

APPENDIX I

BOND TERMS AND CONDITIONS

Attached to the Decision No 08/2021/QĐ-SGIHN dated 05/04/2021

I. BID BOND TERMS AND CONDITIONS

General Terms and Conditions

Article 1(Formation of Bond Contract)

- ① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (the term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company").
- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the application for bond from the prospective Principal by issuing the bond to the prospective Principal.
- ③ The Company may, after receiving an application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).
- ④ If, prior to acceptance by the Company, the prospective Principal deposits any money with the Company in an amount equivalent to a guarantee fee, the prospective Principal shall have paid a guarantee fee with the amount it has deposited when the Company accepts the application for bond, thereby executing the Contract. If the Company rejects an application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.
- ⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the bond instead of issuing another bond.

Article 2(Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

- ① Upon receipt of an application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an application for his/her keeping (a duplicate of the application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:
 1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In

such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;

2. Posting the Terms and Conditions and commentaries thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) on a cyber-mall (a virtual sales counter established for bond transactions through a computer system) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;

3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the application for bond, the payment of guarantee fee, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important terms of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the bond under paragraph ① to the Beneficiary.

Article 3(Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an application of bond on a date specified in the bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when it accepts the application for bond and receives guarantee fee.

Article 4(Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without interest.

Article 5(Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company and the written consent of the Beneficiary. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the bond:

1. The bond period;
2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with the written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any guarantee fees to be returned to the Principal as a result of such reduction, the Company shall return such guarantee fee to the Principal as specified in Article 13(Refund of Guarantee Fee).

Article 6(Loss Covered)

The Company shall, pursuant to the terms of these Terms and Conditions and the bond, indemnify the Beneficiary, for the bid deposit that should be forfeited or reverted to the Beneficiary, the Obligor, where the Principal, as the Bidder (Obligor), participates in a bid for the underlying contract specified in the bond (hereinafter referred to as the "Underlying Contract") pursuant to an invitation to tender or instructions of tender (the terms "invitation to tender" and "instruction of the tender" shall be hereinafter referred to collectively as the "Invitation to Tender") and the causes for reverting the bid deposit under the Invitation to Tender occur within the bond period.

Article 7(Payment of Indemnity Proceeds)

① The amount of indemnity proceeds the Company shall pay shall be the amount that should be forfeited or reverted to the Beneficiary under the Invitation to Tender, provided, that in case where the Invitation to Tender does not stipulate any provisions for a forfeiture or reversion of bid deposit, the amount the Company shall pay shall be the amount claimed by the Beneficiary, but not exceeding the bid deposit amount.

② In any event, the indemnity proceeds in paragraph ① shall not exceed the bond amount.

③ If the Company has indemnified the loss in accordance with paragraph ①, the net balance remaining after subtracting the indemnity proceeds already paid from the bond amount shall be the bond amount for the remaining bond period.

Article 8(Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that execute its business) or their legal representatives are liable;
2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;

3. Non-performance of obligation due to an act of God such as earthquake, eruption, flood, tidal wave, or any other natural calamity similar thereto.

Article 9(Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency and the Principal seeks to pay and refund the guarantee fee in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the guarantee fee (for cases involving installment payments of guarantee fee, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional guarantee fee, as applicable).

2. Refund of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the guarantee fee, and such rate shall be applied against the amount calculated by deducting the earned portion of the guarantee fee from the original guarantee fee in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 10(Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 11(Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the application for bond or realizes that any modification therein has occurred;
2. Change of the Principal;
3. Change of the Beneficiary;
4. Matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional guarantee fee or return the guarantee fee already received.

③ The Principal shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 12(Termination of Contract)

A Principal may, with the written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

Article 13(Refund of Guarantee Fee)

① The Company shall refund the guarantee fee if any of the following events occurs in relation to the Contract, however, the Company shall not refund the guarantee fee if the Principal participates in an Invitation to Tender but is not awarded the Underlying Contract.

1. the Principal does not register for a bid in the Invitation to Tender;

2. the Beneficiary withdraws the Invitation to Tender.

② The Principal shall return the bond when claiming a refund of guarantee fee. However, if the Principal claims a refund of guarantee fee after the bid registration closing date, the Principal shall submit to the Company any such evidentiary documents as requested by the Company.

③ The amount of the guarantee fee that the Company shall refund shall be the amount calculated by subtracting the minimum guarantee fee from the guarantee fee received.

Article 14(Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, the rights and duties arising from the Contract shall be deemed to have been transferred together.

Article 15(Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim payment under the Contract, shall not be transferred to, or provided as a collateral to a third party without the prior written consent of the Company.

Article 16(Notification and Assessment of Damage)

If the Principal discovers that a loss event has occurred, he/she shall promptly notify the Company of such fact and cooperate in the Company's assessment of the damage, upon its request.

Article 17(Duty to Prevent and Mitigate Loss)

The Principal shall, before as well as after the occurrence of the loss event, endeavor to prevent and mitigate the loss.

Article 18(Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The bond or a copy thereof;
4. Documents specifying the loss;
5. Other documents required by the Company

② If the Beneficiary transfers documents required for a claim via SWIFT (Society for Worldwide Interbank Financial Telecommunication) or via such other methods specified in the bond, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①.

③ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall immediately decide the amount of indemnity proceeds to be paid, and pay such amount within fifteen days from the date when the indemnity proceeds payable are determined.

④ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ③ is determined, it shall pay the interest on the late paid amount at the basic interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 19(Time Limit)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 20(Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under Paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is publicly disclosed by the Company as applicable to delayed repayments, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full by the Principal.

Article 21(Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 22(Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

Article 23(Jurisdiction)

Any dispute with regard to the Contract shall be submitted exclusively to the Vietnam International Arbitration Centre (“VIAC”) at the Vietnam Chamber of Commerce and Industry, and shall be finally resolved in accordance with the Arbitration Rules of VIAC. The arbitration shall take place in Hanoi, Vietnam, and shall be conducted in the English language. The decision of the VIAC shall be final and binding upon the parties.

Article 24(Interpretation of Terms and Conditions)

① The Company shall interpret these Terms and Conditions fairly, in good faith and shall not discriminate among Principals in the interpretation thereof.

② The Company shall interpret these Terms and Conditions in favor of Principals, if the meaning of any term or condition is ambiguous or vague.

③ The Company shall not broadly interpret any term or condition that is unfavorable to, or lays a burden on, any Principals, such as a term or condition that avoids indemnity.

Article 25(Company's Liability for Damages)

① The Company shall be liable for damage incurred to the Principal or the Beneficiary by any cause for which any of its officers, employees, solicitors, and agents is held liable in connection with the Contract, as prescribed by relevant acts and other statutes.

② If the Company inflicts damage on the Principal or the Beneficiary by filing a lawsuit, although it knew or should have known that there is no ground to refuse to pay indemnity proceeds or delay such payment, the Company shall be liable for such damage.

③ If the Company makes an unconscionable settlement taking advantage of the destitution, imprudence, or inexperience of the Principal or the Beneficiary in regard to whether to pay indemnity proceeds or the amount of payment, the Company shall also be liable for damage arising therefrom in accordance with paragraph ②.

Article 26(Governing Law)

These Terms and Conditions shall be governed by acts and subordinate statutes of the Socialist Republic of Vietnam. However, if the Company and the Beneficiary or Principal designate a different governing law, such law shall govern.

Special Terms and Conditions for Demand Guarantee

Article 1(Scope of Application)

These Special Terms and Conditions shall apply only to contracts under which the Company agrees to unconditionally indemnify the Beneficiary upon a claim for payment made by the Beneficiary in accordance with the terms and conditions specified in a bond.

Article 2(Claim for Indemnity Proceeds)

Notwithstanding subparagraph 4 of paragraph ① of Article 18(Claim for Indemnity Proceeds) of the General Terms and Conditions, if the Beneficiary makes a claim for payment based on certain documents specified in a bond as acceptable for making a claim for payment, the Company may substitute such documents for the documents specifying the loss.

Article 3(Principal's Duty)

① The determination as to whether a ground to indemnify a loss exists in relation to a claim made by a Beneficiary shall be made at the sole discretion of the Company and the Principal shall have no rights to object to such determination made by the Company.

② In the event that the Company makes a payment of indemnity proceeds, the Principal shall not have any rights to dispute the effectiveness of the payment for any reasons related to the contract specified in the bond (the "Underlying Contract") or any obligations owed by the Principal to the Beneficiary under such Underlying Contract.

③ The payment of any indemnity proceeds by the Company shall not require any prior notification to the Principal, and the method of payment and the calculation of the payment amount shall be determined by the

Company in a manner that the Company deems appropriate, and the Principal shall not raise any objections to such decisions of the Company.

Article 4(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

II. PERFORMANCE BOND TERMS AND CONDITIONS

General Terms and Conditions

Article 1(Formation of Bond Contract)

- ① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (the term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company").
- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the application for bond from the prospective Principal by issuing the bond to the prospective Principal.
- ③ The Company may, after receiving an application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).
- ④ If, prior to acceptance by the Company, the prospective Principal deposits any money with the Company in an amount equivalent to a guarantee fee, the prospective Principal shall have paid a guarantee fee with the amount it has deposited when the Company accepts the application for bond, thereby executing the Contract. If the Company rejects an application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.
- ⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the bond instead of issuing another bond.

Article 2(Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

① Upon receipt of an application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an application for his/her keeping (a duplicate of the application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:

1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;

2. Posting the Terms and Conditions and commentaries thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) on a cyber-mall (a virtual sales counter established for bond transactions through a computer system) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;

3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the application for bond, the payment of guarantee fee, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important terms of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the bond under paragraph ① to the Beneficiary.

Article 3(Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an application of bond on a date specified in the bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when it accepts the application for bond and receives guarantee fee.

Article 4(Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without interest.

Article 5(Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company and the written consent of the Beneficiary. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the bond:

1. The bond period;
2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with the written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any guarantee fees to be returned to the Principal as a result of such reduction, the Company shall return such guarantee fee to the Principal as specified in Article 13(Refund of Guarantee Fee).

Article 6(Loss Covered)

The Company shall, pursuant to the terms of the bond and these Terms and Conditions, indemnify the Beneficiary for any losses incurred due to the Principal's failure to perform its obligations under the contract specified in the bond (hereinafter referred to as "the Underlying Contract").

Article 7(Payment of Indemnity Proceeds)

① The amount of indemnity proceeds the Company shall pay shall be as follows;

1. In the event that the Underlying Contract covers contract deposit, the amount that should be forfeited or reverted to the Beneficiary as stipulated in the Underlying Contract, provided, that in case where the Underlying Contract does not stipulate any provisions for a forfeiture or reversion of contract deposit, the amount the Company shall pay shall be the actual losses assessed according to the Underlying Contract but not exceeding the contract deposit amount.

2. In the event that the Underlying Contract covers obligations other than contract deposit, the Company shall pay the amount of actual losses assessed according to the Underlying Contract.

② In any event, the indemnity proceeds in paragraph ① shall not exceed the bond amount.

③ If the Company has indemnified the loss in accordance with paragraph ①, the net balance remaining after subtracting the indemnity proceeds already paid from the bond amount shall be the bond amount for the remaining bond period.

Article 8(Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that execute its business) or their legal representatives are liable;
2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;
3. Non-performance of obligation due to an act of God such as earthquake, eruption, flood, tidal wave, or any other natural calamity similar thereto.

Article 9(Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency and the Principal seeks to pay and refund the guarantee fee in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the guarantee fee (for cases involving installment payments of guarantee fee, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional guarantee fee, as applicable).

2. Refund of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the guarantee fee, and such rate shall be applied against the amount calculated by deducting the earned portion of the guarantee fee from the original guarantee fee in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 10(Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 11(Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the application for bond or realizes that any modification therein has occurred;

2. Change of the Principal;

3. Change of the Beneficiary;

4. Matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional guarantee fee or return the guarantee fee already received.

③ The Principal shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 12(Termination of Contract)

A Principal may, with the written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

Article 13(Refund of Guarantee Fee)

① The Company shall refund the guarantee fee if any of the following events occurs in relation to the Contract:

1. The Contract becomes invalid;

2. The Principal terminates the Contract prior to the occurrence of loss, by either obtaining consent from the Beneficiary, or by proving that the Company's obligations have been extinguished;

3. The Underlying Contract is not entered into, even though the Principal received the bond issued by the Company.

② The Principal shall submit the bond and documents showing the reason of refund specified in paragraph ① above at the time of making the claim for refund of the guarantee fee; provided, that in case the circumstances of the Beneficiary make it difficult to submit the bond, the Principal is exempted from submitting the bond.

③ The amount of guarantee fee that the Company shall refund is calculated by subtracting the earned guarantee fee (or, in case the minimum guarantee fee is higher than the earned guarantee fee, the minimum guarantee fee) from the guarantee fee received. Provided, that in the case of subparagraph 3 of paragraph ① above, the minimum guarantee fee shall be subtracted.

④ The earned guarantee fee specified in paragraph ③ shall be calculated as below:

1. In case the Contract is terminated because the Principal's obligations specified in the Underlying Contract are extinguished: calculated on the prorated daily basis, from the commencement date of the bond period to the date of extinguishment of the Principal's obligations;

2. When the Contract is terminated for other reasons or the Contract becomes invalid: calculated on the prorated daily basis, from the commencement date of the bond period to the date of receipt of application documents for refund of guarantee fee.

⑤ In case any loss is incurred, the guarantee fee shall not be refundable.

Article 14(Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, the rights and duties arising from the Contract shall be deemed to have been transferred together.

Article 15(Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim payment under the Contract, shall not be transferred to, or provided as a collateral to a third party without the prior written consent of the Company.

Article 16(Notification and Assessment of Damage)

If the Principal discovers that a loss event has occurred, he/she shall promptly notify the Company of such fact and cooperate in the Company's assessment of the damage, upon its request.

Article 17(Duty to Prevent and Mitigate Loss)

The Principal shall, before as well as after the occurrence of the loss event, endeavor to prevent and mitigate the loss.

Article 18(Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The bond or a copy thereof;
4. Documents specifying the loss;
5. Other documents required by the Company

② If the Beneficiary transfers documents required for a claim via SWIFT (Society for Worldwide Interbank Financial Telecommunication) or via such other methods specified in the bond, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①.

③ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall immediately decide the amount of indemnity proceeds to be paid, and pay such amount within fifteen days from the date when the indemnity proceeds payable are determined.

④ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ③ is determined, it shall pay the interest on the late paid amount at the basic interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 19(Time Limit)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 20(Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under Paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to a delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is publicly disclosed by the Company as applicable to delayed repayments, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full by the Principal.

Article 21(Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 22(Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

Article 23(Jurisdiction)

Any dispute with regard to the Contract shall be submitted exclusively to the Vietnam International Arbitration Centre (“VIAC”) at the Vietnam Chamber of Commerce and Industry, and shall be finally resolved in accordance with the Arbitration Rules of VIAC. The arbitration shall take place in Hanoi, Vietnam, and shall be conducted in the English language. The decision of the VIAC shall be final and binding upon the parties.

Article 24(Interpretation of Terms and Conditions)

- ① The Company shall interpret these Terms and Conditions fairly, in good faith and shall not discriminate among Principals in the interpretation thereof.
- ② The Company shall interpret these Terms and Conditions in favor of Principals, if the meaning of any term or condition is ambiguous or vague.
- ③ The Company shall not broadly interpret any term or condition that is unfavorable to, or lays a burden on, any Principals, such as a term or condition that avoids indemnity.

Article 25(Company's Liability for Damages)

- ① The Company shall be liable for damage incurred to the Principal or the Beneficiary by any cause for which any of its officers, employees, solicitors, and agents is held liable in connection with the Contract, as prescribed by relevant acts and other statutes.
- ② If the Company inflicts damage on the Principal or the Beneficiary by filing a lawsuit, although it knew or should have known that there is no ground to refuse to pay indemnity proceeds or delay such payment, the Company shall be liable for such damage.
- ③ If the Company makes an unconscionable settlement taking advantage of the destitution, imprudence, or inexperience of the Principal or the Beneficiary in regard to whether to pay indemnity proceeds or the amount of payment, the Company shall also be liable for damage arising therefrom in accordance with paragraph ②.

Article 26(Governing Law)

These Terms and Conditions shall be governed by acts and subordinate statutes of the Socialist Republic of Vietnam. However, if the Company and the Beneficiary or Principal designate a different governing law, such law shall govern.

Special Terms and Conditions for Demand Guarantee

Article 1(Scope of Application)

These Special Terms and Conditions shall apply only to contracts under which the Company agrees to unconditionally indemnify the Beneficiary upon a claim for payment made by the Beneficiary in accordance with the terms and conditions specified in a bond.

Article 2(Claim for Indemnity Proceeds)

Notwithstanding subparagraph 4 of paragraph ① of Article 18(Claim for Indemnity Proceeds) of the General Terms and Conditions, if the Beneficiary makes a claim for payment based on certain documents specified in a bond as acceptable for making a claim for payment, the Company may substitute such documents for the documents specifying the loss.

Article 3(Principal's Duty)

① The determination as to whether a ground to indemnify a loss exists in relation to a claim made by a Beneficiary shall be made at the sole discretion of the Company and the Principal shall have no rights to object to such determination made by the Company.

② In the event that the Company makes a payment of indemnity proceeds, the Principal shall not have any rights to dispute the effectiveness of the payment for any reasons related to the contract specified in the bond (the "Underlying Contract") or any obligations owed by the Principal to the Beneficiary under such Underlying Contract.

③ The payment of any indemnity proceeds by the Company shall not require any prior notification to the Principal, and the method of payment and the calculation of the payment amount shall be determined by the Company in a manner that the Company deems appropriate, and the Principal shall not raise any objections to such decisions of the Company.

Article 4(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Extend or Pay

Article 1(Scope of Application)

These Special Terms and Conditions shall be applicable only to the Contract that allows the Company to select and perform either one of the Beneficiary's requests, i.e. request for the extension of the bond period, or the payment of the indemnity proceeds.

Article 2(Extension of Bond Period or Payment of Indemnity Proceeds)

① The Company may select or perform either one of the Beneficiary's requests, i.e. request for the extension of the bond period, or the payment of indemnity proceeds, when the Company receives such requests from the Beneficiary.

② Upon receipt of the request in accordance with paragraph ①, the Company shall promptly notify the fact to the Principal, and notice the Principal and the Beneficiary of the approval or disapproval for extending the bond period, within 30 days from the date immediately following the date of receiving such request from the Beneficiary.

③ If the Company, in accordance with the Beneficiary's request, notifies the extension of the period to the Principal, the Principal shall perform the process of application for the amendment of the Contract such as the extension of the bond period and etc. In case the Principal fails to perform the application process, the Company shall decide to pay the indemnity proceeds, and the Principal shall not object to such decision.

④ When the Company decides to pay the indemnity proceeds in accordance with paragraph ③, the Company shall promptly notify the fact to the Principal, and pay the indemnity proceeds to the Beneficiary subject to the terms of the bond and these Terms and Conditions.

Article 3(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Maintenance Coverage

Article 1(Scope of Application)

These Special Terms and Conditions shall be applicable in case the Principal shall be liable to undertake maintenance obligations stipulated in the contract specified in the bond (hereinafter referred to as "the Underlying Contract").

Article 2(Loss Covered)

In case the Principal (Obligor) has completed the final inspection or final examination stipulated in the Underlying Contract, the Company shall, notwithstanding Article 6(Loss Covered) in the General Terms and Conditions, indemnify the Beneficiary (Obligee) for the loss incurred due to the Principal (Obligor)'s failure to

perform the obligation of repairing or correcting the defects occurred within the maintenance period under the Underlying Contract, subject to the terms of the bond and these Terms and Conditions.

Article 3(Payment of Indemnity Proceeds)

The amount of indemnity proceeds the Company shall pay, notwithstanding paragraph ① of Article 7(Payment of Indemnity Proceeds) in the General Terms and Conditions, shall be the actual expenses incurred in repairing or correcting the defects under the Underlying Contract, and which shall be regarded as generally appropriate; provided that in case the Underlying Contract includes specific provisions for the payment of indemnity proceeds, such provisions shall prevail.

Article 4(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Extended Coverage

Article 1(Scope of Application)

These Special Terms and Conditions shall be applicable in case the contract specified in the bond (hereinafter referred to as "the Underlying Contract"), is a supply contract according to which obligations continuously arise and are performed following continuous supply of products and/or services during the Underlying Contract period.

Article 2(Loss Covered)

① In addition to the loss covered by Article 6(Loss Covered) in the General Terms and Conditions, the Company shall be liable to, within the bond amount, indemnify the Beneficiary (Obligee) for the loss caused by the Principal (Obligor)'s non-performance of the obligations which have been arisen within the bond period specified in the bond and whose due date falls within 90 days from the date immediately following the last date of the bond period.

② In case the Contract is consecutively renewed within the bond period of the Contract to which these Special Terms and Conditions have been attached, the Company's liability for the previous Contract shall expire. The obligations which arose prior to commencement of the bond period of the renewed Contract shall be indemnified within the limit of the bond amount of the renewed Contract.

Article 3(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Guarantee Fee Payment by Installments

Article 1(Guarantee Fee Payment by Installments)

The Principal may, with the Company's approval, pay the guarantee fee in up to four installments per year over the bond period in a manner agreed upon with the Company when entering into the Contract. However, the first installment guarantee fee shall be paid at the time of entering into the Contract.

Article 2(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

III. ADVANCE PAYMENT BOND TERMS AND CONDITIONS

General Terms and Conditions

Article 1(Formation of Bond Contract)

- ① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (the term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company").
- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the application for bond from the prospective Principal by issuing the bond to the prospective Principal.
- ③ The Company may, after receiving an application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).

④ If, prior to acceptance by the Company, the prospective Principal deposits any money with the Company in an amount equivalent to a guarantee fee, the prospective Principal shall have paid a guarantee fee with the amount it has deposited when the Company accepts the application for bond, thereby executing the Contract. If the Company rejects an application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.

⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the bond instead of issuing another bond.

Article 2(Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

① Upon receipt of an application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an application for his/her keeping (a duplicate of the application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:

1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;

2. Posting the Terms and Conditions and commentaries thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) on a cyber-mall (a virtual sales counter established for bond transactions through a computer system) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;

3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the application for bond, the payment of guarantee fee, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important terms of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the bond under paragraph ① to the Beneficiary.

Article 3(Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an application of bond on a date specified in the bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when it accepts the application for bond and receives guarantee fee.

Article 4(Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without interest.

Article 5(Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company and the written consent of the Beneficiary. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the bond:

1. The bond period;

2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with the written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any guarantee fees to be returned to the Principal as a result of such reduction, the Company shall return such guarantee fee to the Principal as specified in Article 13(Refund of Guarantee Fee).

Article 6(Loss Covered)

The Company shall, subject to the terms of the bond and these Terms and Conditions, indemnify the Beneficiary (Obligee) for any advance payment (either advance money or advance material) that should be reverted to the Beneficiary due to the Principal (Obligor)'s failure to perform its obligations under the contract specified in the bond (hereinafter referred to as the "Underlying Contract").

Article 7(Payment of Indemnity Proceeds)

① The amount of indemnity proceeds the Company shall pay shall be the balance remaining after subtracting the unsettled portion of the amount corresponding to the part performed under the Underlying Contract from the advance payment (either advance money or advance material), provided that if the relevant law or the Underlying Contract stipulates any provisions for a reversion of the advance payment, such provisions shall prevail.

② In any event, the indemnity proceeds in paragraph ① shall not exceed the bond amount.

③ If the Company has indemnified the loss in accordance with paragraph ①, the net balance remaining after subtracting the indemnity proceeds already paid from the bond amount shall be the bond amount for the remaining bond period.

Article 8(Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that execute its business) or their legal representatives are liable;
2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;
3. Non-performance of obligation due to an act of God such as earthquake, eruption, flood, tidal wave, or any other natural calamity similar thereto.

Article 9(Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency and the Principal seeks to pay and refund the guarantee fee in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the guarantee fee (for cases involving installment payments of guarantee fee, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional guarantee fee, as applicable).

2. Refund of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the guarantee fee, and such rate shall be applied against the amount calculated by deducting the earned portion of the guarantee fee from the original guarantee fee in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 10(Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 11(Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the application for bond or realizes that any modification therein has occurred;

2. Change of the Principal;

3. Change of the Beneficiary;

4. Matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional guarantee fee or return the guarantee fee already received.

③ The Principal shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 12(Termination of Contract)

A Principal may, with the written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

Article 13(Refund of Guarantee Fee)

① The Company shall refund the guarantee fee if any of the following events occurs in relation to the Contract:

1. The Contract becomes invalid;
2. The Principal terminates the Contract prior to the occurrence of loss, by either obtaining consent from the Beneficiary, or by proving that the Company's obligations have been extinguished;
3. The Underlying Contract is not entered into, even though the Principal received the bond issued by the Company.

② The Principal shall submit the bond and documents showing the reason of refund specified in paragraph ① above at the time of making the claim for refund of the guarantee fee; provided, that in case the circumstances of the Beneficiary make it difficult to submit the bond, the Principal is exempted from submitting the bond.

③ The amount of guarantee fee that the Company shall refund is calculated by subtracting the earned guarantee fee (or, in case the minimum guarantee fee is higher than the earned guarantee fee, the minimum guarantee fee) from the guarantee fee received. Provided, that in the case of subparagraph 3 of paragraph ① above, the minimum guarantee fee shall be subtracted.

④ The earned guarantee fee specified in paragraph ③ shall be calculated as below:

1. In case the Contract is terminated because the Principal's obligations specified in the Underlying Contract are extinguished: calculated on the prorated daily basis, from the commencement date of the bond period to the date of extinguishment of the Principal's obligations;
2. When the Contract is terminated for other reasons or the Contract becomes invalid: calculated on the prorated daily basis, from the commencement date of the bond period to the date of receipt of application documents for refund of guarantee fee.

⑤ In case any loss is incurred, the guarantee fee shall not be refundable.

Article 14(Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, the rights and duties arising from the Contract shall be deemed to have been transferred together.

Article 15(Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim payment under the Contract, shall not be transferred to, or provided as a collateral to a third party without the prior written consent of the Company.

Article 16(Notification and Assessment of Damage)

If the Principal discovers that a loss event has occurred, he/she shall promptly notify the Company of such fact and cooperate in the Company's assessment of the damage, upon its request.

Article 17(Duty to Prevent and Mitigate Loss)

The Principal shall, before as well as after the occurrence of the loss event, endeavor to prevent and mitigate the loss.

Article 18(Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The bond or a copy thereof;
4. Documents specifying the loss;
5. Other documents required by the Company

② If the Beneficiary transfers documents required for a claim via SWIFT (Society for Worldwide Interbank Financial Telecommunication) or via such other methods specified in the bond, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①.

③ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall immediately decide the amount of indemnity proceeds to be paid, and pay such amount within fifteen days from the date when the indemnity proceeds payable are determined.

④ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ③ is determined, it shall pay the interest on the late paid amount at the basic interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 19(Time Limit)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 20(Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under Paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to a delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is publicly disclosed by the Company as applicable to delayed repayments, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full by the Principal.

Article 21(Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 22(Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

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Any dispute with regard to the Contract shall be submitted exclusively to the Vietnam International Arbitration Centre (“VIAC”) at the Vietnam Chamber of Commerce and Industry, and shall be finally resolved in accordance with the Arbitration Rules of VIAC. The arbitration shall take place in Hanoi, Vietnam, and shall be conducted in the English language. The decision of the VIAC shall be final and binding upon the parties.

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- ① The Company shall interpret these Terms and Conditions fairly, in good faith and shall not discriminate among Principals in the interpretation thereof.
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- ① The Company shall be liable for damage incurred to the Principal or the Beneficiary by any cause for which any of its officers, employees, solicitors, and agents is held liable in connection with the Contract, as prescribed by relevant acts and other statutes.
- ② If the Company inflicts damage on the Principal or the Beneficiary by filing a lawsuit, although it knew or should have known that there is no ground to refuse to pay indemnity proceeds or delay such payment, the Company shall be liable for such damage.
- ③ If the Company makes an unconscionable settlement taking advantage of the destitution, imprudence, or inexperience of the Principal or the Beneficiary in regard to whether to pay indemnity proceeds or the amount of payment, the Company shall also be liable for damage arising therefrom in accordance with paragraph ②.

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Article 1(Scope of Application)

These Special Terms and Conditions shall apply only to contracts under which the Company agrees to unconditionally indemnify the Beneficiary upon a claim for payment made by the Beneficiary in accordance with the terms and conditions specified in a bond.

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Notwithstanding subparagraph 4 of paragraph ① of Article 18(Claim for Indemnity Proceeds) of the General Terms and Conditions, if the Beneficiary makes a claim for payment based on certain documents specified in a bond as acceptable for making a claim for payment, the Company may substitute such documents for the documents specifying the loss.

Article 3(Principal's Duty)

① The determination as to whether a ground to indemnify a loss exists in relation to a claim made by a Beneficiary shall be made at the sole discretion of the Company and the Principal shall have no rights to object to such determination made by the Company.

② In the event that the Company makes a payment of indemnity proceeds, the Principal shall not have any rights to dispute the effectiveness of the payment for any reasons related to the contract specified in the bond (the “Underlying Contract”) or any obligations owed by the Principal to the Beneficiary under such Underlying Contract.

③ The payment of any indemnity proceeds by the Company shall not require any prior notification to the Principal, and the method of payment and the calculation of the payment amount shall be determined by the Company in a manner that the Company deems appropriate, and the Principal shall not raise any objections to such decisions of the Company.

Article 4(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Extend or Pay

Article 1(Scope of Application)

These Special Terms and Conditions shall be applicable only to the Contract that allows the Company to select and perform either one of the Beneficiary's requests, i.e. request for the extension of the bond period, or the payment of the indemnity proceeds.

Article 2(Extension of Bond Period or Payment of Indemnity Proceeds)

① The Company may select or perform either one of the Beneficiary's requests, i.e. request for the extension of the bond period, or the payment of indemnity proceeds, when the Company receives such requests from the Beneficiary.

② Upon receipt of the request in accordance with paragraph ①, the Company shall promptly notify the fact to the Principal, and notice the Principal and the Beneficiary of the approval or disapproval for extending the bond period, within 30 days from the date immediately following the date of receiving such request from the Beneficiary.

③ If the Company, in accordance with the Beneficiary's request, notifies the extension of the period to the Principal, the Principal shall perform the process of application for the amendment of the Contract such as the extension of the bond period and etc. In case the Principal fails to perform the application process, the Company shall decide to pay the indemnity proceeds, and the Principal shall not object to such decision.

④ When the Company decides to pay the indemnity proceeds in accordance with paragraph ③, the Company shall promptly notify the fact to the Principal, and pay the indemnity proceeds to the Beneficiary subject to the terms of the bond and these Terms and Conditions.

Article 3(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Guarantee Fee Payment by Installments

Article 1(Guarantee Fee Payment by Installments)

The Principal may, with the Company's approval, pay the guarantee fee in up to four installments per year over the bond period in a manner agreed upon with the Company when entering into the Contract. However, the first installment guarantee fee shall be paid at the time of entering into the Contract.

Article 2(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

IV. MAINTENANCE BOND TERMS AND CONDITIONS

General Terms and Conditions

Article 1(Formation of Bond Contract)

- ① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (the term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company").
- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the application for bond from the prospective Principal by issuing the bond to the prospective Principal.
- ③ The Company may, after receiving an application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).
- ④ If, prior to acceptance by the Company, the prospective Principal deposits any money with the Company in an amount equivalent to a guarantee fee, the prospective Principal shall have paid a guarantee fee with the amount it has deposited when the Company accepts the application for bond, thereby executing the Contract. If the Company rejects an application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.

⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the bond instead of issuing another bond.

Article 2(Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

① Upon receipt of an application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an application for his/her keeping (a duplicate of the application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:

1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;

2. Posting the Terms and Conditions and commentaries thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) on a cyber-mall (a virtual sales counter established for bond transactions through a computer system) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;

3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the application for bond, the payment of guarantee fee, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important terms of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the bond under paragraph ① to the Beneficiary.

Article 3(Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an application of bond on a date specified in the bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when it accepts the application for bond and receives guarantee fee.

Article 4(Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without interest.

Article 5(Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company and the written consent of the Beneficiary. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the bond:

1. The bond period;
2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with the written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any guarantee fees to be returned to the Principal as a result of such reduction, the Company shall return such guarantee fee to the Principal as specified in Article 13(Refund of Guarantee Fee).

Article 6(Loss Covered)

The Company shall, subject to the terms of the bond and these Terms and Conditions, indemnify the Beneficiary (Obligee) for any losses incurred due to the Principal (Obligor)'s failure to perform its obligations under the contract specified in the bond (hereinafter referred to as the "Underlying Contract") with respect to defects that arise during the period of its liability for defects after the completion of final inspection or examination.

Article 7(Payment of Indemnity Proceeds)

① The amount of indemnity proceeds the Company shall pay shall be the actual cost incurred for maintenance repairs or corrective changes under the Underlying Contract, and which is regarded as generally appropriate. Provided, that in case the Underlying Contract contains different provisions regarding the amount of indemnity proceeds, such provisions shall prevail.

② In any event, the indemnity proceeds in paragraph ① shall not exceed the bond amount.

③ If the Company has indemnified the loss in accordance with paragraph ①, the net balance remaining after subtracting the indemnity proceeds already paid from the bond amount shall be the bond amount for the remaining bond period.

Article 8(Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that executes its business) or one of their legal representatives are liable;
2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;
3. Non-performance of obligation due to an act of God such as earthquake, eruption, flood, tidal wave, or any other natural calamity similar thereto.

Article 9(Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency and the Principal seeks to pay and refund the guarantee fee in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the guarantee fee (for cases involving installment payments of guarantee fee, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional guarantee fee, as applicable).

2. Refund of Guarantee Fee: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the guarantee fee, and such rate shall be applied against the amount calculated by deducting the earned portion of the guarantee fee from the original guarantee fee in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 10(Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 11(Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the application for bond or realizes that any modification therein has occurred;

2. Change of the Principal;

3. Change of the Beneficiary;

4. Matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional guarantee fee or return the guarantee fee already received.

③ The Principal shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 12(Termination of Contract)

A Principal may, with the written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

Article 13(Refund of Guarantee Fee)

① The Company shall refund the guarantee fee if any of the following events occurs in relation to the Contract:

1. The Contract becomes invalid;

2. The Principal terminates the Contract prior to the occurrence of loss, by either obtaining consent from the Beneficiary, or by proving that the Company's obligations have been extinguished;

② The Principal shall submit the bond and documents showing the reason of refund specified in paragraph ① above at the time of making the claim for refund of the guarantee fee; provided, that in case the circumstances of the Beneficiary make it difficult to submit the bond, the Principal is exempted from submitting the bond.

③ The amount of guarantee fee that the Company shall refund is calculated by subtracting the earned guarantee fee, calculated on the prorated daily basis from the commencement date of the bond period to the receipt date of the bond, (or, in case the minimum guarantee fee is higher than the earned guarantee fee, the minimum guarantee fee) from the guarantee fee received.

④ In case any loss is incurred, the guarantee fee shall not be refundable.

Article 14(Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, the rights and duties arising from the Contract shall be deemed to have been transferred together.

Article 15(Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim payment under the Contract, shall not be transferred to, or provided as a collateral to a third party without the prior written consent of the Company.

Article 16(Notification and Assessment of Damage)

If the Principal discovers that a loss event has occurred, he/she shall promptly notify the Company of such fact and cooperate in the Company's assessment of the damage, upon its request.

Article 17(Duty to Prevent and Mitigate Loss)

The Principal shall, before as well as after the occurrence of the loss event, endeavor to prevent and mitigate the loss.

Article 18(Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;

3. The bond or a copy thereof;
4. Documents specifying the loss;
5. Other documents required by the Company

② If the Beneficiary transfers documents required for a claim via SWIFT (Society for Worldwide Interbank Financial Telecommunication) or via such other methods specified in the bond, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①.

③ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall immediately decide the amount of indemnity proceeds to be paid, and pay such amount within fifteen days from the date when the indemnity proceeds payable are determined.

④ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ③ is determined, it shall pay the interest on the late paid amount at the basic interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 19(Time Limit)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 20(Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under Paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to a delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is publicly disclosed by the Company as applicable to delayed repayments, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full by the Principal.

Article 21(Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 22(Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

Article 23(Jurisdiction)

Any dispute with regard to the Contract shall be submitted exclusively to the Vietnam International Arbitration Centre ("VIAC") at the Vietnam Chamber of Commerce and Industry, and shall be finally resolved in accordance with the Arbitration Rules of VIAC. The arbitration shall take place in Hanoi, Vietnam, and shall be conducted in the English language. The decision of the VIAC shall be final and binding upon the parties.

Article 24(Interpretation of Terms and Conditions)

① The Company shall interpret these Terms and Conditions fairly, in good faith and shall not discriminate among Principals in the interpretation thereof.

- ② The Company shall interpret these Terms and Conditions in favor of Principals, if the meaning of any term or condition is ambiguous or vague.
- ③ The Company shall not broadly interpret any term or condition that is unfavorable to, or lays a burden on, any Principals, such as a term or condition that avoids indemnity.

Article 25(Company's Liability for Damages)

- ① The Company shall be liable for damage incurred to the Principal or the Beneficiary by any cause for which any of its officers, employees, solicitors, and agents is held liable in connection with the Contract, as prescribed by relevant acts and other statutes.
- ② If the Company inflicts damage on the Principal or the Beneficiary by filing a lawsuit, although it knew or should have known that there is no ground to refuse to pay indemnity proceeds or delay such payment, the Company shall be liable for such damage.
- ③ If the Company makes an unconscionable settlement taking advantage of the destitution, imprudence, or inexperience of the Principal or the Beneficiary in regard to whether to pay indemnity proceeds or the amount of payment, the Company shall also be liable for damage arising therefrom in accordance with paragraph ②.

Article 26(Governing Law)

These Terms and Conditions shall be governed by acts and subordinate statutes of the Socialist Republic of Vietnam. However, if the Company and the Beneficiary or Principal designate a different governing law, such law shall govern.

Special Terms and Conditions for Demand Guarantee

Article 1(Scope of Application)

These Special Terms and Conditions shall apply only to contracts under which the Company agrees to unconditionally indemnify the Beneficiary upon a claim for payment made by the Beneficiary in accordance with the terms and conditions specified in a bond.

Article 2(Claim for Indemnity Proceeds)

Notwithstanding subparagraph 4 of paragraph ① of Article 18(Claim for Indemnity Proceeds) of the General Terms and Conditions, if the Beneficiary makes a claim for payment based on certain documents specified in a bond as acceptable for making a claim for payment, the Company may substitute such documents for the documents specifying the loss.

Article 3(Principal's Duty)

① The determination as to whether a ground to indemnify a loss exists in relation to a claim made by a Beneficiary shall be made at the sole discretion of the Company and the Principal shall have no rights to object to such determination made by the Company.

② In the event that the Company makes a payment of indemnity proceeds, the Principal shall not have any rights to dispute the effectiveness of the payment for any reasons related to the contract specified in the bond (the “Underlying Contract”) or any obligations owed by the Principal to the Beneficiary under such Underlying Contract.

③ The payment of any indemnity proceeds by the Company shall not require any prior notification to the Principal, and the method of payment and the calculation of the payment amount shall be determined by the Company in a manner that the Company deems appropriate, and the Principal shall not raise any objections to such decisions of the Company.

Article 4(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Extend or Pay

Article 1(Scope of Application)

These Special Terms and Conditions shall be applicable only to the Contract that allows the Company to select and perform either one of the Beneficiary’s requests, i.e. request for the extension of the bond period, or the payment of the indemnity proceeds.

Article 2(Extension of Bond Period or Payment of Indemnity Proceeds)

① The Company may select or perform either one of the Beneficiary’s requests, i.e. request for the extension of the bond period, or the payment of indemnity proceeds, when the Company receives such requests from the Beneficiary.

② Upon receipt of the request in accordance with paragraph ①, the Company shall promptly notify the fact to the Principal, and notice the Principal and the Beneficiary of the approval or disapproval for extending the bond period, within 30 days from the date immediately following the date of receiving such request from the Beneficiary.

③ If the Company, in accordance with the Beneficiary's request, notifies the extension of the period to the Principal, the Principal shall perform the process of application for the amendment of the Contract such as the

extension of the bond period and etc. In case the Principal fails to perform the application process, the Company shall decide to pay the indemnity proceeds, and the Principal shall not object to such decision.

④ When the Company decides to pay the indemnity proceeds in accordance with paragraph ③, the Company shall promptly notify the fact to the Principal, and pay the indemnity proceeds to the Beneficiary subject to the terms of the bond and these Terms and Conditions.

Article 3(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

Special Terms and Conditions for Guarantee Fee Payment by Installments

Article 1(Guarantee Fee Payment by Installments)

The Principal may, with the Company's approval, pay the guarantee fee in up to four installments per year over the bond period in a manner agreed upon with the Company when entering into the Contract. However, the first installment guarantee fee shall be paid at the time of entering into the Contract.

Article 2(Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.

V. PERSONAL LOAN BOND

General Terms and Conditions

Article 1 (Formation of Bond Contract)

- ① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (the term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company").
- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the Application for bond from the prospective Principal by issuing the Bond to the prospective Principal.
- ③ The Company may, after receiving an Application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).
- ④ If, prior to acceptance by the Company, the prospective Principal has deposited any money with the Company in an amount equivalent to a premium, the prospective Principal shall pay the deposited amount as the premium when the Company accepts the Application for bond, thereby executing the Contract. If the Company rejects an Application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.
- ⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the Bond instead of issuing another Bond.

Article 2 (Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

- ① Upon receipt of an Application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an Application for his/her keeping (a duplicate of the Application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:
 1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the Application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the Application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;
 2. Posting on a cyber-mall, which is a virtual sales counter established for bond transactions through a computer system, or providing via the electronic data interchange system built between the Company and the Beneficiary (hereinafter referred to as "EDI system") the Terms and Conditions and commentaries

thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;

3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the Application for bond, the payment of premium, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important terms of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An Application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the Bond under paragraph ① to the Beneficiary.

Article 3 (Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an Application of bond on a date specified in the Bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when the former accepts the Application for bond and receives premium.

Article 4 (Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her Application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without interest.

Article 5 (Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with the written approval of the Company and the written consent of the Beneficiary. In such event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the Bond:

1. The bond period;
2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with the written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any premiums to be returned to the Principal as a result of such reduction, the Company shall return such premium to the Principal as specified in Article 15 (Refund of Premium).

Article 6 (Loss Covered)

The Company shall, pursuant to the terms of the Bond and these Terms and Conditions, indemnify the Beneficiary for any losses incurred due to the Principal's failure to perform its obligations (only the obligations whose due date falls within the Bond Period) under the Loan Contract specified in the Bond (hereinafter referred to as "the Underlying Contract").

<Definition> "Loan Contract" means a contract(s), regardless of the name, that agrees on the Beneficiary, the Obligee, transferring (loaning, lending, etc.) cash to the Principal, Obligor, and the Principal returning in cash when the time to return comes.

Article 7 (Payment of Indemnity Proceeds)

① The loss that the Company shall be liable to indemnify (hereinafter referred to as "Indemnifiable Loss") is the uncollected amount as at the due date specified in the Underlying Contract. However, in case there are other provisions in the Underlying Contract relating to the Principal's failure to perform the obligation, such as acceleration of payment and/or indemnification of any loss incurred as a result of the delayed payment, such provisions shall prevail.

② Within the bond amount, the Company shall pay the indemnity proceeds as follows:

- Indemnifiable Loss × Percentage of Cover

<Definition> "Percentage of Cover" means such percentage of the loss for which the Beneficiary is entitled to indemnification where a loss event occurs.

③ The details of the Indemnifiable Loss and the indemnity proceeds could be specified in the Comprehensive Agreement executed under Article 9 (Execution of Comprehensive Agreement).

Article 8 (Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that execute its business) or their legal representatives are liable;

2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;
3. Non-performance of obligation due to an act of God such as earthquake, eruption, flood, tidal wave, or any other natural calamity similar thereto.
4. Radioactivity, explosiveness or other hazardous characteristics of nuclear fuels (including used fuels; hereinafter the same shall apply) or materials polluted by nuclear fuels (including a fission product), or any accident caused by these characteristics that keep the Principal from performing any of his/her obligations.

Article 9 (Execution of Comprehensive Agreement)

① For the purpose of efficient implementation of this contract, the Company and the Beneficiary may execute and implement a comprehensive agreement which provides for the qualifications of the Principal, settlement method of premium, notice obligations, apportionment of damages, loss event, method of transfer of rights, maintenance of such comprehensive agreement, penalties for breach thereof, etc.

② The Company will not indemnify any loss caused by or aggravated as a result of a breach by the Beneficiary of any provision stipulated in the comprehensive agreement described in ① above.

Article 10 (Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the Bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency due to the circumstances under paragraph ① of Article 10 above, and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese Dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency due to the circumstances under paragraph ① of Article 10 above, and the Principal seeks to pay and refund the premium in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Premium: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the premium (for cases involving installment payments of premium, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional premium, as applicable).

2. Refund of Premium: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the premium, and such rate shall be applied against the amount calculated by deducting the earned portion of the premium from the original premium in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 11 (Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 12 (Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal and/or the Beneficiary shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the Application for bond or realizes that any modification therein has occurred;
2. Change of the Principal;
3. Change of the Beneficiary;
4. Matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional premium or return the premium already received.

③ The Principal and/or the Beneficiary shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 13 (Termination of Contract)

A Principal may, with the written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

Article 14 (Annulment of Contract)

The Contract shall be null and void if a loss event has already occurred before the contract is entered into.

Article 15 (Refund of Premium)

① The Company shall refund the premium if any of the following events occurs in relation to the Contract:

1. The Contract becomes invalid;
2. The Principal terminates the Contract prior to the occurrence of loss, by either obtaining consent from the Beneficiary, or by proving that the Company's obligations have been extinguished;
3. The Underlying Contract is not entered into, even though the Principal received the bond issued by the Company.

② The Principal shall submit the Bond and documents showing the reason for refund specified in paragraph ① above at the time of making the claim for refund of the premium; provided, that in case the circumstances of the Beneficiary make it difficult to submit the Bond, the Principal is exempted from submitting the Bond.

③ The amount of premium that the Company shall refund is calculated by subtracting the earned premium (or, in case the minimum premium is higher than the earned premium, the minimum premium) from the premium received. Provided, that in the case of subparagraph 3 of paragraph ① above, the minimum premium shall be subtracted.

④ The earned premium specified in paragraph ③ shall be calculated as below:

1. In case the Contract is terminated because the Principal's obligations specified in the Underlying Contract are extinguished: calculated on the prorated daily basis, from the commencement date of the Bond period to the date of extinguishment of the Principal's obligations;
2. When the Contract is terminated for other reasons or the Contract becomes invalid: calculated on the prorated daily basis, from the commencement date of the Bond period to the date of receipt of application documents for refund of premium.

⑤ In case any loss is incurred, the premium shall not be refundable.

Article 16 (Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without written consent of the Company, and where the Company grants written consent, the rights and duties arising from the Contract shall be deemed to have been transferred together.

Article 17 (Transfer or Collateral Provision of Right to Claim)

The Beneficiary's right to claim payment under the Contract, shall not be transferred to, or provided as a collateral to a third party without the prior written consent of the Company.

Article 18 (Notification and Assessment of Damage)

① If the Principal and/or the Beneficiary discovers that a loss event has occurred, he/she shall promptly notify the Company of such a fact and cooperate in the Company's assessment of the damage upon its request.

② If the Beneficiary neglects to give notice or fails to cooperate in the assessment of loss under paragraph ① without a justifiable ground and consequently the loss is aggravated, the Company shall provide no compensation for such an aggravated loss.

Article 19 (Duty to Prevent and Mitigate Loss)

① If any loss event occurs, the Principal and/or the Beneficiary shall endeavor to prevent and mitigate the loss.

② If the Beneficiary has neglected to perform his/her duty under paragraph ① intentionally or by gross negligence, the loss that could otherwise have been avoided or reduced shall be deducted from the amount of indemnity proceeds.

③ The necessary and beneficial amount that is expended by the Beneficiary with the consent of the Company to prevent or mitigate the loss under paragraph ① shall be indemnified by the Company even in the case of exceeding the bond amount.

Article 20 (Claim for Indemnity Proceeds)

① When the Beneficiary claims for payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The Bond or a copy thereof;
4. Documents specifying the loss;
5. Other documents required by the Company

② If the Beneficiary transfers documents required for a claim via EDI system or via such other methods, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①.

③ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall immediately decide the amount of indemnity proceeds to be paid, and pay such amount within fifteen days from the date when the indemnity proceeds payable are determined.

④ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ③ is determined, it shall pay the interest on the late paid amount at the basic interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the Bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 21 (Time Limit)

The time limit for requesting indemnity proceeds is one year from the occurrence of a loss event.

Article 22 (Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under Paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is equal to 150% of the applicable interest rate of Underlying Contract, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full.

Article 23 (Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 24 (Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

Article 25 (Governing Law and Dispute Resolutions)

These Terms and Conditions shall be governed by and construed in accordance with the laws of Vietnam, and any dispute arising out of or in connection with such Terms and Conditions shall be submitted to and finally settled by the competent People's court located in Hanoi city.

VI. MORTGAGE LOAN BOND

General Terms and Conditions

Article 1 (Formation of Bond Contract)

① A bond contract shall be formed with a prospective bond principal's application for bond and a guarantee insurance company's acceptance thereof (The term "bond contract" shall be hereinafter referred to as the "Contract," "bond principal" as the "Principal", and "guarantee insurance company" as the "Company".).

- ② Any application and acceptance of the Contract shall be made in writing. The Company accepts the Application for bond from the prospective Principal by issuing the Bond to the prospective Principal.
- ③ The Company may, after receiving an Application for bond, reject the application or request the prospective Principal to furnish appropriate collateral and/or guarantee after examining the details of liabilities guaranteed by the Company, status of the prospective Principal's assets, his/her performance ability, credit rating, etc. (underwriting of the contract).
- ④ If, prior to acceptance by the Company, the prospective Principal has deposited any money with the Company in an amount equivalent to a premium, the prospective Principal shall pay the deposited amount as the premium when the Company accepts the Application for bond, thereby executing the Contract. If the Company rejects an Application for bond, it shall give a rejection notice and return, to the applicant, the amount of money deposited with the Company.
- ⑤ If a contract already formed is extended or amended, the Company may state such extension or amendment on the Bond instead of issuing another Bond.

Article 2 (Duty to Deliver Terms and Conditions and Duty to Explain, etc.)

① Upon receipt of an Application for bond from a prospective Principal, the Company shall deliver to him/her Terms and Conditions, and an Application for his/her keeping (a duplicate of the Application for bond) and explain important terms of the Terms and Conditions: Provided, that the Company may make such delivery and explanation in any of the following manners in the case of a bond contract made by communication media, such as telephone, mail, computer, etc., subject to the consent of the prospective Principal:

1. Delivering the Terms and Conditions or an application for the prospective Principal's keeping (a duplicate of the Application for bond) by an optical recording medium, an electronic mail, or any other electronic means. In such cases, the prospective Principal shall be deemed to have received the Terms and Conditions or the application for the prospective Principal's keeping (a duplicate of the Application for bond), when such documents have been delivered to the prospective Principal himself/herself or his/her representative;
2. Posting on a cyber-mall, which is a virtual sales counter established for bond transactions through a computer system, or providing via the electronic data interchange system built between the Company and the Beneficiary (hereinafter referred to as "EDI system") the Terms and Conditions and commentaries thereof (documents that explain important terms of the Terms and Conditions for the prospective Principal's understanding) for the Principal to read or download. In such cases, it shall be deemed that the Terms and Conditions have been delivered and the important terms of the Terms and Conditions have been explained to the prospective Principal, if the prospective Principal confirms that he/she has read or downloaded such documents;
3. Asking questions about, or explaining by telephone matters necessary for concluding the Contract, such as the details of the Application for bond, the payment of premium, the bond period, the duty to notify before the execution of the Contract, and the important terms of the Terms and Conditions. In such cases, it shall be deemed that the important matters of the Terms and Conditions have been explained, if the prospective Principal's answers and confirmations have been recorded by a sound recording system.

② An Application for bond submitted by the prospective Principal and the Terms and Conditions furnished to the Principal by the Company in accordance with paragraph ① shall form a part of the Contract.

③ The Company shall, if requested by the Principal, issue the Terms and Conditions or the Bond under paragraph ① to the Beneficiary.

Article 3 (Commencement of Coverage by the Company)

① The Company shall be deemed to have accepted an Application of bond on a date specified in the Bond issued by the Company to the Principal.

② The Company shall provide coverage to the Principal as stipulated in these Terms and Conditions from the time when the former accepts the Application for bond and receives premium.

Article 4 (Withdrawal of Application)

Prior to the Company's acceptance of an application of bond, the prospective Principal may withdraw his/her Application for bond, upon receipt of such withdrawal by the Company, the Company shall return any money deposited by the Principal with the Company back to the Principal without any interest accrued thereon.

Article 5 (Amendment of Terms and Conditions of Contract, etc.)

① A Principal may amend the following terms and conditions of the Contract with a written approval of the Company and a written consent of the Beneficiary. In such an event, the approval on the amendment of the terms and conditions shall be separately notified in writing by the Company or by way of recording on the back of the Bond:

1. The bond period;
2. Other contents of the Contract, including the Principal, the Beneficiary, and the bond amount.

② If a Principal intends to reduce the bond amount under subparagraph 2 of paragraph ① with a written consent of the Beneficiary, the Company shall deem the reduced portion of the Contract as terminated, and if there are any premiums to be returned to the Principal as a result of such reduction, the Company shall return such premium to the Principal as specified in Article 15 (Refund of Premium).

Article 6 (Loss Covered)

The Company shall, pursuant to the terms of the Bond and these Terms and Conditions, indemnify the Beneficiary for any Loss incurred due to the Default of Principal (only when the Default date falls within the Bond Period) under the Loan Contract specified in the Bond (hereinafter referred to as "the Underlying Contract").

Definition

“Loss” means the Company’s liability to pay Indemnity Proceeds or such lesser amount for which it may be liable under this Contract with respect to a Loan Contract which is covered by this Contract. A Loss shall be deemed to have been incurred when a Default occurs, notwithstanding that the amount of Loss is not then either presently ascertainable or due and payable.

“Loan Contract” means a Loan contract(s), regardless of the name, that agrees on the Beneficiary (Obligee and Mortgagee) loaning or lending cash to the Principal (Obligor and Mortgagor), and the Principal returning in cash when the time to return comes.

“Loan” means the indebtedness of Principal (giving effect to any subsequent increase or decrease in the principal amount of such indebtedness) in the amount and for the term specified in a written obligation secured by a Mortgage that is a first lien or equivalent charge on the Property.

“Default” means the failure of the Principal to pay: (i) a Loan payment in full on the due date as specified in the Loan documents, without giving effect to any grace period; and (ii) all amounts due upon acceleration of the Loan by the Beneficiary. A Loan is deemed to be in Default as of the close of business on the Loan payment due date or, if earlier, as of the close of business on the due date stated in the notice of acceleration given pursuant to the Mortgage.

“Mortgage” means the mortgage, deed of trust or other security instrument securing repayment of a Loan, together with all addenda, exhibits and riders thereto.

“Property” means the real property (including all improvements, appurtenances, rights of access, rights of ownership and use of common areas, recreational and other facilities, and additions thereto) subject to the Mortgage that secures a Loan.

Article 7 (Payment of Indemnity Proceeds)

- ① The loss that the Company shall be liable to indemnify is the uncollected amount in respect of the Loan less the portion of the loss for which the Beneficiary is responsible in accordance with Article 9 (Execution of Comprehensive Agreement) within the bond amount.
- ② Provided, the Company shall be liable to indemnify only after the Beneficiary collects debts from the Principal by executing the Mortgage on Property.

Article 8 (Loss Not Covered)

The Company shall not indemnify any loss resulting from any of the following causes:

1. Any causes for which the Beneficiary (and if the Beneficiary is a corporation, then including its directors or any institutions that execute its business) or their legal representatives are liable;
2. Non-performance of obligation due to war, revolution, civil war, incident, terrorism, riot, commotion, or any other accident similar thereto;
3. Non-performance of obligation due to an act of God such as earthquake, volcanic eruption, flood, tidal wave, or any other natural calamity similar thereto.

4. Radioactivity, explosiveness or other hazardous characteristics of nuclear fuels (including used fuels; hereinafter the same shall apply) or materials polluted by nuclear fuels (including a fission product), or any accident caused by these characteristics that keep the Principal from performing any of his/her obligations.

Article 9 (Execution of Comprehensive Agreement)

① For the purpose of efficient implementation of this contract, the Company and the Beneficiary may execute and implement a comprehensive agreement which provides for the qualifications of the Principal and type of Property, the method of mortgage establishment on Property, settlement method of premium, notice obligations, apportionment of loss, loss event, method of transfer of rights, maintenance of such comprehensive agreement, penalties for breach thereof, etc.

② The Company will not indemnify any loss caused by or aggravated as a result of a breach by the Beneficiary of any provision stipulated in the comprehensive agreement described in ① above.

Article 10 (Currency and Exchange Rate)

① The currency of the Contract shall be the currency specified in the Bond; Provided, that, unless the Vietnam laws permit the Principal to remit to the Beneficiary in a foreign currency (for instance, among others, where overseas remittance is necessary for the implementation of an international bidding package, and, for bidding in oil and gas industry), the currency of the Contract shall be Vietnamese Dong.

② If the currency of the Contract is a foreign currency due to the circumstances under paragraph ① above, and the Principal seeks to determine the amount of debt obligation in Vietnamese Dong and the Beneficiary seeks to receive indemnity proceeds in Vietnamese Dong, the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the indemnity proceeds shall be applied as the exchange rate.

③ If the currency of the Contract is a foreign currency due to the circumstances under paragraph ① above, and the Principal seeks to pay and refund the premium in Vietnamese Dong, the following exchange rate shall apply;

1. Receipt of Premium: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of payment of the premium (for cases involving installment payments of premium, the day of payment of each such installment, and for cases involving an amendment of the Contract, the day of payment of any additional premium, as applicable).

2. Refund of Premium: the first selling (offer) rate announced (quoted) by the primary bank of Seoul Guarantee Insurance Hanoi branch on the day of refund of the premium, and such rate shall be applied against the amount calculated by deducting the earned portion of the premium from the original premium in the foreign currency.

④ If there is no exchange rate announced on any of the days in paragraph ①, paragraph ②, or paragraph ③, the closing exchange rate of the day immediately preceding the day of receipt or refund, as applicable, shall be applied, and if there is no exchange rate announced for a foreign currency or it is difficult to apply any exchange

rate at all, the Company may use a different foreign currency for purposes of currency conversion, or apply any other exchange rate as determined by the Company at its discretion.

Article 11 (Duty to Notify before Execution of Contract)

At the time of filing the application, a Principal or his/her representative shall notify facts requested on the application form (including questionnaires) to the best of his/her knowledge.

Article 12 (Duty to Notify after Execution of Contract)

① If any of the following events occurs after the Contract is made, the Principal and/or the Beneficiary shall promptly notify the Company in writing;

1. When he/she intends to modify any matter stated in the Application for bond or realizes that any modification therein has occurred;
2. When the Principal is to be changed;
3. When the Beneficiary is to be changed;
4. When there are matters that may have an important effect on the duty of the Company to pay indemnity proceeds, such as the amount of coverage, term, etc. under the Underlying Contract.

② Upon receipt of the notification of any change by the Principal or the Beneficiary under paragraph ①, the Company shall decide whether to approve such change within one month, and accordingly may require an additional premium or return the premium already received.

③ The Principal and/or the Beneficiary shall bear all the loss that occurs as a result of neglecting the notification required under paragraph ①.

④ If the Principal has changed his/her address or contact information, he/she shall promptly notify the Company thereof: Provided, that if the Principal fails to give such notice, written notice given by the Company to the Principal to his/her most recent address or contact information notified to the Company shall be deemed to have been delivered to the Principal at the lapse of the period ordinarily required for delivery.

Article 13 (Notice of Delinquency and Urge of Performance)

If the Principal fails to pay the Loan when due, the Beneficiary shall promptly notify such a fact to the Company in writing and urge the Principal to perform its obligation.

Article 14 (Investigation of Books and Records)

① The Beneficiary shall keep the books, records and other documents related to the Underlying Contract for the Principal.

② The Company may investigate the abovementioned books, records and other documents or request the explanation or proof at any time.

③ The Company may audit the underwriting processes and verify the accuracy and completeness of any evidence, document or information provided by the Beneficiary.

Article 15 (Termination of Contract)

① The Principal may, with a written consent of the Beneficiary, terminate the contract at any time before any loss is incurred.

② The Company may terminate the whole or part of the Contract before or after the incurrence of Loss in the event that any of the following occurs.

1. Breach of Article 10 by the Principal, regarding which there exists the Beneficiary's intentional or gross negligence
2. Breach of Article 12 due to the reasons attributable to the Principal and/or the Beneficiary
3. Breach of Article 14 due to the reasons attributable to the Beneficiary
4. Breach of any of the obligations under this Terms and Conditions and/or Comprehensive Agreement under Article 9 and such breach has a material impact on the Company's liability due to the reasons attributable to the Principal and/or the Beneficiary
5. The material change of terms of the Loan Contract without prior consent from the Company

③ In the event of termination of the Contract in accordance with paragraph ② above even after the occurrence of the Loss, the Company shall not be liable to compensate the Loss.

Article 16 (Annulment of Contract)

The Contract shall be null and void if any of the following events occurs in relation to the Contract:

1. The Contract was formed by false or fraudulent acts of the Principal, the Beneficiary, or any of their representatives
2. A loss event has already occurred before the contract is entered into
3. Loan which is covered by the Contract has been executed violating the relevant law

Article 17 (Refund of Premium)

① The Company shall refund the premium if any of the following events occurs in relation to the Contract:

1. The Contract becomes invalid;
2. The Contract is terminated as per Article 15;
3. The Principal terminates the Contract prior to the occurrence of loss, by either obtaining consent from the Beneficiary, or by proving that the Company's obligations have been extinguished;
4. The Underlying Contract is not entered into, even though the Principal received the Bond issued by the Company.

② The Principal shall submit the Bond and documents showing the reason for refund specified in paragraph ① above at the time of making the claim for refund of the premium; provided, that in case the circumstances of the Beneficiary make it difficult to submit the Bond, the Principal is exempted from submitting the Bond.

③ The amount of premium that the Company shall refund is calculated by subtracting the earned premium (or, in case the minimum premium is higher than the earned premium, the minimum premium) from the premium received. Provided, that in the case of subparagraph 4 of paragraph ① above, the minimum premium shall be subtracted.

④ The earned premium specified in paragraph ③ shall be calculated as below:

1. In case the Contract is terminated because the Principal's obligations specified in the Underlying Contract are extinguished: calculated on the prorated daily basis, from the commencement date of the Bond period to the date of extinguishment of the Principal's obligations;

2. When the Contract is terminated for other reasons or the Contract becomes invalid: calculated on the prorated daily basis, from the commencement date of the Bond period to the date of receipt of application documents for refund of premium.

⑤ In case any loss is incurred or the Contract is annulled or canceled under Article 16, the all premium is earned and shall not be refundable.

Article 18 (Transfer)

No transfer of subject matter covered by the Contract shall be binding on the Company without a written consent of the Company, and where the Company grants a written consent, the entire rights and duties arising from the Contract shall be deemed to have been transferred.

Article 19 (Notification and Assessment of Damage)

① If the Principal and/or the Beneficiary discovers that a loss event has occurred, he/she shall promptly notify the Company of such a fact and cooperate in the Company's assessment of the damage upon its request.

② If the Beneficiary neglects to give notice or fails to cooperate in the assessment of loss under paragraph ① without a justifiable ground and consequently the loss is aggravated, the Company shall provide no compensation for such an aggravated loss.

Article 20 (Duty to Prevent and Mitigate Loss)

① If any loss event occurs, the Principal and/or the Beneficiary shall endeavor to prevent and mitigate the loss.

② If the Beneficiary has neglected to perform his/her duty under paragraph ① intentionally or by gross negligence, the loss that could otherwise have been avoided or reduced shall be deducted from the amount of indemnity proceeds.

③ The necessary and beneficial amount that is expended by the Beneficiary with the consent of the Company to prevent or mitigate the loss under paragraph ① shall be indemnified by the Company even in the case of exceeding the bond amount.

Article 21 (Claim for Indemnity Proceeds)

① When the Beneficiary claims the payment of indemnity proceeds, the Beneficiary shall submit to the Company the following documents:

1. A written claim for payment;
2. Document(s) identifying the Beneficiary;
3. The Bond or a copy thereof;
4. Proof on demanding the performance of the Underlying Contract to the Principal;
5. Copies of the Underlying Contract and documents related to the establishment of Mortgage over the Property
6. Documents evidencing qualifications of the Principal;
7. Documents specifying the loss;
8. Other documents required by the Company

② Where the Beneficiary makes false entries intentionally or due to gross negligence on the document(s) specified in paragraph ①, or commits forgeries or counterfeiting of such document(s), the Company shall not indemnify the Loss.

③ If the Beneficiary transfers documents required for a claim via EDI system or via such other methods, the Company shall deem that the Beneficiary has submitted such documents in accordance with subparagraph 1 through 3 of paragraph ①

④ Upon receipt of a claim to pay indemnity proceeds under paragraph ①, the Company shall promptly decide the amount of indemnity proceeds to be paid, and pay such an amount within fifteen days from the date when the indemnity proceeds payable are determined.

⑤ If the Company fails to pay indemnity proceeds within fifteen days after the amount of the indemnity proceeds payable under paragraph ④ is determined, it shall pay the interest on the late paid amount at the basic

interest rate set by the State Bank of Vietnam at the time of payment, for the period from the date from which the payment is delayed until the date on which the indemnity proceeds are paid, provided however that, if any specific provisions are made on the Bond as may be requested by the Beneficiary or the Principal, then the parties shall act in accordance with such provisions.

Article 22 (Time Limit)

① Under Article 28 of the Law on Insurance Business (No.61/2010/QH12 of November 24, 2010), the time limit for requesting indemnity proceeds shall be one year from the date the loss event occurs.

② The period from the date Default occurs to the date Mortgage execution on Property is completed shall not be counted into the time limit specified in paragraph ①, and such a period is granted by the Company in recognition of the fact that the Beneficiary has objective obstacles to file a claim.

Article 23 (Right to Indemnity and Subrogation)

① If the Company pays indemnity proceeds (including by way of payments made in kind) to the Beneficiary in the absence of any agreement to the contrary, the Company shall have the right to claim indemnity against the Principal, and to the extent the Beneficiary's interest is not adversely affected, shall be subrogated to any rights of claim that the Beneficiary may have against the Principal.

② If the Principal delays the repayment of any obligation arising under paragraph ①, the Principal shall be liable for any loss incurred as a result of the delay as well as the following expenses:

1. Expenses incurred for the preservation, transfer and exercise of indemnity claims or subrogated claims;
2. Expenses incurred for the inspection, collection and disposal of collateral;
3. Litigation expenses, legal expenses incurred for the preservation of claim execution (including revocation), exercise of claim, and expenses for the inquiry on the Principal's properties;
4. Other expenses to be borne by the Principal in accordance with law and under any agreements.

③ The amount of loss incurred due to delay under paragraph ② shall be calculated by multiplying the amount of indemnity proceeds paid by the Company by the interest rate that is equal to 150% of the applicable interest rate of the Underlying Contract, for the entire period from the day following the payment of indemnity proceeds by the Company to the day all outstanding obligations are repaid in full.

Article 24 (Order of Appropriation of Repayment, etc.)

① If an amount repaid by the Principal or an amount collected by the Company through the exercise of security rights, setoff or the collection of claims is insufficient to repay the full amount of the Principal's debts, the repayment shall be applied in the order of the expenses, indemnity proceeds (the principal), and interest.

② If more than one debt is to be repaid and the amount collected is insufficient to repay the full amount of the debts, the related laws and regulations shall apply with respect to the amount collected through compulsory execution, the exercise of security rights, etc.

③ If more than one debt is to be repaid and paragraph ② above is not applicable, the repayment shall be applied according to the order designated by the Principal: Provided, that where it might impede the preservation of claims by the Company, the Company may immediately make an objection and change the debt appropriation order taking into consideration whether any security in kind or guarantee is in place, the order in which the claims to any debts will be limited by a statute of limitation, etc.

Article 25 (Disposal of Collateral)

In the event the Company pays indemnity proceeds, collateral furnished by the collateral provider shall be disposed of in accordance with applicable legal procedures and the contract creating the collateral rights. However, the Company may dispose of any collateral by such method, time and price as the Company deems appropriate, provided that there is a price quoted for the collateral in an established exchange or otherwise the Company expects to receive advantageous terms of disposal, and the Company can apply the net balance after deducting any expenses related to the disposal from the proceeds of disposal in satisfaction of any outstanding debts.

Article 26 (Governing Law and Dispute Resolutions)

These Terms and Conditions shall be governed by and construed in accordance with the laws of Vietnam, and any dispute arising out of or in connection with such Terms and Conditions shall be filed with and finally settled by the competent People's court located in Hanoi city.

Special Terms and Conditions

Premium Payment in Installments

Article 1 (Payment of Premium in Installments)

With the Company's approval, the Principal, the Beneficiary, or any other interested parties regarding the Contract may pay the premium in up to four installments per year over the bond period in a manner agreed upon with the Company when entering into the Contract. However, the first installment premium shall be paid at the time of entering into the Contract.

Article 2 (Termination of Contract)

Where the premium is paid in installments, if from the second installment, any installment is not made on the agreed date, a 14-day grace period shall be provided, and any Loss occurring during the grace period shall be indemnified by the Company.

Article 3 (Revival of Contract)

① If the Principal makes a request, within 30 days after the Contract has been terminated under Article 2 above, to have the Contract revived and makes payment of all outstanding premiums, the Contract will continue to be effective.

② In the case described in paragraph ① above, the Company shall not indemnify for a loss incurred from the date on which the Contract was terminated to the date on which the overdue premiums have been paid.

Article 4 (Deduction of Unpaid Premium)

In the event the Company pays indemnity proceeds before the premium has been fully paid, the Company shall deduct the unpaid premium amount from the Loss to be paid by the Company.

Article 5 (Governing Provisions)

Any matters not stipulated in these Special Terms and Conditions shall be governed by the General Terms and Conditions.