

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8457-CN

Loan Agreement

(Zhengzhou Urban Rail Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

Dated *February 13*, 2015

LOAN AGREEMENT

Agreement dated February 13, 2015, between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of two hundred fifty million dollars (\$250,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the

Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.

- 2.06. The Payment Dates are January 15 and July 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project

Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

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

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, that any of the parties to the Subsidiary Agreement shall have failed to perform any of their respective obligations thereunder.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of ZM and URC in accordance with Section I.A.1 of the Schedule to the Project Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by ZM and URC, respectively, and is legally binding upon the parties, respectively, in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Finance.
- 6.02. The Borrower's Address is:

Ministry of Finance
Sanlihe
Beijing 100820
People's Republic of China

Facsimile: 86-10-6855-1125

6.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED at Beijing, People's Republic of China, as of the day and year first above written.

PEOPLE'S REPUBLIC OF CHINA


By 
Authorized Representative

Name: Yang Yingning

Deputy Director General

Title: International Economic and
Financial Cooperation Department
Ministry of Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 
Authorized Representative

Name: Bert Hofman

Title: Country Director, China

SCHEDULE 1

Project Description

The objective of the Project is to improve urban mobility for the population of Zhengzhou along the catchment area of Line 3 from Xin Liu Lu Station to Hang Hai Dong Lu Station.

The Project consists of the following parts:

Part A: Construction of Line 3

Construction of stations, tunnels, track, depot, parking yard and operational buildings necessary to the operation of the Line 3 from Xin Liu Lu Station to Hang Hai Dong Lu Station.

Part B: Equipment for Line 3

Acquisition of equipment for the operation of Line 3, including, *inter alia*, rolling stock, power supply, control system, signaling system, communication system, monitoring system, fare collection system, safety and security system, ventilation and air conditioning system, water supply, sewerage and fire protection system, and station auxiliary equipment.

Part C: Design, Construction Management and Technical Assistance

Provision of technical advisory services for: (i) design and construction; (ii) construction management and quality assurance; and (iii) technical assistance and capacity building to relevant staff in ZM and the URC to improve the financial sustainability of the urban rail system in Zhengzhou and enhance the project management capacity of URC.

Part D: Safeguards and Other Construction Costs

Provision of costs related to land acquisition and resettlement, construction site preparation, and other Project related costs, including, *inter alia*, for engineering insurance, work safety insurance and inspection and acceptance.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Financing Arrangements

1. For the purposes of carrying out of the Project, the Borrower shall make available the proceeds of the Loan to the Project Implementing Entity, under terms and conditions satisfactory to the Bank, including the following principal terms:
 - (a) The principal amount shall be made available in Dollars or any other Currency as the Loan may be converted from time to time through a Currency Conversion (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn.
 - (b) The principal amount so made available (including an amount equal to the fee paid pursuant to Section 2.03 of this Agreement and any premium for Interest Rate Caps or Interest Rate Collars paid pursuant to Section 2.08(c) of this Agreement and Section 4.05(c) of the General Conditions shall be recovered over a period of twenty-nine (29) years, inclusive of a grace period of seven (7) years.
 - (c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to the provisions of Section 2.05 of this Agreement.
 - (d) A Commitment Charge shall be charged equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
2. The Borrower shall cause the Project Implementing Entity to: (a) manage, operate, monitor, transfer and reconcile the proceeds of the Loan made available to it pursuant to paragraph 1 above in accordance with arrangements and procedures satisfactory to the Bank; (b) take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the utilization of said Loan proceeds and the implementation of the Project and, to enable the Project Implementing Entity to comply with its undertakings under the Project Agreement; and (c) maintain all relevant records and documents related to the Loan and the Project and provide promptly such documents and records, including all other information, as may be requested by the Borrower or the Bank from time to time.

B. Anti-Corruption

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

C. Safeguards

The Borrower shall take, and shall cause the Project Implementing Entity to take, all measures necessary to comply with, or all measures necessary to enable the Project Implementing Entity to comply with the provisions of Section I.C of the Schedule to the Project Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Results Framework. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank by February 15 and August 15 each year, beginning on August 15, 2015.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause the Project Implementing Entity to prepare and furnish to the Bank, as part of the Project Report, not later than forty five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower shall cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period. The Borrower shall make, or cause the Project Implementing Entity to make, the audited Financial Statements publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the box below; (b) Direct Contracting; and (c) Shopping.

The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding ("NCB") shall be the open tendering procedures set forth in the Borrower's Law on Tendering and Bidding promulgated by its Order No. 21 dated August 30, 1999; provided, however, that such procedures shall be subject to the provisions of Section I, Paragraphs 3.3 and 3.4 of Section III, and Appendix 1 of the Procurement Guidelines, and the additional provisions in the following. In the event of a conflict between the Borrower's procedures and these NCB Procedure Modifications, the latter shall govern.

- (i) Eligibility to participate in a procurement process and to be awarded a Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for such contract for reasons other than those provided in Section I of the Procurement Guidelines. No restriction based on nationality of bidders and/or origin of goods shall apply, and foreign bidders shall be allowed to participate in NCB without application of restrictive conditions.
- (ii) All invitations to prequalify or bid shall be advertised in a national newspaper of wide circulation in the Borrower's country, or on a widely used website / electronic portal with free national and international access acceptable to the Bank except for goods or non-consulting services contracts that are estimated to cost less than \$300,000 equivalent each, or works contracts that are estimated to cost less than \$2,000,000 each, which may be advertised in a provincial daily newspaper. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum of thirty (30) days shall be given to bidders between the date of such advertisement (or the date of availability of bidding documents, whichever is later) and the deadline for the submission of bids, and the advertisement and bidding documents shall specify the deadline for the submission of bids. In the case of such advertisement on a website / electronic portal, the notice shall remain readily accessible nationally and internationally until at least the deadline for the submission of bids. Potential bidders shall be allowed to inspect and purchase bidding documents at any time prior to the deadline for the submission of bids.
- (iii) Standard Bidding Documents acceptable to the Bank shall be used.
- (iv) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents.
- (v) Prequalification procedures and documents acceptable to the Bank shall be used for large, complex and/or specialized works. Verification of the information upon which a bidder was prequalified, including current commitments, shall be carried out at the time of contract award, along with the bidder's capability with respect to personnel and equipment. All bidders that meet the qualification criteria set out in the pre-qualification documents shall be allowed to bid, and there shall be no limit on the number of pre-qualified bidders. Where pre-qualification is not used, the qualification of the bidder who is recommended for award

of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

- (vi) Registration shall not be used to assess bidders' qualifications. A bidder shall not be required to register as a condition for inspecting or purchasing bidding documents, submitting its bid or receiving contract award. A bidder determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering (if required) before contract signing without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.
- (vii) No margins of preference of any sort shall be given to bidders, such as on the basis of their location, place of incorporation, or affinity with the geographical area in which the Project activities will take place.
- (viii) All bidders who are awarded contracts for works and single-responsibility contracts shall be required to provide performance security in an amount sufficient to protect the Borrower or the Project Implementing Entity / Entities, as the case may be, in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security and any other potential damages for such breach.
- (ix) Bidders shall be allowed to submit bids by mail or in person.
- (x) All bids shall be opened in public; all bidders shall be offered an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
- (xi) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.
- (xii) No bid may be rejected solely on the basis that the bid price exceeds any cost estimate or falls outside any margin or bracket of prices or average bids established by the Borrower or the Project Implementing Entity / Entities, as the case may be. Rejection of all bids or re-bidding shall not be allowed solely because the number of bids is less than three (3), and rejection of all bids or rebidding shall not take place without the Bank's prior written agreement.
- (xiii) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of

capability and resources and whose bid has been determined: (A) to be substantially responsive to the bidding documents; and (B) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work or to assume other obligations not stipulated in the bidding documents or otherwise to modify the bid as originally submitted. No negotiations shall be permitted except with the Bank's no-objection.

- (xiv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (xv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.
- (xvi) Government-owned enterprises in the Borrower's country may be permitted to bid or submit a proposal of goods, works, or non-consulting services if they can establish that they: (A) are legally and financially autonomous; (B) operate under commercial law; and (C) are not a dependent agency of the agency conducting the procurement.
- (xvii) Matters such as subcontracting, joint venture relationships and assignment of contract shall be handled in accordance with the bidding documents.
- (xviii) The results of bid evaluation and contract award shall be published in the national or provincial press (as provided under paragraph (ii) above) or official gazette or a free and open-access website and shall identify: (A) the name of each bidder who submitted a bid; (B) bid prices as read out at bid opening; (C) the name of the bidder, and the evaluated price, of each bid that was evaluated; (D) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons therefor; and (E) the name of the winning bidder and the final total contract price, as well as the duration and summary scope of the contract. Such publication shall be within two (2) weeks of receiving the Bank's no-objection to the award recommendation for contracts subject to the Bank's prior review, and within two (2) weeks of the Borrower or the Project Implementing Entity's award decision for contracts subject to the Bank's post review. The bidding documents shall disclose the newspaper in which and / or the electronic means by which the information on contract award will be published.

(xix) The Borrower or the Project Implementing Entity / Entities, as the case may be, shall have in place an effective and independent protest mechanism for bidders to protest. The bidding documents shall provide the professional title and address of the official to whom such protests should be sent.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

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

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May

2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services under Parts A, B and C of the Project	246,825,000	100%
(2) Front-end Fee	625,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Commitment Charge	2,550,000	Amount payable pursuant to Section 2.04 of this Agreement in accordance with Section 2.07 (c) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	250,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$1,000,000 equivalent may be made for payments made prior to this date but on or after January 1, 2015, for Eligible Expenditures under Category (1).
2. The Closing Date is June 30, 2021.

SCHEDULE 3

Amortization Schedule

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

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each January 15 and July 15 Beginning January 15, 2022 through January 15, 2043	2.27%
On July 15, 2043	2.39%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
4. "Displaced Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a "Displaced Person" means any of such Displaced Persons.
5. "EIA" means the Environmental Impact Assessment, including the report associated with it, dated April 1, 2014, and any subsequent versions of such assessment as may be agreed with the Bank from time to time.
6. "Environmental and Social Management Plan" or the acronym "ESMP" mean the Environmental and Social Management Plan dated May 12, 2014, prepared and adopted by ZM, and any other ESMPs to be prepared by the Project Implementing Entity, which plans set out the environmental protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental thereto.
7. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
8. "Henan Province" means the province of Henan in the territory of the Borrower.

9. "Integration Plan" means the multi-modal integration plan prepared by ZM and URC (as hereinafter defined) dated June 2014, which aims at integrating the necessary physical facilities and services for different transport modes along Line 3 (as hereinafter defined).
10. "Line 3" means the urban rail line between Xin Liu Lu Station and Hang Hai Dong Lu Station in Zhengzhou (as hereinafter defined).
11. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
12. "Procurement Plan" means the Borrower's procurement plan for the Project, dated May 20, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
13. "Project Agreement" means the agreement between the Bank and the Project Implementing Entity of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement.
14. "Project Implementing Entity" means the Borrower's Henan Province.
15. "Project Leading Group" or "PLG" means the Project leading group established by ZM in November 2011, to provide overall leadership, policy guidance and institutional coordination in Project preparation and implementation, and any successor thereto, and referred to in Section I.A.3(a) of the Schedule to the Project Agreement.
16. "PMO" means the Project management office, established in Zhengzhou Municipal Finance Bureau by ZM, on November 2011, to coordinate the preparation of the Project and supervise and monitor its implementation, and referred to in Section I.A.3(b) of the Schedule to the Project Agreement.
17. "Resettlement Action Plan" or the acronym "RAP" means the Resettlement Action Plan dated May 12, 2014, and all such RAPs to be prepared by ZM consistently with the RPF (as hereafter defined), for purposes of carrying out the Project, which plans shall set out, *inter alia*: (a) the principles and procedures governing the acquisition of land required for the Project and related facilities, including access roads, construction camps, borrow pits, spoil disposal sites, resettlement sites and quarries; (b) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (c) the criteria and procedures for developing and implementing actions and measures, satisfactory to the Bank, for mitigating the adverse social impacts

resulting from the implementation of activities in locations that are not directly identified in the RAP; and (d) reporting and monitoring arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior written agreement of the Bank; and such term includes all attachments and annexes supplemental to said plan.

18. "Results Framework" means the Borrower's framework, dated November 5, 2014, and agreed with the Bank, setting forth the indicators and targets for purposes of monitoring and evaluation of the progress of the Project, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes, appendices, or schedules to such framework.
19. "RPF" means "Resettlement Policy Framework" or the acronym "RPF" means the Resettlement Policy Framework dated May 12, 2014, prepared and adopted by ZM, acceptable to the Bank, and referred to in Section I.C of the Schedule to the Project Agreement; said Framework setting out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Displaced Persons, and for the preparation of resettlement action plans as may be required for Project activities, as said Framework may be revised from time to time with the prior written concurrence of the Bank; and such term includes all schedules and agreements supplemental to said Framework.
20. "Safeguards Instruments" means, collectively, the EIA, the ESMP, the RAP and the RPF, and such term includes any annexes or schedules to such instruments.
21. "Subsidiary Agreement" means the agreement referred to in Section I.A.1 of the Schedule to the Project Agreement, acceptable to the Bank, to be entered between ZM and URC, setting forth the implementation responsibilities of URC under the Project, as well as the terms of availability of the Loan.
22. "URC" means Zhengzhou Urban Railway Company, a limited liability company wholly owned by, and operating in, Zhengzhou, under the business license registration number 410100100033297, and established on March 6, 2008, under the Borrower's Modern Enterprises Law promulgated on July 1, 1994 and revised on October 27, 2005.
23. "Zhengzhou" means the city of Zhengzhou in Henan Province.
24. "ZM" means Zhengzhou Municipality, in Henan Province.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".