

Guarantee Facility Agreement

between

**THE UNITED STATES OF AMERICA
ACTING THROUGH ITS
DEPARTMENT OF THE TREASURY**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

GUARANTEE FACILITY AGREEMENT

This Guarantee Facility Agreement, dated as of November 9, 2024 (including any annexes thereto, and as may be amended, supplemented or otherwise modified from time to time, (the “Agreement”), entered into between:

- (1) the UNITED STATES OF AMERICA ACTING THROUGH ITS DEPARTMENT OF THE TREASURY (the “Guarantor”); and
- (2) the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”).

WHEREAS:

- (A) The Guarantor has agreed, for the term of this Agreement, to provide a financial guarantee to the Bank for loan payments due to the Bank arising under the Covered Loan Agreements in accordance with the terms of this Agreement (the “Guarantee”);
- (B) the Guarantor has agreed to provide the Guarantee (as defined above herein), to support projects or operations undertaken by the Borrower that address energy transition and climate change mitigation challenges; and
- (C) in order to implement the Guarantee, the Parties (as defined herein) enter into this Agreement in accordance with the following terms.

ARTICLE I –DEFINITIONS

Section 1.01. Definitions. Unless the context requires otherwise, capitalized terms used in this Agreement have the meanings set forth below:

“Agreement” has the meaning given in the preamble.

“Bank” has the meaning given in the preamble.

“Borrower” means India, or the borrower that is party to a Covered Loan Agreement supported by a Sovereign Guarantor.

“Business Day” means a day (other than a Saturday or Sunday) when banks and U.S. federal government offices are generally open for business in Washington, DC and New York, New York.

“Covered Loan Agreement” means each loan agreement between the Bank and a Borrower, including, where relevant, a sovereign guarantee issued by a Sovereign Guarantor in support of such loan, for which the Bank has applied the Guarantee provided herein in

accordance with the eligibility criteria and terms agreed with the Guarantor under this Agreement.

“Default Interest” means the one half of one percent (0.5%) premium that is added to the applicable interest rate if the Default Interest Rate is applicable under a Covered Loan Agreement, as that premium may be adjusted from time to time, and as such Default Interest Rate is defined under the relevant General Conditions applicable to the relevant Covered Loan Agreement.

“Demand Notice” means a written notice requesting a payment by the Guarantor under Section 2.01 (*Guarantee*), signed by an authorized representative of the Bank, which shall set forth in reasonable detail a calculation of the Pro rata Guaranteed Amount payable by the Guarantor in accordance with Article II and shall provide the relevant wire transfer details for the Bank or other payment instructions.

“Dispute” has the meaning given to it in Section 6.03 (*Dispute Resolution*).

“Effective Date” means the date stated at the beginning of this Agreement.

“Electronic Address” means the designation of a party that uniquely identifies a person within a defined electronic communications system for purposes of authenticating the dispatch and receipt of Electronic Documents.

“Electronic Document” means information contained in this Agreement or a notice or request under this Agreement that is transmitted by Electronic Means.

“Electronic Means” means the generation, sending, receiving, storing or otherwise processing of an Electronic Document by electronic, magnetic, optical or similar means, including, but not limited to, electronic data interchange, electronic mail, telegram, telex or telecopy, acceptable to the Guarantor and the Bank.

“Termination Date” means the earlier of (a) the date which occurs six months after all the Borrower’s obligations are fully and unconditionally repaid or prepaid and discharged under the Covered Loan Agreement with the longest maturity benefitting from the Guarantee hereunder; or (b) payments by the Guarantor hereunder reach the Maximum Guaranteed Amount.

“General Conditions” means the General Conditions as such term is defined in the relevant Covered Loan Agreement.

“Guarantee” has the meaning given in the preamble.

“Guarantee Amount” means any Scheduled Payment amount that remains unpaid by the Borrower for six (6) months after the due date therefor following a Non-accrual Event.

“Guarantor” has the meaning given in the preamble.

“Maximum Guaranteed Amount” means the maximum guaranteed principal of United States dollars one billion (US \$1,000,000,000) plus the interest (excluding Default Interest) due and payable at any time under the Covered Loan Agreements on such maximum guaranteed principal amount.

“Non-accrual Event” has the meaning given in Section 2.01(c) and (e) (*Guarantee*).

“Party” means each of the Guarantor and the Bank.

“Pro Rata Guaranteed Amount” means, at any time, an amount equal to (i) any Scheduled Payment amount that the Borrower has failed to pay to the Bank under a Covered Loan Agreement that remains outstanding at such time and that has not been the subject of a previously paid claim under this Agreement, multiplied by (ii) a fraction equal to the principal loan amount guaranteed under such Covered Loan Agreement divided by the total initial principal amount of such loan as set forth in the Covered Loan Agreement.

“Scheduled Payment” means the repayment of principal and interest by the Borrower on the applicable payment dates set forth in the relevant Covered Loan Agreement (including any interest on overdue amounts but excluding any Default Interest).

“Sovereign Guarantor” means a member of the Bank that provides a guarantee to the Bank in respect of a loan made by the Bank to a sub-sovereign or non-sovereign Borrower within such member’s territory.

“US\$” and “United States Dollar” mean the lawful currency of the United States of America.

“Utilization Notice” has the meaning given in Section 4.03 (*Notice to Guarantor*).

ARTICLE II – PORTFOLIO GUARANTEE; PAYMENTS

Section 2.01. Guarantee. On and subject to the terms and conditions of this Agreement, the Guarantor guarantees and undertakes that, if

- (a) the Borrower fails to make any Scheduled Payment under any Covered Loan Agreement(s) on or by the date provided for pursuant thereto, and
- (b) such failure continues for six (6) months after the due date therefor, and
- (c) the Bank places such loan in non-accrual or declares such loan eligible to be placed in non-accrual with respect to the non-payment of any such amount (“Non-accrual Event”),

then the Guarantor shall, following receipt of a Demand Notice from the Bank, make a payment to the Bank in an amount equal to the Guarantee Amount; provided that, (i) in the event that the Guarantee provided under this Agreement covers only a portion of the total loan amount provided by the Bank to the Borrower, then in no event shall the Guarantee Amount exceed the Pro Rata Guaranteed Amount, and (ii) in no event shall the aggregate liability of the Guarantor to make guarantee payments under this Agreement exceed the Maximum Guaranteed Amount.

- (d) Notwithstanding any other provision of this Agreement, the Guarantor's guarantee obligations are limited to Scheduled Payments, and therefore, in the event of an acceleration by the Bank of the principal payments due under a Covered Loan Agreement in accordance with the terms thereof, the Guarantor's guarantee obligations shall not be accelerated, but shall continue to be based on any Scheduled Payments to the extent amounts remain outstanding and unpaid by the Borrower.
- (e) For the avoidance of doubt, in the event of a loan made by the Bank to a sub-sovereign or non-sovereign Borrower where such loan is guaranteed by a Sovereign Guarantor, then a Non-accrual Event shall only arise if (i) there is a demand by the Bank and a failure by such Sovereign Guarantor to pay to the Bank under the guarantee provided by the Sovereign Guarantor in respect of such loan, and (ii) such failure continues for six (6) months after the due date of such Scheduled Payment.

Section 2.02. Demand Notices.

- (a) The Bank shall send prompt written notice to the Guarantor of any failure by the Borrower to make a Scheduled Payment under any Covered Loan Agreement that continues for ninety (90) days after the due date therefor, provided that in each case the failure to provide any such notice shall not affect any of the Guarantor's obligations under this Agreement.
- (b) Any Demand Notice delivered on or prior to 5 p.m. on any Business Day shall be considered delivered on that Business Day. Any Demand Notice delivered after 5 p.m. or on a day that is not a Business Day shall be considered delivered on the following Business Day.
- (c) Prior to issuing a Demand Notice pursuant to this Agreement, the Bank shall apply the Bank's policies and procedures as regards overdue payments and shall seek payment from the Borrower or (where relevant) the Sovereign Guarantor in accordance with such policies and procedures.

Section 2.03. Payments.

- (a) All payments made by the Guarantor to the Bank shall be United States Dollar cash payments in immediately available funds, delivered before 5 p.m. Washington, DC time on the due date therefor, to the account of the Bank specified in the applicable Demand Notice. All payments shall be made without (and free and clear of any deduction for) any set-off or counterclaim.
- (b) The Guarantor shall pay any amounts payable thereunder within thirty (30) days after receipt by it of a duly completed Demand Notice.

ARTICLE III – SUBROGATION AND RECOVERIES

Section 3.01. Subrogation.

- (a) If and to the extent that the Guarantor makes any payment under Section 2.01 (*Guarantee*):
 - (i) the Guarantor shall be subrogated immediately to the contractual right of repayment of the Bank under the relevant Covered Loan Agreement, to the extent of such payment of the Guarantee Amount; provided that the Guarantor shall not be subrogated to any other rights the Bank may have under the Covered Loan Agreement, including with respect to amounts owed by the Borrower that are not covered by the Guarantor;
 - (ii) the Bank hereby assigns to the Guarantor any right to receive repayment from the Borrower under the relevant Covered Loan Agreement to the extent any amounts have been paid by the Guarantor under this Agreement, and the Bank shall notify the Guarantor and the Borrower of such amounts and assignment; and
 - (iii) the Bank shall not prevent or interfere with the Guarantor exercising in its own name any rights or remedies available to it, in order to recover from the Borrower any amounts that the Guarantor has paid from time to time under this Agreement.

Section 3.02. Election by Guarantor. At the time of making any payment under Section 2.01 (*Guarantee*) or at any time thereafter, the Guarantor may notify the Bank in writing that it elects not to pursue recoveries from the Borrower, in which case the provisions of Section 3.01(a) (*Subrogation*) above shall not apply. For the avoidance of doubt, any prior assignment under Section 3.01(a)(ii) above shall be null and void, and such payment under Section 2.01 (*Guarantee*) shall be treated as a contribution by the Guarantor to the Bank to be applied to the Guarantee Amount under the terms of this Agreement without any corresponding recovery rights by the Guarantor against the

Borrower. Any election by the Guarantor under this paragraph shall be irrevocable unless the Guarantor and the Bank otherwise agree in writing.

Section 3.03. Recoveries.

- (a) The Bank shall have no obligation to pursue recovery of any Guarantee Amounts that the Guarantor has paid under this Agreement from the Borrower on behalf of the Guarantor. Furthermore, in the event of any non-payment by the Borrower and Non-accrual Event that creates an obligation for the Guarantor to make a payment of a Guarantee Amount, the Bank shall have no obligation to exercise any particular remedies against the Borrower, apply any cross-default, cross-suspension, penalty, or sanctions policies, or otherwise take any action under a Covered Loan Agreement in order to facilitate a recovery of any such Guarantee Amounts from the Borrower.
- (b) For the avoidance of doubt, payments of the Guarantee Amount received by the Bank pursuant to this Agreement shall be deemed as full satisfaction and discharge of the Borrower's payment obligations to the Bank under the relevant Covered Loan Agreement in respect of such amounts received by the Bank pursuant to this Agreement. If following an assignment under Section 3.01(a)(ii) or an election by the Guarantor under Section 3.02 (*Election by Guarantor*), the Borrower whether by administrative error or otherwise, makes a payment to the Bank relating to an amount that has been the subject of a previously paid claim pursuant to this Agreement, such payment will be returned to the Borrower.

ARTICLE IV – ELIGIBILITY CRITERIA; UTILIZATION NOTICES

Section 4.01. The Bank shall, prior to execution of a Covered Loan Agreement and subject to the Bank's disclosure policies, provide the Guarantor with information on proposed projects or operations intended to benefit from the Guarantee provided pursuant to this Agreement, and shall promptly following execution of a Covered Loan Agreement provide the Guarantor with notice of disbursements under such Covered Loan Agreement.

Section 4.02. Eligibility Criteria.

- (a) Borrower projects or operations benefitting from the Guarantee provided herein shall be agreed between the Guarantor and the Borrower and shall be for projects or operations whose loan agreement is signed within six (6) years from the Effective Date, and that meet one or more of the following criteria:
 - (i) support the implementation of India's low-carbon energy transition and climate change mitigation goals;

- (ii) increase the share of renewable energy, including through support for enhanced grid capacity;
 - (iii) contribute to the development and enactment of policy and regulatory measures to accelerate the shift from fossil fuel to renewable energy;
 - (iv) support a transition to a low-carbon and resilient economy, including the decarbonization of the power, industry, and transport sectors;
 - (v) accelerate scaled-up investments in decarbonization and energy efficiency which result in a net reduction of greenhouse gas emissions over the lifetime of the asset; or
 - (vi) support supply-side manufacturing capacity expansion for key technology verticals, focusing on solar, wind, battery, energy grid systems, and high-efficiency air conditioner and ceiling fan supply chains.
- (b) The Guarantee provided herein shall not be used to support projects or operations that support any of the following:
- (i) new fossil fuel-based electricity generation facilities or dedicated transmission;
 - (ii) new or existing fossil fuel exploration, pipeline transportation facilities, including any new or existing natural gas-related projects or upgrade or repair of existing natural gas pipelines;
 - (iii) any projects or operations that expand the use of or increase the India's dependency on natural gas or other fossil fuels; or
 - (iv) investment in fossil fuel-related ammonia and/or hydrogen.

Section 4.03. Notice to Guarantor. The Bank shall upon the execution of each Covered Loan Agreement provide the Guarantor with a notice providing details of such Covered Loan Agreement benefitting from the Guarantee herein ("Utilization Notice"). Such notice will be substantially in the form set out in the Annex hereto. The Guarantee for each Covered Loan Agreement shall be effective upon the issuance of the Utilization Notice under this Section 4.03.

ARTICLE V – REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations. The Guarantor represents and warrants, as of the date of this Agreement:

- (a) it has the power, authority and legal right to (i) execute and deliver this Agreement and (ii) comply with the provisions of this Agreement;
- (b) the obligations expressed to be assumed by it in this Agreement constitute legal, valid and binding obligations, enforceable against it in accordance with the terms of this Agreement; and
- (c) all authorizations and consents required in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder (including any legislative approvals, internal authorizations and consents) have been obtained and are in full force and effect, and such execution, delivery and performance do not and will not (i) require any further authorization under present laws, or (ii) violate any provision of its constitutive documents or any law or any order, judgment, injunction, decree, resolution, determination or award of any court or arbitrator or any judicial, administrative or governmental authority or organization, in each case presently in effect having applicability over it.

ARTICLE VI – GOVERNING LAW; DISPUTE RESOLUTION

Section 6.01. Governing Law. This Agreement shall be governed by and construed in accordance with New York law.

Section 6.02. Enforceability. Neither the Bank nor the Guarantor shall be entitled in any proceeding under this Article VI (*Governing Law; Dispute Resolution*) to assert any claim that any provision of this Agreement is invalid or unenforceable because of any provision of the Articles of Agreement of the Bank.

Section 6.03. Dispute Resolution. Any dispute, disagreement, controversy or claim (together referred to as a “**Dispute**”) arising in connection with the existence, validity, interpretation, implementation or termination of this Agreement shall be settled amicably by mutual agreement through negotiation and discussion between the Guarantor and the Bank.

ARTICLE VII – TERM; TERMINATION

Section 7.01. Term. Without prejudice to Section 7.02 (*Survival of Rights*) below, this Agreement will become effective on the Effective Date and will terminate on the Termination Date.

Section 7.02. Survival of rights. The provisions Article III (*Subrogation and Recoveries*), Article V (*Governing Law; Dispute Resolution*), Section 7.03 (*Survival of Rights*), Section 8.05 (*No Waiver of Immunities*) and Section 9.01 (*Notices*) shall survive the termination of this Agreement. In addition, any other right accrued at the date of termination of this Agreement shall survive such termination.

ARTICLE VIII – ASSIGNMENT; WAIVERS; MISCELLANEOUS

Section 8.01. No Assignment. Neither Party shall assign or transfer any of its rights or obligations under this Agreement, in whole or in part, to any other person or entity without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any such assignment or transfer without the prior written consent of the other Party shall be null and void. For the avoidance of doubt, any guarantee provided pursuant to this Agreement which is transferred without the written consent of the other Party shall be null and void.

Section 8.02. Waiver and Amendment. Nothing in this Agreement shall restrict or prevent the Bank from (a) cancelling, suspending or terminating a Covered Loan Agreement or any related document, (b) amending, varying, modifying, novating, restating, supplementing or replacing or agreeing to or acquiescing in any amendment, variation, modification, novation, restatement, supplement or replacement of such Covered Loan Agreement, (c) giving any consent or waiver pursuant to, or in connection with such Covered Loan Agreement, or (d) taking any other action in respect such Covered Loan Agreement, provided that, without the written consent of the Guarantor, which shall not be unreasonably withheld, the Bank shall not take any of the foregoing actions to the extent they would increase or accelerate the obligations of the Guarantor under Section 2.01 (*Guarantee*).

Section 8.03. Remedies Cumulative. The rights and remedies of the Bank and the Guarantor under this Agreement: (a) are cumulative and in addition to and not exclusive of their respective rights under general law; and (b) may be waived only in writing and specifically. Delay in the exercise or non-exercise of any such right or remedy is not a waiver of that right or remedy.

Section 8.04. Waiver of Defenses. Except as expressly provided in this Agreement, the Guarantor's obligations under this Agreement are irrevocable, unconditional and absolute, and neither the rights, powers or remedies conferred on the Bank by this Agreement or by law nor the liability of the Guarantor under this Agreement shall be discharged, impaired or otherwise affected by any act, omission, circumstance, matter or thing which, but for this provision, might operate to release or prejudice any of the Guarantor's obligations under this Agreement or discharge, impair or diminish or otherwise affect such rights, remedies or obligations in whole or in part. For the avoidance of doubt, if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal, the Guarantor shall, as an independent and primary obligation, be liable

to the Bank for a payment failure by the Borrower or, as applicable, a Sovereign Guarantor under the Covered Loan Agreement for such amount as would have been payable but for such unenforceability, invalidity or illegality; the amount payable by a Guarantor pursuant to this Section 8.04 will not exceed the amount it would have had to pay under this Agreement if the amount claimed had been recoverable on the basis of the guarantee, and will be payable as if the amount had been recoverable on the basis of the guarantee.

Section 8.05. No Waiver of Immunities.

(a) Nothing in this Agreement shall operate as or be construed to constitute a waiver, renunciation or any other modification of any privilege or immunity of the Bank under its Articles of Agreement or other constitutional document, or under any applicable law.

(b) Nothing in this Agreement or any agreement, understanding, or communication relating to this Agreement (whether before or after the Effective Date) shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the privileges and immunities, including sovereign immunity, of the United States.

Section 8.06. Determinations by the Bank. Where this Agreement refers to or requires any determination or calculation of any amount or fact to be made by the Bank, the Bank's determinations or calculations shall, in the absence of manifest error, be conclusive and binding for all purposes of this Agreement.

ARTICLE IX – NOTICES; ADDRESSES

Section 9.01. Notices.

- (a) Any notice or request required or permitted to be made or given under this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it has been delivered by hand, mail, or Electronic Means to the Party to which it is to be given or made at such Party's address or Electronic Address specified in this Agreement or at such other address or Electronic Address as such Party shall have designated by notice to the Party giving such notice or making such request.
- (b) A notice or request shall be deemed to have been received: if by hand when left at the address of the other Party and receipt thereof signed/acknowledged by the other Party or an authorized officer/personnel; if sent by registered post, on the fifth Business Day after posting with acknowledgement of receipt to the address of the other Party; if delivered by courier, on the date and at the time that the courier's delivery receipt is signed; if by Electronic Means when actually received in readable form by the other Party at its Electronic Address. Any notice received after 5:00 p.m. shall be deemed to have been received on the following Business Day.

(c) The addresses of the Parties are as follows:

(i) For the Guarantor:

United States Department of the Treasury
Office of International Affairs
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220
United States of America

Attn: Lida Fitts
Acting Deputy Assistant Secretary for Climate, Environment, and
Infrastructure
E-mail: lida.fitts@treasury.gov

(ii) For the Bank:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, DC 20433
United States of America
Facsimile: (202) 477-6391

Attn: Auguste Tano Kouame
Country Director, India

E-mail: akouame@worldbank.org; yzhang4@worldbank.org


[SIGNATURE PAGE FOLLOWS]

AGREED as of the day and year first above written.

**UNITED STATES OF AMERICA
ACTING THROUGH ITS DEPARTMENT OF THE
TREASURY**

By: 
Name: Alexia Latortue
Title: Assistant Secretary of the Treasury
for International Trade and Development

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By: 
Name: Martin Raiser
Title: Regional Vice President, South Asia

Utilization Notice to Guarantor

[Guarantor Addressee]

Dear [],

Re: Notice of utilization of Guarantee Facility for Loan no. [], [project name]

Reference is made to the Guarantee Facility Agreement dated [____] between [Guarantor] (the “Guarantor”) and the International Bank for Reconstruction and Development, (“Bank”) for the provision of a guarantee for loans provided by the Bank for operations and projects in [Borrower name] that address energy transition and climate change mitigation challenges. Further reference is also made to the Loan Agreement dated [_____] entered into between the Bank and [Borrower] (the “Borrower”) with respect to the [Project name] (as amended or otherwise modified from time to time, the “Covered Loan Agreement”).

Save as otherwise provided in this notice, terms defined in the Guarantee Facility Agreement or Covered Loan Agreement have the same meanings when used in this notice.

Whereas the Borrower has requested that the Bank extend a loan (the “Loan”) in the total amount described in the Covered Loan Agreement, on the terms set forth therein, the Bank would be unwilling to extend a Loan up to such total requested amount without guarantees or other credit support to reduce its total exposure to the Borrower.

The Bank and the Guarantor have entered into the Guarantee Facility Agreement setting forth the terms and conditions for the provision of such required guarantee to the Bank in order to facilitate and support the Loan to the Borrower.

[for fully covered Loan insert] Pursuant to the Guarantee Facility Agreement, the Bank hereby provides you notice that the Bank has provided a Loan to [Borrower], for the amount of [____], which Loan amount is supported and guaranteed under the Guarantee Facility Agreement. To this end, any non-payment of a Scheduled Payment under this Covered Loan Agreement will constitute a Guarantee Amount in accordance with the terms of the Guarantee Facility Agreement.

[OR for partial loan coverage or for coverage of a specified tranche insert] Pursuant to the Guarantee Facility Agreement, the Bank hereby provides you notice that the Bank has entered into a Covered Loan Agreement with the [Borrower], for the total amount of [*insert amount*], for which [*insert amount*] of the total Loan amount is supported and guaranteed under the Guarantee Facility Agreement [(“Loan [A][B] [*or other specified*

tranche”)]. To this end, any non-payment of a Scheduled Payment [under this Covered Loan Agreement] [under (“Loan [A][B] [*or other specified tranche*]”)] will constitute a Guarantee Amount [up to the Pro Rata Guaranteed Amount] in accordance with the terms of the Guarantee Facility Agreement.

Yours faithfully,

for and on behalf of

International Bank for Reconstruction and Development