

EDCF LOAN AGREEMENT

NO. PHL-23

Loan Agreement

for

**The Engineering Service for
Panay-Guimaras-Negros Island Bridges
Project**

between

**THE GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES**

and

**THE EXPORT-IMPORT BANK OF KOREA
(Government Agency for the EDCF)**

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LOAN AGREEMENT

This Loan Agreement entered into this [8th] day of April 2022 between THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, acting by and through THE DEPARTMENT OF FINANCE (hereinafter called the "**Borrower**") and THE EXPORT-IMPORT BANK OF KOREA (hereinafter called the "**Bank**") which has been entrusted by THE GOVERNMENT OF THE REPUBLIC OF KOREA with the operation and management of the Economic Development Cooperation Fund (hereinafter called the "**EDCF**").

WITNESSETH:

WHEREAS, THE GOVERNMENT OF THE REPUBLIC OF KOREA and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES entered into the Agreement dated June 3, 2003 concerning EDCF Loans to be extended to THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES or its designated agency for the implementation of projects to be agreed upon between the two Governments;

WHEREAS, based upon the above Agreement, THE GOVERNMENT OF THE REPUBLIC OF KOREA and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES entered into the Framework Arrangement dated May 4, 2018 concerning the EDCF Loans up to an aggregate commitment amount in Korean Won not exceeding the equivalent of One Billion US Dollars (US\$1,000,000,000) for the years 2017 through 2022; and

WHEREAS, in the light of the said Agreement and Framework Arrangement, the Bank has agreed to extend a Loan to the Borrower for THE ENGINEERING SERVICE FOR THE PANAY-GUIMARAS-NEGROS ISLAND BRIDGES PROJECT described in the Description of the Project attached hereto as Schedule 1 (hereinafter called the "**Project**") upon the terms and conditions set forth in this Loan Agreement;

NOW, THEREFORE, the Borrower and the Bank agree as follows:



ARTICLE I

Definitions

Section 1.01. Loan Agreement

The following documents shall constitute an integral part of this Loan Agreement:

- (i) General Terms and Conditions Applicable to EDCF Loan Agreements;
- (ii) Guidelines for Employment of Consultants under the EDCF Loan; and
- (iii) Disbursement Procedures under the EDCF Loan.

Section 1.02. Definitions

Unless the context otherwise requires, the several terms defined in the General Terms and Conditions Applicable to EDCF Loan Agreements (hereinafter called the "**General Terms and Conditions**") have the respective meanings therein set forth and the following additional terms have the following meanings:

"**Consolidated Progress Report**" is a report submitted by the Borrower, through the Project Executing Agency, to the Bank in accordance with Section 5.03 (a). Consolidated Progress Report shall include the description of physical progress, budget allocation for engineering service(s) and a summary of financial accounts of engineering service(s), and shall be attached by inception or interim report of engineering services, as the case may be.

"**Eligible Source Countries**" means the Republic of Korea for the foreign currency portion and the Republic of the Philippines for the local currency portion, respectively.

"**External Indebtedness**" means money borrowed or a guarantee for money borrowed which is (i) denominated or payable in a currency other than the lawful currency of the Borrower's country; and (ii) owed to a person other than a person that is organized under the laws of, or is a resident of the Borrower's country.

"**Loan**" means the loan facility to be made available in favor of the Borrower or the aggregate principal amount of the loan facility disbursed and from time to time outstanding, as the context may so require.

"**Project Completion Date**" means the date of a consultant's final report on engineering service(s), submitted to and accepted by the Project Executing Agency.



"Project Completion Report" is a report submitted by the Borrower, through the Project Executing Agency, to the Bank in accordance with Section 5.03 (b). Project Completion Report shall include a summary of the final outcome of engineering service(s).

"Project Executing Agency" means the Department of Public Works and Highways which has been authorized to implement the Project.

"Repayment Date" means each of the Sixty (60) semi-annual consecutive dates of 20 and 20 from and including the date which shall be the 20th day of the month falling One Hundred and Twenty Six (126) months after the date of this Loan Agreement.

"Supplier(s)" means the consultant(s) from whom services to be financed out of the proceeds of the Loan are procured.

ARTICLE II

The Loan

Section 2.01. Amount and Purpose of Loan

- (a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth in this Loan Agreement, an amount in Korean Won not exceeding the equivalent of Fifty Six Million Six Hundred and Thirteen Thousand US Dollars (US\$56,613,000), to finance the implementation of the Project.
- (b) The amount of the Loan shall be denominated in Korean Won and shall be fixed by the Bank in accordance with Section 3.01 of the General Terms and Conditions. The Bank shall then notify the Borrower of the amount of the Loan.

Section 2.02. Use of Proceeds of Loan

- (a) The Borrower shall cause the proceeds of the Loan to be used for the purchase of the engineering services for the implementation of the Project from the Eligible Source Countries. The proceeds of the Loan shall be allocated in accordance with the Allocation of the Loan Proceeds attached hereto as Schedule 2.
- (b) The final disbursement under this Loan Agreement shall be made within [Forty-Six (46)] months after the Effective Date of this Loan Agreement, and no further disbursement shall be made by the Bank thereafter unless



otherwise agreed upon between the Bank and the Borrower.

ARTICLE III

Repayment and Interest

Section 3.01. Repayment of Principal

- (a) The Borrower shall repay the Bank the principal amount of the Loan disbursed in Korean Won in sixty (60) semi-annual installments on each of the Repayment Dates.
- (b) The Repayment Date and the Korean Won amount to be repaid on each of the Repayment Dates shall be specified in the Amortization Schedule in the form and substance of Schedule 3 attached hereto. The Amortization Schedule shall be made by the Bank when it fixes the amount of the Loan and the Bank shall notify the Borrower of the Amortization Schedule when it notifies the Borrower of the amount of the Loan in accordance with paragraph (b) of Section 2.01 hereof.

Section 3.02. Payment of Interest

The Borrower shall pay the Bank interest on the principal amount of the Loan disbursed and outstanding at the rate of zero percent (0%) per annum. Such interest shall be paid in arrears on each Interest Payment Date, provided that the first interest for any disbursement made within sixty (60) days prior to any Interest Payment Date may be paid on the next succeeding Interest Payment Date.

Section 3.03. Place of Payment

All sums payable by the Borrower to the Bank under this Loan Agreement shall be paid to the account of the Bank (Account No.068-13-10395-6) with Yeouido-Kwangjang Branch of the KEB Hana Bank at 101, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul, Republic of Korea or to such other account as the Bank shall designate by written notice to the Borrower.

ARTICLE IV

Procurement and Disbursement

Section 4.01. Procurement Procedure

- (a) All engineering services to be financed out of the proceeds of the Loan shall be carried out through/by Suppliers employed in accordance with the



provisions of the Employment of Consultants attached hereto as Schedule 4.

- (b) All engineering services to be financed out of the proceeds of the Loan shall be procured from the Eligible Source Countries.
- (c) The first contract for the engineering services to be financed out of the proceeds of the Loan shall be signed within Eighteen (18) months after the effective date of the Loan Agreement.

Section 4.02. Disbursement Procedure

The Loan shall be disbursed in Korean Won by the Bank in accordance with the provisions of the Disbursement Procedure attached hereto as Schedule 5.

Section 4.03. Service Charge

- (a) The Borrower shall pay to the Bank the service charge in the amount equal to one-tenth of one percent (0.1%) of the amount of each disbursement in case of the Direct Payment Procedure or the Reimbursement Procedure, and/or of the amount of the letter of commitment in case of the Commitment Procedure.
- (b) An amount equal to such service charge shall be financed out of the proceeds of the Loan. The Bank shall pay such amount to itself as the service charge on the date of each disbursement and/or of the issuance of the letter of commitment. Such disbursement out of the Loan shall constitute a valid disbursement of the Loan under this Loan Agreement.

ARTICLE V Particular Covenants

Section 5.01. General Terms and Conditions

Other terms and conditions generally applicable to the Loan Agreement shall be set forth in the General Terms and Conditions Applicable to the EDCF Loan Agreements ("General Terms and Conditions") with the following supplemental stipulations:

- (a) Section 10.02 (Arbitration) (g) of the General Terms and Conditions shall be amended as follows:

(g) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An



award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties, and each party shall abide by and comply with any such award. However, such award shall not be binding on the said parties if it is shown that (i) the Tribunal had no jurisdiction in accordance with the applicable rules; (ii) the party against whom the award was obtained through collusion or fraud or was based on a clear mistake of law or fact; (iii) the Republic of the Philippines had no notice of the proceedings before the tribunal; and (iv) the judgment of the Tribunal is contrary to public policy in the Republic of the Philippines.

- (b) The following (d) shall be added to Section 11.01. (Conditions Precedent to Effectiveness) of the General Terms and Conditions:

(d) The Monetary Board's (MB's) Final Approval (MB-FA) of the Loan

- (c) Section 11.02. (Effective Date) of the General Terms and Conditions shall be amended as follows:

The Loan Agreement shall become effective on the date on which the Bank declares itself satisfied with the evidence of authority and the specimen signatures, the Legal Opinion of the Secretary of Justice, MB's Final Approval of the Loan, and the Guarantee, if any, mentioned in Section 11.01. above. The Bank shall immediately notify the Borrower in writing of the effective date of the Loan Agreement.

- (d) General Terms and Conditions Section 12.04. (Non-Discrimination) shall be amended as follows:

Regarding repayment of principal and payment of interest or any other charges payable under the Loan Agreement, the Borrower shall undertake not to treat such debts to the Bank less favorably than any other External Indebtedness of the Borrower.

Section 5.02. Execution of the Project

- (a) The Borrower shall implement, or cause the Project Executing Agency to implement, the Project with due diligence and efficiency.
- (b) The Borrower shall employ, or cause the Project Executing Agency to employ consultants for the implementation of the Project.



- (c) Should the funds available from the proceeds of the Loan be insufficient for the implementation of the Project, the Borrower shall make arrangements promptly to provide such funds as shall be needed.

Section 5.03. Reports and Information

- (a) The Borrower shall furnish, or cause the Project Executing Agency to furnish the Bank with Consolidated Progress Reports for the Project on a quarterly basis (in March, June, September, and December of each year) from the execution of the first procurement contract to the Project Completion Date in such form and in such detail as the Bank may reasonably request.
- (b) Within six (6) months after the Project Completion Date or such later date as shall be agreed between the Borrower and the Bank, the Borrower shall furnish, or cause the Project Executing Agency to furnish, the Bank with a Project Completion Report in such form and in such detail as the Bank may reasonably request.
- (c) Until all the obligations of the Borrower under this Loan Agreement are fully performed, the Borrower shall furnish the Bank with such other information as the Bank may reasonably request concerning the Project or the Loan, subject to the limitations provided under Philippine laws.

Section 5.04. Fraud and Corruption

- (a) Regarding Section 1.09 Fraud and Corruption of the Guidelines for the Employment of Consultants under the EDCF Loan, if the Bank receives information related to suspected corrupt or fraudulent practices in the competition for, or in the execution of, contracts to be financed out of the proceeds of the Loan, the Borrower shall provide, or under the Borrower's responsibility the Borrower shall make the Project Executing Agency provide, the Bank, subject to the limitations provided under Philippine laws, with such information as the Bank may reasonably request, including information related to any concerned official of the government and/or public organizations of the Borrower's country.
- (b) Regarding the Section 5.04 (a) of this Loan Agreement, the Borrower shall not, and shall cause the Project Executing Agency not to, unfairly or unfavorably treat the person and/or company which provided the information related to suspected corrupt or fraudulent practices in the competition for, or in the execution of, contracts to be financed out of the proceeds of the Loan to the Bank and/or the Borrower/Project Executing Agency.



ARTICLE VI

Miscellaneous

Section 6.01. Delegation of Authority

- (a) The Borrower hereby designates the Project Executing Agency as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 4.01, 4.02 and 5.03 of this Loan Agreement.
- (b) Any action taken or any agreement entered into by the Project Executing Agency pursuant to the authority conferred under paragraph (a) of this Section shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.02. Addresses

The following addresses are specified for the purposes of Section 12.05 of the General Terms and Conditions:

For the Bank

Postal address: THE EXPORT-IMPORT BANK OF KOREA

38 Eunhaeng-ro, Yeongdeungpo-gu,
Seoul 07242, Republic of Korea

Attention: Director of Asia Team 1, EDCF Operations Department 1

Telephone No.: (82-2) 3779-6604

Fax No.: (82-2) 3779-6755

Telex No.: K26595 EXIMBK

SWIFT BIC: EXIKKRSEXXX

For the Borrower

Postal Address: THE DEPARTMENT OF FINANCE

DOF Building, Bangko Sentral ng Pilipinas Complex
Roxas Boulevard corner Pablo Ocampo Street
Manila 1004, Republic of the Philippines

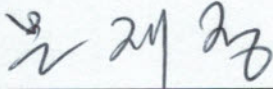


Attention: Secretary of Finance
(with copy to the Undersecretary for the International
Finance Group)
Telephone No.: (632) 525-4194, (632) 523-9911
Fax No.: (632) 523-9216

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Loan Agreement to be signed in their respective names, as of the day and year first above written.

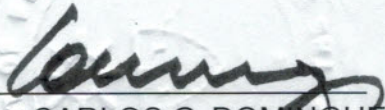

For and on behalf of

**The Export-Import Bank of Korea
(Government Agency for the EDCF)**

By 
Name: MOON JAE-JEONG
Title: Chief Representative
Manila Representative Office

For and on behalf of

**The Government of the Republic
of the Philippines**

By 
Name: CARLOS G. DOMINGUEZ
Title: Secretary of Finance
APR 18 2022


Schedule 1

Description of the Project

1. Outline of the Project

- (a) Objectives: to support the Government of the Philippines in preparing the construction of the PGN bridges by providing engineering services including preliminary design, detailed engineering design and procurement assistance that are required prior to the construction of the bridges.
- (b) Location: Panay Island, Guimaras Island and Negros Island in Western Visayas, Philippines
- (c) Project Executing Agency: Department of Public Works and Highways (the "DPWH")

2. Scope of the Project¹⁾

Components		Description
Engineering Design	Preliminary Design	<ul style="list-style-type: none">• Review of the Feasibility Study• Preliminary and Basic Design
	Detailed Engineering Design	<ul style="list-style-type: none">• Detailed Engineering Design• Estimation of Detailed Construction Cost
	Procurement Assistance	<ul style="list-style-type: none">• Preparation of the Procurement Plan• Preparation of the Bidding Documents• Assistance of the Bid Evaluation
	Other Consulting Services	<ul style="list-style-type: none">• Updating of the Environmental Impact Statement (EIS) Report³⁾• Preparation of the Social Impact Assessment (SIA) Report³⁾• Preparation of the Land Acquisition and Resettlement Action Plan (LARAP)³⁾• Preparation of reports including progress reports, project completion reports, and others• Other assistance agreed between the PEA and the consultant

Design Check	Independent Design Check(IDC) ²⁾	<ul style="list-style-type: none"> • Review of the Preliminary Design outputs • Review of the Detailed Engineering Design outputs • Quality assurance
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Note:

1. The detailed Project work scope and the specifications can be adjusted during the implementation of the Project upon the prior consent of the Bank.
2. The Independent Design Check shall be carried out by a consultant fully independent of the consultant responsible for Engineering Design
3. The consultant(s) is responsible for the preparation and revision of EIS, SIA and LARAP reports. The DPWH shall be responsible for reviewing and receiving approval from the Department of Environment and Natural Resources (DENR).

3. Estimated annual fund requirements*

(in Thousands of US Dollars)

Year	EDCF	GPH
Year 1	22,125	834
Year 2	14,626	1,100
Year 3	15,944	1,072
Year 4	1,225	77
Total	53,920	3,083

* Contingency (US\$2,693) is not included in the estimated expenditure

4. The Project is expected to be completed by [Forty (40)] months from the effective date of this Agreement.

Schedule 2

Allocation of Loan Proceeds

1. Allocation

- (a) The table below sets forth the categories of goods, services and other items to be financed out of the proceeds of the Loan and the allocation of Loan amounts to each category:

(in Thousands of US Dollars)	
Category	Loan Proceeds
(A) Base Cost Engineering Services	53,863
(B) Service Charge	57
(C) Contingencies	2,693
Total	56,613

※ Note : Items not eligible for financing are as shown below:

- (1) General administration expense
- (2) Taxes and duties
- (3) Purchase of land and other real property
- (4) Compensation
- (5) Other indirect items

- (b) The goods and services to be procured from the Republic of Korea of Engineering Services shall be fifty percent (50%) or more of the total cost of Engineering Services.
- (c) The Project Executing Agency shall exercise its obligations to ensure that the procurements of Engineering Services comply with the percentage requirements stipulated above in 1.(b) and shall submit the related documents to the Bank certifying it has performed its obligations to check whether the percentage requirements have been fulfilled.

2. Reallocation

- (a) If the loan proceeds of items included in any of the categories shall decrease, the amounts then allocated to and no longer required for such Category, will be reallocated by the Bank to Category (C).
- (b) If the loan proceeds of items included in Category (A) shall increase, the amounts equal to the portion, if any, of such increase to be financed out of the Loan amount will be reallocated by the Bank, at the request of the Borrower, from Category (C) to Category (A).
- (c) If any amounts are needed to be reallocated from Category (C) to Category (A) at the time of executing the initial contracts and upon any amendment made to the initial contracts for Consultant Employment for Engineering Services, the total contract value including such reallocated amounts shall factor in the minimum percentage requirements for Korean contents in 1.(b).

Schedule 3

Amortization Schedule

	Due Date	Amount (in Korean Won)
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※ Note : Each installment will be filled in when the amount of the Loan is fixed in accordance with Section 3.01 of the General Terms and Conditions, and will be finalized after the final disbursement in accordance with paragraph (b) of Section 3.02 and 7.05 of the General Terms and Conditions.

Schedule 4

Employment of Consultants

1. The services of consultants shall be utilized in carrying out the Project preparation work, particularly with regard to Preliminary Design, Detailed Engineering Design, Independent Design Check, Procurement Assistance, Social and Environmental Safeguard Assessment Studies and other Engineering works.
2. The selection and employment of the consultants shall be subject to the provisions of this Schedule and the Bank's "Guidelines for the Employment of Consultants under the EDCF Loan" (hereinafter called the "**Consultant Guidelines**"), as amended from time to time, which have been furnished to the Borrower.
3. The Eligibility of the Consultant(s) shall be as follows:
 - (1) Nationals of the Republic of Korea (including juridical persons incorporated in the Republic of Korea in accordance with its laws and regulations; hereinafter the same shall apply)
 - (2) Consortiums built by nationals of the Republic of Korea with the corporations set up in accordance with the laws and regulations of the Borrower's country in which nationals of the Republic of Korea hold more than 50% of shares or have the de facto decision-making rights
4. The Borrower shall, through the Project Executing Agency, employ the consultant through the Bank's general selection procedures specified in the Consultant Guidelines.
5. The terms of reference, evaluation of proposals, and execution of contract shall be subject to review of the Bank in accordance with the procedures set forth in Annex 1 of the Consultant Guidelines.
6. The method of selection procedure shall be submitted to the Bank for its review.
7. All taxes, duties, and levies imposed on engineering services in the Republic of the Philippines provided by the consultants for the implementation of the Project shall be either exempted or borne by the Borrower.

Schedule 5

Disbursement Procedures

1. Disbursements of the Loan shall be made through Direct Payment Procedure.
2. The Bank's "Disbursement Procedures under the EDCF Loan" (hereinafter called the "**Disbursement Procedures**"), which have been furnished to the Borrower, as amended from time to time, shall be applied to disbursement of the Loan.

Documents Pertaining to EDCF Loan Agreements

General Terms and Conditions Applicable to EDCF Loan Agreements

Guidelines for the Employment of Consultants under the EDCF Loan

Disbursement Procedures under the EDCF Loan

***ECONOMIC DEVELOPMENT
COOPERATION FUND***

General Terms and Conditions
Applicable to EDCF Loan Agreements

ECONOMIC DEVELOPMENT
COOPERATION FUND

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General Terms and Conditions Applicable to EDCF Loan Agreements

ARTICLE I

Purpose; Application to Loan Agreements

Section 1.01. Purpose

The purpose of these General Terms and Conditions Applicable to EDCF Loan Agreements (the "**General Terms and Conditions**") is to set forth certain terms and conditions generally applicable to loans made by the Bank from the resources of the EDCF.

Section 1.02. Application of General Terms and Conditions

The Loan Agreement shall provide that the parties thereto accept the provisions of the General Terms and Conditions. To the extent so provided in the Loan Agreement, the General Terms and Conditions shall apply thereto and shall govern the rights and obligations thereunder of the parties with the same force and effect as if they were fully set forth therein. No revocation or amendment of the General Terms and Conditions shall be effective in respect of any such Loan Agreement unless both parties thereto have so agreed.

Section 1.03. Inconsistency with Loan Agreement

If any provision of the Loan Agreement or the Guarantee, if any, is inconsistent with a provision of the General Terms and Conditions, the provision of the Loan Agreement or the Guarantee, as the case may be, shall govern.

ARTICLE II

Definitions; References; Headings

Section 2.01. Definitions

The following terms shall have the following meanings wherever used in the General Terms and Conditions:

"Average Rate" means the average of the telegraphic transfer selling rates of

Korean Won against US Dollar as quoted and publicly displayed by the Bank, during the one month period from the sixteenth (16th) day of two calendar months prior to the month when the first procurement contract for goods and services or the consulting service contract is signed respectively, to the fifteenth (15th) day of one calendar month prior thereto.

"Bank" means the Export-Import Bank of Korea, which has been entrusted by the Government of the Republic of Korea with the operation and management of the EDCF.

"Banking Day" means a day on which banks are open for business in Seoul, the Republic of Korea and in the country of the Borrower.

"Borrower" means the party to the Loan Agreement to which the Bank has agreed to make the Loan.

"Complaint" means a procurement-related complaint raised from interested parties, which is an actual bidder/consultant seeking to obtain the contract at issue including potential bidders/consultants, arising under the situations of (i) prior to the submission of bids, (ii) after submission of bids but prior to contract award; and (iii) after contract award.

"EDCF" means the Economic Development Cooperation Fund which is the fund established by the Government of the Republic of Korea under the Economic Development Cooperation Fund Act of the Republic of Korea.

"EDCF Safeguard Policy" means environmental and social guidelines or standard of the latest version issued by the Bank

"Effective Date" means the date on which the Loan Agreement shall have come into force and effect pursuant to Section 11.02.

"Guarantee" means the irrevocable and unconditional letter of guarantee to be issued by the Guarantor in favor of the Bank in accordance with the provision of Section 5.01.

"Guarantor" means the issuer of the Guarantee.

"Korean Won" or the sign "~~₩~~" means the lawful currency of the Republic of Korea.

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

"Project" means the project or program for which the Bank has agreed to make the Loan, as described in the Loan Agreement and as the description thereof may be amended from time to time by agreement between the Bank and the Borrower.

"Project Executing Agency" means the entity or entities responsible for carrying out the Project as specified in the Loan Agreement.

"Purchasing Rate" means the exchange rate of Korean Won against US Dollar when the Bank purchases US Dollars in the foreign exchange market in the Republic of Korea for the implementation of the Project in accordance with the Borrower's request.

"Standstill Period" means the period following the Notification of Intention to Award within which Complaints can be filed. After its expiry, the Borrower will have no obligation to respond to the Complaints.

"US Dollar" or the sign "**US\$**" means the lawful currency of the United States of America.

Section 2.02. References

Except where the context otherwise requires, references to a specified Article or Section shall be construed as references to that specified Article or Section of the General Terms and Conditions.

Section 2.03. Headings

The headings of the Articles and Sections and the Table of Contents hereof are inserted for convenience of reference only and shall have no effect on the

interpretation of any provision of the General Terms and Conditions.

ARTICLE III

Loan; Repayment; Interest

Section 3.01. Loan

(a) The amount of the Loan in Korean Won shall be the aggregate of i) the amount allocated for the procurement of goods and services (hereinafter called the "**Goods and Services Portion**") and ii) the amount allocated for the employment of consulting services (hereinafter called the "**Consulting Services Portion**"). Each of the Goods and Services Portion and the Consulting Services Portion is set out in the Allocation of Loan Proceeds attached to the Loan Agreement as Schedule 2.

(b) The Bank shall, by using the Average Rate, calculate and fix the amount of i) the Goods and Services Portion when it approves the first procurement contract for goods and services and ii) the Consulting Services Portion when it approves the first employment contract for the consulting services, if any, provided that where a part of the proceeds of the Goods and Services Portion and/or the Consulting Services Portion is disbursed in US Dollars in accordance with the provisions of the Loan Agreement, the whole of the corresponding Goods and Services Portion and/or the Consulting Services Portion shall be calculated by using the Purchasing Rate, respectively.

Section 3.02. Repayment of Principal

(a) The Borrower shall repay the principal amount of the Loan disbursed and outstanding in accordance with the Amortization Schedule attached to the Loan Agreement as Schedule 3.

(b) If all disbursements to be made under the Loan Agreement have been completed and the total of such disbursements is less than the full amount of the Loan stipulated therein, the difference between such amount of the Loan and the total of all disbursements shall be deducted proportionately from all subsequent installments of repayment of principal.

(c) The Borrower may, upon payment of all accrued interest and all other

amounts then due under the Loan Agreement and upon giving not less than thirty (30) days' prior written notice to the Bank, prepay on any Repayment Date specified in the Loan Agreement, after the Bank sends the Notice of Completion of Disbursement pursuant to Section 7.05, without premium or penalty all or part of the principal amount of the Loan then outstanding. Any such prepayment shall be applied to the installments in inverse order of maturity. When the Borrower prepays any amount of the Loan, the Borrower shall not reborrow such prepaid amount and shall not draw down the undisbursed amount of the Loan.

Section 3.03. Interest

The Borrower shall pay interest semi-annually on each Interest Payment Date at the rate specified in the Loan Agreement on the principal amount of the Loan disbursed and outstanding from time to time. Interest shall accrue from the respective dates on which the Loan is disbursed.

Section 3.04. Overdue Charge

If the Borrower fails to make payment of all or any portion of the principal of the Loan or any other amount payable under the Loan Agreement on the due date therefor (whether at stated maturity, by acceleration or otherwise), the unpaid amount shall bear an overdue charge calculated at the rate of two percent (2%) per annum above the interest rate specified in the Loan Agreement for each day during the period from and including the due date therefor to but excluding the date of actual payment thereof.

Section 3.05. Computation

Interest and overdue charge shall be computed on the basis of a year of 365 days and actual days elapsed. Any fraction of Ten Korean Won (₩10.00) resulting from the computation of any amounts due under the Loan Agreement shall be disregarded.

Section 3.06. Application of Payment

All payments made to or collected by the Bank under the Loan Agreement or under the Guarantee shall be applied by the Bank in the following order of priority: (i) to principal then due and payable, (ii) to accrued interest then due

and payable, (iii) to any fee then due and payable, (iv) to any cost then due and payable, (v) to any overdue charge then due and payable, and (vi) to prepayment of principal as specified in paragraph (c) of Section 3.02.b

ARTICLE IV

Payments

Section 4.01. Place of Payment

The Borrower shall have all payments of principal of, interest and other charges on, the Loan credited to the Bank's account with such a bank as designated in the Loan Agreement.

Section 4.02. Banking Day

Whenever any payment is to be made on a day which is not a Banking Day, such payment may be made on the next succeeding Banking Day.

Section 4.03. Currency

The Loan shall be denominated in Korean Won and Korean Won shall be the currency of account, disbursement and any payment to be made by the Borrower hereunder or the Guarantor under the Guarantee, if any, provided that a part of the Loan may be disbursed in US Dollars in accordance with the provisions of the Loan Agreement.

Section 4.04. Payments to be Free and Clear

(a) The principal of, interest and other charges on, the Loan shall be paid in full, without set-off or counterclaim, and free and clear of any tax or other deductions or withholdings of any nature.

(b) If the Borrower or the Guarantor, if any, shall be required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment under the Loan Agreement or the Guarantee, the Borrower or the Guarantor shall pay such additional amount as may be necessary to ensure that the Bank receives the full amount it would have received if such deduction or withholding had not been made.

Section 4.05. Expenses

The Borrower shall pay, or cause to be paid, all banking charges and/or fees relating to disbursement of the Loan, repayment of principal, payment of interest, or any other charges which may arise in connection with the Loan Agreement.

Section 4.06. Loan Account

The Bank shall open and maintain on its books a loan account in the Borrower's name, showing the disbursements, outstanding amount of the Loan, repayments, prepayments, and the computation and payment of interest and other amounts due and sums paid under the Loan Agreement. Such loan account shall, in the absence of manifest error, be conclusive and binding on the Borrower as to the existence and amounts of the obligations of the Borrower.

Section 4.07. Notice

The Bank may, when it deems necessary, send the Borrower a Notice concerning Interest and Principal in the form of Annex 1 attached hereto.

***ARTICLE V Guarantee for Loan**

Section 5.01. Guarantee for Loan

When the Bank requires a guarantee for the Loan, the Borrower shall deliver the Guarantee to the Bank, duly signed by the Guarantor acceptable to the Bank, immediately after the execution of the Loan Agreement. The Guarantee shall be substantially in the form of Annex 2 attached hereto.

Section 5.02. Additional Guarantee

When the amount of the Loan is to be increased, the Borrower shall deliver to the Bank an additional Guarantee, signed by the Guarantor acceptable to the Bank, immediately after the Bank and the Borrower have agreed upon such increase.

** When the Bank does not require a guarantee for the Loan, this whole Article V shall be disregarded.*

ARTICLE VI

Procurement

Section 6.01. Procurement Procedures

Goods and services (*the term "services" as used in the General Terms and Conditions includes consulting services*) to be financed out of the proceeds of the Loan shall be procured in accordance with the procurement procedures provided in the Loan Agreement.

Section 6.02. Bank's Review and Approval

The Bank may review the Borrower's procurement procedures, documents and decisions relating to procurement. The Loan Agreement shall specify the extent to which the review procedures shall apply in respect of goods and services to be financed out of the proceeds of the Loan.

Section 6.03. Approval of Contract

(a) When each of the procurement contracts for goods and/or services is entered into, the Borrower shall submit to the Bank a duly executed Application for Approval of Contract in the form of Annex 3 attached hereto together with one certified copy of the contract.

(b) When the Bank considers the contract eligible, it shall notify the Borrower of its approval by sending a Notice of Approval of Contract in the form of Annex 4 attached hereto.

Section 6.04. Modifications

Any modification or cancellation of a contract approved by the Bank shall require the prior written consent of the Bank thereto, provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract price shall not require such consent of the Bank.

Section 6.05. Procurement-related Complaints

(a) Procurement-related Complaints (the "**Complaints**") should be submitted to the Borrower in a timely manner as set forth in these Guidelines and bidding documents. If submitted to the Bank, they will be transferred to the Borrower.

(b) After the submission of the bids, if the Standstill Period is used, Complaints must be submitted within the Standstill Period set out in the bidding documents.

(c) When so submitted or transferred to the Borrower, the Borrower shall address them promptly and fairly, and notify the complainant and the Bank of the result.

ARTICLE VII

Disbursement

Section 7.01. Disbursement Procedures

The Loan shall be disbursed by the Bank as the progress of the Project renders it necessary and in accordance with the disbursement procedures provided in the Loan Agreement (the "**Disbursement Procedures**").

Section 7.02. Constitution of Obligation

A disbursement effected in accordance with the Disbursement Procedures shall constitute a valid and binding obligation upon the Borrower under the terms of the Loan Agreement with relation to such disbursement as from the date of disbursement.

Section 7.03. Adequacy of Documents

(a) All documents or evidence required under the Disbursement Procedures must be adequate in form and substance to satisfy the Bank that the Loan to be disbursed is to be used solely for the purposes specified in the Loan Agreement.

(b) The Borrower shall provide the Bank with any additional documents or evidence which the Bank may reasonably request.

Section 7.04. Notice of Disbursement

After effecting each disbursement, the Bank shall send the Borrower a Notice of Disbursement in the form of Annex 5 attached hereto.

Section 7.05. Notice of Completion of Disbursement

(a) After effecting the final disbursement under the Loan Agreement, the Bank shall send the Borrower and the Guarantor, if any, a Notice of Completion of

Disbursement in the form of Annex 6 attached hereto in duplicate. When the cumulative total of disbursements is less than the amount of the Loan and no further disbursement is required for the Project, the Borrower shall notify the Bank of the fact in order that the Bank may know that the final disbursement has been made.

(b) The Borrower shall immediately return to the Bank one copy of the Notice of Completion of Disbursement signed by a duly authorized person.

ARTICLE VIII

Cancellation; Acceleration of Maturity

Section 8.01. Cancellation by the Borrower

After consultation with the Bank, the Borrower may, by notice to the Bank, cancel any amount of the Loan which has not been disbursed prior to the giving of such notice.

Section 8.02. Acceleration of Maturity

When any of the following events shall have occurred and be continuing, the Bank may, by notice to the Borrower and the Guarantor, if any, suspend in whole or in part the rights of the Borrower. If any of the following events shall have continued for a period of thirty (30) days from the date of such notice, the Bank may terminate disbursement and/or may declare all the principal of the Loan then outstanding, with the interest and any other charges thereon, to be forthwith due and payable whereupon the principal, interest and other charges shall immediately become due and payable:

(a) Default in repayment of principal and/or payment of interest or any other charges required under the Loan Agreement and/or any other Loan Agreement between the Bank and the Borrower;

(b) Default in the performance of any other terms and conditions, covenant or agreement on the part of the Borrower or the Guarantor, if any, under the Loan Agreement or the Guarantee, if any;

(c) Exceptional circumstances beyond the control of the parties (including war, civil war, earthquake, flood, etc.) which make it improbable, in the opinion of the Bank, that the Borrower or the Guarantor, if any, will be able to perform its obligations under the Loan Agreement or the Guarantee, if any; and

(d) Any other event specified in the Loan Agreement for the purposes of this Section.

ARTICLE IX

Administration of Loan

Section 9.01. Management of Project

(a) The Borrower shall carry out the Project, or cause it to be carried out, with all due diligence and efficiency, and in conformity with appropriate engineering, financial, environmental and social requirements and practices.

(b) The Borrower shall at all times operate and maintain, or cause to be operated and maintained, any facilities relevant to the Project in conformity with appropriate engineering, financial, environmental and social requirements and practices, and promptly as needed, make or cause to be made all necessary repairs and renewals thereof.

(c) The Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used solely for the implementation of the Project under the Loan Agreement.

(d) The Borrower and/or the Project Executing Agency shall furnish the Bank with the Environmental and Social Impact Assessment and/or Resettlement Plan satisfactory to the Bank and comply in all material respect with the EDCF Safeguard Policy which have been furnished to the Borrower.

Section 9.02. Reports and Information

(a) The Borrower shall enable, or take such steps as may be necessary to

enable, the Bank's representatives to visit any facilities and construction sites included in the Project and to examine goods and services financed out of the proceeds of the Loan and any plant, installation, site, works, building, property, equipment, books, accounts, records and documents relevant to the performance of the obligations of the Borrower under the Loan Agreement.

(b) Should any circumstances arise which prevent, or threaten to prevent, the execution and completion of the Project on schedule, the Borrower shall promptly notify the Bank of such circumstances.

(c) The Borrower shall send, or cause to be sent, to the Bank, promptly upon formulation, details of all plans which would result in any important modification of the Project and these shall be the subject of agreement between the Bank and the Borrower.

Section 9.03. Exchange of View

Each party to the Loan shall, from time to time, as the other party thereto shall reasonably request, afford the other party all reasonable opportunity for exchange of views between the Bank and the Borrower with regard to any and all matters relating to the Loan.

ARTICLE X

Governing Law; Arbitration

Section 10.01. Governing Law

The Loan Agreement and the Guarantee, if any, shall be governed by and construed in accordance with the laws of the Republic of Korea.

Section 10.02. Arbitration

(a) All disputes or controversies arising from the Loan Agreement or the Guarantee, if any, which cannot be settled between the Bank and the Borrower (together with the Guarantor, if any), shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be the Bank on the one side and the Borrower and the Guarantor, if any, on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the Bank; (ii) a second arbitrator shall be appointed by the Borrower and the Guarantor, if any, or if they shall not agree, by the Guarantor; (iii) and the third arbitrator (the "**Umpire**") shall be appointed by agreement of the parties or, if they shall not agree, by an appropriate organ for the settlement of international disputes. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act as an arbitrator, a successor arbitrator shall be appointed without delay in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of the original arbitrator.

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

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

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

(g) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such

award rendered in accordance with the provisions of this Section shall be final and binding upon the parties, and each party shall abide by and comply with any such award.

(h) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal convenes, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The Arbitral Tribunal may, before it commences its activities, collect equal sums from both parties in such amounts as may be considered necessary to cover its expenses. The expenses of the Arbitral Tribunal shall finally be borne by one or both parties according to the terms of the award. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(i) If within thirty (30) days after the counterparts of the award have been delivered to the parties the award shall not be complied with, a party may institute proceedings to enforce the award against the party with obligations to it under the award in any court of competent jurisdiction.

ARTICLE XI

Effectiveness; Termination

Section 11.01. Conditions Precedent to Effectiveness

The Loan Agreement shall not become effective until the following documents and evidence shall have been received by the Bank, in form and substance satisfactory to the Bank:

(a) Documentary evidence of the authority of each person who will make, sign and deliver documents required under the Loan Agreement on behalf of the Borrower, together with the authenticated specimen signatures of each such person;

(b) The Guarantee, if any, duly authorized by and executed and delivered on

behalf of the Guarantor; and

(c) A legal opinion of legal counsel to the Borrower substantially in the form of Annex 7 attached hereto and a legal opinion of legal counsel to the Guarantor, if any, substantially in the form of Annex 8 attached hereto, prepared and certified by a person acceptable to the Bank, showing:

- (i) With regard to the Borrower, that the Loan Agreement has been duly authorized by and executed and delivered on behalf of the Borrower and constitutes a valid and binding obligation upon the Borrower with regard to all its terms and conditions, and that the authorizations and all other procedures necessary for the implementation of the Loan Agreement have been duly effected and completed; and
- (ii) With regard to the Guarantor, if any, that the Guarantee has been duly authorized by and executed and delivered on behalf of the Guarantor and constitutes a valid and binding obligation upon the Guarantor with regard to all its terms and conditions.

Section 11.02. Effective Date

The Loan Agreement shall become effective on the date on which the Bank declares itself satisfied with the evidence of authority and the specimen signatures, the Legal Opinion, and the Guarantee, if any, mentioned in Section 11.01 above. The Bank shall immediately notify the Borrower in writing of the effective date of the Loan Agreement.

Section 11.03. Evidence of Authority and Specimen Signatures

(a) When any change has been made relevant to the evidence of authority mentioned in paragraph (a) of Section 11.01 above, the Borrower shall notify the Bank in writing of the fact, providing the Bank with satisfactory new evidence of authority.

(b) When a person(s) has been appointed to replace a person(s) specified in the evidence of authority referred to in paragraph (a) of Section 11.01 above, the Borrower shall notify the Bank in writing of the fact, providing the Bank with an authenticated specimen signature of the newly appointed person(s).

Section 11.04. Termination of Loan Agreement

(a) If the Loan Agreement shall not have become effective within one hundred and twenty (120) days after the date of the signing of the Loan Agreement, the Loan Agreement shall terminate unless the Bank, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section. The Bank shall notify the Borrower and the Guarantor, if any, of such later date.

(b) If the procurement of goods or services to be financed out of the proceeds of the Loan shall not have been carried out within eighteen (18) months after the effective date of the Loan Agreement, the determination of assistance policy for the Project, made by the Government of the Republic of Korea, shall be invalid, and accordingly the Loan Agreement shall terminate.

(c) If and when the entire principal amount of the Loan shall have been repaid and all interest and other charges payable to the Bank under the Loan Agreement shall have been paid, the Loan Agreement and the Guarantee, if any, shall forthwith terminate.

ARTICLE XII Miscellaneous Provisions

Section 12.01. Failure to Exercise Rights

No failure on the part of the Bank to exercise, or delay in exercising, any of its rights under the Loan Agreement or the Guarantee, if any, shall be construed to be a waiver thereof, nor shall any single or partial exercise by the Bank of any of its rights under the Loan Agreement or the Guarantee, if any, impair the Bank's further exercise of such rights or any other right.

Section 12.02. Non-Exemption of the Borrower from Obligations

All claims or disputes in connection with any supply contract for procurement of goods or services to be financed by the Loan shall be settled among the parties thereto, and no such claims or disputes shall exempt the Borrower from any obligations incurred under the Loan Agreement.

Section 12.03. Assignment

The Borrower shall not assign or transfer any rights or obligations under the Loan Agreement without prior written consent of the Bank.

Section 12.04. Non-Discrimination

Regarding repayment of principal and payment of interest or any other charges payable under the Loan Agreement, the Borrower shall undertake not to treat such debts to the Bank less favorably than its any other debts other than short-term debts.

Section 12.05. Notices and Requests

(a) Any notice or request required to be given or made under the Loan Agreement or the Guarantee, if any, shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, received by mail or dispatched by cable, telex or facsimile to the party to which it is to be given or made at such party's address specified in the Loan Agreement or the Guarantee, if any, or at such other address as that party shall have designated by notice to the party giving the notice or making the request.

(b) All notices, requests or other communications to be made under the Loan Agreement or the Guarantee, if any, shall be in the English language.

Section 12.06. Execution in Counterparts

The Loan Agreement may be executed in several counterparts, each of which shall be an original.

**Notice Concerning
Interest and Principal**

Date: [●]

(Name and Address of the Borrower)

Attention: [●]

Re: **EDCF Loan Agreement No. [●] for [●] Project**

Please be notified of the due date and amount payable by you under the captioned EDCF Loan Agreement as follows:

	Due Date	Amount
Principal		
Interest※		
Total		

※Interest computation: As per attached sheet.

Please credit the above amount to the account of the Export-Import Bank of Korea (Account No.: [●]) with [●] (Name and Address of the designated bank in Seoul) on or before the due date (Seoul Time).

Guarantee for the Loan

Date: [•]

The Export-Import Bank of Korea
Seoul, Republic of Korea

Attention: President

In consideration of the Loan amount to be extended in Korean Won, not exceeding the equivalent of [•] US Dollars (US\$ [•]), to (*Name of the Borrower*) (the "**Borrower**") for [•] Project (*Name of the Project*) by THE EXPORT-IMPORT BANK OF KOREA (the "**Bank**") under the Loan Agreement No. [•], dated [•] between the Borrower and the Bank (the "**Loan Agreement**"), (*Name of the Guarantor*) (the "**Guarantor**") hereby guarantees jointly and severally with the Borrower the due and punctual payment of the principal of, and the interest and any other charges on, the Loan as provided for in the Loan Agreement.

The Guarantor, furthermore, agrees that:

(a) The Guarantor shall not be exempted from any of its liabilities under this Guarantee by reason of any extension of maturity, forbearance or concession given to the Borrower, any exercise of right or remedy against the Borrower, or any modification or amplification of the provisions of the Loan Agreement, provided that if the principal of the Loan is thereby increased, the Guarantor shall be exempted from its liabilities to the extent of such increase; and

(b) So long as any amount due and payable by the Borrower under the Loan Agreement shall be outstanding and unpaid, the Guarantor shall:

- (i) Not take any action which would prevent or interfere with the performance by the Borrower or any other beneficiaries of the Loan, if any, of obligations under the Loan Agreement; and
- (ii) Not, without prior written consent of the Bank, take any action for the dissolution or disestablishment of the Borrower or any other beneficiaries of the Loan, if any, or for the suspension of their activities.

(c) The Guarantor waives notice of acceptance of this Guarantee, notice concerning principal and interest, and notice of dishonor or non-payment of any such liabilities.

Very truly yours,

(Name of the Guarantor)

Name:

Title:

Application for Approval of Contract

The Export-Import Bank of Korea
Seoul, Republic of Korea

Date: [●]

Attention: Director, Economic Development Cooperation Fund Department [●]

Re: Application for Approval of Contract under the Loan Agreement No.[●]
dated [●]

In accordance with Section 6.03 of the General Terms and Conditions, we hereby apply for your Approval of the Contract for (*Name of the Project*) (the "**Contract**"). The details of the Contract are as follows:

a. Number and Date of the Contract:

b. Name of the Purchaser:

c. Name of the Supplier:

d. Contract Price:

e. EDCF Loan Amount

i) amount of the Loan to be disbursed in Korean Won:

*[ii) amount of the Loan to be disbursed in US Dollar:

We hereby request you to purchase US\$ [●] in accordance with Section 4.02 and 5.03 under the Loan Agreement.]

One certified copy of the Contract is attached hereto. Please notify us of your approval of the Contract in accordance with Section 6.03 of the General Terms and Conditions.

Very truly yours,

(*Name of the Borrower*)

(Authorized Signature)

Name :

Title :

* Delete if not applicable

Notice of Approval of Contract

Date: [●]

(Name and Address of the Borrower)

Attention: [●]

Re: Approval of Contract concerning Contract No. [●] dated [●] between [●] and
under the Loan Agreement No. [●] dated [●]

We hereby inform you that the Contract referred to above has been approved by us in accordance with Section 6.03 of the General Terms and Conditions. Disbursements for this Contract shall be made by us within the limit of [●] (Amount).

Very truly yours,

(Authorized Signature)

Notice of Disbursement

(Name and Address of the Borrower)

Attention: [●]

Re: **EDCF Loan Agreement No. [●] for [●] Project**

We hereby notify you that, pursuant to your Application for Disbursement No. [●] dated [●], we have made the following disbursement under the EDCF Loan Agreement No. [●] dated [●] between [●] (*Name of the Borrower*) and the Export-Import Bank of Korea:

1. Number of disbursement: [●]
2. Date of disbursement: [●]
3. Amount of disbursement:

Disbursement	Principal to be repaid	Remark
₩ [●]	₩ [●]	
US\$ [●]	US\$ [●]	US\$ [●] × @ = ₩ [●]

4. Cumulative total of disbursements under the said Loan Agreement (including this disbursement): ₩ [●]

Very truly yours,

(Authorized Signature)

Notice of Completion of Disbursement

(Name and Address of the Borrower)

Date: [●]

Re: EDCF Loan Agreement No. [●] for [●] Project

With reference to the Loan Agreement No. [●] dated [●] between (Name of the Borrower) and the Export-Import Bank of Korea, we hereby notify you that all disbursements under the said Loan Agreement have been completed.

The details of disbursements under the Loan Agreement are as follows:

1. Loan Limit (A): ₩ [●]
2. Cumulative Total of Disbursements (B): ₩ [●]
3. Unused Balance (A-B): ₩ [●]
4. Date of the Final Disbursement: [●]

We also wish to notify you that the said Loan Agreement shall be implemented henceforth as follows:

1. Amortization Schedule: As per attached schedule.
2. Due Dates of Interest Payments:
 - (i) Due Date of Next Payment: [●], 20[●]
 - (ii) Due Date thereafter: [●], 20 and [●], 20 of each year.

In confirmation of this Notice, please return to us immediately one copy, signed by a duly authorized person.

Very truly yours,

(Authorized Signature)

(Please do not detach)

.....

Date: [●]

We hereby acknowledge receipt of this Notice and confirm that the Loan Agreement shall be implemented as stated above.

(Name of the Borrower)
(Authorized Signature)

Legal Opinion on Loan Agreement

Date: [●]

The Export-Import Bank of Korea
Seoul, Republic of Korea

Attention: [●]

Re: **EDCF Loan Agreement No. [●] for [●] Project**

With respect to the EDCF Loan amount to be extended in Korean Won, not exceeding the equivalent of [●] US Dollars (US\$ [●]), by the Export-Import Bank of Korea (the "**Bank**") to (*Name of the Borrower*) (the "**Borrower**") in accordance with the terms and conditions of the Loan Agreement No. [●], dated [●], between the Bank and the Borrower (the "**Loan Agreement**"), I, the undersigned, acting as legal counsel for the Borrower, certify as follows:

I have considered and examined, among other things, the documents:

- (a) The Agreement dated [●] and the Arrangement dated [●] between the Government of [●] (*Name of the Borrower's Country*) and the Government of the Republic of Korea;
- (b) The Loan Agreement;
- (c) Evidence of authority and specimen signatures issued by [●];
- (d) Such other documents as I have considered necessary or desirable for this opinion; and
- (e) All the laws and regulations in the country of the Borrower relevant to the power and authority of the Borrower to execute, deliver and perform the Loan Agreement.

Based upon the foregoing, I hereby certify as follows:

1. That the Loan Agreement has been made, signed and delivered, for and on behalf of the Borrower, by [●] (*Name and Title of the Authorized Person*), who has the power and authority to do so;

2. That the Borrower is authorized to borrow foreign currency funds from abroad and that the terms and conditions of the Loan Agreement are in compliance with the provisions of the laws of the Borrower's country;

3. That, therefore, the Loan Agreement has been duly authorized by and made, signed and delivered on behalf of the Borrower and constitutes a valid and binding obligation upon the Borrower with regard to all its terms and conditions; and

4. That the authorization and any other procedures necessary for implementation of the Loan Agreement have been duly effected and completed.

Very truly yours,

Name:

Title:

Legal Opinion on Guarantee

Date: [•]

The Export-Import Bank of Korea
Seoul, Republic of Korea

Attention: [•]

Re: **EDCF Loan Agreement No. [•] for [•] Project**

With respect to the Guarantee dated [•] given by [•] (*Name of the Guarantor*) (the "the **Guarantor**") in respect of the EDCF Loan amount to be extended in Korean Won, not exceeding the equivalent of [•] US Dollars (US\$[•]), by the Export-Import Bank of Korea (the "**Bank**") to [•] (*Name of the Borrower*) (the "**Borrower**") in accordance with the terms and conditions of the Loan Agreement No. [•], dated [•], between the Bank and the Borrower (the "**Loan Agreement**"), I, the undersigned, acting as legal counsel for the Guarantor, certify as follows:

I have considered and examined, among other things, the following documents:

- (a) The Agreement dated [•] and the Arrangement dated [•] between the Government of [•] (*Name of the Borrower's Country*) and the Government of the Republic of Korea;
- (b) The Loan Agreement;
- (c) The Guarantee;
- (d) Such other documents as I have considered necessary or desirable for this opinion; and
- (e) All the laws and regulations in the country of the Guarantor relevant to the power and authority of the Guarantee to execute, deliver and perform the Guarantee.

Based upon the foregoing, I hereby certify as follows:

1. That the Guarantor has the full power and authority, under the laws of the Guarantor's country, to guarantee the Loan made by the Bank to the Borrower in accordance with the terms and conditions of the Loan Agreement;

2. That the Guarantee was made, signed delivered by (*Name and Title*) who is authorized to do so for and on behalf of the Guarantor;

3. That, therefore, the Guarantee has been duly authorized by and made, signed and delivered on behalf of the Guarantor and constitutes a valid and binding obligation upon the Guarantor with regard to all its terms and conditions; and

4. That the authorization and any other procedures necessary for implementation of the Guarantee have been duly effected and completed.

Very truly yours,

Name:

Title:

**Guidelines for the
Employment of Consultants
under the EDCF Loan**

***ECONOMIC DEVELOPMENT
COOPERATION FUND***

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Guidelines for the Employment of Consultants under the EDCF Loan

ARTICLE I General

Section 1.01. Introduction

(a) For the efficient and proper preparation and implementation of projects financed in whole or in part by the Export-Import Bank of Korea (the "**Bank**") from the resources of the Economic Development Cooperation Fund (the "**EDCF**"), most Borrowers require the assistance of consultants. The Borrower under these Guidelines refers to the Project Executing Agency, as well.

(b) The purpose of these Guidelines is to indicate the Bank's views as to the proper selection and employment of consultants and to ensure the impartiality of consultants and, in addition, to set forth the general rules to be followed by Borrowers in their use of consultants.

(c) How these Guidelines are to apply to a particular Project financed by the Bank is to be stipulated in the Loan Agreement between the Bank and the Borrower. Terms not otherwise defined herein shall have the meanings ascribed to them in the General Terms and Conditions applicable to EDCF Loan Agreements.

Section 1.02. General Considerations

The Borrower is responsible for preparing and implementing the Project, and therefore for selecting the consultant, and awarding and subsequently administering the contract.

Section 1.03. Need for Consultants

The Bank and the Borrower shall agree on the need to employ consultants and the Terms of Reference for their services either prior to or in the course of the negotiations relating to the Loan. At the same time, the two parties shall agree on the approximate amount of funds required for such services.

Section 1.04. Bank's Files on Consultants

(a) The Bank maintains files of information supplied by a number of consultants concerning their capability and experience. Such information provides a basis for the Bank's assessment of the acceptability of consultants proposed or chosen by Borrowers.

(b) Information in the Bank's files on consultants shall be available to Borrowers who wish to review and assess the experience and qualifications of consultants they are considering for the Project. However, the information available in the Bank's reference files is limited, and it is frequently necessary for the Bank, or the Borrower, to request additional detailed information from a particular consultant in order to form a judgment of its capability to carry out a specific assignment.

(c) The fact that the Bank has been supplied with or has supplied information about a consultant does not entitle that consultant to any contract connected with the Bank. Neither does it indicate that the Bank endorses the consultant's qualifications in general, nor that the Bank will approve that consultant's appointment for any specific Project.

Section 1.05. Advance Contracting and Retroactive Financing

(a) In certain circumstances, advance contracting, whereby the Borrower signs a contract before the signing of the related Loan Agreement may be acceptable in the interests of more rapid and efficient execution of the Project. The consultant selection procedures shall be in accordance with these Guidelines in order for the eventual contracts to be eligible for the financing by the Bank, and the normal review process by the Bank shall be followed.

(b) A Borrower undertakes such advance contracting at its own risk, and any approval of the Bank with the procedures, documentation or proposal for award does not commit the Bank to make a loan for the Project in question. The reimbursement by the Bank of any payments made by the Borrower under the contract prior to the Effective Date of the Loan Agreement is referred to as "Retroactive Financing", and is only permitted within the limit of the Loan specified in the Loan Agreement.

Section 1.06. Bank's Review

The procedures for consultant selection by Borrowers and the terms and conditions of the employment contract between the Borrower and the consultant shall be subject to the review of the Bank. The procedures for the Bank's review are described in Annex 1 attached hereto.

Section 1.07. References to the Bank

(a) The Borrower shall use the following paragraph when referring to the Bank in the Letter of Invitation and contract documents:

"[Name of the Borrower] has received (or in appropriate cases, 'has applied for') a loan from the Export-Import Bank of Korea from the resources of the Economic Development Cooperation Fund of the Republic of Korea in the amount [●] (*loan amount*) toward the cost of the Project (*Name of the Project*), and intends to apply a portion of the proceeds of this loan to payments under the contract for which this invitation to bid is issued.

(b) The terms and conditions of the contract and payments therefore by the Bank shall be subject in all respects to the terms and conditions of the Loan Agreement, including 'Guidelines for the Employment of Consultants under the EDCF Loan'. Except as the Bank may specially otherwise agree, no party other than the Borrower (*Name of the Borrower*) shall derive any rights from the Loan Agreement or have any claim to the loan proceeds."

Section 1.08. Misprocurement

The Bank does not finance expenditures for consulting services if the consultants have not been selected or the services have not been contracted in accordance with the agreed provisions of the Loan Agreement approved by the Bank. In such cases, the Bank shall declare misprocurement, and it is the Bank's policy to cancel that portion of the loan allocated to the services that have been misprocured. The Bank may, in addition, exercise other remedies provided for under the Loan Agreement. Even once the contract is awarded after the approval of the Bank, the Bank may still declare misprocurement if it concludes that the contract was approved on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or that the

terms and conditions of the contract had been modified without Bank's approval.

Section 1.09. Fraud and Corruption

It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as consultants under the EDCF-financed contracts, observe the highest standards of ethics during the selection and execution of such contracts. In pursuance of this policy, the Bank:

(a) shall reject a proposal for award if it determines that the consultant recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

(b) shall declare a consultant ineligible, for a period determined by the Bank, to be awarded a contract financed by an EDCF loan if it at any time determines that the consultant has engaged in corrupt, fraudulent practices or any other integrity violations in competing for, or in executing, a contract financed by an EDCF loan.

(c) shall recognize a consultant as ineligible to be awarded a contract financed by an EDCF loan if the consultant is debarred under the cross debarment decisions by the Multilateral Development Banks. Such period of ineligibility shall be equated to the debarment period decided by the Multilateral Development Banks. The Borrower shall confirm the eligibility of consultants taking the decisions of Multilateral Development Banks into full account.

(d) shall recognize a consultant as ineligible to be awarded a contract financed by an EDCF loan if the consultant constitutes any of the inappropriate business entities defined in the Article 27 of the Act on Contracts to Which the State is a Party in the Republic of Korea.

ARTICLE II

Consulting Services

Section 2.01. Types of Consultants

(a) In general, consultants fall into one or more of the following categories:

(i) Independent Consultants;

(ii) Organizations of a public character, including public corporations and foundations, which also provide consulting services;

(iii) Firms which combine the functions of consultant with those of contractor, manufacturer, supplier, or which are associated with, affiliated to, or owned by contractors, manufacturers, suppliers.

(b) To ensure professional impartiality, firms in category (iii) of paragraph (a) of this Section shall normally be acceptable only if they agree to limit their role to that of consultant and to disqualify themselves and their associates/affiliates from working in any other capacity on the same Project. Therefore, only in special cases and only with clear justification, may the Bank and the Borrower agree to permit firms in category (iii) and/or their associates/affiliates to be invited to on the Project as contractors or suppliers, if they are also employed on the same Project as consultants.

(c) Paragraph (b) of this Section does not apply to those consultants, under a turnkey or design and build contract, whose work is limited to usual assignments of consultants.

Section 2.02. Types of Assignments

The services of consultants used by the Borrowers often include: (i) Pre-investment studies: including studies to establish investment priorities and sector policies, to assess governmental operations and institutions for project formulation and implementation, and to determine the feasibility and justification of investment projects; (ii) Detailed engineering and design: including preparation of detailed designs, specifications, cost estimates and tender documents; and (iii) Project implementation: including supervision of project

execution, assistance in project operation for an initial period, execution of training programs, and institution building or financial studies for the successful implementation of projects.

Section 2.03. Responsibilities of Consultants

(a) The consultant shall at all times exercise all reasonable skill, care, and diligence in the discharge of its duties and shall be responsible for the accuracy and completeness of its work.

(b) In all professional matters the consultant shall act as a faithful adviser to the Borrower. The Borrower may, however, delegate to the consultant the authority to act on its behalf and to make final decisions on certain matters, especially as to design, tests, certification of invoices, acceptance of equipment, and certification of completion of work. The nature of and the limits to such delegation of authority to the consultant shall be clearly defined in the Terms of Reference and in the contract between the Borrower and the consultant.

(c) In case of differences of opinion between the Borrower and the consultant on any important matters involving professional judgement that might affect the proper evaluation or execution of the Project, the consultant shall promptly submit to the Borrower a written report, which the latter shall forward to the Bank with its comments, in time to allow the Bank to study it and communicate with the Borrower before any irreversible step are taken in such matters. In cases of urgency, the consultant shall have the right to insist that the matter be raised immediately with the Bank for discussion.

Section 2.04. Competence of Consultants

In order to ensure the efficient and proper execution of the Project as specifically required by the Loan Agreement, it is essential that consultants employed on the Projects clearly possess the necessary competence.

Section 2.05. Impartiality of Consultants

In order to ensure that the goods and services used for the Projects are suitable and their cost reasonable, and in order to ensure also that designs and specifications in no way limit the Bank's requirements regarding competitive bidding, it is also essential that consultants employed on the Projects shall be

demonstrably impartial.

ARTICLE III

Procedures for Selection of Consultants

Section 3.01. General

(a) The Bank normally requires Borrowers to adopt the following procedures in the selection and employment of consultants:

- (i) Preparation of the Terms of Reference and cost estimates;
- (ii) Preparation of a Short List of Consultants;
- (iii) Invitation to submit proposals;
- (iv) Evaluation of proposals; and
- (v) Negotiation of a contract.

(b) The Bank may, however, accept the Borrower's employment of a specific consultant in cases of the following:

- (i) Where the consultant has already satisfactorily carried out services for the project concerned, such as preparation of a pre-investment study;
- (ii) Where the consultant has satisfactorily carried out services on a project closely related and/or similar to the Project concerned;
- (iii) Where the consultant is considered to be the only firm qualified to provide the services required; or
- (iv) Where the consultant is considered to be the best for the services required for other adequate reasons.

(c) All documents relating to the selection and employment of consultants are to be in English. If another language is used in those documents, a full English text is to be incorporated in them and it shall be specified which is governing.

Section 3.02. Terms of Reference

(a) The Terms of Reference are the initial statement to the consultant of the work that is required to and, with eventual modifications, form an integral part of the contract which governs the work that the consultant is to perform.

(b) Normally, the Terms of Reference should contain the following:

- (i) a precise statement of the objectives of the assignment;
- (ii) the scope and timing of the required services;
- (iii) the inputs to be provided by the Borrower; and
- (iv) particulars of the output (i.e., reports, drawings, etc.) required by the consultant.

Section 3.03. Short List of Consultants

(a) The selection of a consultant for a particular assignment usually begins with the preparation of a Short List of Consultants to be invited to submit proposals.

(b) Such a Short List shall normally consist of not less than three and not more than five consultants.

(c) Should the Borrower find it difficult to compile a satisfactory Short List of qualified consultants from the information available to it from its own past experience and other sources, the Bank shall, at the request of the Borrower, make available information on consultants, from which the Borrower may draw up its own Short List.

Section 3.04. Invitation for Proposals

(a) After the completion of a Short List of Consultants, the Letter of Invitation shall be sent to the "short-listed" consultants to submit their proposals.

(b) The Letter of Invitation shall include the Terms of Reference and any other supplementary information (which may include estimated man-months) concerning the proposed work and the conditions under which the work is to be performed.

(c) Except as otherwise provided in Section 3.12, the Letter of Invitation shall clearly indicate that financial terms are not to be included in the proposals at this stage, that the selection shall be made on the basis of qualifications to perform the work, and that financial terms shall be discussed and agreed only at the time of contract negotiations with the selected consultant.

(d) The Letter of Invitation shall also stipulate the details of the selection procedure to be followed, including the technical evaluation categories and an indication of the weight to be given to each.

(e) Borrowers shall use the applicable Standard Request for Proposals under the EDCF Loan (Standard RFP) of the latest version issued by the Bank with minimum changes, acceptable to the Bank, as necessary to address project-specific conditions.

Section 3.05. Evaluation of Proposals

(a) Proposals received by the Borrower in response to the invitation shall be evaluated in accordance with the criteria stipulated in the Letter of Invitation. Such criteria shall normally include:

(i) The consultant's general experience and performance record in the field covered by the Terms of Reference;

(ii) The adequacy of the proposed approach, methodology and work plan; and

(iii) The experience and records of the staff members to be assigned to the work.

(b) The relative importance of the above-mentioned three factors will vary with the type of consulting services to be performed, but in the overall rating of the proposals most weight shall normally be given either to the qualifications of the staff members to be assigned to the Project or to the approach and methodology, rather than to the reputation or fame of the consultant.

(c) The qualifications of the staff members to be assigned to the Project should be evaluated on the basis of the following three criteria:

(i) General qualifications (education, length of experience, types of position held, duration of service with the consultant, etc.);

(ii) Suitability for the Project (experience in performing the duties which will be assigned to them in the Project); and

(iii) Familiarity with the language and the conditions of the country in which the work is to be performed, or experience in similar environments.

(d) In its evaluation of the proposals, the borrower shall use numerical ratings and prepare an evaluation report. Such evaluation report should normally give detailed information on the organization responsible for the evaluation, selection criteria and relative weight distribution.

Section 3.06. Rejection of All Proposals

(a) The Letter of Invitation generally provides that the Borrower may reject all proposals. Such rejection is justified when (i) all proposals submitted are non-responsive because they fail to respond to important aspects of the Terms of Reference or present major deficiencies in complying with the Terms of Reference, or (ii) all proposals fail to achieve the minimum technical score.

(b) If all proposals are rejected, the Borrower shall review the causes justifying the rejection before inviting new proposals.

(c) The Bank's prior approval shall be obtained for rejecting all proposals or re-inviting proposals.

Section 3.07. Contract Negotiations

(a) After the evaluation of the proposals has been completed, the Borrower shall invite the first-ranked consultant to enter on negotiations on the conditions (including costs and financial terms) of a contract between them.

(b) If the two parties are unable to reach agreement on a contract within a

reasonable time, the Borrower shall terminate the negotiations with the first-ranked consultant and invite the consultant who ranked second in the evaluation to enter on negotiations. This procedure will be followed until the Borrower reaches agreement with a consultant.

- (b) While there shall be some flexibility in work plans, staff assignment and major work inputs which have been previously agreed as appropriate for the assignment should not be materially modified to meet a budget.

Section 3.08. Notification of the Intention to Award

If Standstill Period is applied, promptly after completion of negotiations with the selected consultant, the Borrower shall promptly and simultaneously provide, by the quickest means available and as further specified in the request for proposals, Notification of Intention to Award to the successful consultant and the other consultants on the Short List that they have been unsuccessful.

Section 3.09. Standstill Period

(a) To give consultants time to examine the Notification of Intention to Award and to assess whether it is appropriate to submit a complaint, the Bank may permit the use of the Standstill Period by approving the request for proposals in which the use of the Standstill Period is specified.

(b) Standstill Period will not be applied under the following conditions:

- (i) only one bid was submitted in an competitive bidding process; and
- (ii) direct contracting.

(c) Transmission of the Borrower's Notification of Intention to Award, begins the Standstill Period. The Standstill Period shall last ten (10) Business Days after such transmission date, unless otherwise extended in accordance with the Section 3.11. The contract shall not be awarded either before or during the Standstill Period.

(d) If the Borrower does receive a complaint from an unsuccessful consultant within the Standstill Period, the Borrower shall not proceed with contract award

until the complaint has been resolved. The borrower will keep the Bank duly informed and undated.

Section 3.10. Informing Unsuccessful Consultants

Promptly after completion of negotiations with the selected consultant, or after the resolution of the complaint, if the Standstill Period is applied, the Borrower shall notify the other consultants on the Short List that they have been unsuccessful.

Section 3.11. Debriefing

(a) If Standstill Period is applied, on receipt of the Borrower's Notification of Intention to Award, an unsuccessful consultant has three (3) Business Days to make a written request to the Borrower for a debriefing. The Borrower shall provide a debriefing within five (5) Business Days to all unsuccessful consultants whose request is received within this deadline. If the Borrower decides, for justifiable reasons, to provide the debriefing outside the above timeframe, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. The Borrower shall promptly inform, by the quickest means available, all consultants and the Bank of the extended Standstill Period. The Borrower may extend the debriefing timeframe only once.

(b) Where a request for debriefing is received by the Borrower later than the three (3) Business Day deadline, the Borrower should provide the debriefing as soon as practicable. Request for debriefing received outside the three (3) Business Day deadline shall not lead to an extension of the Standstill Period.

(c) In a nonstandstill situation, in the notification referred to in Section 3.10, the Borrower shall inform the short-listed consultants that any consultant who wishes to ascertain the grounds on which its proposal was not selected, shall request an explanation from the Borrower. The Borrower shall promptly provide the explanation as to why such proposal was not selected, either in writing and/or in a debriefing meeting, at the option of the consultant. The requesting consultant should bear all the costs of attending such a debriefing.

Section 3.12. Two-Envelope System

Notwithstanding the Bank's general policy, set forth in Section 3.04 above, that proposals be invited from consultants without financial terms, the Borrower may, if it so prefers, invite price proposals together with technical proposals, by utilizing a "two-envelope system" according to the following procedures:

(i) A technical proposal and a financial proposal shall be obtained simultaneously but in separate envelopes from each of the "short-listed" consulting firms. The financial proposals shall be submitted in sealed envelopes;

(ii) The technical proposals shall first be evaluated and ranked, and the financial proposals shall be kept separate and unopened;

(iii) The first-ranked firm shall then be invited for contract negotiations and the financial envelope of this firm shall be opened in the presence of the firm;

(iv) If acceptable financial terms cannot be agreed upon with the first-ranked firm, negotiations shall be terminated with the concurrence of the Bank, and the firm next in ranking shall be invited for negotiations (and so on, if necessary until an agreement is concluded); and

(v) When a contract has been successfully negotiated, the financial envelopes of the remaining firms must be returned to them unopened.

Section 3.13. Other Selection Procedures

(a) The application of the general procedures for selection of consulting firms set forth in Sections 3.01 to 3.12 above may be waived by the Bank in exceptional cases if there is adequate justification, such as where only one firm may be invited to submit proposals because of its previous involvement in the same Project or in a closely related project.

(b) Before initiating a negotiation with a prospective consultant pursuant to paragraph (a) of Section 3.13 above, the Borrower shall review the capability of the prospective consultant to perform the particular contract satisfactorily. The Bank shall be furnished with a copy of the report including the selection method for its review.

(c) Other methods that are generally used by Multilateral Development Banks can be applied to the selection of consultants under a loan if the Borrower requests.

ARTICLE IV

Contract

Section 4.01. General

The contract between the Borrower and the consultant shall be prepared in such detail as to adequately protect the interests of both parties to the contract. As a rule, the contract shall, *inter alia*, include the principal clauses outlined below.

Section 4.02. Scope of Project and of Consulting Services

The contract shall describe in detail the scope and duration of the Project and of the services to be rendered by the consultant.

Section 4.03. Responsibilities of Parties to Contract

(a) The contract shall clearly describe the responsibilities of the Borrower and the consultant and the relationship between them.

(b) Where the consultant is a joint venture or other form of association of several firms, the contract shall clearly state whether they will be "jointly and severally" responsible for performance under the contract, or whether one firm will be "solely" responsible, and shall state which firm will be acting on behalf of the joint venture (or other type of association of firms) in all its relations and communications with the Borrower.

Section 4.04. Contract Amount

The contract should clearly state the total amount, or ceiling, of fees to be paid to the consultant.

Section 4.05. Description of Consultant's Fees

(a) The personnel costs and fees necessary for fulfillment of the contract shall

normally be expressed in terms of fixed "man-month rates" for each expert staff member to be provided by the consultant. The "man-month rate" shall cover the basic salary of the staff member, the firm's overheads (including financial, social security and other benefits payable to, or for, the staff member, such as vacation pay, sick leave pay, insurance, etc.) and the consultant's fee.

(b) The contract shall normally include an amount set aside for contingencies, such as unexpected work and rising costs, which the consultant may not use, however, without the written approval of the Borrower.

Section 4.06. Currency

Costs and fees shall normally be expressed in Korean Won, provided that costs and fees to be disbursed in US Dollars under the provisions of the Loan Agreement may be expressed in that currency.

Section 4.07. Conditions and Methods of Payment

(a) The contract shall specify the conditions and methods of payment, the currency or currencies in which payment is to be made, and the rate of exchange for any currency conversions, if required.

(b) Payments to the consultant should be scheduled in such a manner as roughly to keep pace with its expenditures. In line with this concept, the contract may, when appropriate, provide for the following:

(i) An advance payment to the consultant at the time the contract becomes effective that will approximately cover its initial reimbursable expenses; and

(ii) Withholding of the final payment until all services covered by the contract have been completed, or certain performance guarantees have been given.

In case of (ii) above, however, the final payment shall be made within the disbursement period stipulated in the Loan Agreement.

Section 4.08. Services to be Provided by Borrower

The contract shall clearly specify the services and facilities to be provided by the Borrower, such as counterpart staff, maps, aerial photographs, data and

statistics, office space, housing, vehicles and equipment.

Section 4.09. Serious Hindrances

The contract shall require the consultant to report to the Borrower promptly the occurrence of any event or condition which might delay or prevent completion of any significant part of the Project in accordance with the agreed schedules, and indicate what steps should be taken to meet the situation.

Section 4.10. Reports

The contract shall specify the scope, number, type and frequency of the reports to be submitted by the consultant to the Borrower.

Section 4.11. Modifications

The contract shall provide that it may only be modified by an agreement in writing between the parties to the contract.

Section 4.12. Force Majeure

The contract shall provide that failure on the part of either party to perform its obligations under the contract would not be considered a default if such failure is due to force majeure as defined in the contract.

Section 4.13. Termination

The contract shall include a clause specifying in detail on what conditions either party may terminate the contract and a clause stipulating procedures to be followed by the party wishing to terminate the contract. The contract shall clearly state the rights and obligations of both parties in the event of termination of the contract.

Section 4.14. Settlement of Disputes

The contract shall establish the procedures to be followed in case of a dispute arising between the Borrower and the consultant in connection with the contract.

Section 4.15. Applicable Laws

The contract shall stipulate the laws which are to govern its interpretation and performance.

Section 4.16. Language

The contract shall normally be prepared in English. If another language is used in the contract, a full English text shall be incorporated in the contract and it shall be stipulated which is governing.

Annex 1

REVIEW BY THE BANK OF THE SELECTION OF CONSULTANTS

Except as the Bank may otherwise agree, the following procedures shall be subject to the Bank's approval.

(a) Before proposals are invited from consultants, the Borrower shall submit to the Bank, for the Bank's approval, the Terms of Reference, Short List of Consultants, and draft Letter of Invitation.

(b) Before inviting the highest-ranked consultant to enter on contract negotiations, the Borrower shall send to the Bank, for the Bank's approval, the results of its evaluation of proposals received.

(c) When, as provided for in Section 3.07 (b) of the Consultant Guidelines, the Borrower wishes to terminate the contract negotiations with the highest-ranked consultant and invite the second-ranked consultant to enter on negotiations, the Borrower shall inform the Bank of this fact, stating its reasons for the Bank's reference.

(d) If the Borrower wishes, as provided for in Section 3.01 (b) of the Consultant Guidelines, to employ a specific consultant, the Borrower shall inform the Bank in writing of its reasons, for the Bank's approval.

(e) Promptly after executing a contract, the Borrower shall submit to the Bank, for the Bank's approval, one certified copy of the Contract.

Any modification or cancellation of a contract approved by the Bank shall require the prior written consent of the Bank thereto, provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract price shall not require such consent of the Bank.

Annex 2

GUIDANCE TO CONSULTANTS

Purpose

1. This annex provides guidance to consultants wishing to provide consulting and professional services financed from the resources of the EDCF.

Responsibility for Selection of Consultants

2. The responsibility for the implementation of the Project, and therefore for the payment of consulting services under the Project, rests solely with the Borrower. Disbursements of the proceeds of a loan are made only at the Borrower's request. Supporting evidence that the loans are used in accordance with the Loan Agreement shall be submitted with the Borrower's withdrawal application. Payment may be made (a) to reimburse the Borrower for payment(s) already made from its own resources, (b) directly to a third party (to the consultant). As emphasized in Section 1.02 of these Guidelines, the Borrower is responsible for the selection and employment of consultants. It invites, receives, and evaluates proposals and awards the contract. The contract is made between the Borrower and the consultant. The Bank is not a party to the contract.

Bank's Role

3. The Bank reviews the Letter of Invitation, the evaluation of proposals, award proposal, and contract to ensure that the process is carried out in accordance with agreed procedures, as required in the Loan Agreement. For all contracts subject to Bank's review, the Bank reviews the documents before they are issued, as described in Annex 1. Also, if at any time in the selection process (even after the award of contract) the Bank concludes that the agreed procedures were not followed in any substantial respect, the Bank may declare misprocurement, as described in section 1.08. However, if the Borrower has

awarded a contract after obtaining the Bank's approval, the Bank shall declare misprocurement only if the approval was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower. Furthermore, if the Bank determines that the consultant recommended for the award has engaged in corrupt or fraudulent practices, the Bank may reject a proposal for award set forth in section 1.09 of these Guidelines.

Consultants' Role

4. When consultants receive the Letter of Invitation, and if they can meet the requirements of the terms of reference and the commercial and contractual conditions, they shall make the arrangements necessary to prepare a responsive proposal (for example, visiting the country of the assignment, seeking associations, collecting documentation, setting up the preparation team). If the consultants find in the Letter of Invitation documents - especially in the selection procedure and evaluation criteria - any ambiguity, omission or internal contradiction, or any feature that is unclear or that appears discriminatory or restrictive, they shall seek clarification from the Borrower, in writing, within the period specified in the Letter of Invitation for seeking clarifications.

5. In this connection, it shall be emphasized that the specific Letter of Invitation issued by the Borrower governs each selection, as stated in these Guidelines. If consultants feel that any of the provisions in the Letter of Invitation are inconsistent with these Guidelines, they shall also raise this issue with the Borrower.

6. Consultants shall ensure that they submit a fully responsive proposal including all the supporting documents requested in the Letter of Invitation. It is essential to ensure accuracy in the curricula vitae of key staff submitted with the proposals. Once technical proposals are received and opened, consultants shall not be required nor permitted to change the substance, the key staff, and so forth. Similarly, once financial proposals are received, consultants shall not be required or permitted to change the quoted fee and so forth.

Confidentiality

7. The process of proposal evaluation shall be confidential until the announcement of contract award, except for the disclosure of the technical points as indicated. Confidentiality enables the Borrower and the Bank to avoid either the reality or perception of improper interference. If, during the evaluation process, consultants wish to bring additional information to the notice of the Borrower, the Bank, or both, they shall do so in writing.

Debriefing

8. If after contract award, a consultant wishes to ascertain the grounds on which its proposal was not selected, it shall address its request to the Borrower as indicated in section 3.11

**Disbursement Procedures
under the EDCF Loan**

***ECONOMIC DEVELOPMENT
COOPERATION FUND***

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Disbursement Procedures under the EDCF Loan

ARTICLE I

General

Section 1.01. Purpose

The purpose of these Disbursement Procedures (the "**Disbursement Procedures**") is to set forth the procedures to be followed by the Borrowers (and the Project Executing Agencies where applicable) for disbursement of proceeds of Loans extended by the Export-Import Bank of Korea (the "**Bank**") from the resources of the Economic Development Cooperation Fund (the "**EDCF**"). Terms not otherwise defined in the Disbursement Procedures shall have the meanings ascribed to them in the "General Terms and Conditions Applicable to EDCF Loan Agreements."

Section 1.02. Standard Procedures

(a) The standard procedures for disbursement of EDCF Loans consist of:

- (i) Commitment Procedure;
- (ii) Reimbursement Procedure; and
- (iii) Direct Payment Procedure.

(b) The Borrower may use any or all of these procedures in accordance with the provisions of the relevant Loan Agreement.

Section 1.03. Minimum Amount of Application

The amount of each application for disbursement shall not be less than Thirty Million Korean Won (~~₩~~30,000,000) or its equivalent except the final disbursement under the Loan Agreement.

Section 1.04. Advice of Disbursement to the Borrower

The Bank will expeditiously process each disbursement application received from the Borrower. If and to the extent the disbursement application is approved, payment is promptly arranged and the Borrower shall be advised of such disbursement. If for any reason the application is not approved, the Bank shall promptly notify the Borrower of the extent of disapproval with reasons.

Section 1.05. Expenses

All banking charges or fees accrued in connection with the disbursement procedures are for the Borrower's account, provided, however, that such charges or fees may be borne by the supplier, contractor or consultant (collectively the "**Supplier**") according to the terms of the relevant supply contract.

ARTICLE II

Commitment Procedure

Section 2.01. Introduction

(a) Under the Commitment Procedure, the Borrower shall arrange an irrevocable letter of credit (the "**Letter of Credit**") issued in favor of the Supplier to make payment for the import of goods and services which are eligible for financing under the Loan Agreement.

(b) The Letter of Credit shall provide that a bank doing business in the Supplier's country (the "**Advising Bank**") shall reimburse itself from a designated Korean foreign exchange bank in Seoul (the "**Paying Bank**").

(c) The Paying Bank shall obtain reimbursement from the Bank under the assurance of the Bank. Such assurance, whenever provided, takes the form of a letter of commitment (the "**Letter of Commitment**") whereby the Bank undertakes to reimburse, on certain conditions, the amount paid or to be paid by the Paying Bank under and in accordance with the specified Letter of Credit.

Note: When the Advising Bank is a designated foreign exchange bank in Seoul, the Advising Bank is identical to the Paying Bank.

Section 2.02. Issuance of the Letter of Credit and the Letter of Commitment

(a) The Borrower or its designated authority shall request the foreign exchange bank in the Borrower's country as designated in the Loan Agreement (the "**Issuing Bank**") to issue the Letter of Credit in accordance with the terms of the relevant supply contract.

(b) The Issuing Bank shall issue the Letter of Credit, on behalf of and under authorization of the Borrower, in favor of the Supplier through the Advising Bank substantially in the form of Annex 1 for goods and in the form of Annex 2 for services respectively. The Paying Bank shall send a copy of the Letter of Credit to the Bank in order to obtain the Letter of Commitment from the Bank.

(c) When the Bank finds such Letter of Credit in order and in conformity with the provisions of the Loan Agreement and the terms of the contract concerned, the Bank shall issue the Letter of Commitment to the Paying Bank in the form of Annex 3.

(d) Upon receipt of the Letter of Commitment, the Paying Bank shall send the Letter of Credit, which shall become effective when the Paying Bank acknowledges receipt of the Letter of Commitment from the Bank, to the Supplier through the Advising Bank. The Paying Bank shall simultaneously send a copy of the Letter of Commitment to the Issuing Bank.

Section 2.03. Bank's Reimbursement

(a) The Advising Bank shall make payment to the Supplier pursuant to the Letter of Credit and request the Paying Bank to reimburse the funds by sending one set of documents specified in the Letter of Credit. Simultaneously the Advising Bank shall send the remaining sets of documents directly to the Issuing Bank.

(b) Upon receipt of such request, the Paying Bank shall present to the Bank the Request for Reimbursement in the form of Annex 4 attached hereto.

(c) The Bank shall, within fifteen (15) business days of its receipt of the Request for Reimbursement, make reimbursement of the requested amount to the Paying Bank in accordance with the Letter of Commitment. Such reimbursement by the Bank shall constitute a valid disbursement of the Loan under the Loan Agreement.

Section 2.04. Contract in US Dollar

(a) In case the relevant contract is fixed and payable in US Dollars, Forms EDCF-LC1 and EDCF-LC2 attached hereto shall be applied mutatis mutandis to that case.

(b) The amount of the Letter of Commitment and the Request for Reimbursement shall be stated in US Dollars.

Section 2.05. Others

(a) Care should be taken to ensure that an agreement on the Letter of Credit, and on the method of the reimbursement be concluded between the Paying Bank, the Issuing Bank and the Borrower or its designated authority after the signing of the Loan Agreement.

(b) Claims or disputes in connection with aforementioned Letter of Credit shall be settled among the parties concerned and such claims or disputes shall not exempt the Borrower from any obligation under the Loan Agreement concerned.

ARTICLE III

Reimbursement Procedure

Section 3.01. Introduction

The Reimbursement Procedure is to be followed in cases where the Borrower has made payments which are eligible for financing under the Loan Agreement.

Section 3.02. Application for Disbursement

The Borrower shall request the Bank to make disbursement for a sum not exceeding the amount actually paid by the Borrower by sending to the Bank an Application for Disbursement in the form of Annex 5 and its Summary Sheet in the form of Annex 6.

Section 3.03. Supporting Documents

The Borrower shall submit to the Bank following documents in support of the Application for Disbursement. It is not necessary to furnish original documents; a photocopy will suffice.

(a) For all cases described in (b) through (e) below:

(i) the contract or confirmed purchase order¹⁾ - showing that the payment was due, and

(ii) evidence of payment²⁾ - showing the date and amount paid.

1) If this has already been furnished to the Bank, a reference to the letter or documents with which it was sent earlier should be given in the "Footnote" of the Summary Sheet.

2) Such as a bill of exchange, a cancelled bank check, a demand draft, a simple receipt, or a bank's remittance advice, etc.

(b) For payment against delivery/shipment of goods; in addition to (a) above:

(i) supplier's invoice - indication of the goods, quantities and prices, and

(ii) bill of lading or other similar documents.

(c) For payments made prior to delivery/shipment of goods:

Only those listed in (a) above. However, as promptly as the supplier's invoice and the bill of lading become available, copies of these documents should be furnished to the Bank.

(d) For payments for consultants and other services; in addition to (a) above:

(i) bill, claim or invoice of the consultants or suppliers of services rendered and amount payable to them. If such services relate to the importation of goods (e.g., freight, insurance payments), adequate reference should be given to enable the Bank to relate each of these items to specific goods which are eligible for financing by the Bank.

(e) For payments under civil works contracts; in addition to (a) above:

(i) bill, claim or invoice of the contractor- showing, in sufficient details, the work performed by the contractor and amount claimed therefor, and

(ii) certificate - signed by the chief engineering officer or any equivalent entity/person of the Borrower assigned to the Project, to the effect that the work performed by the contractor is satisfactory and in accordance with the terms of the contract.

Section 3.04. Bank's Disbursement

When the Bank finds the Application for Disbursement and its supporting documents in order and in conformity with the provisions of the Loan Agreement and the terms of the relevant contract, the Bank shall make disbursement. Disbursement shall be made within fifteen (15) business days from the date of receipt of the Application by paying into the account of the Borrower with a bank designated by the Borrower. Such reimbursement shall constitute a valid disbursement of the Loan under the Loan Agreement.

ARTICLE IV

Direct Payment Procedure

Section 4.01. Introduction

Under the Direct Payment Procedure, payment to be financed from the EDCF Loan may be paid to the Supplier by the Bank. Accordingly, the Borrower may request the Bank to pay the due amount to the Supplier's account with a bank as designated by the Borrower.

Section 4.02. Application for Payment

The Borrower shall present an Application for Payment in the form of Annex 7 and its Summary Sheet in the form of Annex 8. The Application for Payment should show clearly the specific amount to be paid as well as the date on which such amount would become due for payment.

Section 4.03. Supporting Documents

The Borrower should submit to the Bank following documents in support of the Application for Payment. It is not necessary to furnish original documents; a photocopy will suffice.

- (a) The contract or purchase order under which the specified amount is due to be made; unless it has already been furnished to the Bank.
- (b) If payment to be made relates to shipment of goods, the supplier's invoice showing items of shipment should be furnished; if shipment has already been effected, the relevant bill of lading should also be furnished.
- (c) If payment to be made relates to rendering of services, the supplier's or consultant's claim showing sufficient details should be furnished.
- (d) If payment to be made relates to work performed under a civil works contract, the claim of the contractor showing the work performed and amount due to be paid should be furnished; a certificate, to the effect that the work has been performed satisfactorily and that the payment claimed by the contractor is due under and in accordance with the terms of the contract, should also be furnished by the chief engineering officer or any equivalent entity/person of the Borrower assigned to the Project.

Section 4.04. Bank's Payment

When the Bank finds the Application for Payment and its supporting documents in order and in conformity with the provisions of the Loan Agreement and the terms of the contract concerned, the Bank shall pay the requested amount. The payment shall be made by depositing the amount into the account of the Supplier with a bank as designated by the Borrower within fifteen (15) business days or on the date as specified in the Application whichever is later. Such payment by the Bank shall constitute a valid disbursement of the Loan under the Loan Agreement.

IRREVOCABLE LETTER OF CREDIT

Date:

L/C No.:

To: (Name and address of the Advising Bank)

This Letter of Credit has been issued pursuant to EDCF Loan Agreement No. [●], dated [●] (*Name and address of the Borrower*) and THE EXPORT-IMPORT BANK OF KOREA

Dear Sirs,

We request you to advise [●] (*Name and address of the Supplier*) that we have opened our irrevocable credit No.[●] in their favor for account of [●] (*Name of the Borrower*) for a sum or sums not exceeding an aggregate amount of [●] available by beneficiary's drafts at sight for full invoice value drawn on (*the designated Korean foreign exchange bank in Seoul*),

To be accompanied by the following documents:

Signed commercial invoice in [●]

Packing list in [●]

Certificate of Origin in [●]

Full set of clean on board ocean bills of lading made out to order and blank endorsed and marked "Freight [●] " and "Notify [●] " (Other documents)

evidencing shipment of (*Brief description of goods referring to Contract No. [●]*) from [●] to [●] Partial shipments are [●] permitted. Transshipment is [●] permitted. Bills of lading must be dated not later than [●], 20____. Drafts must be presented to the drawee not later than [●], 20_____.

All drafts and documents under this credit must be marked "Drawn under [●] (*Name of the Issuing Bank*) irrevocable credit No. [●] dated [●], 20_____, and Import Reference No(s). [●] (if any)".

This credit is not transferable.

We hereby undertake that all drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation and delivery of documents to the drawee.

Unless otherwise expressly stated, this credit is subject to "Uniform Customs and Practice for Documentary Credits (1993 Revisions), International Chamber of Commerce Brochure No. 500."

Special Instructions to the Negotiating Bank:

1. This credit shall become effective when [●] (*the designated Korean foreign exchange bank in Seoul*) acknowledges receipt of the Letter of Commitment from THE EXPORT-IMPORT BANK OF KOREA under the aforementioned Loan Agreement. After obtaining the reimbursement from THE EXPORT-IMPORT BANK OF KOREA in accordance with the provisions of the Letter of Commitment, [●] (*the designated Korean foreign exchange bank in Seoul*) shall undertake to remit the amount of the drafts in accordance with instruction issued by you.

2. You must forward the drafts and one complete set of documents to (*the designated Korean foreign exchange bank in Seoul*) together with the certificate stating that the remaining documents have been airmailed direct to us.

Yours faithfully,

(Name of the Issuing Bank)

(Authorized Signature)

PAYMENT TERMS

This payment terms constitutes an integral part of our Letter of Credit No. [●].

I. Initial Payment

Amount: [●] being [●] % of the total contract price.

Required documents:

Latest presentation date:

II. Intermediate Payment (if any)

Amount: [●] being [●] % of the total contract price.

Required documents:

Latest presentation date:

III. Payment against Shipping Documents

Amount: [●] being [●] % of the total contract price.

Note: This attached sheet is not required in case of full payment against shipping documents.

IRREVOCABLE LETTER OF CREDIT

Date:

L/C No.:

To: (Name and address of the Advising Bank)

This Letter of Credit has been issued pursuant to EDCF Loan Agreement No. _____, dated _____ between (Name and address of Borrower) and THE EXPORT-IMPORT BANK OF KOREA

Dear Sirs,

We request you to advise [●] *(Name and address of the Supplier)* that we have opened our irrevocable credit No. [●] in their favor for account of [●] *(Name of the Borrower)* for a sum or sums not exceeding an aggregate amount of [●] available by beneficiary's drafts at sight for full invoice value drawn on [●] *(the designated Korean foreign exchange bank in Seoul)*.

To be accompanied by the following documents, in accordance with the Payment Schedule attached hereto, concerning *(Contract No. [●] with regard to [●] Project)*.

Drafts must be presented to the drawee not later than [●], 20____. All drafts and documents must be marked "Drawn under [●] *(Name of the Issuing Bank)* irrevocable credit No. [●] dated [●], 20____.

This credit is not transferable.

We hereby undertake that all drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation and delivery of documents to the drawee.

Unless otherwise expressly stated, this credit is subject to "Uniform Customs and Practice for Documentary Credits (1993 Revisions), International Chamber of Commerce Brochure No. 500."

Special Instructions to the Negotiating Bank:

1. This credit shall become effective when [●] (*the designated Korea foreign exchange bank in Seoul*) acknowledges receipt of the Letter of Commitment from THE EXPORT-IMPORT BANK OF KOREA under the aforementioned Loan Agreement.

After obtaining the reimbursement from THE EXPORT-IMPORT BANK OF KOREA in accordance with the provisions of the Letter of Commitment, [●] (*the designated Korean foreign exchange bank in Seoul*) undertakes to remit the amount of the drafts in accordance with instructions issued by you.

2. You must forward the drafts and one complete set of documents to [●] (*the designated Korean foreign exchange bank in Seoul*) together with the certificate stating that the remaining documents have been airmailed direct to us.

Yours faithfully,

(Name of the Issuing Bank)

(Authorized Signature)

PAYMENT SCHEDULE

The payment schedule constitutes an integral part of our Letter of Credit No. [●].

I. Initial payment

Amount: [●] being [●] % of the total contract price.

Required documents: Beneficiary's statement

Latest presentation date:

II. Progress payment

Aggregate amount: [●] being [●] % of the total contract price to be paid as follows:

	<u>Amount due</u>	<u>Latest Presentation</u>
1st Installment:	_____	_____
2nd Installment:	_____	_____
_____:	_____	_____

Required documents: a copy of Statement of Performance issued by (Borrower or its designated authority), a form of which is attached hereto.

STATEMENT OF PERFORMANCE

Date:

Ref. No.:

To (Name and address of the Supplier)

Re: Letter of Credit No. [●], dated [●] issued by [●] for (Amount)
in favor of [●] concerning [●] Project under EDCF Loan
Agreement No. [●].

I, the undersigned, representing [●] (*Name of the Borrower*), hereby issue a
Statement of Performance to entitle [●] (*Name of the Supplier*) to receive the
sum of (Amount) THE EXPORT-IMPORT BANK OF KOREA in accordance with
the Payment Terms stipulated in the Contract No. , dated , between [●]
(*Name of Supplier*) and [●] (*Name of Purchaser*).

(Name of Borrower)

(Authorized Signature)

Special Instruction:

*The details of the actual performance shall be stated in the sheet attached
hereto.*

LETTER OF COMMITMENT

Date:

Commitment No.:

To: (Name and address of Paying Bank)

Reference: Letter of Credit No. [●] dated [●], issued by [●] for [●] (Amount)
in favor of [●] (Name of the Supplier).

Gentlemen:

We hereby irrevocably undertake to reimburse you for a sum or sums not exceeding [●] against the Request for Reimbursement, accompanied by a copy of the drafts drawn by the beneficiary, within fifteen (15) business days of our receipt of the Request.

This Letter of Commitment shall expire on [●].

It is further understood that in reimbursing you pursuant to this Letter of Commitment, we shall in no way be liable or responsible for the acts or omissions of the issuing bank, the negotiating bank, the beneficiary and/or any other parties concerned with the captioned Letter of Credit in connection with the issuance, negotiation, payments thereof or any other matters connected therewith.

Yours truly,

The Export-Import Bank of Korea

(Authorized Signature)

REQUEST FOR REIMBURSEMENT

Date:

Ref. No.:

To: The Export-Import Bank of Korea Seoul, Korea
Attn: Director, EDCF Department

Re: Loan Agreement (No. [●]) dated [●]
Country: [●]
Letter of Credit No. [●]
Letter of Commitment No. [●]

Gentlemen,

We have received the documents concerning the supply of [●] (*quantity and description of goods or services according to the Letter of Credit*) and found them in order and in conformity with the terms of the said Letter of Credit.

Pursuant to the above Letter of Commitment, we hereby request you to make reimbursement to us from the above Loan with the following particulars:

- (a) Amount of Reimbursement:
- (b) Amount of the Draft:
(payable under the said Letter of Credit):
- * (c) Rate of Exchange
- (d) Date of Reimbursement:

Yours truly,

(Name of Paying Bank)

(Authorized Signature)

Name :

Title :

Enclosed: _____

* Delete if not applicable.

APPLICATION FOR DISBURSEMENT

Date :

Loan Agreement No.:

App. Serial No.:

To : The Export-Import Bank of Korea
Seoul, Republic of Korea

Attn : Director, EDCF Department

Gentlemen,

1. Pursuant to the Loan Agreement No. [●] dated[●] between THE EXPORT-IMPORT BANK OF KOREA (hereinafter referred to as the "Bank") and [●] (*Name of the Borrower*), the undersigned hereby requests disbursement of the sum of [●] (*Amount*) in reimbursement of expenditures as described in the attached Summary Sheet(s).
2. For such reimbursement, please make disbursement of the requested amount by paying it into the account of [●] (*Name of the Borrower*) (*account no. ____*) with (*Name and Address of the Authorized Bank*) on (*Date of Disbursement*).
3. The undersigned has not previously requested for disbursement of any amounts from the Loan for the purpose of reimbursing or of meeting the expenditures described in the attached Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of any other loan, credit or grant available to the undersigned except short-term loans or credits, if any, established in anticipation of the disbursement requested herein and to be repaid pro tanto with the funds disbursed hereunder and any charges, commission or interest paid or payable under such anticipatory short-term credits are not included in the amount herein requested to be disbursed.

4. The undersigned certifies that:

- (a) the expenditures, hereby sought to be reimbursed, were made for the purposes specified in the Loan Agreement;
- (b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed upon with the Bank pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
- (c) the said goods and services were or will be supplied by the supplier(s) specified in the attached Summary Sheet(s) and were or will be produced in (or, in the case of services, supplied from) the eligible source country (countries) under the Loan Agreement; and
- (d) as of the date of this request there is no existing default under the Loan Agreement, nor, to the best of the undersigned's knowledge and belief, under the Guarantee, if any.

5. This request consists of (Number) page(s) and (Number) signed and numbered Summary Sheet(s).

(Name of the Borrower)

(Authorized Signature)

Name :

Title :

Enclosed :

Summary Sheet of Disbursement

Date:

Loan Agreement No.:

App. Serial No.:

Summary Sheet No. [•]

No. and Title of Category/Subcategory _[•]

(For more than ten items, use additional sheet(s) with same number)

1	2	3	4	5	6	7	8	9	10	11
Item No.	Delivery date	Country of Origin	Description of Goods and Services	No. and date of Contract or Purchase order	Name And Address of supplier	Date of payment	Amount paid	Amount claimed	Nature of Payment made	Remarks
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
Total										

Note: Column 10 is to indicate, against each item, whether the payment is a down-payment, or an installment payment (if so, the number of installment) or the final payment in full settlement.

(Name of the Borrower)(Authorized Signature)

Name:

Title:

APPLICATION FOR PAYMENT

Date :

Loan Agreement No. :

App. Serial No. :

To : The Export-Import Bank of Korea
Seoul, Korea

Attn : Director, EDCF Department

Gentlemen,

1. Pursuant to the Loan Agreement No. [•] dated [•] between The Export-Import Bank of Korea (hereinafter referred to as the "Bank") and [•] (*Name of the Borrower*), the undersigned hereby requests payment of the sum of [•] (*Amount*) for the undersigned's settlement of expenditures as described in the Summary Sheet(s) of Payment attached hereto.
2. For such settlement, please make payment of the requested amount by paying it into the account(s) of the Supplier(s) (*account No.* [•]) with [•] (*Name and Address of the Supplier's Bank*) by the [•]th of [•], [•].
3. The undersigned has not requested for disbursement of any amounts under the Loan Agreement for the purpose of meeting the expenditures described in the attached Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of any other loan, credit or grant available to the undersigned.

4. The undersigned certifies that:

- (a) The expenditures described in the attached Summary Sheet(s) are to be made for the purposes specified in the Loan Agreement;
- (b) The concerned goods and services purchased have been procured in accordance with the applicable procurement procedures agreed upon with the Bank pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
- (c) The said goods and services were or will be supplied by the supplier(s) specified in the attached Summary Sheet(s) and were or will be produced in (or, in the case of services, supplied from) the eligible source country (countries) under the Loan Agreement; and
- (d) As of the date of this request there is no existing default under the Loan Agreement.

5. This application consists of (Number) page(s) and (Number) signed and numbered summary Sheet(s).

(Name of the Borrower)

(Authorized Signature)

Name :

Title :

Annex 8 (Form EDCF-AFP(2))

Summary Sheet of Payments

Date:

Serial No.:

1	2	3*	4	5	6	7	8	9**
Transaction	Supplier	Nationality of Supplier	Description of Goods and Services	Origin	Contract Amount	Date of payment	Amount of payment	Nature of payment
1.								
2.								
3.								
4.								
.								
.								
.								
.								
Total								

The undersigned certifies that the Supplier(s) and goods and/or services stated above are eligible under the Loan Agreement.

* *Note for 3. Nationality of Supplier: Country in which the Supplier is incorporated and registered.*

** *Note for 9. Nature of Payment: A down-payment, an installment payment or the final payment, etc.*

(Authorized Signature)

Contacts for Inquiries

For further information, please contact the following offices:

The Embassy of the Republic of Korea in your country

The Ministry of Economy and Finance of the Republic of Korea

Attn : Director, Development Cooperation Division, International Economic Affairs Bureau

Government Complex-Sejong, 477, Galmae-ro,

Sejong Special Self-Governing City 30109, Korea

Fax : (82-44) 215-8152

Tel : (82-44) 215-7710, 215-7723

The Ministry of Foreign Affairs of the Republic of Korea

Attn : Director, Development Cooperation Division, Development Cooperation Bureau

60, Sajik-ro 8-gil, Jongno-gu, Seoul 03172, Korea

Fax : (82-2) 2100-8359

Tel : (82-2) 2100-8137, 2100-8348

The Export-Import Bank of Korea

Attn : Director, EDCF Operations Department 1

38 Eunhaeng-ro, Yeongdeungpo-gu, Seoul 07242, Korea

Fax : (82-2) 3779-6755

Tel : (82-2) 3779-6604, 3779-6114