
LOAN NUMBER 3075-PRC

PROJECT AGREEMENT

(Qinghai Delingha Concentrated Solar Thermal Power Project)

between

ASIAN DEVELOPMENT BANK

and

CHINA GENERAL NUCLEAR POWER CORPORATION

CGN SOLAR ENERGY DEVELOPMENT CO. LTD.

CGN DELINGHA SOLAR ENERGY CO. LTD.

EXPORT-IMPORT BANK OF CHINA

DATED 14 FEBRUARY 2014

PRC 46058

PROJECT AGREEMENT

PROJECT AGREEMENT dated 14 February 2014 between ASIAN DEVELOPMENT BANK ("ADB") on one part and CHINA GENERAL NUCLEAR POWER CORPORATION ("CGN"), CGN SOLAR ENERGY DEVELOPMENT CO. LTD. ("CGN-SEDC"), CGN DELINGHA SOLAR ENERGY CO. LTD. ("CGN-DSE") and EXPORT-IMPORT BANK OF CHINA ("EXIM") on the other part.

WHEREAS

(A) by a Loan Agreement between the People's Republic of China ("Borrower") and ADB, ADB has agreed to make to the Borrower a loan of one hundred fifty million Dollars (\$150,000,000) on the terms and conditions set forth in the Loan Agreement, but only on the condition that the proceeds of the loan be made available, through EXIM, to CGN and CGN-DSE and that CGN, CGN-SEDC, CGN-DSE and EXIM agree to undertake certain obligations towards ADB set forth herein; and

(B) CGN, CGN-SEDC, CGN-DSE and EXIM, in consideration of ADB entering into the Loan Agreement with the Borrower, have agreed to undertake the obligations set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.01. (a) Wherever used in this Project Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) have the respective meanings therein set forth.

(b) In addition to the terms referred to in subsection (a) hereinabove, the following terms, wherever used in this Project Agreement, unless the context otherwise requires, have the following meaning:

(i) "CGN Onlending Agreement" means the agreement between CGN and CGN-DSE for onlending the Loan proceeds from CGN to CGN-DSE;

(ii) "CGN Onlending Loan" means any loan provided under the CGN Onlending Agreement;

(iii) "EXIM Onlending Agreement" means the agreement between EXIM and CGN for onlending the Loan proceeds from EXIM to CGN; and

(iv) "EXIM Onlending Loan" means any loan provided under the EXIM Onlending Agreement.

ARTICLE II

Particular Covenants

Section 2.01. (a) EXIM shall make the proceeds of the Loan, onlent from the Borrower as described in Section 3.01(a) of the Loan Agreement, available to CGN through the EXIM Onlending Agreement upon terms and conditions acceptable to ADB. Except as ADB may otherwise agree, the terms for the proceeds of the EXIM Onlending Loan made available to CGN shall include (i) commitment charge and interest at the rates identical to those applied to the Loan; (ii) onlending fee as agreed upon between EXIM and CGN, (iii) a repayment period including a grace period identical to those applied to the Loan; and (iv) CGN bearing the foreign exchange and interest rate variation risks of the proceeds of the Loan made available thereto.

(b) CGN shall make the proceeds of the EXIM Onlending Loan available to CGN-DSE through the CGN Onlending Agreement upon terms and conditions acceptable to ADB. Except as ADB may otherwise agree, the terms for the proceeds of the CGN Onlending Loan made available to CGN-DSE shall include (i) commitment charge and interest at the rates identical to those applied to the Loan; (ii) onlending fee as imposed by EXIM under the EXIM Onlending Agreement; (iii) a repayment period including a grace period identical to those applied to the Loan; and (iv) CGN-DSE bearing the foreign exchange and interest rate variation risks of the proceeds of the Loan made available thereto.

(c) CGN, CGN-SEDC, CGN-DSE and EXIM shall carry out, or cause to be carried out, the Project with due diligence and efficiency, and in conformity with sound applicable technical, financial, business, and development practices.

(d) In the carrying out of the Project and operation of the Project facilities, CGN, CGN-SEDC, CGN-DSE and EXIM shall perform all obligations set forth in the Loan Agreement to the extent that they are applicable to CGN, CGN-SEDC, CGN-DSE and EXIM, and all obligations set forth in the Schedule to this Project Agreement.

Section 2.02. CGN, CGN-SEDC, CGN-DSE and EXIM shall make available, promptly as needed, the funds, facilities, services, land and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 2.03. (a) In the carrying out of the Project, CGN-DSE shall employ competent and qualified contractors for the Goods, acceptable to ADB, to an extent and upon terms and conditions satisfactory to ADB.

(b) Except as ADB may otherwise agree, all items of expenditures to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 4 to the Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed

between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 2.04. CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. CGN, CGN-SEDC and CGN-DSE shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.

Section 2.05. (a) CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, CGN and CGN-SEDC shall cause CGN-DSE to undertake to insure, or cause to be insured, the Goods to be imported for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods.

Section 2.06. CGN, CGN-SEDC and EXIM shall cause CGN-DSE to, and CGN-DSE shall, maintain, or cause to be maintained, records and accounts adequate to identify the items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, its operations and financial condition.

Section 2.07. (a) ADB, CGN, CGN-SEDC, CGN-DSE and EXIM shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) CGN, CGN-SEDC, CGN-DSE and EXIM shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of their obligations under this Project Agreement or the respective Onlending Agreements, or the accomplishment of the purposes of the Loan.

(c) ADB, CGN, CGN-SEDC, CGN-DSE and EXIM shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Project, CGN-DSE, and the Loan.

Section 2.08. (a) CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the Project; (iv) the administration, operations and financial condition of CGN-DSE; and (v) any other matters relating to the purposes of the Loan. CGN and CGN-SEDC shall furnish to ADB all such reports and information as ADB shall reasonably request concerning the administration, operations and financial condition of CGN and CGN-SEDC relating to the Project.

(b) Without limiting the generality of the foregoing, CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, furnish to ADB periodic reports on the execution of the Project and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.

(c) Promptly after completion of the Project as set forth in paragraph 4 of Schedule 1 to the Loan Agreement, but in any event not later than 6 months thereafter or such later date as ADB may agree for this purpose, CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by CGN, CGN-SEDC and CGN-DSE of their obligations under this Project Agreement and the accomplishment of the purposes of the Loan.

Section 2.09. (a) CGN and CGN-DSE shall (i) maintain, and cause to be maintained, separate accounts and records for the Project; (ii) prepare, and cause to be prepared, annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements, use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the procedures for the imprest account and its sub-account) and Management Letter; and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose on its website the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt.

(c) In addition to annual audited financial statements referred to in subsection (a) hereinabove, CGN and CGN-DSE shall (i) provide their annual financial statements prepared in accordance with national accrual-based financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; and (iii) furnish to ADB, no later than 1 month after approval by the relevant authority, copies of such audited financial statements in accordance with the PAM and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(d) CGN and CGN-DSE shall enable ADB, upon ADB's request, to discuss the financial statements referred to in subsections (a)(ii) and (c) above, and their financial affairs where they relate to the Project with the auditors appointed pursuant to subsections (a)(iii) and (c) hereinabove, and shall authorize and require any representative of

such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of CGN and CGN-DSE, unless CGN and CGN-DSE shall otherwise agree.

Section 2.10. CGN, CGN-SEDC, CGN-DSE and EXIM shall enable ADB's representatives to inspect the Project, the Goods and any relevant records and documents.

Section 2.11. (a) CGN, CGN-SEDC, CGN-DSE and EXIM shall, promptly as required, take all action within their powers to maintain their corporate existence, to carry on their operations, and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of its operations.

(b) CGN, CGN-SEDC, CGN-DSE and EXIM shall at all times conduct their operations in accordance with sound applicable technical, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel.

(c) CGN, CGN-SEDC and CGN-DSE shall at all times operate and maintain their plants, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.

Section 2.12. Except as ADB may otherwise agree, CGN-DSE shall not sell, lease or otherwise dispose of any of its assets which shall be required for the efficient carrying on of its operations and none of CGN, CGN-SEDC and CGN-DSE shall sell, lease or otherwise dispose of any of their assets the disposal of which may prejudice their ability to perform satisfactorily any of their obligations under this Project Agreement.

Section 2.13. Except as ADB may otherwise agree, CGN, CGN-SEDC and EXIM shall cause CGN-DSE to, and CGN-DSE shall, apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and this Project Agreement, and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in the carrying out of the Project.

Section 2.14. Except as ADB may otherwise agree, CGN, CGN-DSE and EXIM shall duly perform all their obligations under the respective Onlending Agreements, and shall not take, or concur in, any action which would have the effect of assigning, amending, abrogating or waiving any rights or obligations of the parties under the respective Onlending Agreements.

Section 2.15. CGN, CGN-SEDC, CGN-DSE and EXIM shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of their charters, which, if implemented, could adversely affect the carrying out of the Project or the operation of the Project facilities. CGN, CGN-SEDC, CGN-DSE and EXIM shall afford ADB an adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.

ARTICLE III

Effective Date; Termination

Section 3.01. This Project Agreement shall come into force and effect on the date on which the Loan Agreement comes into force and effect. ADB shall promptly notify CGN, CGN-SEDC, CGN-DSE and EXIM of such date.

Section 3.02. This Project Agreement and all obligations of the parties hereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms.

Section 3.03. All the provisions of this Project Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the Loan Agreement.

ARTICLE IV

Miscellaneous

Section 4.01. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail or facsimile to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2534.

For CGN

19F, Science Building,
No. 1001 Shangbu Zhong Road,
Shenzhen, People's Republic of China

Facsimile Number:

(86 755) 83699900.

For CGN-SEDC

21F, Guangyao Dongfang Center,
No. 100, Xi San Huan, North Road Haidian District,
Beijing, People's Republic of China

Facsimile Number:

(86 10) 68460583.

For CGN-DSE

Room 804-805 Chengzhong District,
Xining, Qinghai, People's Republic of China

Facsimile Number:

(86 971) 6317432.

For EXIM

On-lending Department
No. 30, Fu Xing Men Nei Street
Xicheng District, Beijing, People's Republic of China

Facsimile Number:

(86 10) 83578568.

Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement by or on behalf of CGN, CGN-SEDC, CGN-DSE and EXIM may be taken or executed by (i) Legal Representative or Chief Financial Officer for CGN, (ii) the Legal Representative or General Manager for CGN-SEDC, (iii) the Legal Representative or General Manager for CGN-DSE, and (iv) the Chairperson or General Manager or Deputy General Manager of Onlending Department for EXIM, or by such other person or persons as he or she shall so designate in writing notified to ADB.


(b) CGN, CGN-SEDC, CGN-DSE and EXIM shall furnish to ADB sufficient evidence of the authority of each person who will act under subsection (a) hereinabove, together with the authenticated specimen signature of each such person.

Section 4.03. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Project Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default,

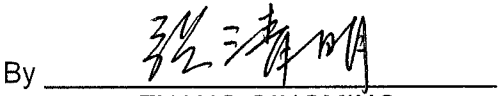
or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

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

ASIAN DEVELOPMENT BANK

By 
HAMID L. SHARIF
Country Director
PRC Resident Mission

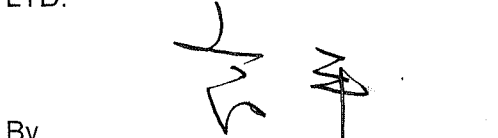
CHINA GENERAL NUCLEAR POWER CORPORATION

By 
ZHANG QINGMING
Chief Financial Officer
China General Nuclear Solar Energy
Development CO. LTD.

CGN SOLAR ENERGY DEVELOPMENT CO. LTD.

By 
HAN QINGHAO
General Manager

CGN DELINGHA SOLAR ENERGY CO. LTD.

By 
GAO PING
President

EXPORT-IMPORT BANK OF CHINA

By  _____
LI RONGHUI
Deputy General Manager

SCHEDULE

Execution of Project; Environmental, Social, Financial and Other Matters

Implementation Arrangement

1. CGN, CGN-SEDC, CGN-DSE and EXIM shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by CGN, EXIM and ADB. In the event of any discrepancy between the PAM and the Project Agreement, the provisions of the Project Agreement shall prevail.

Environmental

2. CGN, CGN-SEDC and CGN-DSE shall ensure, and cause other involved agencies to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project, and that all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) as subsequently agreed between ADB and CGN.

Land Acquisition

3. CGN, CGN-SEDC and CGN-DSE shall ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in a manner and within timeframes compliant with the LAEMDP and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the LAEMDP, and any corrective or preventative actions (i) set forth in the Safeguards Monitoring Report, or (ii) as subsequently agreed between ADB and CGN.

4. Without limiting the application of the Involuntary Resettlement Safeguards or the LAEMDP, CGN, CGN-SEDC and CGN-DSE shall ensure that no physical or economic displacement takes place in connection with their respective part of the Project until:

- (a) compensation and other entitlements have been provided to the displaced persons under Involuntary Resettlement Safeguards as described in and in accordance with the LAEMDP; and
- (b) a comprehensive income and livelihood restoration program has been established in accordance with the LAEMDP.

Ethnic Minorities

5. CGN, CGN-SEDC and CGN-DSE shall ensure that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply

with (a) all applicable laws and regulations of the Borrower relating to ethnic minorities; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set forth in the LAEMDP, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and CGN.

Applicability of ADB's Safeguard Policy

6. CGN, CGN-SEDC and CGN-DSE shall ensure that the provisions of the IEE, EMP and LAEMDP as well as any requirements under the Safeguards Policy Statement also apply to the portion of the Project to be financed by CGN, CGN-DSE and EXIM.

Human and Financial Resources to Implement Safeguards Requirements

7. CGN, CGN-SEDC and CGN-DSE shall make available necessary budgetary and human resources to fully implement the EMP and the LAEMDP.

Safeguards-Related Provisions in Bidding Documents and Civil Works Contracts

8. CGN-DSE shall ensure that all bidding documents and Works contracts contain provisions that require contractors to:

- (a) comply with the measures relevant to the contractor set forth in the IEE, the EMP and LAEMDP (to the extent they concern impacts on respective affected people under Environmental Safeguards, Involuntary Resettlement Safeguards and Indigenous Peoples Safeguards during construction), and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) as subsequently agreed between ADB and CGN;
- (b) make available a budget for all such environmental and social measures;
- (c) provide CGN-DSE with a written notice of any unanticipated environmental, resettlement or social risks or impacts that arise during construction, implementation or operation of the project that were not considered in the IEE, the EMP and the LAEMDP; and
- (d) reinstate pathways and other local infrastructure to at least their pre-Project condition as soon as possible and no later than the completion of construction.

Safeguards Monitoring and Reporting

9. CGN, CGN-SEDC and CGN-DSE shall do, or cause to be done, the following:

- (a) submit Safeguards Monitoring Reports to ADB:
 - (i) in respect of implementation of and compliance with Environmental Safeguards and the EMP, annually during construction and the implementation of the Project and the

EMP until the issuance of ADB's Project completion report unless a longer period is agreed in the EMP; and

- (ii) in respect of implementation of and compliance with Involuntary Resettlement Safeguards and Indigenous Peoples Safeguards and of the LAEMDP, semi-annually during the implementation of the Project, the LAEMDP until the issuance of ADB's Project completion report unless a longer period is agreed in the LAEMDP;

and disclose relevant information from such reports to respective affected people under Environmental Safeguards, Involuntary Resettlement Safeguards and Indigenous Peoples Safeguards promptly upon submission;

- (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP and the LAEMDP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the LAEMDP promptly after becoming aware of the breach.

Safeguards-Prohibited List of Investments

10. CGN, CGN-SEDC, CGN-DSE and EXIM shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the Safeguards Policy Statement.

Works Contracts

11. CGN-DSE shall ensure that Works contracts include provisions to require the contractors (a) not to discriminate against people seeking work on the basis of age, provided they are capable of doing such work; (b) to provide equal pay for equal work, regardless of gender or ethnicity; (c) to comply with core labor standards and the applicable labor laws and regulations, including stipulations related to employment, such as health, safety, welfare, the workers' rights and anti-trafficking laws; (d) not to force the labor to work against their will; and (f) not to employ child labor.

12. CGN-DSE shall ensure that the Works contractors (a) implement HIV/AIDS and STIs awareness and prevention training for all employees; (b) provide necessary measures to ensure the safety and health of their employees; and (c) together with the local centers of disease control, disseminate information on the risks, hazards, impacts and prevention know-how on HIV/AIDS and STIs among the staff, workers on the construction sites and the local community by means of information disclosure, education and consultation.

Counterpart Funding

13. CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, provide counterpart funding in a timely manner, including any additional counterpart funding required for any shortfall of funds or cost overruns. CGN and CGN-SEDC shall also cause CGN-DSE to, and CGN-DSE shall, ensure that O&M of all Project facilities is fully funded without any delay.

Financial Management

14. CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, develop and maintain sound financial management systems in accordance with ADB's Financial Management and Analysis of Projects, including the establishment of separate Project accounts and the maintenance of minimum balances to ensure smooth cash flow and the timely settlement of project construction liabilities and future debt servicing. In particular, CGN-DSE shall maintain (a) a debt service coverage ratio of at least 1.2 times, and (b) a long-term debt-to-equity ratio of not more than 80:20.

15. If, in the opinion of ADB, it appears that CGN-DSE cannot meet the requirements set forth in paragraph 14 above or cannot meet any debt service obligations, CGN shall take appropriate measures for CGN-DSE to strengthen its financial management systems, including, but not limited to, provision of necessary financing to CGN-DSE.

Operation and Maintenance

16. CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, enter into the performance based O&M contract with an O&M contractor for the first 2 years of commercial operation of the CSP plant in accordance with Section XI.B of the PAM. In particular, such O&M contract shall include O&M training for operators from CGN-DSE.

Design and Construction Quality and Management

17. CGN and CGN-SEDC shall cause CGN-DSE to, and CGN-DSE shall, ensure that the owner's engineer is engaged in accordance with Section XI.A of the PAM and (a) assists CGN-DSE in engineering design, preparation of technical parts in tender documents technical evaluation of bidding documents, construction supervision, and test run, and (b) provides CGN-DSE with design and construction supervision training. Such owner's engineer shall have experiences in engineering design and construction supervision for similar parabolic trough CSP. Prior to engaging the owner's engineer, CGN-DSE shall submit the name and qualifications of the proposed owner's engineer to ADB for its concurrence.

Governance and Anticorruption

18. CGN, CGN-SEDC, CGN-DSE and EXIM (a) acknowledge ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; and (b) agrees to cooperate, and shall cause all other government offices, organizations and entities involving in implementing the Project to cooperate, fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation. In particular, CGN, CGN-SEDC, CGN-DSE and EXIM shall ensure, or cause to be ensured, that (a) periodic inspections of the Project contractors'

activities related to fund withdrawals and settlements are carried out; (b) relevant provisions of ADB's Anticorruption Policy (1998, as amended to date) are included in all bidding documents for the Project; and (c) contracts, financed under the Project, include provisions specifying the right of ADB to audit and examine the records and accounts of CGN, CGN-SEDC, CGN-DSE, EXIM, contractors, suppliers, consultants, and other service providers as they relate to the Project.

Change in Ownership

19. In the event of (a) any change in ownership of the Project facilities, or (b) any sale, transfer or assignment of shares or interest or other change of control in CGN, CGN-SEDC or CGN-DSE is anticipated, CGN, CGN-SEDC and CGN-DSE, as the case may be, shall consult with ADB and EXIM at least 6 months prior to the implementation of such change, provided that, if none of CGN, CGN-SEDC and CGN-DSE is aware of proposed change in the ownership or control of CGN by 6 months before the change is proposed to occur then such obligation to consult shall commence from the date any of them first becomes aware of the proposed change; provided further that neither of (a) a sale, transfer or assignment of shares or interest or other change of control in CGN to a different agency of the Borrower at the national level or to a new state owned enterprise 100% controlled by Borrower at the national level, nor (b) an internal reorganization of CGN group that results in CGN-DSE continuing to be directly or indirectly 100% owned and controlled by CGN will be considered a change for purposes of this paragraph. In case of any internal reorganization of CGN group, CGN shall ensure that (a) CGN-DSE is provided with all resources and support CGN-DSE requires to perform its obligations under the Project Agreement and (b) all intermediate holding companies between CGN and CGN-DSE become parties to the Project Agreement in place of or in addition to CGN-SEDC at the time of such reorganization and perform CGN-SEDC's obligations. CGN, CGN-SEDC and CGN-DSE, as the case may be, shall ensure that such change is carried out in a lawful and transparent manner. CGN, CGN-SEDC and CGN-DSE, as the case may be, shall further ensure that their new controlling management complies with (a) all Project related agreements executed between ADB and the Borrower, CGN, CGN-SEDC, CGN-DSE or EXIM; and (b) the policies of ADB relevant to the Project.