

Date: 18-Nov-2020

Martin Jäger
Secretary of State
Federal Ministry of Economic Cooperation and Development (BMZ)
Stresemannstr. 94
10963 Berlin

Contribution Agreement between the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany and the International Bank for Reconstruction and Development concerning the trust fund for the Clean Technology Fund (MTO No. 069011)

Dear Mr. Jäger:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development, as trustee (the “Trustee”) of the trust fund for the Clean Technology Fund (MTO No. 069011) (the “Trust Fund”), the intention of the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (the “Contributor”) to make available the sum of eighty million Euros (EUR 80,000,000) (the “Contribution”) as a contribution to the Trust Fund.
2. The Contribution shall be administered by the Trustee on behalf of the Contributor in accordance with the terms of this Agreement and the “Standard Provisions Applicable to the Clean Technology Fund” (the “CTF Standard Provisions”) attached hereto as Annex 1. The CTF Standard Provisions constitute an integral part of this Agreement. Defined terms used in this Agreement and not defined herein shall have the meanings given to them in the CTF Standard Provisions.
3. Pursuant to paragraph 3.1 of the CTF Standard Provisions, the Contributor hereby elects to provide the Contribution as a Grant Contribution.
4. The Contributor shall deposit the Contribution into such bank account designated by the Trustee upon countersignature of this Agreement by the Contributor and submission of a payment request by the Trustee.
5. When making any deposit, the Contributor shall instruct its corresponding bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Contributor for MTO No. 069011 (Clean Technology Fund), and the date of the deposit.
6. Promptly following receipt of the Contribution funds in cash and the Trustee’s determination that the funds have been credited to the Trust Fund, the Trustee shall convert such funds into United States dollars.

7. The offices responsible for coordination of all matters related to the implementation of this Agreement are:

For the Trustee:

Director
Trust Funds and Partner Relations
Development Finance
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Tel: +1 202-473-7654
Fax: +1 202-522-2447
E-mail: ciftrustee@worldbank.org

For the Contributor:

Head Climate Finance
Federal Ministry for Economic Cooperation and Development - BMZ
Dahlmannstr. 3
53113 Bonn
Germany

Tel: +49 228 99 5353213
E-mail: RL421@bmz.bund.de

8. This Agreement may be amended only by written agreement between the Trustee and the Contributor; provided, however, that Annex 1 (CTF Standard Provisions) to this Agreement may only be amended with the agreement of all Contributors contributing to the Trust Fund.

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9. Please confirm your agreement with the foregoing, on behalf of the Contributor, by signing, dating, and returning to us the enclosed original of this Agreement. Upon receipt by the Trustee of the original of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Trustee of the trust fund for the Clean Technology Fund**



Dirk Reinermann
Director
Trust Funds and Partner Relations

CONFIRMED AND AGREED:

**THE FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT
of the FEDERAL REPUBLIC OF GERMANY**

By: Martin Jäger Date: 23-Nov-2020

Name: Martin Jäger

Title: Secretary of State,
Federal Ministry for Economic Cooperation and Development

Standard Provisions Applicable to the Clean Technology Fund

The following provisions (the “CTF Standard Provisions”) shall be applicable to and form an integral part of all Contribution Agreements entered into between the Trustee, acting not personally or in its individual capacity but solely in its capacity as trustee of the Trust Fund, and Contributors.

1. Definitions

1.1. Capitalized terms hereinafter appearing in the CTF Standard Provisions, but not otherwise defined, shall have the same meaning as that ascribed to them in the CTF Governance Framework Document, and the terms set forth below shall have the following meanings:

“Administrative Costs” means administrative and other costs incurred by any of the Trustee, the Administrative Unit and the MDBs, in connection with the performance of their administrative services and other activities in support of the CTF, but excluding any costs which are separately covered by any project/program fees provided by the CTF.

“Administrative Unit” means the administrative unit established to support the work of the CIF and to support the CTF Trust Fund Committee and other bodies of the CIF, in accordance with the terms of the CTF Governance Framework Document.

“Capital Contribution” means a capital contribution provided to the Trust Fund by any Contributor.

“CIF” means the Climate Investment Funds established by the World Bank, in consultation with the MDBs, developed and developing countries, and other development partners, which include the SCF and the CTF.

“Contribution” means any Grant Contribution, Capital Contribution and Loan Contribution, administered by the Trustee pursuant to the provisions of the Contribution Agreement.

“Contribution Agreement” means any contribution agreement (including a Loan Agreement in case of the Loan) entered into between the Trustee and any Contributor in respect of the Contributor’s Contribution to the Trust Fund.

“Contributor” means any country (including any ministry and agency thereof), or, if agreed by the Trust Fund Committee and the Trustee, such other entity, that provides a Contribution to the Trust Fund.

“Contributor’s Share” or “Share” means the amount of the beneficiary interest in the Trust Fund resources owned by any Contributors providing Grant or Capital Contributions and calculated pursuant to paragraphs 13.1 and 13.2 below.

“CTF” means the Clean Technology Fund established in accordance with, and for the purposes set forth in, the CTF Governance Framework Document, under the framework of the CIF.

“CTF Governance Framework Document” means the Governance Framework for the CTF, adopted by the CTF Trust Fund Committee at the joint meeting of the Trust Fund Committees for the SCF and the CTF on November 18, 2008, as may be amended from time to time in accordance with its terms.

“CTF Trust Fund Committee” means the trust fund committee of the CTF, established in accordance with the terms of the CTF Governance Framework Document.

“Final Transfer Date” means the earlier of (a) the six (6) month after the last date on which any Reflow is scheduled to be returned to the Trust Fund, as notified by MDBs consistent with the terms of the pertinent CTF funding approved by the CTF Trust Fund Committee, and (b) six (6) months after the date of notice provided by the Trustee under paragraph 12.2 below to terminate its role as trustee of the Trust Fund.

“Financial Procedures Agreements” means any financial procedures agreement entered into between the Trustee and any MDB.

“Grant Contribution” means a grant contribution provided to the Trust Fund by any Contributor.

“IBRD” means the International Bank for Reconstruction and Development.

“Investment Income” means the aggregate amount of (i) any investment income earned from the investment of Trust Fund funds pursuant to paragraph 5.3 below and (ii) any investment income earned on Trust Fund funds transferred to MDBs, to the extent that such income has been returned to the Trustee by the MDBs.

“Loan” means a loan provided to the Trust Fund by any Contributor pursuant to the terms of the Loan Agreement.

“Loan Agreement” means a loan agreement entered into between the Trustee and any Contributor providing a Loan.

“MDBs” means the multilateral development banks named in the Governance Framework.

“Principles regarding Contributions to the CTF” means the Principles regarding Contributions to the Clean Technology Fund attached as Appendix A to the CTF Standard Provisions.

“Reflow” means any payments of principal, interest, fees or any other reflow of funds from CTF loans or other financial products other than grants, which are due to be returned to the Trust Fund, pursuant to the Financial Procedures Agreement consistent with the terms of the pertinent CTF funding approved by the CTF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from CTF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on CTF resources held by any MDB.

“Return of Other Funds” means any funds, other than Reflows, due to be returned to the Trust Fund, pursuant to the Financial Procedures Agreement consistent with the terms of the pertinent CTF funding approved by the CTF Trust Fund Committee.

“SCF” means the Strategic Climate Fund established under the framework of CIF.

2. Establishment of the Trust Fund

2.1. The Trust Fund is established to support the purpose and objectives of the CTF. The governance and operational framework applied to the CTF is set out in the CTF Governance Framework Document.

3. Contributions

3.1. The Trustee may accept Contributions from Contributors in accordance with the provisions of the CTF Standard Provisions and the Contribution Agreement. Contributors may make Contributions in the form of (i) a Grant Contribution, (ii) a Capital Contribution, or (iii) with the consent of all Contributors to the Trust Fund and the Trustee, a Loan. The Contributions shall be subject to the terms set out in the Principles regarding Contributions to the CTF.

3.2. Grant or Capital Contributions to the Trust Fund may be made by means of payment in cash, or with the agreement of the Trustee, by the delivery to the Trustee of promissory notes payable on demand or similar obligations in a form acceptable to the Trustee. Grant or Capital Contributions may be paid in one lump sum or in installments on the terms agreed with the Trustee.

3.3. The terms of payments agreed between the Trustee and the Contributor under paragraph 3.2 shall be specified in the Contribution Agreement; provided, however, that, with the agreement of the Trustee, the Contributor may make, and the Trustee may accept, payments in cash or encashments of promissory notes or similar obligations, in a currency other than the currency of the Grant or Capital Contribution indicated in the Contribution Agreement.

3.4. If any Contributor provides a Loan to the Trust Fund, the Trustee shall administer the Loan in accordance with the CTF Standard Provisions and the Loan Agreement entered into between the Contributor and the Trustee; provided that the Loan Agreement shall include the principal terms of the Loan agreed in writing by all Contributors to the Trust Fund, including the Principles regarding Contributions to the CTF. Principal, interest and any other payments to be made on the Loan shall be made solely from the applicable resources made available in the CTF Trust Fund for such payments. Neither IBRD itself nor any of the other Contributors will have any personal liability with respect to the Loan.

4. Administration of the Contributions

4.1. The Trustee shall be responsible only for performing those functions specifically set forth in the Contribution Agreement and shall not be subject to any other duties or responsibilities to the Contributors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

5. Commingling, Exchange and Investment of the Contributions

5.1. The Contribution funds in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the IBRD. The Contribution funds may be commingled with other trust fund assets maintained by the IBRD.

5.2. The Contribution funds may be freely exchanged by the Trustee into other currencies as may facilitate their disbursement.

5.3 The Trustee shall invest the Trust Fund funds, including the Contribution funds in the Trust Fund, pending their disbursement in accordance with the IBRD's policies and procedures for the investment of trust funds administered by the IBRD. The Trustee shall credit all income from such investment to the Trust Fund to be used for the purposes provided in the Standard Provisions.

6. Use of Trust Fund Resources

6.1. Subject to paragraphs 6.3, 6.4, and 6.5 below and to the availability of applicable resources held in the Trust Fund as determined by the Trustee, the Trustee may commit, transfer and/or use the Trust Fund resources for any purpose approved and in the amount allocated by the Trust Fund Committee in accordance with the terms of the Governance Framework and the Contribution Agreement.

6.2. In case any Loan is provided to the Trust Fund, subject to paragraphs 6.3 and 6.5 below, the Trustee may make, from the Trust Fund resources, principal, interest and any other payments on the Loan in accordance with the terms of the Loan Agreement entered into pursuant to paragraph 3.4 above.

6.3. Commitments, transfers and use of the Trust Fund funds under paragraphs 6.1 and 6.2 above shall be subject to the terms set out in the Principles regarding Contributions to the CTF.

6.4. Commitments and transfers of Trust Fund funds for the Administrative Costs shall be applied first, against the Investment Income, and second, against all other resources of the Trust Fund.

6.5. Should there be insufficient resources available in the Trust Fund, at any given time, to make commitments and transfers of funds for all amounts allocated by the CTF Trust Fund Committee and payments under the Loans pursuant to paragraphs 6.1, 6.2 and 6.3 above, the Trustee shall allocate the Trust Fund resources in the following order: first, commitments and transfers of funds for the Administrative Costs to the extent the Investment Income is available to cover such amount, second, payments on the Loans, third, commitments and transfers of funds for the Administrative Costs that are not covered by the Investment Income, and fourth, commitments and transfers for any other purposes.

7. Administrative Costs

7.1. Trust Fund resources may be used to cover the Administrative Costs incurred by each of the Trustee, the Administrative Unit and the MDBs. Upon approval of any proposal by the CTF Trust Fund Committee for compensation for the Administrative Costs pursuant to the terms of the Governance Framework, the Trustee may transfer to each party the respective amount of compensation approved for that party; provided that such amount of compensation transferred shall be subject to an end of year adjustment based on actual costs incurred.

7.2. In the event that the CTF Trust Fund Committee shall have decided to cease making allocations of funding prior to the Final Transfer Date and approved proposals for compensation for the Administrative Costs until the Final Transfer Date pursuant to the terms of the CTF Governance Framework Document, the Trustee may, upon approval of the proposal by the CTF Trust Fund Committee, transfer to each of the MDBs, the Administrative Unit and the Trustee, the

respective amount of compensation approved for that party; provided that if any funds transferred are unused by any such party after the completion of its services in support of the CTF, such party shall return the unused funds to the Trust Fund.

8. Procedures to Govern Transfer of Resources to the MDBs

8.1. The Trustee shall, subject to paragraphs 6.1 and 6.2 above and to the availability of applicable resources held in the Trust Fund as determined by the Trustee, commit and transfer Trust Fund funds to the MDBs in accordance with the Financial Procedures Agreements entered into between the Trustee and the MDBs.

8.2. The Financial Procedures Agreements shall provide that each MDB shall be responsible for:

- i) the use of the Trust Fund funds transferred to it and activities carried out therewith in accordance with: x) its policies and procedures (including in respect of procurement of goods and services and reporting arrangements), and y) the applicable decisions of the CTF Trust Fund Committee, including the purpose for which the allocations of the funds have been approved, and
- ii) reporting to the CTF Trust Fund Committee on its activities in accordance with the terms of the CTF Governance Framework Document.

In addition, recognizing the obligations of MDB member countries under various United Nations Security Council Resolutions to take measures to prevent financing of terrorists, the Trustee will include in each Financial Procedures Agreement that the MDB will use reasonable efforts, in accordance with the MDB's policies and procedures, to ensure that the funds provided to the MDB by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents.

8.3. The Trustee shall require, and accept from, the MDBs that have received Trust Fund funds from the Trustee, an audited financial report and/or periodic unaudited financial reports, as agreed between the Trustee and the CTF Trust Fund Committee. The Trustee shall furnish the CTF Trust Fund Committee and each Contributor with i) copies of all audited financial reports, and ii) upon request, any other relevant financial information, received from the MDBs under the Financial Procedures Agreements.

8.4. Upon the transfer of funds, the Trustee shall have no responsibility for the use of Trust Fund funds transferred and activities carried out therewith, including collection of Reflows or Return of Other Funds due to any MDB from the beneficiaries of CTF funding or such other entities. Each MDB will be responsible for reporting to the CTF Trust Fund Committee on its activities carried out with Trust Fund funds pursuant to the CTF Governance Framework Document and the Financial Procedures Agreement.

9. Reflow and Return of Funds by the MDBs

9.1. The Trustee shall receive, by way of transfers of funds from the MDBs pursuant to the Financial Procedures Agreements, any Reflows or Return of Other Funds, which are received or held by the MDBs and due to be returned to the Trust Fund under the terms of the pertinent CTF funding approved by the CTF Trust Fund Committee. Any Reflow or Return of Other Funds received by the Trustee shall be credited to the Trust Fund.

10. Employment of Consultants and Procurement of Goods

10.1. Procurement of goods and services by the Trustee or the Administrative Unit for activities financed by Trust Fund resources shall be made in accordance with the policies and procedures of the IBRD. Procurement of goods and services for activities financed by Trust Fund resources transferred to the MDBs shall be made in accordance with the policies and procedures of the respective MDB as set out in paragraph 8.2 above.

11. Accounting and Financial Reporting

11.1. The Trustee shall maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund and disbursements made therefrom.

11.2. The Trustee shall report to the CTF Trust Fund Committee annually unless otherwise agreed between the Trustee and the CTF Trust Fund Committee, on the status of allocation of funding recorded by the Trustee, commitments, transfers and use of funds from the Trust Fund and receipts of funds in the Trust Fund. Upon request by a Contributor, the Trustee will quarterly furnish such financial information to the Contributor.

11.3. The Trustee shall cause a financial statement prepared by the Trustee with respect to the Trust Fund to be audited by the IBRD's external auditors annually unless otherwise agreed between the Trustee and the CTF Trust Fund Committee; provided that the cost of any such audit, including the internal costs of the Trustee with respect such audit, shall be included in the Trustee's Administrative Costs. The Trustee shall furnish the CTF Trust Fund Committee and each Contributor with copies of such audited financial statement and auditor's report as soon as practicable.

12. Termination

12.1. In the event that the CTF Trust Fund Committee shall cease making allocations from the outstanding balance of the Trust Fund pursuant to the terms of the CTF Governance Framework Document, the Trustee shall continue to administer the Trust Fund after the date of cessation of allocation by the Trust Fund Committee until the Final Transfer Date in accordance with the provisions of the Contribution Agreement.

12.2. The Trustee may terminate its role as trustee of the Trust Fund at any time after giving the CTF Trust Fund Committee six (6) months notice in writing. Following termination, the Trustee shall carry on no business for the Trust Fund except for the purpose of winding up its affairs. The Trustee shall, in consultation with the CTF Trust Fund Committee to the extent possible, take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee, including any outstanding liability under any Loan, and the transfer or return of the Contributors' Shares in any remaining funds, assets and receipts in the Trust Fund pursuant to paragraphs 13.4, 13.5 and 13.6 below.

13. Contributor's Share

13.1. Contributors providing the Grant and Capital Contributions shall have beneficiary interests in the Trust Fund resources in the amount equal to the Contributor's Share. The Contributor's Share shall consist of: (a) the pro-rata share of the outstanding unallocated balance of the Trust Fund, including any Reflow and Return of Other Funds received, as of the date of calculation, and (b) the pro-rata share of any Reflow and/or Return of Other Funds received in the Trust Fund after

the date of calculation, to the extent that such funds are received from the financing allocated prior to the date of calculation; provided, however, to the extent Contributors provide funds to the Trust Fund that are used to fund grants rather than loans or other financial products, such Contributors will not share in Reflows, Return of Other Funds, defaults, CTF net income or any unused balance of funding to the extent of such grant funding, in accordance with the terms of Principles regarding Contributions to the CTF. For the avoidance of doubt, the outstanding unallocated balance of the Trust Fund shall exclude the amounts due to the Contributors under any Loan.

13.2. For the purpose of paragraph 13.1 above, the pro-rata share shall be calculated based on the aggregate amount of the Contributor's Grant and/or Capital Contribution paid to the Trust Fund, relative to the aggregate amount of all Grant and Capital Contributions received in the Trust Fund (but excluding the amount of the Contributions withdrawn pursuant to paragraph 13.3 below), as of the date of calculation.

13.3. Upon three (3) months' prior written notice, any Contributor providing the Grant or Capital Contribution may withdraw, prior to the Final Transfer Date, all or part of the Contributor's Share in the Trust Fund. Following the withdrawal by the Contributor, the Trustee shall return to the Contributor the amount of the Contributor's Share withdrawn, but only as and when such resources are made available to the Trustee. Notwithstanding the foregoing, the Contributor providing the Grant or Capital Contribution may not withdraw any part of the Contributor's Share, unless the Trustee is satisfied that there will remain sufficient assets to manage all outstanding obligations under any Loan.

13.4. Following the Final Transfer Date, the Trustee shall transfer or return Contributors' Shares as and when such resources are made available to the Trustee. In respect of the Contributors providing Grant Contributions, the Trustee, on behalf of each such Contributor, will endeavor to transfer the Contributor's Share to another trust fund, which has a similar objective as the Trust Fund, as determined by the Trust Fund Committee, unless a different arrangement is decided between a Contributor and the Trustee. In respect of the Contributors providing the Capital Contributions, the Trustee shall return to the Contributors their Shares.

13.5. If the Trust Fund Committee is unable to determine another trust fund under paragraph 13.4 within six (6) months of the Final Transfer Date, or if a transfer of funds to another trust fund determined by the Trust Fund Committee is not reasonably practicable, the Trustee shall return the Contributors their Shares.

13.6. If the Trustee receives any Reflows or Return of Other Funds from any MDB after the Final Transfer Date, the Trustee shall transfer such funds to another trust fund referred to in paragraph 13.4 above or return the Contributors their Shares in such funds, as applicable.

14. Disclosure

14.1. The Contributor consents that the Trustee may disclose the Contribution Agreement, annual reports of the CTF and any other information on the Trust Fund in accordance with the IBRD's policy on disclosure of information.

Principles regarding Contributions to the Clean Technology Fund

1. General Principles
- 1.1. Contributors can provide funding to the Trust Fund as grants, capital contribution and concessional loans with IDA-like terms.
- 1.2. There will be no cross subsidies among the contributors.
- 1.3. Outgoing financing from the CTF can be no more concessional than incoming financing.
 - (a) Grant contributions may be used to finance grants, concessional loans and other financial products, such as guarantees.
 - (b) Capital contributions may be used to finance concessional loans and other financial products, such as guarantees;
 - (c) Loan contributions may be used to finance loans and other financial products, such as guarantees, on terms no more concessional than the terms of the contributions; provided that, for programs and projects for which the CTF Trust Fund Committee approved allocation of CTF resources after November 1, 2013, loan contributions may not be used to finance equity, subordinated debt / mezzanine instruments with convertible features, convertible grants and contingent recovery grants, contingent recovery loans, first loss guarantees (both single project and portfolio), and any other financial products proposed under programs or projects as agreed in writing by the contributors and the Trustee (collectively, “Higher Risk Profile Financial Products”).
- 1.4. The CTF cannot blend financing from grant and capital contributions with financing from loan contributions unless it is on terms no more concessional than the terms of the loan contributions or supports separate parts of a project (for example, grants for technical assistance and concessional loans for investment financing).
- 1.5. The CTF Trust Fund Committee is responsible for determining the terms of outgoing financing (bearing in mind principle 1.3 above and other financial management issues as determined by the Trustee), including financing and terms for the private sector.
- 1.6. All sources of funds will be co-mingled for administrative and investment purposes. Sources of funds comprise:
 - (a) Funding from contributors, as described in principle 1.1 above,
 - (b) Investment income earned on the undisbursed balance of the CTF,
 - (c) Investment income returned from MDBs,
 - (d) Interest (service charge) payments on outgoing loans and guarantee fees,
 - (e) Principal repayments on outgoing loans, and

- (f) Reflows from MDBs related to unused guarantee funds, grant and loan funds and administrative budget.

The Trustee will keep records and report on the amount received for each source of funds on an aggregate basis.

- 1.7. Loan contributors will provide loans to the CTF at 0.75% interest, 20 years maturity and 10 years grace on principal repayments. The CTF will make interest and principal payments to loan contributors in accordance with the terms of the loan agreement. Such loan agreements will provide for a reduction in the principal payments in case of losses on outgoing CTF financial products¹, as described in section 2 below.
- 1.8. Losses on outgoing CTF financial products will be shared by all contributors on the same basis, in proportion to their overall contributions to the CTF (excluding the portion, if any, used for outgoing grants and Higher Risk Profile Financial Products) and covered from the CTF net income as described in section 2 below.
- 1.9. Following repayment of the loan contributors loans, the remaining contributors will then bear the risk on losses on all outgoing financial products under the CTF, including Higher Risk Profile Financial Products, that remain outstanding, and upon termination of the Trust Fund will share on a pro-rata basis the outstanding unallocated balance, including any reflow of funds received; provided, however, to the extent contributors provide funds to the CTF that are used to fund grants, such donors will not share in CTF reflows, losses, CTF net income or any unused balance of funding to the extent of such grant funding.

2. Agreement on the CTF Net Income and Losses on Outgoing CTF Financial Products

- 2.1. Losses on outgoing CTF financial products will be shared by all contributors on a pro-rata basis proportional to their overall contributions to the CTF (excluding the portion, if any, used for grants and Higher Risk Profile Financial Products). Such losses will be covered, to the extent available, by (i) net investment income on the CTF, (ii) interest received on outgoing CTF loans in excess of 0.75 per cent, excluding those received from Higher Risk Profile Financial Products, and (iii) guarantee fees in excess of 0.75 percent, excluding those received from Higher Risk Profile Financial Products (collectively “CTF net income”).²
- 2.2. The CTF will make interest and principal payments to loan contributors in accordance with the terms of the loan agreements.
- 2.3. Twenty five months prior to the maturity date of the loans, the Trustee will calculate (i) each loan contributor’s pro rata share of the cumulative amount of losses on outgoing CTF financial products, excluding the Higher Risk Profile Financial Products, up to such calculation date (i.e., the difference between the scheduled reflows due to the CTF on all CTF outgoing financial products, excluding scheduled reflows from Higher Risk Profile

¹ Losses on outgoing CTF financial products would include defaults and losses on outgoing loans, guarantees and other financial products from the CTF, excluding defaults and losses from Higher Risk Profile Financial Products.

² If financial products other than loans, guarantees and Higher Risk Profile Financial Products, which generate reflows, are provided from the CTF, any reflows received in excess of 0.75 percent, after deducting the original principal amount, will be included in the CTF net income.

- Financial Products, up to that date and the actual payments on those products received by the CTF up to that date) and (ii) each loan contributor's pro rata share of cumulative CTF net income up to such calculation date. In the event (i) exceeds (ii), the Trustee will adjust either the last or the last two years repayments by deducting the difference between (i) and (ii).
- 2.4. To ensure that the last two years of principal repayments to loan contributors will fully cover the cumulative loss amount attributed to their contribution, the Trustee will periodically review accumulated loss amounts. If the Trustee determines at any time that loan contributor's pro-rata share of the loss amount is likely to exceed loan contributor's pro rata share of CTF net income at the point that is two years prior to the maturity date of the loan contributors loans, it shall convene a meeting of the Trust Fund Committee to review the situation and to agree on steps to be taken. The Trustee will propose to the Trust Fund Committee all possible actions that may be taken so that there will be sufficient funds available to repay the loan contributors loans in accordance with their terms.
- 2.5. In the event that the loan contributor's pro rata share of cumulative CTF net income as of the calculation date exceeds their pro rata share of the cumulative loss amount as of such date, loan contributors will not receive the excess amount of CTF net income. Instead, loan contributors will have received 100% of the scheduled interest and principal payments on their loans to the CTF.