

THE EXPORT-IMPORT BANK OF CHINA

as the "Lender"

and

THE GOVERNMENT OF THE REPUBLIC OF UGANDA
Represented by **MINISTRY OF FINANCE, PLANNING & ECONOMIC**
DEVELOPMENT OF UGANDA

as the "Borrower"

Buyer Credit Loan Agreement

(Contract No. 1410302052015212960)

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This **BUYER CREDIT LOAN AGREEMENT** (the "Agreement") is made on the day of [February 3, 2016] by and between **THE EXPORT-IMPORT BANK OF CHINA** (hereinafter referred to as the "Lender", with its principal office at the date hereof at No. 30, Fu Xing Men Nei Street, Xicheng District, Beijing 100031, China.) and **THE GOVERNMENT OF THE REPUBLIC OF UGANDA** represented by **THE MINISTRY OF FINANCE, PLANNING & ECONOMIC DEVELOPMENT OF UGANDA** (hereinafter referred to as the "Borrower", with its office at Plot 2 – 12 Apollo Kaggwa Road, P. O. Box 8147, KAMPALA, Uganda)

WITNESSETH

WHEREAS:

- (A) The Borrower is the Government of the Republic of Uganda represented by the Ministry of Finance, Planning & Economic Development of Uganda;
- (B) Uganda Electricity Transmission Company Ltd (a company incorporated and existing under the laws of Uganda, with its registered address at Plot 10, Hannington Road, P.O. Box 7625, Kampala, Uganda, hereinafter referred to as the "Foreign Importer") and China CAMC Engineering Co. Ltd (hereinafter referred to as the "Chinese Supplier") have entered into the Commercial Contract (as defined in Article 1 hereof);
- (C) The Borrower has requested that the Lender make available a loan facility to the Borrower for the purpose of financing eighty-five percent (85%) of the Contract Amount (as defined in Article 1);
- (D) The Lender has accordingly agreed to make a loan facility available to the Borrower on the terms and conditions set out herein.

NOW THEREFORE, the Borrower and the Lender hereby agree as follows:

Article 1 Definitions



1.1 In this Agreement and in the Annexes and Forms hereto, the following expressions shall, unless the context otherwise requires, have the following meanings:

“Borrower’s Chinese Process Agent” means Embassy of the Republic of Uganda, Beijing, China with its address from time to time at No. 5, Sanlitun Dongjie, Chaoyang District Beijing, China. 100600;

“Business Day” means a day on which banks are open for ordinary banking business in Beijing and Kampala, including Saturdays and Sundays on which banks are open for business as required by the provisional regulations of China and Uganda, but excluding the legal festivals and holidays of China and Uganda and Saturdays and Sundays falling out of the aforesaid regulations;

“China” means the People's Republic of China;

“Commercial Contract” means the commercial contract for engineering, procurement and construction dated August 30th, 2013 entered into by and between the Foreign Importer and the Chinese Supplier for the construction of the LUZIRA INDUSTRIAL PARK, MUKONO INDUSTRIAL PARK, IGANGA INDUSTRIALPARK AND NAMANVE SOUTH INDUSTRIAL PARK SUBSTATIONS AND REMOTE ENDS project, together with its Addendum No. 1 dated March 26th, 2014 and its Addendum No. 2 dated April 28th, 2014, as amended from time to time;

“Contract Amount” means, in respect of the Commercial Contract, the total amount in Ninety-nine Million Nine Hundred and Seventy-five Thousand Eight Hundred and Eighty-Five Dollars and Thirty four Cent US\$ (US\$99,975,885.34) payable by the Foreign Importer to the Chinese Supplier in accordance with the Commercial Contract;

“Default” means an Event of Default or any event or circumstance specified in Article 14 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Loan Documents or any combination of any of the foregoing) be an Event of Default;

“Disbursement” means each advance of the Facility made by the Lender to the Borrower in accordance with Article 5;

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"Disbursement Period" means the period commencing on the date of Notice of Commencement of Disbursement Period and ending on the earliest of (a) the date falling thirty-six (36) months thereafter; (b) the date on which the Facility is fully disbursed, cancelled or terminated hereunder; and (c) any date mutually agreed upon in writing by the Lender and the Borrower;

"Down-Payment" means fifteen percent (15 %) of the Contract Amount payable by the Foreign Importer to the Chinese Supplier according to the terms of the Commercial Contract;

"Encumbrance" means any mortgage, pledge, lien, charge, encumbrance or other security interest of any kind or nature whatsoever and howsoever arising;

"Event of Default" means any of the events specified in Article 14;

"External Indebtedness" means any payment obligation under loan agreement and/or any guarantee or other encumbrance which (i) by their terms are repayable more than one (1) year from the date incurred and (ii) is:

- (a) denominated, payable or optionally payable otherwise than the currency of the Republic of Uganda; and
- (b) payable to a person, domiciled, resident or having its head office or principal place of business outside the Republic of Uganda.

"Facility" means the loan facility in US Dollar to be made available under this Agreement;

"Final Disbursement Date" means the last day of the Disbursement Period;

"Final Repayment Date" means the date on which the Repayment Period expires.

"Goods and/or Services" means the equipment and/or services to be designed, built, launched, equipped and completed and to be sold and delivered to the Foreign Importer after completion and successful trial under the terms and conditions of the Commercial Contract;

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“Grace Period” means the period commencing on the date of Notice of Commencement of Disbursement Period and ending on the date falling thirty-six (36) months thereafter, during which period only the interest and no principal is payable by the Borrower to the Lender;

“Insurance Company” means China Export and Credit Insurance Corporation;

“Insurance Agreement” means the insurance agreement entered into or to be entered into by and between the Lender and the Insurance Company;

“Insurance Policy” means the policy issued or to be issued by the Insurance Company;

“Interest Payment Date” means the 21st January and the 21st July in each calendar year and the Final Repayment Date;

“Interest Period” means, in relation to the Loan, any period determined in accordance with Article 6.2;

“Loan” means the aggregate principal amount disbursed and from time to time outstanding under the Facility;

“Loan Documents” means this Agreement and any other document or agreement which may have been or may hereafter be executed in connection with this Agreement;

“Month” means a period commencing on a specific day in any calendar month and ending on and including the day immediately preceding the numerically corresponding day in the next succeeding calendar month, provided that if there is no such numerically corresponding day in the next succeeding calendar month, such period shall expire on and including the last day of such next succeeding calendar month, and references to “Months” shall be construed accordingly;

“Notice of Commencement of Disbursement Period” means a written notice in the form set forth in Form 1 attached hereto;

“Notice of Drawdown” means a notice in the form set forth in Form 4 attached hereto;

“Project” means [LUZIRA INDUSTRIAL PARK, MUKONO INDUSTRIAL PARK, IGANGA INDUSTRIALPARK AND NAMANVE SOUTH INDUSTRIAL PARK SUBSTATIONS AND REMOTE ENDS] as described in Annex A;

“Quotation Day” means, for the purpose of fixing the rate of interest, two (2) Business Days prior to:

- (a) in relation to the first Interest Period of each disbursement, the Disbursement Date;
- (b) in relation to each of the Interest Periods other than the first Interest Period of each disbursement, the last day of the immediately preceding Interest Period,

“Reference Banks” means the reference bank(s) at the sole determination of the Lender;

“Repayment Date” means each of the Interest Payment Dates on which a repayment installment is due under Article 7, and the first Repayment Date shall be on the first Interest Payment Date immediately succeeding the expiration of the Disbursement Period (or the Grace Period, if applicable) and the last Repayment Date shall be the Final Repayment Date;

“Repayment Period” means, in relation to the Loan, a repayment period being no more than one hundred and forty-four (144) months, commencing on the later of (a) the date on which the Disbursement Period expires; and (b) the date on which the Grace Period expires (if applicable), and ending on the Final Repayment Date;

“Repayment Schedule” means the schedule showing the dates and amounts of repayments of the Loan set forth in Form 5 attached hereto;

“US Dollar” or **“US\$”** means the lawful currency for the time being of the United States of America;

1.2 In this Agreement, unless the context otherwise requires, any reference to:

“including” or “includes” means including or includes without limitation;

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"indebtedness" includes any obligation of any person for the payment or repayment of money, whether present or future, actual or contingent, secured or unsecured, as principal or otherwise, including but not limited to any such obligation:

- (a) under or in respect of any acceptance, bill, bond, note or similar instrument;
- (b) under or in respect of any guarantee, indemnity, counter-security or other assurance against financial loss;
- (c) in respect of the purchase, or lease of any asset or service;
- (d) in respect of any indebtedness of any other person whether or not secured by or benefiting from an Encumbrance on any property or asset of such person;
or
- (e) in respect of any form of off-balance sheet financing;

"law" and/or "regulation" includes any constitutional provision, treaty, convention, statute, law, decree, order, rule and regulation having the force of law ;

"order" includes any judgment, injunction, decree, determination or award of any court, arbitration or administrative tribunal;

"person" means an individual, corporation, partnership, joint venture, trust, unincorporated organization or any other juridical entity, or a sovereign state or any agency, authority or administrative subdivision thereof, or any international organization, agency or authority;

"tax" includes any tax, levy, duty, charge, fee, deduction or withholding of any nature now or hereafter imposed, levied, collected, withheld or assessed by any taxing or other authority and includes any interest, penalty or other charge payable or claimed in respect thereof and "taxation" shall be construed accordingly.

- 1.3 The expressions "Borrower", "Lender", "Foreign Importer" and "Chinese Supplier" shall, where the context permits, include their respective successors and permitted assigns and any person permitted by the Lender deriving title under them.

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- 1.4 Reference to "this Agreement" in this Agreement means this Agreement as it may be amended from time to time.
 - 1.5 Article and Section headings in this Agreement and the Table of Contents are inserted for ease of reference only and do not form a part of this Agreement and shall have no effect on the interpretation of the provisions hereof.
 - 1.6 The Annexes and the Forms to this Agreement shall form an integral part hereof.
 - 1.7 Where the context so requires, words importing the singular number shall include the plural and vice versa.

Article 2 Amount of Facility and Purpose of Loan

- 2.1 **Amount** The Lender hereby agrees to make available to the Borrower, on and subject to the terms and conditions of this Agreement, the Facility in US Dollar in an aggregate principal amount not exceeding Eighty-four Million Nine Hundred and Seventy-nine Thousand Five Hundred and Two Dollars and Fifty-three Cents US Dollars (US\$ 84,979,502.53).
- 2.2 **Purpose of Loan** The entire proceeds of the Facility shall be applied by the Borrower for the sole purpose of the payment of not exceeding eighty-five percent (85%) of the Contract Amount, and shall not be used for payment of brokerage fees, agency fees or commission.
- 2.3 **Term of the Facility** The term of the Facility is no more than fifteen (15) years from the date of the Notice of Commencement of Disbursement Period to the Final Repayment Date.

Article 3 Amendment of the Commercial Contract

- 3.1 **No Amendment to the Commercial Contract** During the term of this Agreement, the Borrower shall ensure and hereby undertake that the Commercial Contract shall not be terminated or cancelled and without its written application (substantially in the form set forth in Form 2 hereof) and the prior written consent of the Lender, no material change, amendment or supplement (excluding technical

issues which may not affect the commercial terms materially) shall be made to the Commercial Contract.

Article 4 Conditions Precedent

- 4.1 The Lender shall have no obligation hereunder and no Disbursement shall be made unless and until the Lender has notified the Borrower that the Lender has received all of the following documents, each in form and substance satisfactory to it in all respects:
- (1) in relation to the Borrower, certified true copies of documentary evidence of the authority of each person who (i) has signed this Agreement on behalf of the Borrower and (ii) will sign the statements, reports, certificates and other documents required by this Agreement and will otherwise act as a representative of the Borrower in relation to the implementation of this Agreement (such documentary evidence includes the authenticated specimen signature of and certificate of incumbency and power of attorney in respect of each person described above);
 - (2) this Agreement duly executed by the Lender and the Borrower;
 - (3) a certified true copy of the Commercial Contract duly executed by the Chinese Supplier and the Foreign Importer;
 - (4) the original Insurance Agreement duly executed by the Insurance Company and the Lender or the Insurance Policy duly issued by the Insurance Company, which has come into effect, and a written notice given by the Insurance Company to the Lender, stating that the insurance obligations of the Insurance Company under the Insurance Agreement/Policy have become enforceable.
 - (5) certified true copies of any and all documents evidencing that the Foreign Importer has paid to the Chinese Supplier the Down-Payment as required under the Commercial Contract;
 - (6) if applicable, certified true copies of all approvals or consents by the governmental authorities of Republic of Uganda which are required under the laws and regulations of Republic of Uganda approving the borrowing by the Borrower under this

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- Agreement or in respect of the execution, delivery and the performance of this Agreement;
- (7) if applicable, certified true copies of all filing, registration and record of this Agreement and any other documents with any governmental agency, court, public office or other authority required under the laws and regulations of Republic of Uganda to ensure the validity, legality and enforceability of such documents;
 - (8) certified true copies of any and all documents which could evidence that the fees payable hereunder have been paid by the Borrower to the Lender in accordance with the provisions of Article 6;
 - (9) a legal opinion of legal counsel of the Borrower acceptable to the Lender substantially in the form set forth in Form 6 attached hereto or in the form and substance otherwise approved by the Lender;
 - (10) the written appointment by the Borrower and related consent of the Borrower's Chinese Process Agent in the form set forth in Form 7-1 and Form 7-2 attached hereto
 - (11) a written undertaking issued by the Foreign Importer and the Chinese Supplier expressing its consent to cooperate with the Lender on the post evaluation for the Project; and
 - (12) such other documents relating to any of the matters contemplated herein as the Lender may reasonably request.
 - (13) a certified true copy of the supplemental agreement to the Commercial Contract duly executed by and between relevant parties for the engineering, procurement and construction of the Project, in form and substance satisfactory to the Lender.
 - (14) a certified true copies of the main sub-commercial contracts duly executed by the Chinese Supplier and sub contractors.
- 4.2 The Borrower hereby undertakes that all of the above documents shall be delivered to the Lender in the shortest possible time from the date hereof.

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4.3 All the documents and evidence referred to in Article 4 shall be in form and substance satisfactory to the Lender. Copies required to be certified shall be certified in a manner satisfactory to the Lender by a director or responsible officer of the Borrower or other parties concerned.

4.4 After all the above conditions stipulated in Article 4 have been fulfilled to the satisfaction of the Lender, the Lender shall issue a Notice of Commencement of Disbursement Period to the Borrower.

In the event that the Borrower fails to fulfill the conditions stipulated in Article 4 within one (1) year after the effectiveness of this Agreement, the Lender shall have the right to reevaluate the implementation conditions of the Project and utilization conditions of the Facility to determine whether to continue the performance of this Agreement or not.

Article 5 Disbursement

5.1 **Further Conditions** Any Disbursement to the Borrower is subject to the following conditions:

- (a) all the conditions precedent specified in Article 4 shall have been satisfied before the issuance of the Notice of Drawdown by the Borrower;
- (b) the Lender shall have received not later than 12:00 noon (Beijing time) on the fifth (5th) Business Day before the date on which the Disbursement is to be made the Notice of Drawdown duly completed and submitted by the Borrower;
- (c) no Event of Default has occurred and is continuing nor would an Event of Default result from the making of such Disbursement;
- (d) all the representations and warranties made or given by the Borrower herein remain true and accurate in all material respects on and as of the date the Disbursement is to be made with reference to the facts and circumstances then subsisting; and

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- 5.2 **Disbursement Procedure** Subject to conditions in Article 4 and 5.1, the Lender shall disburse the Facility in relation to the Commercial Contract in accordance with the following procedures:
- 5.2.1 The Borrower shall issue an irrevocable Notice of Drawdown via courier/ by authenticated SWIFT message to the Lender and designate the account to which the Disbursement shall be made into, which account shall be opened by the Chinese Supplier with the Lender for the purpose of the Commercial Contract. The Notice of Drawdown shall not be issued more than once a month;
- 5.2.2 Subject to conditions in Article 4, Article 5.1 and Article 5.2 and other terms and conditions of this Agreement, the Lender shall allocate in due course the amount specified in the Notice of Drawdown via the Borrower's Account to the account as designated in the Notice of Drawdown;
- 5.2.3 Forthwith upon the allocation of the Disbursement to the Borrower's Account, the Lender shall be deemed as having completed its Disbursement obligation under this Agreement. Such Disbursement shall become the indebtedness payable by the Borrower under this Agreement.
- 5.3 **Table of Disbursement** Within the first ten (10) days of the month immediately following the month in which a Disbursement was made, the Lender shall notify the Borrower in writing of the dates and amounts of Disbursement made in the preceding month by sending to the Borrower a Table of Disbursement in the form set forth in Form 4 attached hereto, each of which shall be prima facie evidence of the matters set forth therein.
- 5.4 **No Excess of Facility** The Lender shall not be under any obligation to make any further Disbursement under the Facility if after the making of such further Disbursement, the aggregate amount of the Disbursements made under this Agreement would exceed the principal amount of the Facility.
- 5.5 **Confirmation of the Borrower** The Borrower confirms that any dispute between the Foreign Importer and the Chinese Supplier arising from the Commercial Contract shall in no event affect the performance of the obligations of the Borrower hereunder.
- 5.6 **Notice of Drawdown Irrevocable** A notice of Drawdown once given shall be irrevocable and the Borrower shall be bound to draw a Disbursement in accordance

therewith.

- 5.7 **Cancellation** Any part of the Facility undrawn at the end of the Disbursement Period shall be cancelled.

Article 6 Interest and Fees

- 6.1 **Interest** The Borrower shall pay to the Lender interest on the Loan in accordance with the following provisions of this Article.

6.2 **Interest Period**

- 6.2.1 The Interest Period applicable to each Disbursement or, as the case may be, the Loan, shall be six (6) Months, provided that:

- (a) the first Interest Period in relation to the first Disbursement shall commence on the date on which the respective Disbursement is made (inclusive) and end on the first Interest Payment Date (exclusive);
- (b) in relation to each Disbursement after the first Disbursement, the first Interest Period shall commence on the date on which the respective Disbursement is made (inclusive) and end on the last day of the then current Interest Period (inclusive) in respect of the Loan, so that all existing Disbursements shall be consolidated upon the expiry of each Interest Period;
- (c) each Interest Period (except the first Interest Period and the last Interest Period in relation to each Disbursement) shall commence on the Interest Payment Date for the immediately preceding Interest Period (inclusive) and end on the last day of the then current Interest Period (inclusive);
- (d) any Interest Period which would otherwise extend beyond the Final Repayment Date shall instead end on the date immediately preceding the Final Repayment Date.

6.3 **Interest Rate**



The rate of interest applicable to the Loan or the relevant part thereof for each Interest Period shall be a floating rate per annum determined by the Lender to be aggregate of LIBOR for that Interest Period plus Margin. Each applicable floating rate shall be unchangeable for six (6) months commencing from the date on which such floating rate is determined.

“LIBOR” means, in relation to any relevant sum and any relevant period, the rate determined by the Lender to be:

- (a) the rate shown on the relevant Reuters page as being the rate per annum at which US Dollar deposits are offered for a period equal or comparable to six (6) months at or about 11:00 a.m. (London time) on the Quotation Day,

for this purpose, “relevant Reuters page” means the display designated as the page on the Reuters system or such other page as may replace that page on that system for the purpose of displaying offered rates for US Dollar deposits as determined by the Lender; or

- (b) if at or about such time on any relevant day no rate appears on the relevant Reuters page, the arithmetic mean (rounded up if necessary to the nearest integral multiple of 1/16%) of the respective rates notified to the Lender by each Reference Bank as being the rate per annum at which US Dollar deposits in an amount comparable to such sum are offered to that Reference Bank for such period by prime banks in the London interbank market at or above 11:00 a.m. (London time) on the Quotation Day,

provided that if any Reference bank does not notify such rate to the Lender for any relevant period, LIBOR for such period shall be determined on the basis of the rates notified by the other Reference Banks;

“Margin” means 300 b.p. per annum, and such margin, upon the determination by the Lender, shall not be changed during the whole term of this Agreement.

6.4 Market disruption

- (1) In this Article, each of the following events constitutes a market disruption

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event:

(a) The rate as provided in Article 6.3 is not available and none, or the relevant Reuters screen rate (or the relevant replacement service) is zero or negative, or none or only one Reference Bank supplies to the lender a rate on the relevant interest rate fixing date; or

(b) before close of business on the relevant interest rate fixing date, the Borrower receives notifications from the Lender that the cost to it of obtaining matching deposits in the relevant interbank market is in excess of the cost to the Lender as of the signing date of this Agreement..

(2) The Lender shall promptly notify the Borrower of a market disruption event.

(3) If a market disruption event occurs in relation to a Disbursement for any Interest Period, after notification under paragraph (2) above, the rate of interest on that Disbursement for that Interest Period shall be the percentage rate per annum which is the aggregate of:

(a) the Margin; and

(b) the rate notified to the Borrower by the Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to the Lender of funding the Loan from whatever source it may reasonably select.

6.5 **Alternative Basis of Interest or Funding**

If a market disruption event occurs and the Borrower so requires, the Borrower and the Lender shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest and/or funding for the affected Loan. For the avoidance of doubt, in the event that no substitute basis is agreed at the end of the thirty (30) day period, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

6.6 **Calculation of Interest**

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Interest at the rates determined as aforesaid shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 360 day year, and shall be paid in arrears on each Interest Payment Date. The certificate issued by the Lender as to the rate and amount of interest payable on any Interest Payment Date shall be conclusive and binding upon the Borrower in the absence of demonstrable error.

Each determination of an interest rate made by the Lender in accordance with this Article shall be promptly notified by the Lender to the Borrower.

- 6.7 **Management Fee** The Borrower shall pay to the Lender a management fee of zero point five percent (0.5%) of the Facility equal to Four Hundred and Twenty-four Thousand Eight Hundred and Ninety-seven Dollars and Fifty-one cents US Dollar (US\$424,897.51) from the effective date of this Agreement and in any event prior to the first disbursement date hereunder. If the Borrower delays the payment of the management fee, the Borrower shall pay to the Lender the default interest on such overdue management fee according to Article 6.11.
- 6.8 **Commitment Fee** The Borrower shall pay to the Lender a commitment fee at the rate of zero point five percent (0.5 %) per annum on the daily unutilized portion of the Facility. Such commitment fee shall accrue from and including the effective date of this Agreement up to but excluding the Final Disbursement Date. The commitment fee shall be calculated on the basis of the actual number of days elapsed and a 360 day year, and shall accrue on a daily basis and be paid in arrears on each Interest Payment Date. If the Borrower delays the payment of the commitment fee, the Borrower shall pay to the Lender the default interest on such overdue commitment fee according to Article 6.11.
- 6.9 **Default Interest** In case the Borrower fails to pay any sum payable under this Agreement (including without limitation the principal of the Loan and the Interest accrued thereon) on the due date, the Borrower shall pay to the Lender interest on such overdue amount at a rate determined as follows:
- (a) In the event that the Borrower fails to pay any interest due and payable under this Agreement, but the principal on which the interest arises has not become due and payable at that time, the Borrower shall pay to the Lender interest on such overdue interest at the Interest Rate specified in Article 6.3; or

(b) In the event that the Borrower fails to pay any principal and the interest accrued on such principal due and payable under this Agreement, the Borrower shall pay to the Lender interest on such overdue principal and interest at a rate of one per cent (1%) per annum over the Interest Rate specified in Article 6.3; or

(c) In the event that the Borrower fails to pay any fees due and payable under Article 6.7, Article 6.8, Article 6.9, Article 6.10 or any other term hereunder, the Borrower shall pay to the Lender the default interest on such overdue fee at a rate of 0.5% per day for the period from and including the due date thereof to the date of actual payment thereof, the default interest shall be charged each quarter.

Such interest shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 360 day year and shall be payable from time to time on demand. Default interest (if unpaid) arising on any overdue amount under this Agreement will be compounded with that overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

The certificate of the Lender as to the rate and amount of any interest payable under this Article 6.11 shall be conclusive and binding upon the Borrower in the absence of demonstrable error.

Article 7 Repayment and Prepayment

7.1 **Repayment** The Borrower shall repay the Loan outstanding at the end of the Grace Period by twenty-four (24) equal successive installments on each Repayment Date to the Lender in accordance with the Repayment Schedule which will be sent by the Lender to the Borrower promptly after the expiration of the Disbursement Period.

7.2 **Repayment Schedule** Any part of the Facility undisbursed at the close of business on the Final Disbursement Date shall be cancelled and shall not thereafter be available to the Borrower. The Lender shall prepare a Repayment Schedule and furnish the Borrower with a copy of such Repayment Schedule promptly after the expiration of the Disbursement Period. The Repayment Schedule so provided by the

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Lender shall in the absence of manifest error be conclusive and binding on the Borrower.

7.3 **Prepayment** Subject to the written consent by the Lender, the Borrower may on any Interest Payment Date after the Final Disbursement Date prepay to the Lender all or any part of the Loan in accordance with the terms hereunder.

7.3.1 **Conditions to Prepayment** No prepayment could be made provided that:

- (a) the Borrower shall have given to the Lender not less than 90 days prior written notice of its intention to make the prepayment, specifying the amount thereof and the date on which it is to be made;
- (b) the amount of any partial prepayment shall be not less than One Hundred Million US Dollars (US\$100,000,000) and an integral multiple of Ten Million US Dollars (US\$10,000,000) of the Facility herein; and
- (c) all other sums then due and payable under this Agreement shall have been paid.

7.3.2 **Prepayment Premium, Indemnity and Interest** At the time of the prepayment which is made in accordance with the above provisions, the Borrower shall pay to the Lender for such prepayment:

- (a) a prepayment indemnity calculated at one percent (1 %) of the amount prepaid. If the Borrower delays the payment of the prepayment indemnity, the Borrower shall pay to the Lender the default interest on such overdue prepayment indemnity according to Article 6.11.
- (b) the Borrower shall also pay all interest accrued thereon up to and including the day immediately preceding the date of such prepayment and any other amount then payable hereunder in respect thereof.

7.3.3 After all the conditions in Article 7.3.1 have been fulfilled to the satisfaction of the Lender, the Lender will issue a notice of approval of prepayment to the Borrower, which will specify the date of prepayment and the amount of premium, indemnity and interest for prepayment. Any such prepayments shall reduce the amount of repayment installments of the Loan in inverse order of maturity.

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- 7.4 **Application of Insufficient Prepayment** If the amount of any prepayment made by the Borrower hereunder is less than the total amount due and payable by the Borrower to the Lender as of the date on which such payment is actually made by the Borrower, the Lender may without reference to the Borrower apply and appropriate the prepayment so made by the Borrower in or towards the satisfaction or reduction first of any indemnity and other amounts payable hereunder, secondly of all accrued interest; and thirdly repayment of any principal in inverse order of maturity.
- 7.5 **Provisions applicable to Prepayments** Any notice of intended prepayment of the Loan or any part thereof given by the Borrower under this Agreement shall be irrevocable and the Borrower shall be bound to make a prepayment in accordance therewith. The Borrower may only prepay the Loan or any part thereof in accordance with the express terms of this Agreement and no amount prepaid may be redrawn.

Article 8 Payments and Currency

- 8.1 **Place and Time of Payment** All payments by the Borrower to the Lender hereunder shall be made in the original currency of this Agreement in freely transferable and immediately available funds on the relevant due date to the account of the Lender (US Dollar account No. 778407900258 with Bank of China, Head Office (SWIFT: BKCHCNBJ) or such other account as the Lender may from time to time specify in the instruction to the Borrower for such payment with a message that such payment is made for "Buyer Credit Loan Agreement, No.1410302052015212960".
- 8.2 **Payments to be made on a Non-Business Day** If any payment to be made by the Borrower hereunder falls due on any day which is not a Business Day, such payment shall be made on the immediately preceding Business Day.
- 8.3 **Payment Currency** The payment hereunder by the Borrower shall be in the original currency of this Agreement. Notwithstanding any payment being made, pursuant to an order or otherwise, in a currency other than the original currency of this Agreement, the Borrower's obligations under this Agreement shall be discharged only to the extent that the Lender may purchase the original currency of this Agreement with such other currency in accordance with normal banking procedures upon receipt of such payment. If the amount in the original currency of this Agreement which may be so purchased, after deducting any premium or exchange

charge, is less than the relevant sum payable under this Agreement, the Borrower shall indemnify the Lender against the deficiency. The indemnity in this clause shall constitute an obligation of the Borrower separate and independent from its other obligations hereunder.

- 8.4 **Insufficient Payment** If the amount of any payment made by the Borrower hereunder is less than the total amount due and payable by the Borrower to the Lender as of the date on which such payment is actually made by the Borrower, then the Borrower shall be deemed to have hereby waived any right which it may have to make any appropriation thereof (and any appropriation made and/or indicated by the Borrower in respect of such payment shall be of no effect) and the Lender may without reference to the Borrower apply and appropriate the payment so made by the Borrower in or towards the satisfaction of any or all of the amounts which are due or overdue for payment on such day in the order decided upon by the Lender.

Article 9 Taxes

- 9.1 **No Deduction** All payments by the Borrower under this Agreement shall be paid in full to the Lender without set-off or counterclaim or retention and free and clear of and without any deduction or withholding for or on account of any taxes or any charges. In the event the Borrower is required by law to make any such deduction or withholding from any payment hereunder, then the Borrower shall forthwith pay to the Lender such additional amount as will result in the immediate receipt by the Lender of the full amount which would have been received hereunder had no such deduction or withholding been made. The Borrower shall promptly forward to the Lender copies of official receipts or other evidence of payment to the relevant taxation or other authorities of any tax so deducted or withheld.
- 9.2 **Advance Notification** If at any time the Borrower becomes aware that any such deduction, withholding or payment in Article 9.1 is or will be required, it shall immediately notify the Lender and supply all available details thereof.
- 9.3 **Indemnification** The Borrower shall promptly pay all present and future stamp and other like duties and taxes and all notarial, registration, recording and other like fees which may be payable in respect of this Agreement and any document referred to

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herein and shall indemnify the Lender against any and all liabilities, costs and expenses which may result from any default in paying such duties, taxes or fees.

Article 10 Change of Law or Circumstances

10.1 **Illegality** If at any time the Lender determines that it is or will become unlawful or contrary to any directive of any agency for it to allow all or part of the Facility to remain outstanding, to make, fund or allow to remain outstanding all or part of the Loan under this Agreement, upon such notifying the Borrower by the Lender:

- (a) the Facility shall be cancelled; and
- (b) the Borrower shall prepay such Loan on such date as the Lender shall certify to be necessary to comply with the relevant law or directive with all unpaid accrued interest thereon, all unpaid fees accrued and other sums then due under this Agreement to the Lender.

10.2 **Increased Cost** If the Lender determines that any change in any applicable law or regulation or in the interpretation or application thereof or compliance by the Lender with any applicable direction, request or requirement (whether or not having the force of law) of any competent governmental or other authority does or will:

- (a) subject the Lender to any tax or other payment with reference to sums payable by the Borrower under this Agreement (except (i) tax on the Lender's overall net income in China or (ii) as referred to in Article 9); or
- (b) impose on the Lender any other condition the effect of which is to (i) increase the cost to the Lender of making available the Facility or funding or maintaining the Loan or (ii) reduce the amount of any payment receivable by, or the effective return to, the Lender in respect of the Facility or (iii) impose a cost on the Lender resulting from its making available the Facility or funding or maintaining the Loan;

the Lender may so notify the Borrower, and the Borrower shall from time to time forthwith upon demand pay to the Lender such amount as the Lender may certify to be necessary to compensate it for such tax, payment, increased cost or reduction (each

an "increased cost"). Where such increased cost arises from circumstances contemplated above which affect the Lender's business generally or the manner in which or extent to which it allocates capital resources, the Lender shall be entitled to such increased cost as it determines and certifies fairly allocable to the Facility and/or the Loan. The Borrower and the Lender shall discuss whether any alternative arrangement may be made to avoid such increased cost. So long as the circumstances giving rise to such increased cost continue, the Borrower may, after giving the Lender not less than thirty(30) days prior written notice, prepay the whole (but not only part) of the Loan in accordance with Article 7, and upon the giving of such notice the Facility shall be cancelled.

Article 11 Representations and Warranties

11.1 The Borrower hereby represents and warrants for the benefit of the Lender that:

- (a) **Status of the Borrower** The Borrower is the Government of Republic of Uganda represented by the by the Ministry of Finance, Planning & Economic Development, and has full power, authority and legal right to own its property and assets and to carry on its business as now being conducted;
- (b) **Authorization** The Borrower has full power and authority to enter into this Agreement, to borrow the Facility hereunder and to perform and observe its obligations hereunder. The Borrower has taken and completed all necessary and legal action or procedures necessary to authorize the Borrower to execute, deliver and perform this Agreement;
- (c) **Government Consents and Actions** All authorizations, approvals and consents from any governmental or other authority or creditors of the Borrower which are required for (i) the execution, delivery or performance of this Agreement or the validity and enforceability hereof or (ii) the borrowing of the Facility or (iii) the payment by the Borrower of all sums in US Dollar/EUR/RMB, have been duly effected, completed and obtained and are in full force and effect;

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- (d) **Binding Effect** This Agreement has been duly executed and delivered by the Borrower and constitutes legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms and conditions;
- (e) **No Contravention** The execution, delivery and performance of this Agreement by the Borrower do not and will not contravene, violate or constitute a default under (a) any provision of any agreement or other instrument to which the Borrower is a party or by which the Borrower or any of its assets is or may be bound; or (b) any treaty, law, regulation, judgment or order applicable to the Borrower;
- (f) **No Default** The Borrower is not in default under any law, regulation, judgment, order, authorization, agreement or obligation applicable to it or its assets or revenues, the consequences of which default could materially and adversely affect its ability to perform its obligations under this Agreement and no event has occurred and is continuing which constitutes or which, upon the lapse of time or the giving of notice or both, would become an Event of Default;
- (g) **No Litigation** There are no litigation, arbitration or administrative proceedings before or of any court, arbitration tribunal or governmental authority that are pending or to the knowledge of the Borrower, threatened against the Borrower or its assets which would have a material and adverse effect on its operations, business or assets or the Borrower's ability to perform and discharge its obligations and liabilities hereunder;
- (h) **Taxes** Under the laws of the Republic of Uganda, there is no tax imposed (whether by withholding or otherwise) on or by virtue of the execution and delivery of this Agreement or any document or instrument to be executed and delivered hereunder, the performance hereof or thereof or the admissibility in evidence or enforcement hereof or thereof, or on any payment required to be made hereunder or thereunder;
- (i) **Pari Passu** The obligations and liabilities of the Borrower under this Agreement are direct, unconditional and general obligations and rank and will rank at least Pari Passu in right of payment and security in all respects with all other present or future unsecured and unsubordinated External Indebtedness (both actual and contingent) of the Borrower;

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