LOAN NUMBER 3391VIE

LOAN AGREEMENT
(Ordinary Operations)

(Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 2)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED January 9, 2017

LOAN AGREEMENT
(Ordinary Operations)

LOAN AGREEMENT dated January 9, 2017 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a framework financing agreement dated 30 November 2010 between the Borrower and ADB, ADB has agreed to provide a multitranche financing facility to the Borrower for purposes of financing projects under the Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project ("Investment Project");

(B) by a periodic financing request dated 24 September 2015 submitted by the Borrower, the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(C) ADB had agreed to make a loan to the Borrower from ADB's ordinary capital resources in an amount of three hundred fifty million Dollars ($350,000,000) to finance a part of the Investment Project ("Loan 1") upon terms and conditions set forth in the loan agreement between the Borrower and ADB ("Loan 1 Agreement");

(D) the Government of Japan, through Japan International Cooperation Agency, had agreed to make loans to the Borrower not exceeding the equivalent of the sum of six hundred thirty-five million Dollars ($635,000,000) to finance a part of the Investment Project upon terms and conditions set forth in the respective loan agreements between the Borrower and the Government of Japan;

(E) the Project will be carried out by Vietnam Expressway Corporation ("VEC"), and for this purpose the Borrower will make available to VEC the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB; and

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

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

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

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

Commitment Charge; Credit; Maturity Premium. (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the credit against the interest payable by the Borrower.

(c) The Borrower shall pay a maturity premium at the rate specified in the Loan Agreement, which maturity premium shall remain fixed for the term of the Loan. ADB shall add the maturity premium to the interest payable by the Borrower.

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

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

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

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

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

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

(b) "Consulting Services" means the services to be financed out of the proceeds of the Loan as described in paragraph 3 of Schedule 1 to this Loan Agreement;

(c) "EIA" means the environmental impact assessment prepared for the Investment Project;

(d) "Environmental Management Plan" or "EMP" means the environmental management plan for the Investment Project, including any update thereto, incorporated in the EIA;

(e) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(f) "FAM" means the facility administration manual for the Investment Project dated 26 October 2010 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(g) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome;

(h) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(i) "Loan 1" means the loan provided under the loan agreement between the Borrower and ADB for the Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 1 dated 5 May 2011, including any amendments thereto;

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

(k) "MOT" means the Borrower's Ministry of Transport, or any successor thereto;

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

(m) "Procurement Plan" means the procurement plan for the Project dated 23 March 2016 and agreed between the Borrower, through MOT, and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(n) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means VEC, which is responsible for the carrying out of the Project;

(o) "Project facilities" means facilities developed, constructed, updated and/or maintained under the Project;

(p) "Resettlement Plan" or "RP" means a resettlement plan for the Investment Project, including any update thereto, prepared and submitted by VEC and cleared by ADB;

(q) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009);

(r) "Safeguards Monitoring Report" means each report prepared and submitted by VEC to ADB that describes progress with implementation of and compliance with the EMP and the RP (as applicable), including any corrective and preventative actions;

(s) "SBV" means the State Bank of Vietnam established as the central bank of the Borrower, or any successors thereto;

(t) "Subsidiary Loan" means the loan provided under the Subsidiary Loan Agreement;

(u) "Subsidiary Loan Agreement" means the subsidiary loan agreement between the Borrower and VEC, as described in Section 3.01(a) of this Loan Agreement;

(v) "VEC" means Vietnam Expressway Corporation duly incorporated within the territory of the Borrower, or any legal successor thereto; and

(w) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of two hundred eighty-six million Dollars ($286,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 23 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

(a) LIBOR;

(b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations; and

(c) a maturity premium of 0.20% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 April and 15 October in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

(i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;

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

(iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

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

ARTICLE III

Use of Proceeds of the Loan

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

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

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the

proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.05. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 June 2020 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Borrower shall cause VEC to carry out the Project with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement and the Project Agreement.

Section 4.02. The Borrower shall make available, or cause to be made available, promptly as needed, the funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04. The Borrower shall enable ADB's representatives to inspect the Project, the Works, and any relevant records and documents.

Section 4.05. The Borrower shall take all actions which shall be necessary on its part to enable VEC to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.06. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreement shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.

ARTICLE V

Suspension; Acceleration of Maturity

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

(a) Loan 1 shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date; and

(b) the Subsidiary Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date.

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

ARTICLE VI

Effectiveness

Section 6.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VII

Delegation of Authority

Section 7.01. The Borrower hereby designates VEC as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02 and 3.03 of this Loan Agreement and under Sections 6.01, 6.02 and 6.03 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by VEC pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on VEC under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VIII

Miscellaneous

Section 8.01. The Governor of SBV is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

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

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385

For ADB

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

Facsimile Numbers:

(632) 636-2444
(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 Vietnam

ASIAN DEVELOPMENT BANK

By _____
ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Investment Project is expected to be the increased competitiveness of regional economy in southern Viet Nam and the neighboring countries, through expanding access to markets, facilitating the movement of goods and people, and contributing to connectivity improvements to neighboring countries. As part of the Investment Project, the outcome of the Project is more efficient and safer movement of goods and people in Ho Chi Minh City and its neighboring provinces. The Project is the second project of the Investment Project.

2. The Project shall comprise the eastern section of the Ben Luc–Long Thanh Expressway.

3. The Project supervision consultant, the external environmental monitoring consultant, and the external auditing consultant engaged under Loan 1 will be used for the Project.

4. The Project is expected to be completed by 31 December 2019.

SCHEDULE 2

Amortization Schedule

(Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 2)

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Payment Due	Installment Share (Expressed as a %)
15 October 2023	2.173913
15 April 2024	2.173913
15 October 2024	2.173913
15 April 2025	2.173913
15 October 2025	2.173913
15 April 2026	2.173913
15 October 2026	2.173913
15 April 2027	2.173913
15 October 2027	2.173913
15 April 2028	2.173913
15 October 2028	2.173913
15 April 2029	2.173913
15 October 2029	2.173913
15 April 2030	2.173913
15 October 2030	2.173913
15 April 2031	2.173913
15 October 2031	2.173913
15 April 2032	2.173913
15 October 2032	2.173913
15 April 2033	2.173913
15 October 2033	2.173913
15 April 2034	2.173913
15 October 2034	2.173913
15 April 2035	2.173913
15 October 2035	2.173913
15 April 2036	2.173913
15 October 2036	2.173913
15 April 2037	2.173913
15 October 2037	2.173913

Schedule 2

Payment Due	Installment Share (Expressed as a %)
15 April 2038	2.173913
15 October 2038	2.173913
15 April 2039	2.173913
15 October 2039	2.173913
15 April 2040	2.173913
15 October 2040	2.173913
15 April 2041	2.173913
15 October 2041	2.173913
15 April 2042	2.173913
15 October 2042	2.173913
15 April 2043	2.173913
15 October 2043	2.173913
15 April 2044	2.173913
15 October 2044	2.173913
15 April 2045	2.173913
15 October 2045	2.173913
15 April 2046	2.173915
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be

repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

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

Basis for Withdrawal from the Loan Account

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

Interest and Commitment Charges

3. The amount allocated to Category 4 is for financing interest and commitment charges on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest and commitment charges.

Reallocation

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

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

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

Disbursement Procedures

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

Schedule 3

Retroactive Financing

6. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement, subject to a maximum amount equivalent to 20% of the Loan amount.

Condition for Withdrawals from Loan Account

7. Notwithstanding any other provision of this Loan Agreement;

(a) no withdrawal shall be made from the Loan Account until the Borrower shall have certified to ADB in writing that the Subsidiary Loan Agreement, in form and substance satisfactory to ADB, shall have been duly executed and delivered on behalf of the parties thereto and shall have become valid and biding upon the parties thereto in accordance with its terms; and

(b) no withdrawals shall be made from the Loan Account for Categories 2 and 3 until the amounts allocated to such Categories under Loan 1 are exhausted.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 2)			
Number	**Item**	**Total Amount Allocated for ADB Financing ($) Category**	**Basis for Withdrawal from the Loan Account**
1	Works	209,700,000*	100% of total expenditure claimed
2	Consulting Services**	8,900,000*	100% of total expenditure claimed
3	VEC Incremental Administration Cost**	3,200,000*	100% of total expenditure claimed
4	Interest and Commitment Charges	33,400,000	100% of amounts due
5	Unallocated	30,800,000	
	Total	286,000,000	

* Subject to the condition for withdrawal described in paragraph 7(a) of Schedule 3.
** Subject to the condition for withdrawal described in paragraph 7(b) of Schedule 3.

SCHEDULE 4

Procurement of Works and Consulting Services

General

1. The procurement of Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

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

Works

3. Except as ADB may otherwise agree, Works shall only be procured on the basis of the method of procurement set forth below: International Competitive Bidding.

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

Conditions for Award of Contract

5. The Borrower shall cause VEC not to award any Works contract until VEC has:

(a) obtained the final approval of the EIA from the Borrower's Ministry of Natural Resources and Environment; and

(b) incorporated the relevant provisions from the EMP into the Works contract.

6. The Borrower shall cause VEC not to award any Works contract until VEC has prepared and submitted to ADB the final RP based on the detailed design, and obtained ADB's clearance of the RP.

Consulting Services

7. Except as ADB may otherwise agree, the Loan shall finance the Consulting Services already selected under the Loan 1.

Schedule 4

Industrial or Intellectual Property Rights

8. (a) The Borrower shall ensure that all Works procured do not violate or infringe any industrial property or intellectual property right or claim of any third party.

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

ADB's Review of Procurement Decisions

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

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

Implementation Arrangements

1. The Borrower shall ensure and cause VEC to ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FAM. Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower, through its relevant agencies, and ADB. In the event of any discrepancy between the FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Institutional Development

2. The Borrower shall cause MOT and its line agencies to implement the recommendation developed under ADB's technical assistance for Strengthening Institutional and Financial Arrangements, Operation and Maintenance, and Governance in Road Transport. In particular, MOT and its line agencies shall adopt and carry out (a) efficient management of (i) the Directorate for Roads in Viet Nam, and (ii) upon its establishment, the Vietnam Expressway Management Administration; (b) financial arrangements of expressway projects and financial empowerment of VEC; (c) flexible design standards; and (d) improved framework for governance of the road sector.

Environment

3. The Borrower shall cause VEC to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the EIA, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

4. The Borrower shall ensure that VEC engages qualified and experienced external expert(s), acceptable to ADB. Such experienced external expert(s) shall (a) review and verify the accuracy, breadth, depth, and relevance of information provided by VEC to ADB with regard to implementation of the EMP; (b) determine if provisions under the EMP are being carried out in a thorough and timely manner and in accordance with budget identified within the EMP; and (c) undertake monitoring annually and shall submit corresponding report to VEC and ADB on a timely basis.

5. The Borrower shall cause VEC to (a) design the expressway of Km 52+400 to Km 57+700 structure that shall not affect permanently more than 0.9 hectares; and (b) ensure that the Works contract for such section of the expressway contains the following specific conditions: (i) no mangrove in Long Thanh protected forest areas shall be pruned and cleared; (ii) temporary access roads can be provided only within the right-of-way, and a total area of the temporary access roads shall not be more than 5.1 hectares, (iii) construction yards can be established only within the right-of-way, and a total area of construction yards shall not be more than 3.1 hectares; (iv) mangrove replantation equivalent to 12.5 hectares shall be carried out in vacant areas of Long Thanh protected forest and other appropriate

protected forests; and (v) after completion of the civil works, the hydrological condition along the right-of-way shall be restored to allow regrowth of mangrove stands. The Borrower shall cause VEC to ensure that VEC shall cause the contractor to develop, and submit to ADB, the construction plan in compliance with the conditions as specified in this paragraph before VEC issues a notice-to-proceed to the contractor. The Borrower shall further ensure that VEC incorporates and report in the Safeguard Minitoring Reports, the compliance of the contractor with this paragraph.

6. The Borrower shall cause VEC to establish an environmental grievance redress mechanism, acceptable to ADB, through which it receives and facilitates resolution of affected peoples' concerns, complaints, and grievances about the Project's environmental performance. The Borrower shall further cause VEC to (a) make public the existence of this grievance redress mechanism through public awareness campaigns; (b) review and address environmental grievances of stakeholders in relation to the Project, any of the service providers, or any person responsible for carrying out any aspect of the Investment Project; and (c) proactively and constructively respond to such grievances.

Resettlement

7. The Borrower shall cause VEC to ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

8. Without limiting the application of the Involuntary Resettlement Safeguards or the RP, the Borrower shall cause VEC to ensure that no physical or economic displacement takes place in connection with the Project until:

(a) compensation and other entitlements have been provided to affected people in accordance with the RP; and

(b) comprehensive income and livelihood restoration program has been established in accordance with the RP.

9. The Borrower shall ensure that VEC does not issue a notice of possession of site for any expressway section until its head of District Compensation and Site Clearance Committee has officially confirmed in writing that (a) payment has been fully disbursed to the affected persons and rehabilitation measures are in place as per the RP and its updates; (b) already-compensated affected persons have cleared the area in a timely manner; and (c) the area is free from any encumbrances.

10. The Borrower shall ensure that (a) the counterpart funds for land acquisition, resettlement and monitoring activities specified in the RP are provided to the relevant agencies on timely basis; (b) any unforeseen obligations in excess of the initial RP budget estimate shall be fulfilled; and (c) the counterpart funds for compensation and entitlements

under the RP are fully provided directly to affected persons prior to their displacement from housing and prior to loss of land, livelihood, income or other assets.

Indigenous Peoples

11. The Borrower shall ensure or cause VEC to ensure that the Project does not have any indigenous peoples impacts, within the meaning of the Safeguard Policy Statement. In the event that the Project does have any such impact, the Borrower shall, or shall cause VEC to, take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the Safeguard Policy Statement.

Human and Financial Resources to Implement Safeguards Requirements

12. The Borrower shall cause VEC to make available necessary budgetary and human resources to fully implement the EMP and the RP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

13. The Borrower shall cause VEC to make available necessary budgetary and human resources. The Borrower shall cause VEC to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

(a) comply with the measures relevant to the contractor set forth in the EIA, the EMP and the RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;

(b) make available a budget for all such environmental and social measures;

(c) provide VEC with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the EIA, the EMP and the RP;

(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and

(e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

Safeguards Monitoring and Reporting

14. The Borrower shall cause VEC to do the following:

(a) submit quarterly Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;

(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the EIA, the EMP and the RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and

(c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RP promptly after becoming aware of the breach.

Prohibited List of Investments

15. The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Social Protection

16. The Borrower shall cause VEC to ensure that all Works contracts incorporate provisions and allocate budgets, so that such contractors shall: (a) comply with the core labor standard and the Borrower's applicable labor laws and do not employ child labor; (b) provide safe working conditions, and water and separate sanitation facilities for male and female workers; (c) provide equal wages to male and female workers for work of equal value; (d) provide day care services for female construction workers; and (e) carry out programs on prevention of HIV/AIDS, illicit drugs and human trafficking in the respective construction campsites with such programs being held in coordination with the Borrower's programs and other initiatives. VEC and Works contractors shall conduct the programs on prevention of HIV/AIDS, illicit drugs and human trafficking during construction in the construction camps, towns, and rural areas of provinces where the Project is implemented.

Operation and Maintenance

17. The Borrower shall ensure that at least 6 months prior to the transfer of any one of Project expressway sections to VEC from a Works contractor, VEC shall have developed an internal department responsible for the Project expressway's operations and maintenance management. The Borrower shall cause VEC, if appropriate, to select an appropriately experienced entity to carry out operations and maintenance works on the Project expressway in an appropriate manner thereafter.

Financial Matters

18. For the purposes of this paragraph, all financial calculations, ratios, and financial covenants shall be applied in respect of VEC's Operations only.

(a) Except as ADB shall otherwise agree, the Borrower shall ensure that VEC does not incur any Debt unless a Reasonable Forecast of the revenues and expenditures of VEC shows that the estimated Net Revenues of VEC for each Fiscal Year during the term of the Debt to be incurred shall be at least 1.2 times the estimated Debt Service Requirements of VEC in such year on all Debt of VEC

including the debt to be incurred and no event has occurred since the date of the forecast which has, or may reasonably be expected in the future to have, a material adverse effect on the financial condition of future operating results of VEC.

(b) For the purposes of this paragraph:

(i) The term "VEC's Operations" refers to the operations of VEC.

(ii) The term "Debt" means any indebtedness of VEC maturing by its terms more than one year after the date on which it is originally incurred.

(iii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement or other instrument providing for such Debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into. Financial liabilities incurred by a borrower who is a lessee under finance leasing agreements may also be included as debt.

(iv) "Fiscal Year" means the period from 1 January to 31 December.

(v) "Net Revenues" means the difference between: (A) the sum of revenues from all sources related to Operations and Net Non-operating Income, after making adequate provisions for uncollectible Debts; and (B) the sum of all expenses related to Operations including administration, maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges, movements in Working Capital, and interest and other charges on debt.

(vi) "Net Non-operating Income" means the difference between: (A) revenues from all sources, including extraordinary gains, other than those related to operations; and receipts relating to the disposal of physical assets; and (B) expenses including taxes and payments in lieu of taxes, and including extraordinary losses, incurred in the generation of revenues in (v)(A) above; and payments for the purchase of physical assets, whether or not actually paid.

(vii) The term "Working Capital" means the difference between Current Assets and Current Liabilities at the end of each Fiscal Year.

(viii) The term "Current Assets" means all assets which could in the ordinary course of business be converted into cash within twelve months, including accounts receivable, marketable securities, inventories and prepaid expenses properly chargeable to operating expenses within the next Fiscal Year.

(ix) The term "Current Liabilities" means all liabilities which will become due and payable or could under circumstances then existing be called for payment within twelve months, including accounts payable, customer advances, debt service requirements, taxes and payments in lieu of taxes, and dividends.

(x) The term "Debt Service Requirements" means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on Debt.

(xi) The term "Reasonable Forecast" means a forecast to be prepared and submitted in accordance with the requirements of paragraph 21 of this Schedule.

(xii) Whenever for the purposes of this Section it shall be necessary to value Debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is at the time of such valuation obtainable for the purposes of servicing such Debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to ADB.

19. For the purposes of this paragraph, all financial calculations, ratios, and financial covenants shall be applied in respect of VEC's Operations only.

(a) Except as ADB shall otherwise agree, the Borrower shall ensure that VEC does not incur any debt, if after the incurrence of such debt the estimated ratio of debt to equity becomes greater than 90 to 10 beginning with Fiscal Year 2020.

(b) For purposes of this paragraph:

(i) The term "debt" means any indebtedness of VEC maturing by its terms more than one year after the date on which it is originally incurred.

(ii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement, or other instrument providing for such debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into. Financial liabilities incurred by a borrower who is a lessee under finance leasing agreements may also be included as debt.

(iii) The term "equity" means the sum of the total unimpaired paid-up capital, retained earnings and reserves of VEC not allocated to cover specific liabilities.

(iv) Whenever for purposes of this paragraph it shall be necessary to value, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such currency is, at the time of valuation, obtainable for the purposes of

servicing such debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to ADB.

20. If it appears that VEC will not meet requirements provided in paragraphs 18 and 19 above by its own revenues from its properties, the Borrower shall review financing reports of VEC and the feasibility of each project, and take necessary measures.

21. The Borrower shall cause VEC, when establishing the toll rates, to ensure that they are sufficient to satisfy VEC's minimum debt service coverage ratio and debt to equity ratio as described in paragraphs 18 and 19 above while also taking into account the Project's social objectives. The Borrower shall cause VEC to carry out periodic reviews (every three to five years as deemed appropriate) of the toll structure (i.e., vehicle classifications) and toll levels (i.e., amounts) to adjust for inflation or unanticipated costs.

22. The Borrower shall ensure that by using the internal financial information and management system, VEC produces a financially sustainable expressway investment plan utilizing monitoring and planning, cost recovery tariff levels, traffic forecast planning, and preparing projected financial statements and debt management strategies.

23. The Borrower shall ensure that VEC maintains a separate set of records for incremental administration costs, and cause VEC to submit to ADB: (a) within 3 months prior to the start of each applicable fiscal year, an annual operating plan, projected financial statements, anticipated debt obligations, and estimated incremental administration costs for charging to the Project and which estimates are based on an acceptable standard costing method; and (b) an audited statement in the annual audit of accounts confirming that the charged services were duly provided to the Project.

Governance

24. The Borrower and VEC shall comply with ADB's Anticorruption Policy (1998, as amended to date) and the Combating Money Laundering and the Financing of Terrorism Policy (2003). The Borrower (a) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; (b) agrees to cooperate fully with, and to cause VEC to cooperate fully with, any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation; and (c) agrees to refrain, and cause the VEC to refrain, from engaging in money laundering activities or financing of terrorism and shall allow, and cause VEC to allow, ADB to investigate any violation or potential violation of these undertakings.

25. The Borrower shall ensure that VEC conducts periodic inspections on the contractors' activities related to fund withdrawals and settlements, and the Borrower and VEC shall ensure that all contracts financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of all contractors, suppliers, consultants and other service providers as they relate to the Project.

26. The Borrower shall ensure that VEC publicly discloses on VEC website the information regarding (a) procurement contract awards, including for each such contract (i) the list of participating bidders, (ii) name of the winning bidder, (iii) basic details on bidding

procedures adopted, (iv) amount of the contract awarded, (v) list of Goods and/or services purchased, (vi) intended and actual utilization of Loan proceeds under each contract; and (b) internal and external resettlement reports. The website shall be updated within 2 weeks after: (a) each award of contract; and (b) each submission of the Safeguards Monitoring Report.

Project Performance Monitoring and Evaluation

27. The Borrower shall cause VEC to ensure the implementation of a systematic Project performance monitoring and evaluation system for use throughout the Project period and thereafter as needed. Such systematic Project performance monitoring and evaluation system indicates: (a) the effectiveness of Project implementation activities, including (i) the precise nature, timeliness, cost and quality of physical infrastructure implemented in the Project, (ii) the integrity of resettlement and related programs, and (iii) the extent to which the programs as referred to in paragraph 16(e) above are implemented as planned, and their impacts; and (b) the effectiveness of the Project with regard to its anticipated effect on economic and social development relative to the baseline prior to its implementation as indicated by at least the following indicators: (i) per capita income in the Project area, (ii) level of cross-border trade at Moc Bai, (iii) passenger and freight vehicle operating costs and poverty rate on the Project expressway and between key locations, (iv) cost for freight and fare for passenger movement between selected locations that indicate the impact of the Project on the community, (v) traffic volume at selected locations and travel time between the selected locations, (vi) number of traffic accidents, and (vii) number of new small and medium businesses and employment of local people. The impacts of development on low income households resulting from improved road access shall receive particular attention with regard to consideration of the effectiveness of the Project.

28. The Borrower shall cause VEC to ensure that disaggregated monitoring indicators by gender and ethnic minority are developed for monitoring of social benefits, economic opportunities, livelihood program, road safety, resettlement activities, and the programs as referred to in paragraph 16(e) above.

29. The Borrower shall cause VEC to ensure that baseline data is collected within 6 months of the Effective Date, with a second survey to be conducted upon Project completion and a third survey to be conducted 3 years after Project completion to establish Project impact. The baseline and subsequent surveys shall draw on data collected during Project preparatory activities and data collected from traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals and secondary data from government sources.