



# **Asian Infrastructure Investment Bank**

## **General Conditions for Sovereign-backed Loans Referencing LIBOR**

**October 22, 2021**

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## ARTICLE I

### Introductory Provisions

#### Section 1.01. *Application of General Conditions*

These General Conditions for Sovereign-backed Loans (“General Conditions”) set forth certain terms and conditions generally applicable to the Loan Agreement and to any other Legal Agreement. They apply to the extent the Legal Agreement so provides. If the Loan Agreement is between the Member and the Bank, references in these General Conditions to the Guarantor and the Guarantee Agreement shall be disregarded. If there is no Project Agreement between the Bank and a Project Implementing Entity, references in these General Conditions to the Project Implementing Entity and the Project Agreement shall be disregarded.

#### Section 1.02. *Inconsistency with Legal Agreements*

If any provision of any Legal Agreement is inconsistent with a provision of these General Conditions, the provision of the Legal Agreement shall govern.

#### Section 1.03. *Definitions*

As used in these General Conditions, the capitalized terms have the meanings ascribed to them in the Appendix.

#### Section 1.04. *References; Headings*

References in these General Conditions to Articles, Sections and Appendix are to the Articles and Sections of, and the Appendix to, these General Conditions. The headings of the Articles, Sections and Appendix, and the Table of Contents are inserted in these General Conditions for reference only and shall not be taken into consideration in interpreting these General Conditions. References in these General Conditions to a specific gender apply equally to any gender.

## ARTICLE II

### Withdrawals

#### Section 2.01. *Loan Account; Withdrawals Generally; Currency of Withdrawal*

- (a) The Bank shall credit the amount of the Loan to the Loan Account in the Loan Currency.

- (b) The Recipient may from time to time request withdrawals of amounts of the Loan from the Loan Account in accordance with the provisions of the Loan Agreement.
- (c) Each withdrawal of an amount of the Loan from the Loan Account shall be made in the Loan Currency. The Bank shall, at the request and acting as an agent of the Recipient, and on such terms and conditions as the Bank shall determine, purchase with the Loan Currency withdrawn from the Loan Account such Currencies as the Recipient shall reasonably request to meet payments for Eligible Expenditures.

Section 2.02. *Special Commitment by the Bank*

At the Recipient's request and on such terms and conditions as the Bank and the Recipient shall agree, the Bank may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation by the Bank or the Recipient ("Special Commitment").

Section 2.03. *Applications for Withdrawal*

- (a) When the Recipient wishes to request a withdrawal from the Loan Account, or to request the Bank to enter into a Special Commitment, the Recipient shall deliver to the Bank a written application in such form and substance as the Bank shall reasonably request. Applications for withdrawal, or for a Special Commitment, including the documentation required pursuant to this Article, shall be made promptly in relation to Eligible Expenditures.
- (b) The Recipient shall furnish to the Bank evidence satisfactory to the Bank of the authority of the person or persons authorized to sign such applications and the authenticated specimen signature of each such person.
- (c) The Recipient shall furnish to the Bank such documents and other evidence in support of each such application as the Bank shall reasonably request, whether before or after the Bank has permitted any withdrawal requested in the application.
- (d) Each such application and accompanying documents and other evidence must be sufficient in form and substance to satisfy the Bank that the Recipient is entitled to withdraw from the Loan Account the amount applied for, and that the amount to be withdrawn from the Loan Account will be used only for the purposes specified in the Loan Agreement.
- (e) The Bank shall pay the amounts withdrawn by the Recipient from the Loan Account only to, or on the order of, the Recipient.

#### Section 2.04. *Designated Accounts*

- (a) The Recipient may open and maintain one or more designated accounts into which the Bank may, at the request of the Recipient, deposit amounts withdrawn from the Loan Account as advances for purposes of the Project. All designated accounts shall be opened in a financial institution acceptable to the Bank, and on terms and conditions acceptable to the Bank.
- (b) Deposits into, and payments out of, any such designated account shall be made in accordance with the Loan Agreement and such additional instructions as the Bank may specify from time to time by notice to the Recipient. The Bank may, in accordance with the Loan Agreement and such instructions, cease making deposits into any such account upon notice to the Recipient. In such case, the Bank shall notify the Recipient of the procedures to be used for subsequent withdrawals from the Loan Account.

#### Section 2.05. *Eligible Expenditures*

The Recipient and the Project Implementing Entity shall use the proceeds of the Loan exclusively to finance expenditures which, except as otherwise provided in the Loan Agreement, satisfy the following requirements (“Eligible Expenditure”):

- (a) the payment is for the financing of the reasonable cost of goods, works or services required for the Project, to be financed out of the proceeds of the Loan and procured, all in accordance with the provisions of the Legal Agreements;
- (b) the payment is not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (c) (i) subject to Section 2.06, *Retroactive Financing*, the payment is made on or after the date of the Loan Agreement; and (ii) except as the Bank may otherwise agree, the payment is for expenditures incurred prior to the Closing Date.

#### Section 2.06. *Retroactive Financing*

The Loan Agreement may provide for the financing of Retroactive Payments. In such case, the Loan Agreement specifies the Retroactive Payments eligible for financing, the Retroactive Financing Date and the Retroactive Financing Limit.

#### Section 2.07. *Financing Taxes*

The use of any proceeds of the Loan to pay for Taxes levied by, or in the territory of, the Member on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Bank’s policy of requiring economy and efficiency in the use of the proceeds of its loans. To that end, if the Bank at any time determines that the amount of any such

Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Loan specified in the Loan Agreement, as required to ensure consistency with such policy of the Bank.

Section 2.08. *Refinancing Preparation Advance; Capitalizing Front-end Fee, Interest*

- (a) *Refinancing Preparation Advance.* If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank prior to the date of the Loan Agreement (“Preparation Advance”), the Bank shall, on behalf of the Recipient, withdraw from the Loan Account, on or after the Effective Date, the amount required: (i) to repay the withdrawn and outstanding balance of the Preparation Advance as at the date of such withdrawal from the Loan Account; and (ii) to pay all accrued and unpaid charges, if any, on the Preparation Advance as at such date. The Bank shall pay the amount so withdrawn to itself and shall cancel the remaining unwithdrawn amount of the Preparation Advance.
- (b) *Capitalizing Front End Fee.* Except as otherwise provided in the Loan Agreement, the Bank shall, on behalf of the Recipient, withdraw from the Loan Account, on or after the Effective Date and pay to itself, the amount of the Front-end Fee payable pursuant to Section 3.01, *Front-end Fee; Commitment Fee.*
- (c) *Capitalizing Interest.* If the Loan Agreement provides for financing of interest and other charges on the Loan out of the proceeds of the Loan, the Bank shall, on behalf of the Recipient, withdraw from the Loan Account on each of the Payment Dates, and pay to itself the amount required to pay such interest and other charges accrued and payable as at such date, subject to any limit specified in the Loan Agreement on the amount to be so withdrawn.

Section 2.09. *Reallocation*

Notwithstanding any allocation of an amount of the Loan to a category of expenditures under the Loan Agreement, if the Bank reasonably determines at any time that such amount will be insufficient to finance such expenditures, it may, by notice to the Recipient:

- (a) reallocate any other amount of the Loan which, in the opinion of the Bank, is not needed for the purpose for which it has been allocated under the Loan Agreement, to the extent required to meet the estimated shortfall; and



- (b) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of such expenditures to be financed out of the proceeds of the Loan, in order that withdrawals for such expenditures may continue until all such expenditures have been made.

## **ARTICLE III**

### **Loan Terms**

#### *Section 3.01. Front-end Fee; Commitment Fee*

- (a) *Front-end Fee.* The Recipient shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (“Front-end Fee”). The Borrower shall pay the Front-End Fee not later than sixty (60) days after the Effective Date.
- (b) *Commitment Fee.* The Recipient shall pay the Bank a commitment fee on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (“Commitment Fee”). The Commitment Fee shall accrue from the date falling sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Loan Account or cancelled. The Commitment Fee shall be payable in arrears on each Payment Date, commencing on the first Payment Date following the Effective Date.

#### *Section 3.02. Interest*

- (a) The Recipient shall pay the Bank interest on the Withdrawn Loan Balance at the Variable Rate specified in the Loan Agreement; provided, however, that the interest rate applicable to any Interest Period shall in no event be less than zero percent (0%) per annum; and provided further that such interest rate may be subject to an Interest Rate Conversion, in accordance with the provisions of Article IV.
- (b) Interest shall: (i) accrue from the respective dates on which amounts of the Loan are withdrawn; (ii) be calculated on the basis of the actual number of days elapsed and a three hundred sixty (360)-day year (unless market practice for the Loan Currency provides for a three hundred sixty-five (365)-day year); and (iii) be payable in arrears on each Payment Date.
- (c) The Bank shall notify the Loan Parties of the interest rate on the Withdrawn Loan Balance for each Interest Period, promptly upon its determination.

- (d) If the Bank determines that (i) the Reference Rate for the Loan Currency has permanently ceased to be quoted or a public statement or publication of information has been made by the regulatory supervisor for the administrator of the Reference Rate announcing that such Reference Rate is or will no longer be representative or published, or (ii) the Bank is no longer able, or it is no longer commercially acceptable for the Bank, to continue to use such Reference Rate for purposes of its asset and liability management, the Bank shall apply such other Reference Rate for the Loan Currency, including any applicable spread, as it may reasonably determine. The Bank shall promptly notify the Loan Parties of such other Reference Rate, any applicable spread, and any other related amendments to the provisions of the Loan Agreement, which shall become effective as of the date of such notice.

Section 3.03. *Interest on Overdue Amounts during the Default Interest Period*

- (a) Notwithstanding the provisions of paragraph (a) of Section 3.02, *Interest*, if any amount of the Withdrawn Loan Balance remains unpaid when due and such nonpayment continues for a period of thirty (30) days, then the Recipient shall pay interest on such overdue amount at the rate specified below in paragraph (c) or (d) of this Section (as applicable) in lieu of the rate that would otherwise apply.
- (b) Interest at the rate specified in paragraph (a) of this Section shall accrue from the first day of each Default Interest Period until such overdue amount is fully paid and shall be payable in arrears on each Payment Date.
- (c) During the Default Interest Period, to the extent that the overdue amount of the Withdrawn Loan Balance is not subject to an Interest Rate Conversion, the Recipient shall pay interest on the overdue daily Withdrawn Loan Balances at the Variable Rate applicable to said overdue amount for the relevant Default Interest Period plus one percent (1%).
- (d) During the Default Interest Period, to the extent that the overdue amount of the Withdrawn Loan Balance is subject to an Interest Rate Conversion, the Recipient shall pay interest on the overdue amount at the Conversion Interest Rate applicable to said overdue amount for the relevant Default Interest Period plus one percent (1%).

Section 3.04. *Repayment*

The Recipient shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement.

Section 3.05. *Prepayment*

- (a) After giving not less than forty-five (45) days' notice to the Bank, the Recipient may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Recipient has paid all Loan Payments due as at such date, including any prepayment premium calculated pursuant to paragraph (c) of this Section): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan.
- (b) Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Recipient, or in the absence of any specification by the Recipient, in the following manner: (i) if the Loan Agreement provides for the separate amortization of specified disbursed amounts of the principal of the Loan ("Disbursed Amounts"), the prepayment shall be applied in the inverse order of the Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (ii) in all other cases, the prepayment shall be applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.
- (c) The prepayment premium payable under paragraph (a) of this Section shall be an amount reasonably determined by the Bank to represent any cost to it of redeploying the amount to be prepaid from the date of its prepayment to its maturity date.
- (d) If any amount of the Loan to be prepaid is subject to an Interest Rate Conversion at the time of prepayment: (i) the Recipient shall pay a transaction fee for the early termination of the Interest Rate Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect at the time of receipt by the Bank of the Recipient's notice of prepayment; and (ii) the Recipient shall, as applicable, receive from the Bank any gain realized by the Bank or pay to the Bank any loss realized by the Bank, in either case as a result of liquidating, modifying or offsetting any derivative transaction for said Interest Rate Conversion and/or reallocating the Bank's corresponding funding in order to effect such early termination, in accordance with the Conversion Guidelines. In the case of a gain, such amount will be applied to the amounts due and payable by the Recipient. In case of a loss, such amount and any transaction fees provided for under this paragraph shall be paid by the Recipient at the time of the prepayment.

Section 3.06. *Partial Payment*

If the Bank at any time receives less than the full amount of any Loan Payment then due, it shall have the right to allocate and apply the amount so received in any manner and for such purposes under the Loan Agreement as it determines in its sole discretion.

Section 3.07. *Place, Currency and Manner of Payment*

- (a) All Loan Payments shall be paid at such places as the Bank shall reasonably specify.
- (b) The Recipient shall pay all Loan Payments in the Loan Currency.
- (c) Any Loan Payment required to be paid to the Bank shall be made in such manner as shall be permitted under applicable law for the purpose of making such payment and effecting the deposit of such payment to the account of the Bank with the financial institution designated by the Bank.
- (d) The Member shall ensure that all Loan Payments are exempt from, and are paid without restrictions of any kind imposed by, or in the territory of, the member and without deduction for any Taxes levied by or in the territory of the Member.

Section 3.08. *No Taxes on Legal Agreements*

The Member shall ensure that the Legal Agreements are free from any and all Taxes levied by, or in the territory of, the Member on, or in connection with, their execution, delivery or registration.

Section 3.09. *Valuation of Currencies*

Whenever it becomes necessary, for the purposes of any Legal Agreement, to determine the value of one Currency in terms of another, such value shall be as reasonably determined by the Bank.

**ARTICLE IV**

**Interest Rate Conversions**

Section 4.01. *Interest Rate Conversions Generally*

- (a) The Borrower may, at any time, request an Interest Rate Conversion on all or part of the Withdrawn Loan Balance in accordance with the provisions of this Section. Each such request shall be furnished by the Recipient to the Bank in

accordance with the Conversion Guidelines and such additional terms and conditions as may be agreed between the Bank and the Recipient. Upon acceptance by the Bank, the conversion requested shall be considered an Interest Rate Conversion for the purposes of these General Conditions.

- (b) Upon acceptance by the Bank of a request for an Interest Rate Conversion, the Bank shall take all actions necessary to effect the Interest Rate Conversion in accordance with the Loan Agreement and the Conversion Guidelines. To the extent any modification of the provisions of the Loan Agreement providing for withdrawal or repayment of the proceeds of the Loan is required to give effect to the Interest Rate Conversion, such provisions shall be deemed to have been modified as of the Interest Rate Conversion Date. Promptly after the Conversion Execution Date for each Interest Rate Conversion, the Bank shall notify the Loan Parties of the financial terms of the Loan, including any modified provisions of the Loan Agreement providing for withdrawal of the proceeds of the Loan.
- (c) The Recipient shall pay a transaction fee for each Interest Rate Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the date of the Bank's acceptance of the Interest Rate Conversion request. The transaction fees provided for under this paragraph shall be payable in the manner specified in the Conversion Guidelines.
- (d) The Bank reserves the right at any time to terminate an Interest Rate Conversion prior to its maturity if: (i) the underlying hedging arrangements undertaken by the Bank in connection with said Interest Rate Conversion are terminated as a result of it becoming impractical, impossible or unlawful for the Bank or its Counterparty to make a payment or to receive a payment on the terms agreed upon due to the: (A) adoption of, or any change in, any applicable law after the date on which said Interest Rate Conversion is executed; or (B) interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the date on which said Interest Rate Conversion is executed or any change in any such interpretation; and (ii) the Bank is unable to find a replacement hedging arrangement. Upon any such termination, the provisions of paragraph (b) of Section 4.03 *Early Termination* apply.

#### Section 4.02. *Conversion Interest Rate*

- (a) Upon an Interest Rate Conversion, the Recipient shall, during the Interest Rate Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Interest Rate Conversion applies at the Conversion Interest Rate.
- (b) Upon the termination of the Interest Rate Conversion Period, the interest applicable to said Withdrawn Loan Balance shall be the Variable Rate specified in the Loan Agreement except as otherwise provided pursuant to Section 3.02, *Interest Rate* and Section 3.03, *Interest on Overdue Amounts during the Default Interest Period*.

Section 4.03. *Early Termination of Interest Rate Conversion*

- (a) The Bank shall have the right to terminate any Interest Rate Conversion during the Default Interest Period.
- (b) Except as otherwise provided in the Conversion Guidelines, upon the early termination of any Interest Rate Conversion by the Bank, as provided in paragraph (d) of Section 4.01, *Interest Rate Conversions Generally* or paragraph (a) of this Section: (i) the Recipient shall pay a transaction fee for said early termination, in such amount or at such rate as announced by the Bank from time to time and in effect at the time of said early termination; and (ii) the Recipient shall, as applicable, receive from the Bank any gain realized by the Bank or pay to the Bank any loss realized by the Bank, in either case, as a result of liquidating, modifying or offsetting any derivative transaction for said Interest Rate Conversion and/or reallocating the Bank's corresponding funding in order to effect such early termination, in accordance with the Conversion Guidelines. In the case of a gain, such amount will be applied to any amounts due and payable by the Recipient. In the case of a loss, such amount and any transaction fees provided for under this paragraph shall be paid on the effective date of the early termination.

Section 4.04. *Other Conversions of Loan terms*

- (a) The Bank intends over time to develop additional mechanisms that will enable it to offer the Recipient the option to convert the currency of denomination of the Loan on such terms and conditions as shall be determined by the Bank and set forth in the Conversion Guidelines. At such time as the Bank adopts a policy providing for these additional currency conversions, the Bank shall notify the Recipient of the currency conversion options available to the Recipient and the terms and conditions for these conversions. Upon such notification, the Recipient may, at any time, in order to facilitate prudent debt management, request a currency conversion in accordance with the Conversion Guidelines. The Recipient shall furnish each such request to the Bank in accordance with the Conversion Guidelines.

**ARTICLE V**  
**Project Execution**

Section 5.01. *Project Execution Generally*

The Recipient and the Project Implementing Entity shall carry out their Respective Parts of the Project:

- (a) with due diligence and efficiency;

- (b) in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including, without limitation, the Environmental and Social Policy and Standards and the Procurement Policy; and
- (c) in accordance with the provisions of the Legal Agreements.

Section 5.02. *Performance under the Loan Agreement and Project Agreement*

- (a) The Guarantor shall not take or permit to be taken any action which would prevent or interfere with the execution of the Project or the performance of the obligations of the Recipient or the Project Implementing Entity under the Legal Agreement to which it is a party.
- (b) The Recipient shall: (i) cause the Project Implementing Entity to perform all of the obligations of the Project Implementing Entity set forth in the Project Agreement in accordance with the provisions of the Project Agreement; and (ii) not take or permit to be taken any action which would prevent or interfere with such performance.

Section 5.03. *Provision of Funds and other Resources*

The Recipient shall provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources: (a) required for the Project; and (b) necessary or appropriate to enable it and the Project Implementing Entity to perform their obligations, respectively, under the Loan Agreement and the Project Agreement.

Section 5.04. *Insurance*

The Recipient and the Project Implementing Entity shall make adequate provision for the insurance of any goods required for their Respective Parts of the Project and to be financed out of the proceeds of the Loan, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation. Any indemnity for such insurance shall be payable in a freely usable Currency to replace or repair such goods.

Section 5.05. *Land Acquisition*

The Recipient and the Project Implementing Entity shall take (or cause to be taken) all action to acquire, as and when needed, all land and rights in respect of land as shall be required for carrying out their Respective Parts of the Project, and shall promptly furnish to the Bank, upon its request, evidence satisfactory to the Bank that such land and rights in respect of land are available for purposes related to the Project.

Section 5.06. *Use of Goods, Works and Services; Maintenance of Facilities*

- (a) Except as the Bank shall otherwise agree, the Recipient and the Project Implementing Entity shall ensure that all goods, works and services financed out of the proceeds of the Loan are used exclusively for the purposes of the Project.
- (b) The Recipient and the Project Implementing Entity shall ensure that all Project Assets and other facilities relevant to their Respective Parts of the Project shall at all times be properly operated and maintained, and that all necessary repairs and renewals of such Assets and facilities shall be made promptly as needed.

Section 5.07. *Plans; Documents; Records*

- (a) The Recipient and the Project Implementing Entity shall furnish to the Bank all plans, schedules, specifications, reports and contract documents for their Respective Parts of the Project, and any material modifications of, or additions to, these documents, promptly upon their preparation, and in such detail as the Bank shall reasonably request.
- (b) The Recipient and the Project Implementing Entity shall maintain records adequate to record the progress of their Respective Parts of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Loan and to disclose their use in the Project, and shall furnish such records to the Bank upon its request.
- (c) The Recipient and the Project Implementing Entity shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under their Respective Parts of the Project until at least one (1) year after the Bank has received the audited Financial Statements covering the period during which the last withdrawal from the Loan Account was made. The Recipient and the Project Implementing Entity shall enable the Bank's representatives to examine such records.

Section 5.08. *Project Monitoring and Evaluation*

- (a) The Recipient shall maintain or cause to be maintained policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Bank, the progress of the Project and the achievement of its objectives.
- (b) The Recipient shall prepare, or cause to be prepared, periodically, a report ("Project Report"), in form and substance satisfactory to the Bank, integrating



the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project and to achieve the Project's objectives. The Recipient shall furnish or cause to be furnished each Project Report to the Bank promptly upon its preparation, afford the Bank a reasonable opportunity to exchange views with the Recipient and the Project Implementing Entity on such report, and thereafter implement such recommended measures, taking into account the Bank's views on the matter.

- (c) The Recipient shall prepare, or cause to be prepared, and furnish to the Bank not later than six (6) months after the Closing Date, or such other date as may be specified for that purpose in the Loan Agreement, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Project, the performance by the Loan Parties, the Project Implementing Entity and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan ("Completion Report"). The Completion Report shall include a plan designed to ensure the sustainability of the Project's achievements.

Section 5.09. *Financial Management; Financial Statements; Audits*

- (a) The Recipient shall maintain, or cause to be maintained, a financial management system and prepare financial statements ("Financial Statements"), both in accordance with consistently applied accounting standards acceptable to the Bank and in a manner adequate to reflect the operations, resources and expenditures related to the Project.
- (b) The Recipient shall:
  - (i) have the Financial Statements periodically audited in accordance with the Legal Agreements, by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;
  - (ii) not later than the date specified in the Legal Agreements, furnish, or cause to be furnished, to the Bank the Financial Statements as so audited, and such other information concerning the audited Financial Statements and such auditors, as the Bank may from time to time reasonably request; and
  - (iii) make the audited Financial Statements, or cause the audited Financial Statements to be made, publicly available in a timely fashion and in a manner acceptable to the Bank.

Section 5.10. *Cooperation and Consultation*

The Bank, the Loan Parties and the Project Implementing Entity, shall cooperate fully to ensure that the purposes of the Loan and the objectives of the Project will be accomplished. To that end, the Bank, the Loan Parties and the Project Implementing Entity shall:

- (a) from time to time, at the request of any one of them, exchange views on the Project, the Loan, and the performance of their respective obligations under the Legal Agreements, and furnish to the other parties all such information related to such matters as any of them shall reasonably request; and
- (b) promptly inform each other of any condition which interferes with, or threatens to interfere with, such matters.

Section 5.11. *Visits*

- (a) The Member shall afford all reasonable opportunity for representatives of the Bank to visit any part of its territory for purposes related to the Loan or the Project.
- (b) The Recipient and the Project Implementing Entity shall enable the Bank's representatives to: (i) visit any facilities and construction sites included in their Respective Parts of the Project; and (ii) to examine the goods financed out of the proceeds of the Loan for their Respective Parts of the Project, and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of their obligations under the Legal Agreements.

Section 5.12. *Disputed Area*

In the event that the Project is in an area which is or becomes disputed, neither the Bank's financing of the Project, nor any designation of or reference to such area in the Legal Agreements, is intended to constitute a judgment on the part of the Bank as to the legal or other status of such area or to prejudice the determination of any claims with respect to such area.

**ARTICLE VI**

**Financial and Economic Data; Negative Pledge**

Section 6.01. *Financial and Economic Data*

The Member shall periodically furnish to the Bank all such information as the Bank

shall reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its External Debt, as well as that of its political or administrative subdivisions and of any entity owned and controlled by, or operating for the account or benefit of, the Member or any such subdivision, and of any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Member.

Section 6.02. *Negative Pledge*

- (a) It is the policy of the Bank, in making loans to, or with the guarantee of, its members not to seek, in normal circumstances, special security from the member concerned, but to ensure that no other External Debt shall have priority over its loans in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member. To that end, the Member undertakes to ensure that no other External Debt of the Member shall have priority over the Loan in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of the Member. If any Lien is created on any Public Assets as security for any External Debt, which will or might result in a priority for the benefit of the creditor of such External Debt in the allocation, realization or distribution of foreign exchange, such Lien shall, unless the Bank shall otherwise agree, ipso facto and at no cost to the Bank, equally and ratably secure all Loan Payments, and the Member, in creating or permitting the creation of such Lien, shall make express provision to that effect; provided, however, that if for any constitutional or other legal reason such provision cannot be made with respect to any Lien created on Assets of any of its political or administrative subdivisions, the Member shall promptly, and at no cost to the Bank, secure all Loan Payments by an equivalent Lien on other Public Assets satisfactory to the Bank.
- (b) The Recipient, if it is not the Member, undertakes that, except as the Bank shall otherwise agree:
  - (i) if the Recipient creates any Lien on any of its Assets as security for any debt, such Lien will equally and ratably secure the payment of all Loan Payments, and in the creation of any such Lien express provision will be made to that effect, at no cost to the Bank; and
  - (ii) if any statutory Lien is created on any of the Recipient's Assets as security for any debt, the Recipient shall grant at no cost to the Bank, an equivalent Lien satisfactory to the Bank to secure the payment of all Loan Payments.
- (c) The provisions of paragraphs (a) and (b) of this Section shall not apply to: (i) any Lien created on property, at the time of purchase of such property, solely as security for the payment of the purchase price of such property or as security for the payment of debt incurred for the purpose of financing the

purchase of such property; or (ii) any Lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one (1) year after the date on which it is originally incurred.

## ARTICLE VII

### **Cancellation; Suspension; Acceleration**

#### *Section 7.01. Cancellation by the Recipient*

The Recipient may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance, except that the Recipient may not cancel any such amount that is subject to a Special Commitment.

#### *Section 7.02. Suspension by the Bank*

If any of the events specified in paragraphs (a) through (m) of this Section occurs and is continuing, the Bank may, by notice to the Loan Parties, suspend in whole or in part the right of the Recipient to make withdrawals from the Loan Account. Such suspension shall continue unless and until: (1) (A) the event (or events) which gave rise to the suspension has (or have) ceased to exist; and (B) the Bank has notified the Loan Parties that such right to make withdrawals has been restored; or (2) the Bank has notified the Loan Parties that notwithstanding the continued existence of said event (or events), such right to make withdrawals has been restored.

#### (a) *Payment Failure*

- (i) The Recipient has failed to make payment (notwithstanding the fact that such payment may have been made by the Guarantor or a third party) of principal or interest or any other amount due to the Bank: (A) under the Loan Agreement; or (B) under any other agreement between the Bank and the Recipient; or (C) in consequence of any guarantee extended, or other financial obligation of any kind assumed, by the Bank to any third party with the agreement of the Recipient.
- (ii) The Guarantor has failed to make payment of principal or interest or any other amount due to the Bank: (A) under the Guarantee Agreement; or (B) under any other agreement between the Guarantor and the Bank; or (C) in consequence of any guarantee extended, or other financial obligation of any kind assumed, by the Bank to any third party with the agreement of the Guarantor.

(b) *Performance Failure*

- (i) A Loan Party has failed to perform any other obligation under the Legal Agreement to which it is a party.
- (ii) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.

(c) *Prohibited Practices*

At any time, the Bank determines that any representative of the Guarantor or the Recipient or the Project Implementing Entity (or any other recipient of any of the proceeds of the Loan) has engaged in a Prohibited Practice in connection with the use of the proceeds of the Loan.

(d) *Cross Suspension*

The Bank has suspended in whole or in part the right of a Loan Party to make withdrawals under any agreement with the Bank because of a failure by a Loan Party to perform any of its obligations under such agreement or any other agreement with the Bank.

(e) *Extraordinary Situation*

- (i) As a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that a Loan Party or the Project Implementing Entity will be able to perform its obligations under the Legal Agreement to which it is a party.
- (ii) An extraordinary situation has arisen under which any further withdrawals under the Loan would be inconsistent with the provisions of Article 12-1 of the Bank's Articles of Agreement.

(f) *Event Prior to Effectiveness*

The Bank has determined after the Effective Date that, prior to such date but after the date of the Loan Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Loan Account if the Loan Agreement had been effective on the date such event occurred.

(g) *Misrepresentation*

A representation made by a Loan Party or the Project Implementing Entity in or

pursuant to the Legal Agreements, or any representation or statement furnished by a Loan Party or the Project Implementing Entity, and intended to be relied upon by the Bank in making the Loan, was incorrect in any material respect.

(h) *Co-financing*

Any of the following events occurs with respect to any financing specified in the Loan Agreement to be provided for the Project (“Co-financing”) by a financier (other than the Bank) (“Co-financier”).

- (i) if the Recipient creates any Lien on any of its Assets as security for any debt, such Lien will equally and ratably secure the payment of all Loan Payments, and in the creation of any such Lien express provision will be made to that effect, at no cost to the Bank; and if the Loan Agreement specifies a date by which the agreement with the Co-financier providing for the Co-financing (“Co-financing Agreement”) is to become effective, the Co-financing Agreement has failed to become effective by that date, or such later date as the Bank has established by notice to the Loan Parties (“Co-financing Deadline”); provided, however, that the provisions of this sub-paragraph shall not apply if the Loan Parties establish to the satisfaction of the Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.
- (ii) Subject to the provisions of sub-paragraph (iii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; or (B) the Co-financing has become due and payable prior to its agreed maturity.
- (iii) Sub-paragraph (ii) of this paragraph shall not apply if the Loan Parties establish to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or prematuring was not caused by the failure of the recipient of the Co-financing to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.

(i) *Assignment of Obligations; Disposition of Assets*

The Recipient or the Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has, without the consent of the Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Legal Agreements; or (ii) sold, leased, transferred,

assigned, or otherwise disposed of any property or other Assets financed wholly or in part out of the proceeds of the Loan.

(j) *Membership*

The Member has been suspended from membership in, or ceased to be a member of, the Bank.

(k) *Condition of Recipient or Project Implementing Entity*

- (i) Any material adverse change in the condition of the Recipient (other than the Member), as represented by it, has occurred prior to the Effective Date.
- (ii) The Recipient (other than the Member) has become unable to pay its debts as they mature, or any action or proceeding has been taken by the Recipient or by others whereby any of the Assets of the Recipient shall or may be distributed among its creditors.
- (iii) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (other than the Member) or of the Project Implementing Entity (or any other entity responsible for implementing any part of the Project).
- (iv) The Recipient (other than the Member) or the Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Loan Agreement.
- (v) In the opinion of the Bank, the legal character, ownership or control of the Recipient (other than the Member) or of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Legal Agreements so as to materially and adversely affect the ability of the Recipient or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Legal Agreements, or to achieve the objectives of the Project.

(l) *Ineligibility*

The Bank has declared the Recipient (other than the Member) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank, as a result of: (i) a determination by the Bank under its policies relating to prohibited practices, that the Recipient or the Project

Implementing Entity has engaged in a prohibited practice within the meaning of said policies, in connection with the use of the proceeds of any financing made by the Bank; or (ii) a declaration by another financier that the Recipient or the Project Implementing Entity is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier, as a result of a determination by such financier that the Recipient or the Project Implementing Entity has engaged in such a prohibited practice in connection with the use of the proceeds of any financing made by such financier.

(m) *Additional Event*

Any other event specified in the Loan Agreement for the purposes of this Section has occurred (“Additional Event of Suspension”).

Section 7.03. *Cancellation by the Bank*

If any of the events specified in paragraphs (a) through (f) of this Section occurs with respect to an amount of the Unwithdrawn Loan Balance, the Bank may, by notice to the Loan Parties, terminate the right of the Recipient to make withdrawals with respect to such amount. Upon the giving of such notice, such amount shall be cancelled.

(a) *Suspension*

The right of the Recipient to make withdrawals from the Loan Account has been suspended with respect to any amount of the Unwithdrawn Loan Balance for a continuous period of thirty (30) days.

(b) *Amounts not Required*

At any time, the Bank determines, after consultation with the Recipient, that an amount of the Unwithdrawn Loan Balance will not be required to finance Eligible Expenditures.

(c) *Prohibited Practice*

The event specified in paragraph (c) of Section 7.02, *Suspension by the Bank* has occurred.

(d) *Procurement Non-compliance*

At any time, the Bank: (i) determines that the procurement, award, administration or implementation of any contract to be financed out of the proceeds of the Loan is inconsistent with the procedures set forth or referred to in the Legal Agreements; and



(ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Loan.

(e) *Closing Date*

After the Closing Date, there remains an Unwithdrawn Loan Balance.

(f) *Cancellation of Guarantee*

The Bank receives notice from the Guarantor pursuant to Section 7.05, *Cancellation of Guarantee* with respect to an amount of the Loan.

*Section 7.04. Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank*

No cancellation or suspension by the Bank shall apply to amounts of the Loan subject to any Special Commitment except as expressly provided in the Special Commitment.

*Section 7.05. Cancellation of Guarantee*

If the Recipient has failed to pay any required Loan Payment (otherwise than as a result of any act or omission to act of the Guarantor) and such payment is made by the Guarantor, the Guarantor may, after consultation with the Bank, by notice to the Bank and the Recipient, terminate its obligations under the Guarantee Agreement with respect to any amount of the Unwithdrawn Loan Balance as at the date of receipt of such notice by the Bank, provided that such amount is not subject to any Special Commitment. Upon receipt of such notice by the Bank, such obligations in respect of such amount shall terminate.

*Section 7.06. Events of Acceleration*

If any of the events specified in paragraphs (a) through (f) of this Section occurs and continues for the period specified (if any), then at any subsequent time during the continuance of the event, the Bank may, by notice to the Loan Parties, declare all or part of the Withdrawn Loan Balance as at the date of such notice to be due and payable immediately, together with any other Loan Payments due under the Loan Agreement. Upon any such declaration, such Withdrawn Loan Balance and Loan Payments shall become immediately due and payable.

(a) *Payment Default*

A default has occurred in the payment by a Loan Party of any amount due to the Bank: (i) under any Legal Agreement; or (ii) under any other agreement between the Bank and the Loan Party; or (iii) in consequence of any guarantee extended, or other financial obligation of any kind assumed, by the Bank to any third party with the agreement of the Loan Party; and such default continues in each case for a period of

thirty (30) days.

(b) *Performance Default*

- (i) A default has occurred in the performance by a Loan Party of any other obligation under the Legal Agreement to which it is a party, and such default continues for a period of sixty (60) days after notice of such default has been given by the Bank to the Loan Parties.
- (ii) A default has occurred in the performance by the Project Implementing Entity of any obligation under the Project Agreement, and such default continues for a period of sixty (60) days after notice of such default has been given by the Bank to the Project Implementing Entity and the Loan Parties.

(c) *Co-financing*

The event specified in sub-paragraph (h) (ii) (B) of Section 7.02, *Suspension by the Bank* has occurred, subject to the proviso of paragraph (h) (iii) of that Section.

(d) *Assignment of Obligations; Disposition of Assets*

Any event specified in paragraph (i) of Section 7.02, *Suspension by the Bank* has occurred.

(e) *Condition of Recipient or Project Implementing Entity*

Any event specified in sub-paragraph (k) (ii), (k) (iii), (k) (iv) or (k) (v) of Section 7.02, *Suspension by the Bank* has occurred.

(f) *Additional Event*

Any other event specified in the Loan Agreement for the purposes of this Section has occurred and continues for the period, if any, specified in the Loan Agreement (“Additional Event of Acceleration”).

Section 7.07. *Acceleration during an Interest Rate Conversion Period*

If, in respect of any amount of the Loan for which a notice under Section 7.06, *Events of Acceleration* is given by the Bank, an Interest Rate Conversion has been effected and the Interest Rate Conversion Period has not terminated at the time of such notice: (a) the Recipient shall pay a transaction fee in respect of any early termination of the Interest Rate Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the date of such notice; and (b) the Recipient shall, as applicable, receive from the Bank any gain incurred by the Bank or pay to the Bank

any loss incurred by the Bank, in either case, as a result of liquidating, modifying or offsetting any derivative transaction for said Interest Rate Conversion and/or reallocating the Bank's corresponding funding, in accordance with the Conversion Guidelines. In the case of a gain, such amount will be applied to any amounts due and payable by the Recipient. In case of a loss, such amount and any transaction fees provided for under this paragraph shall be paid on the effective date specified by the Bank.

Section 7.08. *Effectiveness of Provisions after Cancellation, Suspension or Acceleration*

Notwithstanding any cancellation, suspension or acceleration under this Article, all the provisions of the Legal Agreements shall continue in full force and effect except as specifically provided in these General Conditions.

## **ARTICLE VIII**

### **Enforceability; Arbitration**

Section 8.01. *Enforceability*

The rights and obligations of the parties to the Legal Agreements shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary. No party to any Legal Agreement shall be entitled under any circumstance to assert any claim that any provision of the Legal Agreements is invalid or unenforceable for any reason.

Section 8.02. *Obligations of the Guarantor*

Except as provided in Section 7.05, *Cancellation of Guarantee*, the obligations of the Guarantor under the Guarantee Agreement shall not be discharged except by performance, and then only to the extent of such performance. Such obligations shall not require any prior notice to, demand upon, or action against, the Recipient or the Project Implementing Entity, or any prior notice to or demand upon the Guarantor with regard to any default by the Recipient or the Project Implementing Entity. Such obligations shall not be impaired by any of the following: (a) any extension of time, forbearance or concession given to the Recipient or the Project Implementing Entity; (b) any assertion of or failure to assert or delay in asserting, any right, power or remedy against the Recipient or the Project Implementing Entity or in respect of any security for the Loan; (c) any modification or amplification of the provisions of the Loan Agreement or the Project Agreement contemplated by its terms; or (d) any failure of the Recipient or the Project Implementing Entity to comply with any requirement of any law, regulation or order of the Member or any political subdivision or agency of the Member.

### Section 8.03. *Failure to Exercise Rights*

No delay in exercising, or omission to exercise, any right, power or remedy accruing to any party under any Legal Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

### Section 8.04. *Arbitration*

- (a) Any dispute, controversy or claim arising out of or relating to any Legal Agreement or the breach, termination or invalidity thereof, which has not been settled by agreement of the parties, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules (in force as at the date of these General Conditions), subject to the following:
  - (i) The parties to such arbitration shall be the Bank on the one side and the Loan Parties and the Project Implementing Entity on the other side.
  - (ii) The number of arbitrators shall be three (3).
  - (iii) The appointing authority for the purposes of the UNCITRAL Arbitration Rules shall be the Secretary-General of the Permanent Court of Arbitration.
  - (iv) Where the Secretary-General of the Permanent Court of Arbitration is to appoint an arbitrator, the Secretary-General of the Permanent Court of Arbitration shall be at liberty to choose any person he regards as suitable to act as arbitrator pursuant to the UNCITRAL Arbitration Rules.
  - (v) Except as the parties to such arbitration shall otherwise agree, the place of arbitration shall be The Hague.
  - (vi) The language to be used in the arbitral proceedings shall be English.
  - (vii) The law to be applied by the arbitral tribunal shall be international law, the sources of which are taken for these purposes to include:
    - (A) the Articles of Agreement of the Bank and any relevant treaty obligations that are binding reciprocally on the parties;
    - (B) the provisions of any international conventions and treaties (whether or not binding directly as such on the parties) generally recognized as having codified or ripened into binding rules of

customary law applicable to states and international financial institutions, as appropriate;

- (C) other forms of international custom, including the practice of states and international financial institutions of such generality, consistency and duration as to create legal obligations; and
  - (D) applicable general principles of law.
- (viii) Notwithstanding the provisions of the UNCITRAL Arbitration Rules, the arbitral tribunal shall not be authorized to take any interim measures of protection or provide any pre-award relief against the Bank, and none of the parties to any Legal Agreement may address to any judicial authority a request for any interim measures of protection or pre-award relief against the Bank.
- (ix) The arbitral tribunal shall have authority to consider and include in any proceeding, decision or award any dispute or controversy properly brought before it by the Bank, any Loan Party or the Project Implementing Entity insofar as such controversy arises out of any Legal Agreement; but subject to the foregoing, no other parties or other disputes shall be included in, or consolidated with, the arbitral proceedings.
- (b) Notwithstanding the provisions of this Section, nothing contained in these General Conditions or in any Legal Agreement shall operate or be regarded as a waiver, renunciation or other modification of any immunities, privileges or exemptions of the Bank under its Articles of Agreement, under international conventions or under any applicable laws.
- (c) In any arbitral proceeding arising out of any Legal Agreement, the certificate of the Bank as to any amount due to the Bank under such agreement shall be prima facie evidence of such amount.

## ARTICLE IX

### Effectiveness; Termination

#### Section 9.01. *Conditions of Effectiveness of Legal Agreements*

The Legal Agreements shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified in paragraphs (a) through (c) of this Section have been satisfied.

- (a) The execution and delivery of each Legal Agreement, on behalf of the Loan Party or the Project Implementing Entity which is a party to such Legal Agreement, have been duly authorized or ratified by all necessary governmental and corporate action.
- (b) If the Bank so requests of the Recipient (other than the Member) or Project Implementing Entity, the condition of the Recipient (other than the Member) or of the Project Implementing Entity, as represented or warranted to the Bank at the date of the Legal Agreements, has undergone no material adverse change after such date.
- (c) Each other condition specified in the Loan Agreement as a condition of its effectiveness has occurred ("Additional Condition of Effectiveness").

Section 9.02. *Legal Opinions or Certificates*

As part of the evidence to be furnished pursuant to Section 9.01, *Conditions of Effectiveness of Legal Agreements* there shall be furnished to the Bank an opinion or opinions, satisfactory to the Bank, of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of the Member showing the following matters:

- (a) on behalf of each Loan Party and the Project Implementing Entity, that the Legal Agreement to which it is a party has been duly authorized or ratified by, and executed and delivered on behalf of, such party and is legally binding upon such party in accordance with its terms; and
- (b) each other matter specified in the Loan Agreement or reasonably requested by the Bank in connection with the Legal Agreements for the purpose of this Section ("Additional Legal Matter").

Section 9.03. *Effective Date*

- (a) Except as the Bank and the Recipient shall otherwise agree, the Legal Agreements shall enter into effect on the date upon which the Bank dispatches to the loan Parties and the Project Implementing Entity notice of its acceptance of the evidence required pursuant to Section 9.01, *Conditions of Effectiveness of Legal Agreements* ("Effective Date").
- (b) If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Loan Account if the Loan Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event (or events) or situation has (or have) ceased to exist.

Section 9.04. *Termination of Legal Agreements for Failure to Become Effective*

The Legal Agreements and all obligations of the parties under the Legal Agreements shall terminate if the Legal Agreements have not entered into effect by the date (“Effectiveness Deadline”) specified in the Loan Agreement for the purpose of this Section, unless the Bank, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purpose of this Section. The Bank shall promptly notify the Loan Parties and Project Implementing Entity of such later Effectiveness Deadline.

Section 9.05. *Termination of Legal Agreements on Full Payment*

The Legal Agreements and all obligations of the parties under the Legal Agreements shall forthwith terminate upon full payment of the Withdrawn Loan Balance and all other Loan Payments due.

**ARTICLE X**

**Miscellaneous Provisions**

Section 10.01. *Notices and Requests*

Any notice or request required or permitted to be given or made under any Legal Agreement or any other agreement between the parties contemplated by the Legal Agreement shall be in writing. Except as otherwise provided in paragraph (a) of Section 9.03, *Effective Date*, such notice or request shall be deemed to have been duly given or made when it has been delivered by hand or by mail or facsimile (or, if permitted under the Legal Agreement, by other electronic means) to the party to which it is required or permitted to be given or made, at such party's address specified in the Legal Agreement, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. Deliveries made by facsimile transmission shall also be confirmed by mail.

Section 10.02. *Action on Behalf of the Loan Parties and the Project Implementing Entity*

- (a) The representative designated by a Loan Party in the Legal Agreement to which it is a party (and the representative designated by the Project Implementing Entity in the Project Agreement) for the purpose of this Section, or any person authorized in writing by such representative for that purpose, may take any action required or permitted to be taken pursuant to such Legal Agreement, and execute any documents required or permitted to be executed pursuant to such Legal Agreement, on behalf of such Loan Party (or the Project Implementing Entity, as the case may be).

- (b) The Guarantor's Representative, Recipient's Representative and Project Implementing Entity's Representative, may each agree, on behalf of the party which has designated him pursuant to paragraph (a) of this Section, to any modification or amplification of the provisions of the Legal Agreement to which the party which has so designated him is a party, by written instrument executed by such representative or by the person authorized by such representative for that purpose pursuant to paragraph (a) of this Section; provided that, in the opinion of such representative, the modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the party which has so designated him under such Legal Agreement. The Bank may accept the execution by such representative or other authorized person of any such instrument as conclusive evidence that such representative is of such opinion.

Section 10.03. *Evidence of Authority*

The Loan Parties and the Project Implementing Entity shall furnish to the Bank: (a) sufficient evidence of the authority of the person or persons who will, on behalf of such party, take any action or execute any documents required or permitted to be taken or executed by it under the Legal Agreement to which it is a party; and (b) the authenticated specimen signature of each such person.

Section 10.04. *Execution in Counterparts*

Each Legal Agreement may be executed in several counterparts, each of which shall be an original.

Section 10.05. *Disclosure*

The Bank may disclose the Legal Agreements and any information related to the Legal Agreements in accordance with its policy on public information, in effect at the time of such disclosure.



## APPENDIX

### Definitions

1. “Additional Condition of Effectiveness” means any condition of effectiveness specified in the Loan Agreement for the purpose of paragraph (c) of Section 9.01, *Conditions of Effectiveness of Legal Agreements*.
2. “Additional Event of Acceleration” means any event of acceleration specified in the Loan Agreement for the purpose of paragraph (f) of Section 7.06, *Events of Acceleration*.
3. “Additional Event of Suspension” means any event of suspension specified in the Loan Agreement for the purpose of paragraph (m) of Section 7.02, *Suspension by the Bank*.
4. “Additional Legal Matter” means each matter specified in the Loan Agreement or requested by the Bank in connection with the Legal Agreements for the purpose of paragraph (b) of Section 9.02, *Legal Opinions or Certificates*.
5. “Assets” includes property, revenue and claims of any kind.
6. “Bank” means the Asian Infrastructure Investment Bank.
7. “Bank’s Address” means the Bank’s address specified in the Legal Agreements for the purpose of Section 10.01, *Notices and Requests*.
8. “Closing Date” means the date specified in the Loan Agreement (or such later date as the Bank shall establish by notice to the Loan Parties) after which the Bank may, by notice to the Loan Parties, terminate the right of the Recipient to withdraw from the Loan Account.
9. “Co-financier” means the financier (other than the Bank) referred to in paragraph (h) of Section 7.02, *Suspension by the Bank* providing the Co-financing. If the Loan Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.
10. “Co-financing” means the financing, referred to in paragraph (h) of Section 7.02, *Suspension by the Bank* and specified in the Loan Agreement, provided or to be provided for the Project by the Co-financier. If the Loan Agreement specifies more than one such financing, “Co-financing” refers separately to each of such financings.
11. “Co-financing Agreement” means the agreement referred to in paragraph (h) of Section 7.02, *Suspension by the Bank* providing for the Co-financing. If the Loan

Agreement provides for more than one Co-financing, "Co-financing Agreement" refers separately to each such agreement.

12. "Co-financing Deadline" means the date referred to in subparagraph (h)(i) of Section 7.02, *Suspension by the Bank* and specified in the Loan Agreement by which the Co-financing Agreement is to become effective. If the Loan Agreement specifies more than one such date, "Co-financing Deadline" refers separately to each of such dates.
13. "Commitment Fee" means the fee specified in the Loan Agreement for purposes of paragraph (b) of Section 3.01, Front-end Fee; Commitment Fee.
14. "Completion Report" means the report and plan to be prepared and furnished by the Recipient to the Bank pursuant to paragraph (c) of Section 5.08, Project Monitoring and Evaluation.
15. "Conversion Execution Date" means, for an Interest Rate Conversion, the date on which the Bank has undertaken all actions necessary to effect the Interest Rate Conversion, as reasonably determined by the Bank.
16. "Conversion Guidelines" means the guidelines issued from time to time by the Bank providing for Interest Rate Conversions and in effect at the time of the Interest Rate Conversion.
17. "Conversion Interest Rate" means the interest rate applicable to the Withdrawn Loan Balance of the Loan to which an Interest Rate Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Recipient pursuant to paragraph (b) of Section 4.01, Interest Rate Conversions Generally, provided, however, that the Conversion Interest Rate shall in no event be less than zero percent (0%) per annum.
18. "Counterparty" means a party with which the Bank enters into a derivatives transaction in order to effect an Interest Rate Conversion.
19. "Currency" means the currency of a country and the Special Drawing Right of the International Monetary Fund. "Currency of a country" means the currency which is legal tender for the payment of public and private debts in that country.
20. "Default Interest Period" means for any overdue amount of the Withdrawn Loan Balance, each Interest Period during which such overdue amount remains unpaid; provided, however, that the first Default Interest Period shall commence on the 31st day following the date on which such amount becomes overdue, and the final Default Interest Period shall end on the date at which such amount is fully paid.

21. “Disbursed Amount” means, for each Interest Period, the aggregate principal amount of the Loan withdrawn from the Loan Account during the Interest Period.
22. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
23. “Effective Date” means the date on which the Legal Agreements enter into effect pursuant to paragraph (a) of Section 9.03, Effective Date.
24. “Effectiveness Deadline” means the date referred to in Section 9.04, Termination of Legal Agreements for Failure to Become Effective after which the Legal Agreements shall terminate if they have not entered into effect as provided in that Section.
25. “Eligible Expenditure” means an expenditure whose payment meets the requirements of Section 2.05, Eligible Expenditures and which is consequently eligible for financing out of the proceeds of the Loan.
26. “Environmental and Social Policy and Standards” means the Environmental and Social Policy and Standards adopted by the Bank and at the time applicable to the Project.
27. “EURIBOR” means for any Interest Period, the EUR interbank offered rate for deposits in EUR for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page as of 11:00 a.m., Brussels time, on the Reference Rate Reset Date for the Interest Period.
28. “Euro”, “€” and “EUR” each means the lawful currency of the economic and monetary union of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
29. “Euro Area” means the economic and monetary union of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
30. “External Debt” means any debt which is or may become payable in a medium other than the Currency of the Member.
31. “Financial Center” means: (a) for a Currency other than EUR, the principal financial center for the relevant Currency; and (b) for the EUR, the principal financial center of the relevant member state in the Euro Area.

32. "Financial Statements" means the financial statements to be maintained for the Project as provided in Section 5.09, Financial Management; Financial Statements; Audits.
33. "Fixed Reference Rate" means the fixed reference rate component of the interest applicable to the amount of the Loan to which an Interest Rate Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Recipient pursuant to paragraph (b) of Section 4.01, Interest Rate Conversions Generally.
34. "Fixed Spread" means the Bank's fixed lending spread for loans denominated in the Loan Currency made by the Bank with the same weighted average maturity as the Loan, in effect at 12:01 a.m. Beijing time one calendar day prior to the date of the Loan Agreement and expressed as a percentage per annum.
35. "Foreign Expenditure" means an expenditure in a Currency other than the Member's Currency, for goods, works or services supplied from outside the territory of the Member.
36. "Front-end Fee" means the fee specified in the Loan Agreement for purposes of paragraph (a) of Section 3.01, Front-end Fee; Commitment Fee.
37. "General Conditions" means these General Conditions for Sovereign-backed Loans.
38. "Guarantee Agreement" means the agreement between the Member and the Bank providing for the guarantee of the Loan, as such agreement may be amended from time to time. "Guarantee Agreement" includes these General Conditions as applied to the Guarantee Agreement, and all appendices, schedules and agreements supplemental to the Guarantee Agreement.
39. "Guarantor" means the Member that is a party to the Guarantee Agreement.
40. "Guarantor's Address" means the Guarantor's address specified in the Guarantee Agreement for the purpose of Section 10.01, Notices and Requests.
41. "Guarantor's Representative" means the Guarantor's Representative designated in the Loan Agreement for the purpose of Section 10.02, Action on Behalf of the Loan Parties and the Project Implementing Entity.
42. "Incurring of debt" includes the assumption or guarantee of debt and any renewal, extension, or modification of the terms of the debt or of the assumption or guarantee of the debt.
43. "Interest Period" means the initial period from and including the date of the Loan Agreement to but excluding the first Payment Date occurring thereafter,

and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.

44. "Interest Rate Conversion" means a conversion, pursuant to Article IV, Interest Rate Conversions, of the interest rate applicable to all or any amount of the Withdrawn Loan Balance from the Variable Rate specified in the Loan Agreement, as follows: (a) from a Variable Rate comprised of the Reference Rate plus the Variable Spread, to a Variable Rate comprised of the Fixed Reference Rate plus the Variable Spread; or (b) from a Variable Rate comprised of the Reference Rate plus the Fixed Spread, to a fixed rate comprised of the Fixed Reference Rate plus the Fixed Spread.
45. "Interest Rate Conversion Date" means, for an Interest Rate Conversion, such date as the Bank shall determine on which the Interest Rate Conversion enters into effect, as further specified in the Conversion Guidelines.
46. "Interest Rate Conversion Period" means, for an Interest Rate Conversion, the period from and including the Interest Rate Conversion Date to and including: (a) the last day of the Interest Period in which the Interest Rate Conversion terminates by its terms; or (b) in the case of early termination of the Interest Rate Conversion, the day on which the Bank terminates said Interest Rate Conversion.
47. "Legal Agreement" means any of the Loan Agreement, the Guarantee Agreement or the Project Agreement. "Legal Agreements" means collectively, all of such agreements.
48. "LIBOR" means, for any Interest Period, the London interbank offered rate for deposits in the Loan Currency for six (6) months, expressed as a percentage per annum, which appears on the Relevant Rate Page as of 11:00 a.m. London time, on the Reference Rate Reset Date for the Interest Period.
49. "Lien" includes mortgages, pledges, charges, privileges and priorities of any kind and any arrangement having an equivalent effect.
50. "Loan" means the loan provided for in the Loan Agreement.
51. "Loan Account" means the account opened by the Bank in its books in the name of the Recipient to which the amount of the Loan is credited.
52. "Loan Agreement" means the loan agreement between the Bank and the Recipient providing for the Loan, as such agreement may be amended from time to time. "Loan Agreement" includes these General Conditions as applied to the Loan Agreement and all appendices, annexes, schedules, and agreements supplemental to the Loan Agreement.

53. "Loan Currency" means the Currency in which the Loan is denominated.
54. "Loan Party" means the Recipient or the Guarantor. "Loan Parties" means collectively, the Recipient and the Guarantor.
55. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, the Front-end Fee, Commitment Fee, interest, any prepayment premium, any transaction fee for an Interest Rate Conversion or early termination of an Interest Rate Conversion and any loss incurred by the Bank as a result of liquidating, modifying or offsetting any derivative transaction or reallocating amounts in order to effect such early termination, as provided in these General Conditions.
56. "Local Expenditure" means an expenditure: (a) in the Member's Currency; or (b) for goods, works or services supplied from the territory of the Member; provided, however, that if the Currency of the Member is also that of another country from which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure.
57. "London Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign Currency deposits) in London.
58. "Maturity Fixing Date" means, for each Disbursed Amount, the first day of the Interest Period next following the Interest Period in which the Disbursed Amount is withdrawn.
59. "Member" means the member of the Bank that is the Recipient or the Guarantor.
60. "New York Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign Currency deposits) in New York.
61. "Payment Date" means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest and the Commitment Fee are payable.
62. "Preparation Advance" means the advance referred to in the Loan Agreement and repayable in accordance with paragraph (a) of Section 2.08, Refinancing Preparation Advance; Capitalizing Front-end Fee, Interest.
63. "Principal Payment Date" means each date specified in the Loan Agreement on which all or any portion of the principal amount of the Loan is payable.

64. "Procurement Policy" means the Procurement Policy adopted by the Bank and at the time applicable to the Project.
65. "Prohibited Practice" means any of the following practices: (a) a coercive practice, which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; (b) a collusive practice, which means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; (c) a corrupt practice, which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party; (d) a fraudulent practice, which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; (e) misuse of resources, which means improper use of the Bank's resources, carried out either intentionally or through reckless disregard; (f) obstructive practice, which includes any of the following practices: (i) deliberately destroying, falsifying, altering or concealing of evidence material to a Bank investigation; (ii) making false statements to investigators in order to materially impede a Bank investigation into allegations of a Prohibited Practice; (iii) failing to comply with requests to provide information, documents or records in connection with a Bank investigation; (iv) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or (v) materially impeding the exercise of the Bank's contractual rights of audit or inspection or access to information; or (g) theft, which includes the misappropriation of property belonging to another party.
66. "Project" means the activities described in the Loan Agreement, for which the Loan is extended, as said description may be amended from time to time by agreement between the Bank and the Recipient.
67. "Project Agreement" means the agreement between the Bank and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. "Project Agreement" includes these General Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
68. "Project Implementing Entity" means a legal entity (other than the Recipient or the Guarantor): (a) that is responsible for implementing all or a part of the Project; and (b) which is a party to the Project Agreement. If the Bank enters into a Project Agreement with more than one such entity, "Project Implementing Entity" refers separately to each such entity.

69. "Project Implementing Entity's Address" means the Project Implementing Entity's address specified in the Project Agreement for the purpose of Section 9.01, Notices and Requests.
70. "Project Implementing Entity's Representative" means the Project Implementing Entity's representative designated in the Project Agreement for the purpose of paragraph (a) of Section 9.02, Action on Behalf of the Loan Parties and the Project Implementing Entity.
71. "Project Report" means each report on the Project to be prepared and furnished to the Bank pursuant to paragraph (b) of Section 5.08, Project Monitoring and Evaluation.
72. "Public Assets" means assets of the Member, of any of its political or administrative subdivisions and of any entity owned and controlled by or operating for the account or benefit of the Member or any such subdivision, including gold and foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund or similar functions for the Member.
73. "Recipient" means the party to the Loan Agreement to which the Loan is extended.
74. "Recipient's Address" means the Recipient's address specified in the Loan Agreement for the purpose of Section 9.01, Notices and Requests.
75. "Recipient's Representative" means the Recipient's representative designated in the Loan Agreement for the purpose of Section 9.02, Action on Behalf of the Loan Parties and the Project Implementing Entity.
76. "Reference Rate" means, for any Interest Period:
- (a) If the Loan Currency is USD, LIBOR. If LIBOR does not appear on the Relevant Rate Page, the Bank shall request the principal London office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in the Loan Currency to leading banks in the London interbank market at approximately 11:00 a.m. London time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the quotations. If fewer than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the rates quoted by four major banks selected by the Bank in the Financial Center for the Loan Currency, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in the relevant Loan Currency to leading banks for six months. If fewer



than two of the banks so selected are quoting such rates, the Reference Rate for the Loan Currency for the Interest Period shall be equal to the respective Reference Rate in effect for the Interest Period immediately preceding it;

(b) If the Loan Currency is EUR, EURIBOR. If such rate does not appear on the Relevant Rate Page, the Bank shall request the principal Euro Area office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in EUR to leading banks in the Euro Area interbank market at approximately 11:00 a.m. Brussels time on the Reference Rate Reset Date for the Interest Period. If at least two such quotations are provided, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the quotations. If fewer than two quotations are provided as requested, the rate for the Interest Period shall be the arithmetic mean (as determined by the Bank) of the rates quoted by four major banks selected by the Bank in the Financial Center for the Loan Currency, at approximately 11:00 a.m. in the Financial Center, on the Reference Rate Reset Date for the Interest Period for loans in EUR to leading banks for six months. If fewer than two of the banks so selected are quoting such rates, the Reference Rate for EUR for the Interest Period shall be equal to the Reference Rate in effect for the Interest Period immediately preceding it;

(c) Provided that if: (i) the Bank determines that the Reference Rate for the Loan Currency has permanently ceased to be quoted; or (ii) the Bank is no longer able, or it is no longer commercially acceptable for the Bank, to continue to use such Reference Rate, for purposes of its asset and liability management, Reference Rate shall mean such other comparable reference rate for the Loan Currency, including any applicable spread, as the Bank shall determine, and notify to the Recipient pursuant to paragraph (c) of Section 3.02, Interest.

77. "Reference Rate Reset Date" means:

(a) If the Loan Currency is USD, the day two London Banking Days prior to the first day of the relevant Interest Period (or, in the case of the initial Interest Period, the day two London Banking Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two London Banking Days prior to the date of the Loan Agreement);

(b) If the Loan Currency is EUR, the day two TARGET Settlement Days prior to the first day of the relevant Interest Period (or, in the case of the initial Interest Period the day two TARGET Settlement Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the

Reference Rate Reset Date shall be the day two TARGET Settlement Days prior to the date of the Loan Agreement); and

(c) If the Loan Currency is a Currency other than USD or EUR, such Reference Rate Reset Date reflecting market practice as shall be defined in the Loan Agreement.

78. "Relevant Rate Page" means the display page designated by an established financial market data provider selected by the Bank as the page for the purpose of displaying the Reference Rate for the Loan Currency.
79. "Respective Part of the Project" means, for the Recipient and for any Project Implementing Entity, the part of the Project specified in the Legal Agreements to be carried out by it.
80. "Retroactive Financing Date" means, for purposes of Section 2.06, Retroactive Financing, the date specified in the Loan Agreement as the earliest date on which a Retroactive Payment may be made in order to be eligible for financing out of the proceeds of the Loan.
81. "Retroactive Financing Limit" means, for purposes of Section 2.06, Retroactive Financing, the maximum aggregate amount of the Loan specified in the Loan Agreement that may be withdrawn for specified Retroactive Payments. The Loan Agreement may specify a Retroactive Financing Limit for Retroactive Payments of certain or all expenditures eligible for financing out of the proceeds of the Loan.
82. "Retroactive Payment" means, for purposes of Section 2.06, Retroactive Financing, a payment made prior to the date of the Loan Agreement that would, if made on or after the date of the Loan Agreement, be eligible for financing out of the proceeds of the Loan in accordance with the provisions of the Loan Agreement.
83. "Special Commitment" means any special commitment entered into or to be entered into by the Bank pursuant to Section 2.02, Special Commitment by the Bank.
84. "TARGET Settlement Day" means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system is open for the settlement of payments in EUR.
85. "Taxes" includes imposts, levies, fees and duties of any nature whether in effect at the date of the Legal Agreements or imposed after that date.
86. "Unwithdrawn Loan Balance" means the amount of the Loan remaining unwithdrawn from the Loan Account from time to time.

87. "Variable Rate" means the variable rate specified in the Loan Agreement equal to the sum of: (a) the Reference Rate for the Loan Currency; plus (b)(i) the Fixed Spread if interest accrues at a rate based on the Fixed Spread; or (ii) the Variable Spread if interest accrues at a rate based on the Variable Spread.
88. "Variable Spread" means for each Interest Period, the Bank's variable lending spread for loans denominated in the Loan Currency made by the Bank with the same weighted average maturity as the Loan, in effect 12:01 a.m. Beijing time, one calendar day prior to the Payment Date for the preceding Interest Period and expressed as a percentage per annum.
89. "Withdrawn Loan Balance" means the amounts of the Loan withdrawn from the Loan Account and outstanding from time to time.