

# Guidelines for Currency Conversion of Japanese ODA Loans

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(4<sup>th</sup> Edition)

Japan International Cooperation Agency

## SECTION 1. INTRODUCTION

### 1.1 Purpose

The purpose of the Guidelines for Currency Conversion of Japanese ODA Loans (hereinafter referred to as the “Conversion Guidelines”) is to set out the procedures for requesting, accepting and effecting the Conversion (as defined below) as specified in the relevant Loan Agreement for Japanese ODA Loans (hereinafter referred to as the “Loan Agreement”) between the Japan International Cooperation Agency (hereinafter referred to as “JICA”) and the Borrower. The Conversion Guidelines are referred to in the Loan Agreement and generally applicable to the Conversion requested by the Borrower and accepted and effected by JICA.

### 1.2 Applicability

The Conversion Guidelines shall apply to all Conversions requested by the Borrower in accordance with the Loan Agreement in which the relevant clause(s) regarding the Conversion is stipulated. JICA may modify the Conversion Guidelines from time to time. The Conversion Guidelines in effect on the date the Request (as defined below) is received by JICA shall be applied to the Conversion for which such Request is made.

### 1.3 Definitions

The terms defined in the Loan Agreement have the meaning specified therein. For the purpose of the Conversion Guidelines, the following additional terms have the meanings ascribed thereto as follows:

- (a) “Banking Business Day” means a banking business day in Tokyo, Japan.
- (b) “Common Banking Business Day” means a banking business day in both Tokyo and New York.
- (c) “Conditional Request” has the meaning set forth in paragraph 4.5.1 below.
- (d) “Conversion” means a change of the loan currency of the principal amount of the Loan disbursed and outstanding from Japanese Yen to United States Dollars (hereinafter referred to as “US Dollars”).

- (e) “Conversion Date” means, in respect of each Conversion, the date on which such Conversion enters into effect, as further specified in the Conversion Guidelines.
- (f) “Conversion Period” means, in respect of each Conversion, the period from and including the Conversion Date to but excluding the final Payment Date on which such Conversion terminates by its terms, and should the final repayment of principal or payment of interest required under the Loan Agreement be delayed, the Conversion Period is extended to and including the day immediately preceding the date of the actual payment in full thereof, subject to paragraph 5.3.6 below. Notwithstanding the foregoing, solely for the purpose of enabling the final repayment of principal and payment of interest under such Conversion to be made in US Dollars, such period shall end on the final Payment Date (or the date of the actual payment in full, as the case may be), subject to paragraph 5.3.6 below.
- (g) “Execution Date” means, in respect of each Conversion, the date on which JICA has undertaken all actions necessary to effect such Conversion, as reasonably determined by JICA.
- (h) “Execution Period” means a period of fifteen (15) Banking Business Days commencing from and including the date of receipt of the Request by JICA.
- (i) “Fixed Rate” means a fixed rate of interest applicable to the principal amount of the Loan as specified in a conversion notice spelled out in paragraph 4.6.1 below.
- (j) “Fixed Spread” means JICA’s spread (expressed as a percentage per annum) included within the Floating Rate as specified in a conversion notice spelled out in paragraph 4.6.1 below.
- (k) “Floating Rate” means a variable rate of interest applicable to the principal amount of the Loan disbursed and outstanding equal to the sum of: (i) the Reference Rate (as defined below); plus (ii) the Fixed Spread.

- (l) “Market Transaction” means a cross currency swap transaction undertaken by JICA in the financial market.
- (m) “Request” means a formal request by the Borrower in writing for the Conversion made pursuant to the provisions of the Loan Agreement and in accordance with the provisions of the Conversion Guidelines.
- (n) “Unwinding Amount” means, in respect of the early termination of each Conversion: (i) an amount payable by the Borrower to JICA, which shall be equal to the net aggregate amount payable by JICA under transaction undertaken by JICA to terminate such Conversion; or (ii) an amount payable by JICA to the Borrower, which shall be equal to the net aggregate amount receivable by JICA under transaction undertaken by JICA to terminate such Conversion.

## SECTION 2. PROCEDURES FOR EXERCISING CURRENCY CONVERSION OPTIONS

### 2.1 Requests

2.1.1 The Borrower may submit the Request for the Conversion to JICA, subject to the limitations and restrictions as provided in Section 3.

2.1.2 Requests shall be made in writing and delivered to JICA in accordance with the provisions of paragraph 2.4.1.

### 2.2 Representations and Contents of Requests

2.2.1 JICA will only accept the Request made substantially in the form specified in Annex to the Conversion Guidelines. In the Request, the Borrower shall make the following representations:

- (i) it has made its own independent decision to request the Conversion;
- (ii) it is not relying on any communication with, confirmation or recommendation from JICA in making a request for the Conversion;
- (iii) it understands that JICA is not acting as a fiduciary for, or an advisor to, the Borrower in respect of the Conversion;
- (iv) it is capable of evaluating and understanding, and understands and accepts the terms, conditions and risks of the Conversion and it is also capable of assuming, and assumes, the financial risks of the Conversion;
- (v) it undertakes the Conversion in order to facilitate prudent debt management;
- (vi) it has duly authorized the Request to be made in accordance with the laws and regulations of the Borrower's country; and
- (vii) it has duly authorized the representative to sign the Request on behalf of the Borrower.

2.2.2 If the Borrower's representation with respect to paragraph 2.2.1 above turns out to be false, or the Conversion becomes invalid under the laws of the Borrower's country due to, among others, changes of the laws of the Borrower's country after the Conversion, JICA may terminate the Conversion on the date that JICA reasonably determines. Upon such termination, the financial terms of the Loan shall be re-converted in the same manner as described in paragraph 5.2.1 below.

### 2.3 Authorized Person

2.3.1 The authorized person of the Borrower designated in accordance with the section for Evidence of Authority and Specimen Signature in JICA's General Terms and Conditions for Japanese ODA Loans applicable to the Loan Agreement (hereinafter referred to as the "General Terms and Conditions") is authorized to make the Request. The Borrower's address for the purpose of the Conversion Guidelines is the address specified in the section for Notices and Requests in the Loan Agreement.

### 2.4 Submission of Request

2.4.1 Each Request shall be furnished to JICA at the address specified in the section for Notices and Requests in the Loan Agreement.

2.4.2 Each Request shall be deemed to be received by JICA on the date it is delivered to and received at the address specified in the section for Notices and Requests in the Loan Agreement.

### 2.5 Review and Acceptance of Request

2.5.1 Review: JICA will review the Request to determine whether it is satisfactory to JICA without delay.

2.5.2 Acceptance: If JICA finds the Request satisfactory, it will notify the Borrower in writing of its receipt of the Request, and will proceed to effect the Conversion.

2.5.3 Non-complying requests: If JICA determines that the Request does not comply with the requirements specified in the Loan Agreement and the Conversion Guidelines, it will notify the Borrower in writing of the reasons for not accepting the Request. In such case, JICA shall take no further action to effect the Conversion. The Borrower may re-submit its Request taking into account JICA's comments as long as the conditions provided in Section 3.6 below are satisfied. In such case, the Execution Period for the Request shall be counted from and including the date of such re-submission of the Request.

## 2.6 Notification regarding Conversion

2.6.1 As soon as practicable following the Execution Date of the Conversion, JICA will send the Borrower a conversion notice setting out the terms obtained in the Conversion. The details of such notice are spelled out in paragraph 4.6.1 below.

2.6.2 JICA will notify the Borrower as soon as practicable following the end of the Execution Period if the Conversion has not been effected.

## SECTION 3. LIMITATIONS AND RESTRICTIONS

### 3.1 Minimum and Maximum Amount of Conversion

3.1.1 Unless JICA otherwise agrees, the Borrower may submit the Request for the Conversion to JICA if the outstanding balance of the principal amount of the Loan as of the Conversion Date falls within the range of five hundred million (500,000,000) Japanese Yen to fifty billion (50,000,000,000) Japanese Yen, both inclusive.

### 3.2 Track Record of Payment/Repayment

3.2.1 JICA may decline the Request if, on the date of receipt of the Request by JICA, the Borrower or any other borrower(s) in the Borrower's country is in arrears with respect to its principal repayment and/or interest payment under any Japanese ODA loan.

3.2.2 JICA may decline the Request if the Borrower or any other borrower(s) in the Borrower's country has caused a delay in the principal repayment and/or interest payment of any Japanese ODA loan, of thirty-one (31) calendar days or more, within the last ten (10) years from and including the date of receipt of the Request by JICA.

### 3.3 Withdrawal of Request

3.3.1 The Borrower shall not withdraw the Request once it is submitted to and received by JICA.

### 3.4 Partial Conversion

3.4.1 The Borrower shall not request the Conversion:

- (i) that applies only to a part of the principal amount of the Loan that has been disbursed and is outstanding as of the Conversion Date except as provided in paragraph 3.5.1 below;
- (ii) for a period shorter than the full amortization schedule for the principal amount of the Loan that has been disbursed and is outstanding as of the Conversion Date; and
- (iii) that applies to the principal amount of the Loan not yet disbursed.



### 3.5 Multiple Interest Rate

3.5.1 Notwithstanding the provisions of paragraph 3.4.1 (i) above, when multiple interest rates are applied in the same Loan Agreement, Requests may be made with respect to the entire outstanding balance at the time of the Request of each principal amount of the Loan to which a different interest rate applies. In such case, the conditions provided in paragraph 3.1.1 shall apply to the entire outstanding balance as of the Conversion Date of each such principal amount of the Loan to which a different interest rate applies.

### 3.6 Timing of Requests

3.6.1 The Borrower may submit the Request for the Conversion to JICA within ninety (90) calendar days from and including the date of the Notice of Completion of Disbursement for the Loan to be converted, except as provided in paragraphs 3.6.4 and 3.7.1.

3.6.2 When the ninetieth (90<sup>th</sup>) day from and including the date of the Notice of Completion of Disbursement falls on a day that is not a business day of JICA at the address specified in the section for Notices and Requests in the Loan Agreement, the Request shall be submitted on or before the immediately preceding business day of JICA at the address specified in the section for Notices and Requests in the Loan Agreement.

3.6.3 The Borrower may request the Conversion only once under the Loan Agreement if one (1) interest rate applies in the Loan Agreement. When multiple interest rates are applied in the same Loan Agreement, the Borrower may submit to JICA one (1) Request for each corresponding outstanding balance of the principal amount to which a different interest rate applies in the same Loan Agreement, provided that the condition as described in paragraph 3.6.1 above is satisfied.

3.6.4 If the timing for submission of Requests for the Conversion is expressly set forth in the Loan Agreement or any amendment thereto, such provisions shall control over and supersede the terms set forth in paragraph 3.6.1 above.

### 3.7 Special Account Procedures, Advance Procedure, and/or Statement of Expenditure Procedure

3.7.1 When the Borrower intends to request the Conversion for the Loan for which Special Account Procedure, Advance Procedure, and/or Statement of Expenditure Procedure is adopted, the Borrower shall fully refund to JICA any outstanding amounts in the Special Account or the Designated Account, or the unjustifiable amounts noted in any audits including the final audit, as required in the Loan Agreement before it makes the Request. In such case, notwithstanding the provisions of paragraph 3.6.1 above, the Borrower may submit the Request for the Conversion to JICA within the period specified as follows:

- (i) for the Loan for which Special Account Procedure or Advance Procedure is adopted:
  - ninety (90) calendar days or the immediately preceding business day of JICA at the address specified in the section for Notices and Requests in the Loan Agreement, subject to paragraph 3.6.2 above, from and including the date of the letter from JICA notifying the Borrower either (a) that JICA has confirmed that the Borrower has completed the procedure for refund of the entire outstanding amounts in the Special Account (in the case of Special Account Procedure) or the Designated Account (in the case of Advance Procedure), or (b) that the refund is not necessary;
- (ii) for the Loan for which Statement of Expenditure Procedure is adopted:
  - (a) ninety (90) calendar days or the immediately preceding business day of JICA at the address specified in the section for Notices and Requests in the Loan Agreement, subject to paragraph 3.6.2 above, from and including the date of the letter from JICA notifying the Borrower that JICA has confirmed that results of all the audits including the final audit are satisfactory to JICA and no unjustifiable amounts has been noted in the audits; or
  - (b) ninety (90) calendar days or the immediately preceding business day of JICA at the address specified in the section for Notices and Requests in the Loan Agreement, subject to paragraph 3.6.2 above, from and including the date of the letter from JICA notifying the Borrower that JICA has confirmed that the Borrower has completed the procedure for refund of all the unjustifiable amounts noted in all the audits including the final audit.

## SECTION 4. BASIS FOR EXECUTING CONVERSION TRANSACTIONS

### 4.1 Conversion Date

4.1.1 The Conversion Date shall fall on the next Payment Date following the Execution Date, except in the case where the Request is received by JICA less than fifteen (15) Banking Business Days prior to and excluding the immediately following Payment Date. In such case, the Conversion Date shall be the second Payment Date following the Execution Date.

### 4.2 Failure to Effect Conversion during Execution Period

4.2.1 JICA will exercise reasonable efforts, in accordance with JICA's own risk management policy, to effect the Conversion through the Market Transaction within the Execution Period for any Request once accepted in accordance with the provisions of paragraphs 2.5.1 and 2.5.2 above. However, JICA shall not be liable even if the Conversion cannot be effected.

4.2.2 If, during the Execution Period, any national or international calamity or crisis of a political or economic nature, or change in the financial markets in which the Market Transaction may be executed, has occurred, the effect of which, in the judgment of JICA, would materially and adversely affect its ability to effect the Conversion, JICA will notify the Borrower of such circumstances. In such case, the Request shall expire.

### 4.3 Market Transactions

4.3.1 The Conversion shall be effected on the basis of the Market Transactions.

4.3.2 The terms of any Market Transaction undertaken by JICA in effecting the Conversion shall reflect:

- (i) the financial terms for the principal amount of the Loan to be converted;
- (ii) the relevant Conversion Period;
- (iii) the spot or forward exchange rate between Japanese Yen and US Dollars as of the Execution Date;
- (iv) the interest rates prevailing in Japanese Yen and US Dollars on the Execution Date; and
- (v) the repayment provisions relating to such portion of the Loan.

#### 4.4 Principal and Interest Payable Following the Conversion

4.4.1 The principal amount of the Loan to be converted shall be determined by JICA by multiplying the amount in Japanese Yen to be so converted by the exchange rate that reflects the amounts of principal in US Dollars payable by JICA under the Market Transaction relating to the Conversion. The Borrower shall repay such principal amount in US Dollars in accordance with the Conversion Guidelines, the Loan Agreement and the General Terms and Conditions.

4.4.2 Upon the Conversion of the disbursed and outstanding principal amount of the Loan from Japanese Yen to US Dollars, the Borrower shall, during the Conversion Period, pay interest on such principal amount outstanding from time to time in US Dollars at either the Fixed Rate or the Floating Rate, as applicable to the Conversion.

4.4.3 When the Fixed Rate applies to the Conversion, the lowest interest rate applicable shall be one-hundredth of one percent (0.01%).

4.4.4 When the Floating Rate applies to the Conversion, the definitions set forth in Section 2.01. of the General Terms and Conditions shall be revised as follows on and after the Conversion Date:

- (a) The definition of “Discount Rate” shall be read as follows:

“Discount Rate” means the zero-coupon yield rate of the United States government bonds, as of the date forty (40) days prior to the Requested Prepayment Date (provided, however, that if the date forty (40) days prior to the Requested Prepayment Date falls on any day which is not a banking business day in the United States, such zero-coupon yield rate of the United States government bonds shall be as of the immediately succeeding banking business day in the United States), for the term, which is no more than, and the nearest to, the period from but excluding the Requested Prepayment Date to and including the scheduled date of repayment of principal in accordance with the amortization schedule attached to the Loan Agreement, as revised by the Conversion, or the scheduled date of payment of interest thereof, as applicable; provided, however, that the above mentioned period shall be calculated on a monthly basis and a fraction of one (1) month (i.e., any period of one (1) day or more but less than thirty (30) days) shall be rounded up to one (1) month. Notwithstanding the above, if the foregoing period

is less than three (3) months, “Discount Rate” means the zero-coupon yield rate of the United States government bonds as of the date as described above for the term of three (3) months, or any other similar rate reasonably decided by JICA.

(b) The definition of “Prepayment Premium” shall be read as follows:

“Prepayment Premium” means a charge to be paid by the Borrower to JICA, calculated by deducting the amount (a) from the amount (b) set forth below, respectively:

- (a) the amount of the principal under the Loan Agreement to be prepaid; and
- (b) the sum of the respective amounts of the following items (i) and (ii) below, each discounted at the applicable Discount Rate, for the period from but excluding the Requested Prepayment Date to and including the respective scheduled date of repayment of principal in accordance with the amortization schedule attached to the Loan Agreement (for item (i) below) or the respective scheduled date of payment of interest thereof (for item (ii) below), as applicable; provided, however, that the above mentioned period shall be calculated on a monthly basis and a fraction of one (1) month shall be rounded up to one (1) month:
  - (i) the amount of the principal under the Loan Agreement to be prepaid; and
  - (ii) the amount of the interest which would have accrued on the amount of (i) above, at the interest rate applicable to the principal under the Loan Agreement, on the assumption that such principal amount would have been repaid in accordance with the amortization schedule attached to the Loan Agreement, as revised by the Conversion. The interest rate applicable to the principal under the Loan Agreement shall be the fixed interest rate, reasonably determined by JICA, equivalent to the Floating Rate as of the date, which is forty (40) days prior to the Requested Prepayment Date per annum, considering market interest rates, repayment schedule and the remaining maturity period from the Requested Prepayment Date.

Notwithstanding the foregoing, if the amount of (a) above is greater than, or equal to, the amount as described in (b) above, no Prepayment Premium shall be charged in respect of the principal under the Loan Agreement to be prepaid hereunder.

(c) The definition of “Reference Rate” shall be read as follows:

“Reference Rate” means, for any Interest Period, Term SOFR (in either case, for any amount less than one hundred-thousandth of one percent (0.00001%) per annum, JICA will round upwards if such fractional amount is five-millionths of one percent (0.000005%) per annum or higher, and downwards if such fractional amount is lower than five-millionths of one percent (0.000005%) per annum); provided, however, that if, in the opinion of JICA, (i) Term SOFR is not available at the relevant time for any reason whatsoever or (ii) JICA is no longer able, or it is no longer commercially acceptable for JICA, to continue to use Term SOFR, then “Reference Rate” shall mean any other benchmark interest rate, and, if deemed necessary by JICA, a spread applicable to such other rate, as determined by JICA, for a change of rate.

- (d) The definitions of “LIBOR Reset Date,” “London Banking Days” and “Relevant Telerate Page” shall be deleted in its entirety.
- (e) The following definitions shall be added at the end of Section 2.01 of the General Terms and Conditions; provided, however, that if the defined terms corresponding to any of the following definitions already exist in the Loan Agreement or the General Terms and Conditions, the definitions for such terms shall be read as follows:

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means, with respect to any SOFR Banking Day, a rate per annum equal to the secured overnight financing rate for such SOFR Banking Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding SOFR Banking Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for

the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Banking Day” means any day other than:

- (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

“SOFR Reset Date” means;

- (a) with respect to each Interest Period, the day two (2) SOFR Banking Days prior to the first day of such relevant Interest Period.
- (b) with respect to the Overdue Period, the day two (2) SOFR Banking Days prior to,
  - (i) the day on which the overdue amount becomes due and payable (for the period on and after such due date up to but excluding the immediately succeeding Payment Date; provided, however, that in the case where JICA receives an actual payment from the Borrower, up to but excluding such date of actual receipt); and thereafter,
  - (ii) each Payment Date (for the period on and after such Payment Date up to but excluding the immediately succeeding Payment Date; provided, however, that in the case where JICA receives an actual payment from the Borrower, up to but excluding such date of actual receipt).

“Term SOFR” means, for any Interest Period, the forward-looking term rate, provided by the Term SOFR Administrator, based on SOFR that has been selected or recommended by the Relevant Governmental Body for six (6) months on the SOFR Reset Date for the Interest Period.

“Term SOFR Administrator” means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator).

4.4.5 When the Floating Rate applies in the Conversion, the interest rate applicable to the principal of the Loan disbursed and outstanding during each Interest Period on

and after the Conversion Date shall be the sum of: (i) the Reference Rate; plus (ii) the Fixed Spread.

4.4.6 Notwithstanding the foregoing, if the sum of items (i) and (ii) in paragraph 4.4.5 above is lower than one-hundredth of one percent (0.01%), the interest rate applicable during that Interest Period shall be one-hundredth of one percent (0.01%).



#### 4.5 Conditional Requests

4.5.1 The Borrower may submit the Request that includes certain terms and conditions relating to the requested Conversion (hereinafter referred to as the “Conditional Request”). The Borrower may specify the maximum fixed interest rate and/or the minimum exchange rate (Japanese Yen against one (1) US Dollar) to be applied for the conversion of the loan principal from Japanese Yen to US Dollars.

4.5.2 If JICA is unable to execute the Market Transaction on the conditional terms set by the Borrower during the Execution Period, the Conditional Request shall expire, and JICA will promptly notify the Borrower thereof.

4.5.3 Given the volatility of interest and exchange rates, JICA shall give no assurance that it will be able to actually obtain the rate or spread specified in the Conditional Request, even if such a rate or spread is available at any given point during the Execution Period.

#### 4.6 Notification of Conversion Transactions

4.6.1 As soon as practicable following the Execution Date of any Conversion, JICA will send the Borrower a conversion notice setting out the terms obtained in the Conversion, including:

- (i) the Execution Date of the Conversion;
- (ii) the outstanding principal amount in US Dollars;
- (iii) the new interest rate applicable under the Conversion, whether Fixed Rate or Floating Rate;
- (iv) the revised amortization schedule;
- (v) the exchange rate used in effecting the Conversion;
- (vi) the Conversion Date determined in accordance with the provisions of paragraph 4.1.1;
- (vii) the amount of any Transaction Fees (as defined below); and
- (viii) the rate of the Overdue Charge on principal and interest in US Dollars.

4.6.2 The Borrower shall accept the terms stipulated in the conversion notice without exception.

#### 4.7 Interest Payments on Conversion Date

4.7.1 The Conversion Period shall always commence on the Conversion Date, which shall always coincide with a Payment Date. As interest accrues in arrears, any interest payable on the Conversion Date shall be payable at the rate that was applicable immediately prior to the Conversion in Japanese Yen. Any principal payable on the Conversion Date shall not be included in the converted amount and shall be payable in Japanese Yen.

4.7.2 The Conversion Period is extended by one (1) day to include the final Payment Date but this extension is solely for the purpose of making payments of principal and interest and not for the calculation of the interest payment due. Thus, on such final Payment Date, payment of principal and interest shall be made in US Dollars.

#### 4.8 Computation of Interest and Overdue Charge

4.8.1 During the Conversion Period, Section 3.07 of the General Terms and Conditions shall be read as follows:

##### Section 3.07. Computation of Interest, Prepayment Premium and Overdue Charge

Interest, the Prepayment Premium and the Overdue Charge shall accrue on a day to day basis and be computed on the basis of three hundred and sixty (360) days per annum and the actual number of days elapsed.

#### 4.9 Repayment and/or Payment to be made on non-Common Banking Business Days

4.9.1 If any repayment and/or payment to be made by the Borrower during the Conversion Period is due on a day that is not a Common Banking Business Day, it shall be made on the immediately following Common Banking Business Day after the relevant Payment Date. However, if the immediately following Common Banking Business Day falls in the next calendar month, such payment shall be made on the Common Banking Business Day immediately prior to the relevant Payment Date.

## SECTION 5. RULES RELATING TO THE CHANGE OF REPAYMENT CASH FLOW

### 5.1 Rules relating to a Prepayment

5.1.1 After the Execution Date, Sections 3.02 (4) and (5) of the General Terms and Conditions shall be read as follows:

#### Section 3.02. Repayment

(4) The Borrower shall not prepay in whole or in part the principal of the Loan disbursed and outstanding after the Execution Date.

(5) Any payment made prior to the due date specified in the amortization schedule then applicable shall not be deemed prepayment of the Loan and the Borrower shall not be discharged from the payment of interest up to the date immediately prior to the due date.

5.1.2 In exceptional circumstances, JICA may allow the Borrower to prepay in whole or in part in Japanese Yen the principal of the Loan disbursed and outstanding after the Execution Date. In such case, paragraph 5.1.1 above shall be disregarded. The date of such prepayment (hereinafter referred to as the "Prepayment Date") shall fall on any of the Payment Dates, and the Borrower shall make such prepayment on the Prepayment Date. The Conversion Period shall be terminated on the day immediately preceding the Prepayment Date in the case of prepayment in whole. The Borrower shall pay interest accrued up to the day immediately preceding the Prepayment Date in US Dollars.

### 5.2 Rules relating to a Refund

5.2.1 JICA may allow the Borrower to refund to JICA in accordance with Section 3.01 (2) of the General Terms and Conditions in part in Japanese Yen the principal of the Loan disbursed and outstanding after the Execution Date. In such case, the Refund Date and the date to terminate or amend the Conversion shall be the same date. The Conversion Period shall be terminated on the day immediately preceding the Refund Date in the case of Refund in whole. The Borrower shall pay interest accrued up to the day immediately preceding the Refund Date in US Dollars.

### 5.3 Rules relating to a Prepayment and Refund

5.3.1 In the case of a prepayment or Refund in part, the interest rate applicable to the remaining principal amount of the Loan shall remain in US Dollars due to the Conversion and JICA will send the Borrower a revised conversion notice setting out the terms applicable to the remaining amount of the Loan, including the information stipulated in paragraph 4.6.1 above. In the case of a Refund, a revised amortization schedule will be sent to the Borrower, with the remaining principal amount of the Loan to be calculated by deducting the difference between the maximum amount of the Loan and the cumulative total all disbursements after a refund proportionally from all subsequent installments of repayment of principal, in a same manner as indicated in Section 3.02(3) of the General Terms and Conditions.; and in case of a Prepayment, a revised amortization schedule will be sent to the Borrower, with the remaining principal of the Loan to be calculated in accordance with Section 3.02(4) of the General Terms and Conditions.

5.3.2 Upon the termination of the Conversion Period due to the prepayment or Refund in accordance with the provisions of paragraph 5.1.2 or 5.2.1, the financial terms of the outstanding principal amount of the Loan to be prepaid shall be re-converted as follows:

- (i) Interest Rate: The interest rate shall revert to the interest rate that would have been applicable to such amount in the absence of the Conversion.
- (ii) Principal: The outstanding principal amount of the Loan in Japanese Yen to be prepaid shall be determined by JICA through multiplying the amount in US Dollars to be so re-converted by the same exchange rate as specified in paragraph 4.6.1 (v) above. Such amount to be so re-converted in US Dollars shall be determined as follows:
  - (a) in the case of a prepayment in whole, such amount shall be the outstanding principal amount in US Dollars as of the date of a written notice for the prepayment from the Borrower to JICA minus the repayment amount in US Dollars that will become due on the Prepayment Date or Refund Date; and
  - (b) in the case of a prepayment or Refund in part, such amount shall be the amount the Borrower specifies in a written notice for the prepayment or Refund; provided, however, that such amount shall not exceed the difference of the outstanding principal amount in US Dollars as of the date of the written notice for the prepayment or

Refund minus the repayment amount in US Dollars that will become due on the Prepayment Date or Refund Date.

- (iii) Currency of Payments: The currency of payments of principal and interests shall revert to Japanese Yen.

5.3.3 When the prepayment is allowed in accordance with the provisions of paragraph 5.1.2 above, the Borrower shall pay the Prepayment Premium in Japanese Yen that may accrue on the principal amount in Japanese Yen to be prepaid in accordance with the provisions of Section 3.02 of the General Terms and Conditions.

5.3.4 During the Conversion Period, Sections 2.01 and 3.06 of the General Terms and Conditions shall be revised as follows:

- (a) The definition of “Discount Rate” set forth in Section 2.01 of the General Terms and Conditions shall be read as follows:

“Overdue Charge” means:

- (i) a charge to be paid by the Borrower to JICA calculated at the rate of three percent (3%) per annum over and above the interest rate specified in the conversion notice as defined in the Conversion Guidelines on the overdue amount of principal interest, Refund or Any Other Charges (excluding the Front-End Fee and the Prepayment Premium and the Prepayment Cancellation Fee) for the Overdue Period; and
- (ii) a charge to be paid by the Borrower to JICA calculated at the rate of two percent (2%) per annum over and above the highest interest rate previously applicable prior to the Conversion on the overdue amount of the Exchange Loss (as defined below) and the Unwinding Amount (as defined below) for the Overdue Period.

- (b) Section 3.06 of the General Terms and Conditions shall be read as follows:

Section 3.06. Overdue Charge

Should any repayment of the principal of the Loan, any payment of the Refund whose Refund Date falls after the Disbursement Period expires, interest or Any Other Charges (excluding the Front-End Fee, the Prepayment Premium, the Prepayment Cancellation Fee and Transaction Fees) required under the Loan Agreement and the Conversion Guidelines be delayed, the interest specified in Section 3.03. shall cease to accrue on the overdue amount of principal and the

Refund, on and after the relevant repayment or payment due date, and the Overdue Charge shall accrue on such unpaid amounts and be payable.

5.3.5 Notwithstanding the provisions of paragraph 5.3.4 above, when the Floating Rate applies in the Conversion, the definition of “Overdue Charge” set forth in Section 2.01 of the General Terms and Conditions shall be read as follows:

“Overdue Charge” means:

- (i) a charge to be paid by the Borrower to JICA calculated at the rate of three percent (3%) per annum over and above the relevant interest rate as of each SOFR Reset Date on the overdue amount of principal interest, Refund or Any Other Charges (excluding the Front-End Fee, the Prepayment Premium, the Prepayment Cancellation Fee and Transaction Fees) required under the Loan Agreement for the Overdue Period; and
- (ii) a charge to be paid by the Borrower to JICA calculated at the rate of two percent (2%) per annum over and above the highest aggregate amount of the Reference Rate previously applicable prior to the Conversion as of each SOFR Reset Date and the Fixed Spread applicable prior to the Conversion on the overdue amount of the Exchange Loss (as defined below) and the Unwinding Amount (as defined below) for the Overdue Period.

5.3.6 Should repayment of principal and/or payment of interest required under the Loan Agreement and the Conversion Guidelines after the Conversion be delayed by ninety (90) calendar days, the Conversion Period shall be terminated on that date. When the ninetieth (90<sup>th</sup>) day is not a Common Banking Business Day, the Conversion Period shall be terminated on the immediately succeeding Common Banking Business Day. Upon the termination of the Conversion Period, the financial terms of the Loan shall be re-converted in the same manner as described in paragraph 5.2.1 above.

5.3.7 Upon the termination of the Conversion Period, the delayed interest payment shall be re-calculated based on the outstanding principal amount in Japanese Yen and the interest rate stipulated in paragraph 5.2.1 above.

5.3.8 Upon the termination of the Conversion Period, the provisions in paragraphs 5.3.4 and 5.3.5 above shall be disregarded, and the Overdue Charge shall be calculated based on the delayed payment of principal and/or payment of interest in Japanese Yen.

5.3.9 When, as a result of such delayed payment and/or repayment, JICA purchases at its discretion in the foreign exchange market US dollars needed to meet the payment obligations to a counterparty of Market Transactions and incurs a loss due to exchange rate fluctuation, the equivalent amount to the loss incurred by JICA (hereinafter referred to as the “Exchange Loss”) shall be payable in Japanese Yen by the Borrower not later than five (5) Common Banking Business Days from and including the date of the notice from JICA to the Borrower. Should the payment of the Exchange Loss be delayed, the Overdue Charge shall be payable in Japanese Yen.

## SECTION 6. TRANSACTION FEES AND UNWINDING AMOUNT

### 6.1 Amount of Fee Payable

6.1.1 The Borrower shall pay to JICA a transaction fee for conversion in respect of any Conversion (hereinafter referred to as the “Transaction Fees”).

6.1.2 The Transaction Fee charged by JICA is one-tenth of one percent (0.1%) of the outstanding principal amount in US Dollars after the Conversion.

6.1.3 The Transaction Fee shall be payable in a lump sum payment in US Dollars not later than thirty (30) calendar days from and including the date of the notice from JICA to the Borrower. The Transaction Fee once paid shall not be refunded under any circumstances.

### 6.2 Unwinding Amounts

6.2.1 If the Conversion has been effected on any amount of the Loan that is to be prepaid or overdue as referred to in Section 5. above, and the Conversion needs to be terminated, the responsible party (either the Borrower or JICA) shall pay an Unwinding Amount in Japanese Yen, if any. The foregoing shall also apply when the Market Transaction needs to be terminated prior to the Conversion Date.

6.2.2 If, upon a prepayment or overdue of repayment and/or payment referred to in Section 5 above, such Unwinding Amount represents an amount payable by the Borrower to JICA, such Unwinding Amount shall be payable in Japanese Yen by the Borrower not later than five (5) Common Banking Business Days from and including the date of the notice from JICA to the Borrower. Should the payment of the Unwinding Amount be delayed, the Overdue Charge shall be payable in Japanese Yen.

6.2.3 If, upon a prepayment or overdue of repayment and/or payment referred to in Section 5 above, such Unwinding Amount represents an amount payable by JICA to the Borrower, JICA may withhold and/or take any necessary measure to appropriate in whole or in part such Unwinding Amount for any amount that has been or will be due and payable in accordance with the order of appropriation stipulated in paragraph 7.1 below.



## SECTION 7. INSUFFICIENT PAYMENT

7.1 During the Conversion Period, Section 3.10 of the General Terms and Conditions shall be read as follows:

### Section 3.10 Insufficient Payment

If the amount of any payment made by the Borrower under the Loan Agreement and the Conversion Guidelines is less than the total amount due and payable, the payment shall be applied and appropriated in the following order: (i) the Front End Fee; (ii) the Prepayment Cancellation Fee; (iii) the Overdue Charge (Exchange Loss and Unwinding Amount); (iv) Any Exchange Loss; (v) the Unwinding Amount; (vi) the Overdue Charge (Any Other Charges excluding the Exchange Loss and the Unwinding Amount, interest and principal); (vii) the Transaction Fees; (viii) the Prepayment Premium; (ix) interest; (x) Refund; and (xi) principal. Notwithstanding the foregoing, JICA may decide not to follow the aforementioned order of payment priority and apply the amount received from the Borrower to the foregoing order when it deems appropriate.

7.2 If necessary, JICA may exchange the amount received by the Borrower with the exchange rate quoted by its bank at the time of the exchange reasonably determined by JICA into another currency in order to follow the appropriation order referred to in paragraph 7.1 above.

## SECTION 8.      ROUNDING CONVENTION USED IN CONVERSIONS

8.1      JICA will round currency amounts to the nearest hundredth of the currency unit on US Dollars. JICA will round upwards if the number ends in a figure of five (5) or above, and downwards if the number ends in a figure below five (5).

ANNEX   Request Form

ANNEX

Request For Currency Conversion of JICA Loan  
Currency Conversion of Outstanding Loan Amounts

Requested Date:

Loan Agreement No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY

JICA XXX OFFICE / XXX Department

Attention: Chief Representative / Director General

Ladies and Gentlemen:

1. Pursuant to the Loan Agreement No. XXX dated XXX between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and XXXXXXXXXXXXXXXXXXXX (Name of the Borrower), the undersigned hereby requests for the Currency Conversion, in accordance with the relevant provisions of the Loan Agreement and the Conversion Guidelines, with the following particulars. The words not defined herein shall have the same meanings ascribed to them in the Loan Agreement and/or the Conversion Guidelines.

(i) Information on the Existing Loan to be Converted:

- (a) Loan Agreement Number:
- (b) Loan Project Name:
- (c) Outstanding Principal Amount (JPY) as of the Requested Date :
- (d) Interest Rate:

(ii) Information on the Requested Conversion

The Currency of the existing loan shall be changed from JPY to USD.

Conditional Request:

<Notes to the Borrower : If you would like to make the Conditional Request, by setting conditions on the interest rate and/or currency conversion rate, please check YES and describe the specific conditions. If not, please check NO.>

(a) Type of Interest Rate: USD Fixed Rate

☐ YES ☐ NO

The fixed interest to be paid should be less than or equal to ( )% p.a.

(b) Currency Conversion Rate (USD/JPY exchange rate)

☐ YES ☐ NO

Conversion should be made under the condition that the price of One USD is JPY [ ] or more.

<Notes to the Borrower : Please note that the spot exchange rate or forward exchange rate between Japanese Yen and US Dollar as of the Execution Date shall be used for the Conversion.>

2. The undersigned certifies that the Borrower:

- (a) has made its own independent decision to request the Conversion;
- (b) is not relying on any communication with, confirmation or recommendation from JICA in making a request for the Conversion;
- (c) understands that JICA is not acting as a fiduciary for, or an advisor to, the Borrower in respect of the Conversion;
- (d) is capable of evaluating and understanding, and understands and accepts the terms, conditions and risks of the Conversion, and it is also capable of assuming, and assumes, the financial risks of the Conversion;
- (e) undertakes the Conversion in order to facilitate prudent debt management;
- (f) has duly authorized the Request to be made in accordance with the laws and regulations of the Borrower's country;
- (g) has duly authorized myself as its representative to sign the Request on behalf of the Borrower; and
- (h) understands that the Conversion will be made in accordance with the Conversion Guidelines.

Please contact to the following person regarding the transaction:

Contact Information for Transaction

Name:

Title:

Telephone:

Facsimile:

E-mail:

Name:

Title:

Telephone:

Facsimile:

E-mail:

Very truly yours,

(Name of the Borrower)  
(Authorized Signature)