LOAN NUMBER 8026-VN

Loan Agreement

(Additional Financing for the Second Transmission and Distribution Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Dated May 31st, 2011

LOAN AGREEMENT

AGREEMENT dated May 31st, 2011, between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred eighty million Dollars ($180,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing Parts A.1 and C of the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

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

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or un-withdrawn, 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 Variable Rate to a Fixed Rate, or vice versa, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable 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 the Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause NPT's Respective Part of the Project to be carried out by NPT in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Borrower and NPT.

4.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and NPT and is legally binding upon the Borrower and NPT in accordance with its terms.

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

4.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Borrower under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Borrower's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hanoi
Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3825-0612

5.03. The Bank's Address is:

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

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

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

SOCIALIST REPUBLIC OF VIETNAM

By 

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) assist the Borrower in developing an efficient electricity transmission and distribution system, thus enabling the timely evacuation of power from new electricity generation plants to growing load centers and the maintenance of system security and reliability and power quality; and (ii) contribute to the restructuring of the Borrower's power sector.

The Project consists of the Original Project and the following additional part:

C.2. Capacity building of NPT in relation to investment financing, debt management, and the management of regulatory affairs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Industry and Trade

The Borrower shall be responsible for the provision of policy and strategic orientation to the Project through the Ministry of Industry and Trade.

B. Subsidiary Agreement

1. To facilitate the carrying out of NPT's Respective Part of the Project, the Borrower shall make the proceeds of the Loan available to NPT under a Subsidiary Agreement among the Borrower, represented by the Ministry of Finance, and the Project Implementing Entities, under terms and conditions satisfactory to the Bank, and which shall include:

(a) the obligation of NPT to:

(i) (A) pay the Borrower a front-end fee in an amount equal to the Front-end Fee specified in Section 2.03 of this Agreement; (B) repay the proceeds of the Loan over a period of twenty-five (25) years, inclusive of a grace period of ten and a half (10.5) years; and (C) pay interest on the principal amount of the Loan withdrawn and outstanding from time to time at the rate payable by the Borrower pursuant to Section 2.04 of this Agreement, subject to any request that the Borrower may make pursuant to Section 2.07 of this Agreement, plus an on-lending fee of a quarter of one percent (0.25%);

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

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

(iv) ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Environmental Guidelines, any Environmental Management Plans, the Resettlement Policy Framework, any Resettlement Action Plans, the Ethnic Minorities' Development Framework, and any Ethnic Minorities' Development Plans, and to not, except as the Bank shall otherwise agree in writing, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(v) ensure that: (i) a financial management system is maintained and financial statements are prepared in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of NPT, including the operations, resources, and expenditures related to the Project; and (ii) such statements are audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and such audited financial statements are furnished to the Borrower and the Bank in accordance with the provisions of Section II.D.3 of the Schedule to the Project Agreement and made publicly available in a timely fashion and in a manner acceptable to the Bank; and

(vi) ensure that procurement of the goods, works, and services required for its Respective Part of the Project is carried out in accordance with the provisions of Section III of this Schedule 2, as said provisions may be further elaborated in the Procurement Plan; and

(b) the obligation of EVN to guarantee, on behalf of NPT, the payments referred to in subparagraph (a) (i) of this paragraph 1.

2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

C. Anti-Corruption

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

D. Manual

1. The Borrower shall: (a) ensure that the Project is carried out in accordance with the Project Operations Manual; and (b) except as the Bank shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such Manual and those of this Agreement, the latter shall govern.

E. Safeguards

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Environmental Guidelines, any Environmental Management Plans, the Resettlement Policy Framework, any Resettlement Action Plans, the Ethnic Minorities' Development Framework, and any Ethnic Minorities' Development Plans, and, except as the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

Section II. Project Monitoring, Reporting, and Evaluation

A. Semi-Annual Reviews

The Borrower shall review jointly with the Bank and NPT, no later than one (1) month after the transmittal by NPT of each Project Report to the Bank, such Report, and thereafter cause NPT to take all measures required to ensure the efficient completion of NPT's Respective Part of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of such Report and the Borrower and the Bank's views on the matter.

B. Midterm Review

The Borrower shall:

(a) carry out jointly with the Bank and NPT, no later than twelve (12) months after the Effective Date, a midterm review to assess the status of NPT's Respective Part of the Project, as measured against the performance indicators set forth in Section II.A.1 (b) of the Schedule to the Project Agreement. Such review shall include an assessment of the following: (i) overall progress in implementation of such Part of the Project; (ii) results of monitoring and evaluation activities; (iii) progress on the implementation of annual work plans and budgets; (iv) progress on procurement and disbursement; (v) progress on

the implementation of safeguards measures; (vi) implementation arrangements; and (vii) the need to make any adjustments to such Part of the Project and reallocate funds to improve performance;

(b) cause NPT to prepare and furnish to the Borrower and the Bank, at least three (3) months before such review, a report, in scope and detail satisfactory to the Borrower and the Bank, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of such Part of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of such Part of the Project and the achievement of the objectives of the Project during the period following such date; and

(c) review, jointly with the Bank and NPT, the report referred to in subparagraph (b) of this Part B and thereafter cause NPT to take all measures required to ensure the efficient completion of NPT's Respective Part of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of said report and the Borrower and the Bank's views on the matter.

C. Financial Management, Financial Reports, and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of NPT. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

3. The Borrower shall promptly take all necessary measures (including, without limitation, financial restructuring, promotion of private sector participation, promotion of efficiency, adjustments of the structure or levels of tariffs, and causing EVN to provide financial assistance) in order to enable NPT to meet the requirements set forth in paragraphs 4, 5, 6, and 7 of Section II.D of the Schedule to the Project Agreement.

Section III. Procurement

A. General

1. **Goods, Non-Consulting Services, and Works.** All goods, non-consulting services, and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Non-Consulting Services, and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, non-consulting services, and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Non-Consulting Services, and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, non-consulting services, and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding, subject to the additional procedures set out in the Annex to this Schedule
(b) Shopping

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

1. **Quality- and Cost-Based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-Based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-Based Selection
(b) Selection Based on the Consultants' Qualifications
(c) Single-Source Selection
(d) Selection of Individual Consultants

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. <u>Withdrawal of Loan Proceeds</u>

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, non-consulting services, works, consulting services, Training, and Operating Costs for the Project to be financed under the Loan	179,550,000	100%
(2) Front-end Fee	450,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	180,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is June 30, 2014.

ANNEX TO SCHEDULE 2

National Competitive Bidding: Modifications to Procedures

The procedures to be followed for the procurement of goods, non-consulting services, and works under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Article 18 on Open Bidding of the Borrower's Law on Procurement No. 61/2005/QH11 dated November 29, 2005; (b) the Borrower's Law No. 38/2009/QH12 Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment dated June 19, 2009; and (c) the Borrower's Decree No. 85/2009/ND-CP Guiding Implementation of the Law on the Procurement and Selection of Construction Contractors under the Construction Law dated October 15, 2009 (collectively, "National Procurement Laws"), subject to the modifications set out below in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines pursuant to paragraph 3.3 of said Guidelines, and required under paragraph 3.4 of said Guidelines. In the event of a conflict between the provisions of the Borrower's procedures and those of the modifications set out below, the latter shall govern.

Eligibility

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

2. In addition to the foregoing requirements, equitized Borrower-owned enterprises in which the Borrower holds less than fifty percent (50%) of the shares are eligible to participate, *provided that* (a) the procuring entity or investment owner does not own shares (or represent the Borrower's shares) in the enterprise, and (b) the governing board and management team are autonomous from the procuring entity and the investment owner. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

3. Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of

registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

4. Invitations to bid shall be advertised in at least one (1) widely circulated national newspaper, allowing a minimum of thirty (30) days from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Borrower is encouraged to advertise in the Government Public Procurement Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard bidding documents acceptable to the Bank shall be used.

Qualification Criteria

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

Bid Submission, Bid Opening, and Bid Evaluation

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

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

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

(c) A contract shall be awarded to the technically responsive bid that offers

the lowest evaluated price, and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

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

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

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

Rejection of All Bids and Re-bidding

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

Complaints by Bidders and Handling of Complaints

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

Fraud and Corruption

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

Right to Inspect / Audit

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

License

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

Publication of the Award of Contract

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

SCHEDULE 3

Amortization Schedule

1. 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 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 the Bank by multiplying: (a) the Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	**Installment Share (Expressed as a Percentage)**
On each March 15 and September 15 Beginning March 15, 2022 Through September 15, 2035	3.45
On March 15, 2036	3.40

2. If the proceeds of the Loan have not 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 have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn 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 the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any

amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (2) 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.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

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

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.

2. "Central Power Projects Management Board" means NPT (as hereinafter defined)'s entity responsible for the management of high-voltage power transmission activities in the central part of the Borrower's territory, or any successor thereto.

3. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in May 2004 and revised in October 2006 and May 2010.

4. "Department of Finance" means NPT (as hereinafter defined)'s department responsible for the management of finance, or any successor thereto.

5. "Department of Investment and Construction" means NPT (as hereinafter defined)'s department responsible for the management of investment and construction, or any successor thereto.

6. "Department of Natural Resources and Environment" means the Borrower's provincial-level entity, under the Ministry of Natural Resources and Environment (as hereinafter defined), responsible for the management of natural resources and the environment at the provincial level, or any successor thereto.

7. "Department of Compensation" means the department of each of the Central and Southern Power Project Management Boards (as hereinafter defined) responsible for the management of environmental and social safeguards in relation to the respective Board's activities, or any successor thereto.

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

9. "Environmental Guidelines" means EVN (as hereinafter defined)'s guidelines, dated May 2005, adopted pursuant to Instruction No. 2764-EVN-HTQT dated

June 2, 2005, agreed with the Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, and guidelines and procedures for the preparation of Environmental Management Plans (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such guidelines.

10. "Environmental Management Plan" means NPT's plan, to be agreed with the Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under a Subproject, offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental Guidelines, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

11. "Ethnic Minorities" means social groups disadvantaged in the development process and with a social and cultural identity distinct from those which constitute the predominant ethnic group in the Borrower's territory.

12. "Ethnic Minorities' Development Framework" means EVN (as hereinafter defined)'s framework, dated May 2005, adopted pursuant to Instruction No. 2764-EVN-HTQT dated June 2, 2005, agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by EVN to ensure meaningful consultation with, and the informed participation of, Ethnic Minorities within the Project area who are affected by the Project, and guidelines and procedures for the preparation of Ethnic Minorities' Development Plans (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

13. "Ethnic Minorities' Development Plan" means NPT's plan, to be agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by NPT to address any adverse effects on Ethnic Minorities associated with, and ensure culturally appropriate social and economic benefits for Ethnic Minorities under, a Subproject, in accordance with the provisions of the Ethnic Minorities' Development Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

14. "EVN" means Vietnam Electricity, the Borrower's wholly-owned enterprise, established and operating pursuant to the Borrower's Decision No. 148/2006/QD-TTg dated June 22, 2006, and EVN's charter, as adopted under said Decision, responsible for the development, operation, and maintenance, direct or indirect, of facilities for the generation, transmission, and distribution of electricity throughout the Borrower's territory, or any successor thereto.

15. "Financial Improvement Plan" means NPT (as hereinafter defined)'s plan, dated December 1, 2010, approved pursuant to EVN's Resolution No. 794/NQ-HDTV dated December 7, 2010 as amended pursuant to EVN's Resolution No. 806/NQ-HDTV dated December 10, 2010, agreed with the Bank and setting out a time-bound roadmap for purposes of improvement of NPT's financial performance, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

16. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated July 31, 2010.

17. "Government Public Procurement Newspaper" means the Borrower's public procurement gazette.

18. "kV" means kilovolt, or one thousand (1,000) volts, a standard unit of measure of electric voltage.

19. "Ministry of Finance" means the Borrower's ministry responsible for the management of finance, or any successor thereto.

20. "Ministry of Defense" means the Borrower's ministry responsible for the management of defense, or any successor thereto.

21. "Ministry of Industry and Trade" means the Borrower's ministry responsible for the management of industry and trade, or any successor thereto.

22. "Ministry of Natural Resources and Environment" means the Borrower's ministry responsible for the management of natural resources and the environment, or any successor thereto.

23. "Ministry of Public Security" means the Borrower's ministry responsible for the management of public security, or any successor thereto.

24. "MVA" means megavolt ampere, or one million (1,000,000) volt amperes, a standard unit of measure of electric capacity.

25. "NPT" or "National Power Transmission Corporation" means EVN's wholly-owned subsidiary, established and operating pursuant to EVN's Decision Nos. 223/QD-EVN dated April 11, 2008 and 510/QD-EVN dated August 28, 2008, and NPT's charter, as adopted pursuant to the latter Decision, responsible for high-voltage power transmission activities, or any successor thereto.

26. "Operating Costs" means the incremental operating costs under the Project, based on the annual work plans and budgets referred to in Section I.D (a) of the Schedule to the Project Agreement as approved by the Bank, and incurred by the Borrower or the Project Implementing Entities for purposes of Project implementation, management, and monitoring and evaluation, on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, domestic travel and subsistence, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Borrower's civil service.

27. "Original Financing Agreement" means the development credit agreement for a Second Transmission and Distribution Project between the Borrower and the Association, dated March 16, 2006, as amended to the date of this Agreement (Credit No. 4107-VN).

28. "Original Project" means the Project described in the Original Financing Agreement.

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

30. "Procurement Plan" means NPT's procurement plan for the Project, dated February 21, 2011, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

31. "Project Implementing Entity" means, individually, each of the following: (a) NPT; and (b) EVN; and "Project Implementing Entities" means, collectively, both of said entities.

32. "Project Implementing Entity's Legislation" means: (a) for NPT, EVN's Decision Nos. 223/QD-EVN dated April 11, 2008 and 510/QD-EVN dated August 28, 2008, and NPT's charter, as adopted pursuant to the latter Decision; and (b) for EVN, the Borrower's Decision No. 148/2006/QD-TTg, dated June 22, 2006, and EVN's charter, as adopted under said Decision; and such term includes any other decisions, or any laws and regulations governing the

organization, reorganization, restructuring, and operations of the Project Implementing Entities as of the date of this Agreement.

33. "Project Management Units" means, collectively, the Central and Southern Power Project Management Boards' (the latter as hereinafter defined) units, responsible for the management of projects in the respective part of the Borrower's territory, or any successors thereto.

34. "Project Operations Manual" means NPT's manual, dated January 7, 2011, agreed with the Bank and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such manual.

35. "Resettlement Action Plan" means NPT's plan, to be agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons under a Subproject, in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

36. "Resettlement Policy Framework" means the Borrower's framework, dated May 2005, approved pursuant to its Decision Nos. 890/TTg-CN dated June 30, 2005 and 2192/QD-NLDK dated June 30, 2005, and adopted by EVN pursuant to Instruction No. 2764-EVN-HTQT dated June 2, 2005, agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons, and guidelines and procedures for the preparation of Resettlement Action Plans, under the Project, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

37. "Respective Part of the Project" means, in respect of NPT, Parts A.1 and C of the Project.

38. "Southern Power Project Management Board" means NPT's entity responsible for the management of high-voltage power transmission activities in the southern part of the Borrower's territory, or any successor thereto.

39. "State Bank of Vietnam" means the Borrower's central bank, or any successor thereto.

40. "Subproject" means one (1) or more contract packages under the Project, grouped together for procurement purposes.

41. "Subsidiary Agreement" means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to NPT.

42. "Training" means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.D (a) of the Schedule to the Project Agreement as approved by the Bank, and attributable to seminars, workshops, and study tours, along with domestic and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.