary Operations Loan Agreement"), ADB has agreed to provide the Borrower an additional loan from ADB's ordinary capital resources equivalent to fifty-nine million Dollars ($59,000,000) for the purposes of the project described in Schedule 1 to the Ordinary Operations Loan Agreement ("Project");

(C) 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;

(D) the Borrower has also applied to Clean Technology Fund ("CTF") for an additional loan to be administered by ADB for the purposes of the Project;

(E) ADB has established the ADB Clean Technology Fund to receive, hold in trust and administer CTF funds;

(F) 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;

(G) 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;

(H) 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;

(I) 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

(J) ADB, acting in its capacity as an implementing entity of CTF, has agreed to make a loan to the Borrower from the ADB Clean Technology Fund upon the terms and conditions set forth herein, in the Ordinary Operations Loan Agreement and in the Project Agreement of even date herewith between ADB and HPC ("Project Agreement");

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All provisions of the standard terms ("Standard Terms") attached in Schedule 1 to this Loan Agreement shall apply to this Loan Agreement.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Standard Terms, the Original Loan Agreement, and the Ordinary Operations Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires.

ARTICLE II

The Loan

Section 2.01. ADB agrees to lend to the Borrower from the ADB Clean Technology Fund an amount of fifty million Dollars ($50,000,000).

Section 2.02. The Borrower acknowledges that the Loan is funded out of resources made available by the International Bank for Reconstruction and Development, acting as trustee to CTF, to ADB as an implementing entity of the CTF. In accordance with Section 2.02 of the Standard Terms, the Borrower may only withdraw Loan proceeds subject to the availability of such resources.

Section 2.03. The Borrower shall pay a Management Fee to ADB. The Management Fee shall be equal to 0.18% per annum on the amount of the Loan remaining unwithdrawn from the Loan Account from time to time. The Management Fee shall accrue from the date which is 60 days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled.

Section 2.04. The Borrower shall pay to ADB an interest charge at the rate of 0.25% per annum on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

Section 2.05 The interest charge and the Management Fee on the Loan shall be payable semiannually on 1 June and 1 December in each year.

Section 2.06. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

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 Original Loan Agreement, the Ordinary Operations 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 of the Ordinary Operations Loan Agreement.

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 7.02 of the Standard Terms 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. 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 the Ordinary Operations Loan Agreement.

Section 4.02. The Borrower shall or shall cause to enable ADB's representatives to inspect the Project, the Goods, Works and Consulting Services and any relevant records and documents.

Section 4.03. 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 4.04. (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, 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 7.01(i) of the Standard Terms:

(a) if the Original Loan, Ordinary Operations Loan, and/or the Special Operations 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 Ordinary Operations Loan Agreement; and/or (iii) the Special Operations 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 7.07(d) of the Standard Terms: 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 8.01(b) of the Standard Terms:

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

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

Section 6.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 8.04 of the Standard Terms.

ARTICLE VII

Miscellaneous

Section 7.01. The State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 10.02 of the Standard Terms.

Section 7.02. The following addresses are specified for the purposes of Section 10.01 of the Standard Terms:

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

Standard Terms

ARTICLE I

Definitions; Interpretation

Section 1.01. **Definitions.** Except where the context otherwise requires, the following terms have the following meanings wherever used in these Standard Terms:

1. "ADB Clean Technology Fund" or "ADB CTF" means the trust fund established and administered by ADB to receive, hold in trust and administer the CTF funds transferred to ADB by the CTF Trustee;

2. "assets" includes property, revenues and claims of any kind;

3. "Clean Technology Fund" or "CTF" means the fund established by approval of the International Bank for Reconstruction and Development executive directors on 1 July 2008, and governed under the CTF Governance Framework;

4. "convertible currency" means any currency so designated by ADB at any time;

5. "CTF Governance Framework" means the framework adopted on 18 November 2008 by the Clean Technology Trust Fund Committee at the joint meeting of the Trust Fund Committees for the Strategic Climate Fund and the Clean Technology Fund, and as the said framework may be amended from time to time in accordance with its terms;

6. "CTF Trustee" means the International Bank for Reconstruction and Development;

7. "currency" of a country or a territory means such currency as at the time referred to is legal tender for the payment of public and private debts in that country or territory;

8. "Dollar" or the sign "$" each means the lawful currency of the United States of America;

9. "Effective Date" means the date on which the Loan Agreement shall have come into force and effect pursuant to Section 8.03;

10. "external debt" means any debt payable in any medium other than local currency whether such debt is or may become payable absolutely or at the option of the creditor in such other medium;

11. "foreign currency" means any currency other than local currency;

12. "foreign expenditure" means any expenditure other than local expenditure;

13. "guarantee" includes, as the case requires, any counter-guarantee, indemnity or any other arrangement which has the effect of a guarantee, counter-guarantee or indemnity, given by a member in favor, or for the benefit of ADB;

14. "interest charge" means a charge made on the Loan pursuant to Section 2.03;

15. "lien" includes mortgages, pledge, charges, privileges and priorities of any kind;

16. "Loan" means the loan provided for in the Loan Agreement;

17. "Loan Account" means the account opened or to be opened by ADB on its books in the name of the Borrower to which the amount of the Loan has been or will be credited;

18. "Loan Closing Date" means the date specified by ADB that is not later than the first Principal Payment Date shown in the amortization schedule to the Loan Agreement, or such other date as may be agreed between ADB and the Borrower for such purpose;

19. "Loan Currency" means the currency in which the principal amount of the Loan is denominated from time to time;

20. "local currency" means the currency of the member in whose territory the Project is to be carried out;

21. "local expenditure" means expenditure incurred, or to be incurred, in the currency of the member in whose territory the Project is to be carried out for goods produced in, and services supplied from, the territory of such member, excluding, however, expenditure on the import content of such goods and services;

22. "Management Fee" means the management fee specified in this Loan Agreement for the purposes of Section 2.04;

23. "member" means a member of ADB;

24. "Principal Payment Date" means each date specified in the Loan Agreement on which all or any portion of the principal amount of the Loan is payable;

25. "Project Executing Agency" means any entity responsible for the carrying out of the Project as specified in this Loan Agreement; and

26. "taxes" includes imposts, levies, fees and duties of any nature, whether in effect at the date of the Loan Agreement, if any, or thereafter imposed.

Section 1.02. **Interpretation.** Except where the context otherwise requires, (a) a reference to the incurring of debt includes the assumption and guarantee of debt; (b) references in these Standard Terms to Articles or Sections are to Articles or Sections of these Standard Terms; (c) the headings of the Articles and Sections are inserted for convenience of reference only and are not a part of these Standard Terms; (d) singular may include plural and vice versa; and (e) a reference to any gender includes any other gender.

ARTICLE II

Loan Account; Interest Charge; Repayment; Place of Payment

Section 2.01. **Loan Account.** The principal amount of the Loan shall be credited to the Loan Account in the Loan Currency and may be withdrawn therefrom in accordance with the provisions of this Loan Agreement.

Section 2.02. **Funding Shortfall.** Notwithstanding the provisions of Section 2.01, no withdrawals shall be made if, as a result of such withdrawal, the total amount of the Loan withdrawn from the Loan Account would exceed the amount available to ADB from resources provided to it for purposes of the Loan. Only the resources made available to ADB for the purposes of the Loan shall be considered for the enforcement of any obligations, claims or liabilities under or in connection with the Loan.

Section 2.03. **Interest charge.** An interest charge at the rate specified in this Loan Agreement shall be payable on the principal amount of the Loan withdrawn from the Loan Account and outstanding from time to time. The interest charge shall accrue from the respective dates on which amounts shall be withdrawn from the Loan Account. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet interest charge payments, when and if due.

Section 2.04. **Management Fee.** The Borrower shall pay ADB a Management Fee on the Loan at the rate specified in this Loan Agreement. If this Loan Agreement provides for the financing of the Management Fee out of the proceeds of the Loan, ADB shall, on behalf of the Borrower, withdraw from the Loan Account on or after the Effective Date and pay to itself the amount of the Management Fee.

Section 2.05. **Computation of Interest Charge and Other Charges.** The interest charge and the Management Fee, if the Borrower elects to pay the Management Fee not as a lump sum but semiannually at a rate per annum calculated on the unwithdrawn amount of the Loan from time to time, shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.06. **Repayment and Prepayment.** (a)The Borrower shall repay ADB the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of this Loan Agreement.

(b) After giving not less than 45 days' written notice to ADB, the Borrower shall have the right to repay in advance of maturity, as of a date acceptable to ADB (provided, that the Borrower shall have paid all amounts due under this Loan Agreement as such date) (i) all of the principal amount of the Loan then outstanding; or (ii) all of the principal amount of any one or more maturities of the Loan.

(c) If ADB shall at any time receive from the Borrower an amount which is less than the full amount then due and payable to ADB under this Loan Agreement, ADB shall have the right to allocate and apply the amount so received in any manner and for such purposes under this Loan Agreement as ADB shall in its sole discretion determine.

Section 2.07. **Place of Payment.** The principal of, and interest charge and other charges (including the Management Fee) on, the Loan shall be paid at such places as ADB shall reasonably request.

ARTICLE III

Currency Provisions

Section 3.01. **Currency of Withdrawal.** Withdrawals from the Loan Account shall be made in the Loan Currency.

Section 3.02. **Currency of Payment.** The principal of the Loan shall be repayable in the Loan Currency and, the interest charge on any portion of the Loan and the Management Fee shall be payable in the Loan Currency.

Section 3.03. **Purchase of Currencies.** If the Borrower shall so request, ADB shall, acting as agent of the Borrower, and on such terms and conditions as ADB shall determine, purchase the Loan Currency for the purpose of repayment of principal, and payment of interest charge and the Management Fee upon timely payment by the Borrower of sufficient funds for that purpose in a currency or currencies acceptable to ADB; provided, however, that the Borrower shall be deemed to have made any payment required under this Loan Agreement only when and to the extent that ADB has received such payment in the Loan Currency.

Section 3.04. **Valuation of Currencies.** Whenever it shall be necessary for the purposes of this Loan Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by ADB.

Section 3.05. **Manner of Payment.** (a) Any payment required under this Loan Agreement to be made to ADB in the currency of any country shall be made in such manner, and in currency acquired in such manner, as shall be permitted under the laws of such country for the purpose of making such payment and effecting the deposit of such currency to the account of ADB with a depository of ADB in such country.

(b) The Borrower shall ensure that the principal of, and the interest charge and other charges on, the Loan are paid without restrictions of any kind imposed by, or in the territory of the Borrower.

ARTICLE IV

Withdrawal of Loan Proceeds

Section 4.01. **Withdrawal from the Loan Account.** (a) Loan proceeds shall be used only for the purposes of the Project. Subject to any conditions or restrictions specified in this Loan Agreement, the Borrower shall be entitled to withdraw from the Loan Account such amounts as shall have been paid, or, if ADB shall so agree, such amounts as shall be required to meet payments to be made, for the reasonable cost of goods, services and any other expenditures required for the Project and to be financed under this Loan Agreement.

(b) Except as ADB and the Borrower shall otherwise agree, no withdrawals shall be made on account of payments made prior to the Effective Date; ADB may refuse to finance a contract where goods and services have not been procured in accordance with 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.

(c) Withdrawals of the proceeds of the Loan from the Loan Account shall be made in the Loan Currency. ADB may, at the request and acting as an agent of the Borrower, and on such terms and conditions as ADB shall determine, purchase with such currency withdrawn from the Loan Account such other currencies as the Borrower shall reasonably request to meet payments for items of expenditure to be financed from the Loan. Whenever it shall be necessary for the purpose of this Loan Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by ADB.

Section 4.02. **Commitment Letters by ADB.** Upon the Borrower's request, ADB may issue commitment letters to pay amounts in respect of the cost of goods and services to be financed under the Loan notwithstanding any subsequent suspension or cancellation.

Section 4.03. **Application for Withdrawal.** When the Borrower shall desire to withdraw any amount from the Loan Account or to request ADB to issue commitment letters pursuant to Section 4.02, the Borrower shall promptly deliver to ADB an application in such form and containing such statements, representations, warranties and agreements, as ADB shall reasonably request.

Section 4.04. **Evidence of Authority to Sign Applications.** The Borrower shall furnish to ADB sufficient evidence of the authority of the person authorized to sign applications for withdrawal and the authenticated specimen signature of each person.

Section 4.05. **Supporting Evidence.** The Borrower shall furnish to ADB such documents and other evidence in support of the application for withdrawal as ADB shall reasonably request, whether before or after ADB shall have permitted any withdrawal requested in the application.

Section 4.06. **Sufficiency of Applications and Documents.** Each application for withdrawal and the accompanying documents and all other evidence must be sufficient in form and substance to satisfy ADB that the Borrower is entitled to withdraw from the Loan Account the amount applied for and that the amount to be withdrawn from the Loan Account is to be used only for the purposes specified in this Loan Agreement.

Section 4.07. **Payment by ADB.** Payment by ADB of amounts which the Borrower is entitled to withdraw from the Loan Account shall be made to or on the order of the Borrower.

ARTICLE V

Particular Covenants

Section 5.01. **Cooperation and Information.** ADB and the Borrower shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, ADB and the Borrower shall:

(a) from time to time, at the request of any one of them, exchange views with regard to any matters relating to the progress of the Project, the purposes of the Loan or the maintenance of the service thereof, the performance of their respective obligations under this Loan Agreement, and furnish to the other party all such related information as it shall reasonably request; and

(b) promptly inform each other of any condition which interferes with, or threatens to interfere with, the matters referred to in paragraph (a) above.

Section 5.02. **Negative Pledge.** (a) If the Borrower shall create or permit the creation of any lien on any of its assets as security for any foreign currency debt, the Borrower undertakes to expressly provide that such lien will ipso facto equally and ratably secure the payment of the principal of, and interest charge on, the Loan. If any statutory lien shall be created on any assets of the Borrower (as hereinafter defined), as security for any foreign currency debt, the Borrower shall grant to ADB an equivalent lien satisfactory to ADB.

(b) The provisions of paragraph (a) of this Section shall not apply to (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) The term "assets of the Borrower" as used in paragraph (a) of this Section includes assets of any political subdivision or any agency of the Borrower and assets of any agency of any such political subdivision, and assets of any entity owned or controlled by, or operating for the account or benefit of, the Borrower or any such political subdivision or agency, including any other institution performing the functions of a central bank for the Borrower.

Section 5.03. **Insurance.** (a) The Borrower shall take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance against such risks and in such amounts as shall be consistent with sound practice. The Borrower shall be deemed to have opted for self-insurance in the absence of any specific insurance for the Project.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure, or cause to be insured, the goods to be imported for the Project and to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such goods.

Section 5.04. **Records, Accounts and Audits.** The Borrower shall maintain, or cause to be maintained, records and accounts adequate to identify the goods and services and other items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, the operations and financial condition of the Borrower.

Section 5.05. **Reports.** (a) The Borrower, and the Guarantor shall furnish, or cause to be furnished, to ADB all such reports as ADB shall reasonably request concerning (i) the Loan, and the expenditure of the proceeds and maintenance of the service thereof; (ii) the goods and services and other items of expenditure financed out of the proceeds of the Loan; (iii) the Project and the Project Executing Agency; (iv) the administration, operations and financial condition of the Borrower; and (v) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, the Borrower shall furnish to ADB quarterly reports, or reports at such other later interval as may be agreed for this purpose between ADB and the Borrower on the execution of the Project, on the accomplishment of the targets and actions agreed between ADB and the Borrower, and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the quarter under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following quarter.

(c) Promptly after physical completion of the Project, but in any event not later than three months thereafter or such later date as may be agreed for this purpose between the Borrower and ADB, the Borrower shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by the Borrower of its obligations under this Loan Agreement and the accomplishment of the purposes of the Loan.

Section 5.06. **Counterpart Obligations and Land Acquisition.** The Borrower shall make available, promptly as and when needed, the funds, facilities, services, land, and other resources as shall be necessary or required, in addition to the proceeds of the Loan, for the carrying out of the Project and for the operation and maintenance of the Project facilities. The Borrower shall furnish to ADB, promptly at its request, evidence satisfactory to ADB that such funds, facilities, services, land, and other resources are available for purposes related to the Project.

Section 5.07. **Work Schedules, Plans and Design Standards.** The Borrower shall cause the Project to be carried out in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to the Borrower and ADB, as applicable. When required by ADB, the Borrower shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.

Section 5.08. **General Undertakings.** (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound applicable financial, business and development practices.

(b) 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 5.09. **Contractors and Consultants.** Whenever applicable, in the carrying out of the Project, the Borrower shall cause competent and qualified consultants and contractors, acceptable to the Borrower and ADB, to be employed to an extent and upon terms and conditions satisfactory to the Borrower and ADB.

Section 5.10. **Maintenance.** The Borrower shall ensure that any facilities relevant to the Project are operated, maintained and repaired in accordance with sound operational and maintenance practices. The Borrower shall promptly as needed, make or cause to be made all necessary repairs and renewals thereof.

ARTICLE VI

Exemption from Taxation

Section 6.01. **Exemption from Taxation.** The Borrower shall ensure that:

(a) the principal of, and interest charge and other charges (including the Management Fee) on the Loan are exempt from, and are paid without deduction for, any taxes levied by, or in the territory of, the Borrower; and

(b) this Loan Agreement is exempt from any taxes levied by, or in the territory of, such member on or in connection with the execution, delivery or registration thereof.

ARTICLE VII

Suspension; Cancellation; Acceleration of Maturity

Section 7.01. **Suspension by ADB.** If any of the following events shall have occurred at any time after the date of this Loan Agreement and be continuing, ADB may by notice to the Borrower suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account:

(a) The Borrower shall have failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest charge or any other charge (including the Management Fee) required under (i) this Loan Agreement; or (ii) any other loan agreement or guarantee agreement with ADB; or (iii) in consequence of any guarantee or other financial obligation of any kind extended by ADB to any third party with the agreement of the Borrower.

(b) The Borrower shall have failed to perform any other of its obligations under this Loan Agreement.

(c) ADB shall have suspended in whole or in part the right of the Borrower to make withdrawals under any other loan agreement with ADB because of a failure by the Borrower to perform any of its obligations under such loan agreement or any related guarantee agreement with ADB.

(d) A situation shall have arisen or developed which in the reasonable opinion of ADB will or may make it improbable that the Project can be successfully carried out or that the Borrower or the Project Executing Agency will be able to perform any of its obligations under this Loan Agreement.

(e) The member in whose territory the Project is to be carried out shall have been suspended from membership in, or ceased to be a member of, ADB, or shall have delivered a notice to withdraw from ADB.

(f) A representation made by the Borrower in or pursuant to this Loan Agreement, or any statement furnished in connection therewith and intended to be relied upon by ADB in making the Loan, shall have been incorrect in any material respect.

(g) Any authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Project Executing Agency, the alienation or transfer of any of its assets other than in the normal course of business, or for the suspension of its operations.

(h) ADB shall have determined, with respect to any contract to be financed in full or in part out of the proceeds of the Loan, that corrupt, fraudulent, coercive or collusive practices, as determined by ADB, were engaged in by representatives of the Borrower or any beneficiary of the Loan during the procurement of goods and services, consultants' selection or the execution of a contract, without the Borrower having taken timely and appropriate action satisfactory to ADB to remedy the situation; or ADB shall have determined that the procurement of any goods or services to be financed out of the proceeds of the Loan is inconsistent with the relevant procedure set out in this Loan Agreement.

(i) Any other event specified in this Loan Agreement for the purposes of this Section shall have occurred. The right of the Borrower to make withdrawals from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event which gave rise to such suspension shall have, in the reasonable opinion of ADB, ceased to exist or until ADB shall have notified the Borrower that the right to make withdrawals has been restored in whole or in part, whichever is the earlier.

Section 7.02. **Cancellation by ADB.** If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of 30 days; (b) at any time ADB determines, after consultation with the Borrower, that any amount of the Loan will not be required for the purposes of the Project; (c) by the date specified in this Loan Agreement as the Loan Closing Date, an amount of the Loan shall remain unwithdrawn from the Loan Account; (d) at any time ADB determines, with respect to any contract to be financed in full or in part out of the proceeds of the Loan, that corrupt, fraudulent, coercive or collusive practices, as determined by ADB, were engaged in by representatives of the Borrower, or any beneficiary of the Loan during the procurement of goods and services, consultants' selection or the execution of a contract, without the Borrower having taken timely and appropriate action satisfactory to ADB to remedy the situation; or (e) at any time, ADB determines that the procurement of any goods or services to be financed out of the proceeds of the Loan is inconsistent with the procedure set out in this Loan Agreement, ADB may by notice to the Borrower terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Loan shall be cancelled.

Section 7.03. **Cancellation by the Borrower.** After consultation with ADB the Borrower may by notice to ADB cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice.

Section 7.04. **Amounts Subject to Commitment Letters.** No suspension or cancellation shall apply to amounts subject to any commitment letter issued by ADB pursuant to Section 4.02 except as expressly provided in such commitment letter.

Section 7.05. **Application of Cancellation.** Except as ADB and the Borrower shall otherwise agree, any cancellation shall be applied *pro rata* to the remaining maturities of the principal amount of the Loan which shall mature after the date of such cancellation.

Section 7.06. **Effectiveness of Provisions After Suspension or Cancellation.** Notwithstanding any cancellation or suspension, all the provisions of this Loan Agreement and the Project Agreement shall continue in full force and effect except as specifically provided in this Article.

Section 7.07. **Acceleration of Maturity.** If any of the following events shall have occurred and continued for the period, if any, specified below, then at any subsequent time during the continuance thereof ADB may by notice to the Borrower declare the principal of the Loan then outstanding, together with all accrued interest charge thereon, to be due and payable immediately, and upon any such declaration such principal and interest charge shall become due and payable immediately:

(a) Any event specified in paragraph (a) of Section 7.01 shall have occurred and continued for a period of 30 days.

(b) Any event specified in paragraph (b) of Section 7.01 shall have occurred and continued for a period of 60 days after notice thereof shall have been given by ADB to the Borrower.

(c) Any event specified in paragraph (f) or paragraph (g) of Section 7.01 shall have occurred.

(d) Any other event specified in this Loan Agreement for the purposes of this Section shall have occurred and continued for the period, if any, specified in this Loan Agreement.

ARTICLE VIII

Effectiveness; Termination

Section 8.01. **Conditions Precedent to Effectiveness.** The Loan Agreement shall not become effective until evidence satisfactory to ADB shall have been furnished to ADB that:

(a) the execution and delivery of this Loan Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary corporate and governmental action; and

(b) all other events specified in this Loan Agreement as additional conditions to its effectiveness have occurred.

Section 8.02. **Legal Opinions.** As part of the evidence to be furnished pursuant to Section 8.01, the Borrower shall furnish, or cause to be furnished, to ADB an opinion or opinions satisfactory to ADB of counsel acceptable to ADB showing:

(a) on behalf of the Borrower, that this Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms;

(b) Where there is a Project Agreement, the execution and delivery of the Project Agreement on behalf of the Project Executing Agency shall have been duly authorized or ratified by all necessary corporate, administrative and governmental action; and

(c) such other matters as shall be specified in this Loan Agreement.

Section 8.03. **Effective Date.** (a) Except as ADB and the Borrower shall otherwise agree, this Loan Agreement shall come into force and effect on the date upon which ADB dispatches to the Borrower notice of its acceptance of the evidence required by Section 8.01.

(b) If, before the Effective Date, any event shall have occurred which would have entitled ADB to suspend the right of the Borrower to make withdrawals from the Loan Account if this Loan Agreement had been effective, ADB may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event shall have ceased to exist.

Section 8.04. **Termination for Failure to Become Effective.** If this Loan Agreement shall not have come into force and effect by the date specified in this Loan Agreement for the purposes of this Section, this Loan Agreement and all obligations of the parties thereunder shall terminate, unless ADB, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section. ADB shall promptly notify the Borrower of such later date.

Section 8.05. **Termination on Full Payment.** If and when the entire principal amount of this Loan withdrawn from the Loan Account and all interest charges which shall have accrued on the Loan and all other charges (including the Management Fee) on the Loan shall have been paid, this Loan Agreement and all obligations of the parties thereunder shall forthwith terminate.

ARTICLE IX

Enforceability; Failure to Exercise Rights; Arbitration

Section 9.01. **Enforceability.** (a) The rights and obligations of ADB and the Borrower under this Loan Agreement shall be valid and enforceable in accordance

with their terms and, where the Borrower is a member, notwithstanding the law of any state, or political subdivision thereof, to the contrary.

(b) Neither ADB nor the Borrower shall be entitled in any proceeding under this Article to assert any claim that any provision of this Loan Agreement is invalid or unenforceable because of any provision of the Articles of Agreement Establishing the Asian Development Bank or for any other reason.

Section 9.02. **Failure to Exercise Rights.** No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Loan Agreement upon any default shall impair any such right, power or remedy, or be construed to be a waiver thereof or an acquiescence in any such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 9.03. **Arbitration.** (a) Any controversy between the parties to this Loan Agreement and any claim by any such party against any other such party arising under this Loan Agreement which shall not be settled by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be ADB on the one side, and the Borrower on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by ADB; a second arbitrator shall be appointed by the Borrower; and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If either side shall fail to appoint an arbitrator, the Umpire shall appoint such arbitrator. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within 30 days after the giving of such notice, the other party or parties shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party or parties.

(e) If within 60 days after the giving of the notice instituting the arbitration proceeding the parties shall not have agreed upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The law to be applied by the Arbitral Tribunal shall be public international law, the sources of which shall be taken for these purposes to include:

(i) any relevant treaty obligations that are binding reciprocally on the parties;

(ii) the provisions of any international conventions and treaties (whether or not binding directly as such on the parties) generally recognized as having codified or ripened into binding rules of customary law applicable to states and international institutions, as appropriate;

(iii) other forms of international custom, including the practice of states and international institutions of such generality, consistency and duration as to create legal obligations; and

(iv) applicable general principles of law.

(h) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(i) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to this Loan Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(j) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by ADB on the one side, and the Borrower on the other side. The Arbitral Tribunal shall determine any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs.

(k) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to this Loan Agreement and any claim by either party against the other such party arising thereunder.

(l) If within 30 days after the counterparts of the award have been delivered to the parties the award shall not be complied with, any party may enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party, and may enforce such judgment by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of this Loan Agreement. Notwithstanding the foregoing, this Section shall not

authorize any entry of judgment or enforcement of the award against any party that is a member except as such procedure may be available otherwise than by reason of the provisions of this Section.

(m) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 10.01. The parties to this Loan Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE X

Miscellaneous Provisions

Section 10.01. **Notices and Requests.** Any notice or request required or permitted to be given or made under this Loan Agreement and any other agreement between any of the parties contemplated by this Loan Agreement, shall be in writing. Except as otherwise provided in Section 8.03 such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex, facsimile or electronic mail to the party to which it is required or permitted to be given or made at such party's address specified in this Loan Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

Section 10.02. **Authority to Take Action.** Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Loan Agreement, on behalf of the Borrower, may be taken or executed by the representative of the Borrower designated in this Loan Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification of the provisions of this Loan Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative so designated or any person authorized in writing by such representative; provided that, in the opinion of such representative or other person, such modification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under this Loan Agreement. ADB may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative or other person any modification of the provisions of this Loan Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower thereunder.

Section 10.03. **Evidence of Authority.** The Borrower and the Guarantor shall furnish to ADB sufficient evidence of the authority of the person or persons who will, on behalf of the Borrower take any action or execute any documents required or permitted to be taken or executed by the Borrower under this Loan Agreement and the authenticated specimen signature of each such person.

Section 10.04. **Execution in Counterparts.** The Loan Agreement may be executed in several counterparts, each of which shall be an original.

SCHEDULE 2

Amortization Schedule

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

Date Payment Due	Payment of Principal * (expressed in US$)
1 June 2026	500,000
1 December 2026	500,000
1 June 2027	500,000
1 December 2027	500,000
1 June 2028	500,000
1 December 2028	500,000
1 June 2029	500,000
1 December 2029	500,000
1 June 2030	500,000
1 December 2030	500,000
1 June 2031	500,000
1 December 2031	500,000
1 June 2032	500,000
1 December 2032	500,000
1 June 2033	500,000
1 December 2033	500,000
1 June 2034	500,000
1 December 2034	500,000
1 June 2035	500,000
1 December 2035	500,000
1 June 2036	1,000,000
1 December 2036	1,000,000
1 June 2037	1,000,000
1 December 2037	1,000,000
1 June 2038	1,000,000
1 December 2038	1,000,000
1 June 2039	1,000,000
1 December 2039	1,000,000
1 June 2040	1,000,000
1 December 2040	1,000,000
1 June 2041	1,000,000
1 December 2041	1,000,000
1 June 2042	1,000,000
1 December 2042	1,000,000
1 June 2043	1,000,000
1 December 2043	1,000,000
1 June 2044	1,000,000

Schedule 2

Date Payment Due	Payment of Principal * (expressed in US$)
1 December 2044	1,000,000
1 June 2045	1,000,000
1 December 2045	1,000,000
1 June 2046	1,000,000
1 December 2046	1,000,000
1 June 2047	1,000,000
1 December 2047	1,000,000
1 June 2048	1,000,000
1 December 2048	1,000,000
1 June 2049	1,000,000
1 December 2049	1,000,000
1 June 2050	1,000,000
1 December 2050	1,000,000
1 June 2051	1,000,000
1 December 2051	1,000,000
1 June 2052	1,000,000
1 December 2052	1,000,000
1 June 2053	1,000,000
1 December 2053	1,000,000
1 June 2054	1,000,000
1 December 2054	1,000,000
1 June 2055	1,000,000
1 December 2055	1,000,000
Total	**50,000,000**

* The arrangements for repayment are subject to the provisions of Sections 2.06 and 3.05 of the Standard Terms.

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 Charge and Management Fee

3. The amount allocated to Category 2 is for financing the interest charge and management fee 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 charge and management fee.

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 ($)**	**Basis for Withdrawal from the Loan Account**
		Category	
1	Works	31,600,000	100% of total expenditure claimed*
2	Interest Charge and Management Fee	600,000	100% of total amounts due
3	Unallocated	17,800,000	
	Total	**50,000,000**	

* Exclusive of taxes and duties imposed within the territory of the Borrower; to be disbursed on front-loading basis.