



Annex IX: Loan Arrangement: Government of Canada, the Green Climate Fund and the International Bank for Reconstruction and Development

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MTO NUMBER 069022

Loan Arrangement

among

GOVERNMENT OF CANADA,
ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND
DEVELOPMENT,

GREEN CLIMATE FUND

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
SERVING AS THE INTERIM TRUSTEE OF THE GREEN CLIMATE FUND TRUST FUND
CONCERNING THE GREEN CLIMATE FUND TRUST FUND
(MTO NO. 069022)

LOAN ARRANGEMENT, dated 9 December 2015, among the Government of Canada, acting through the Department of Foreign Affairs, Trade and Development (the “Lender”) as the lender; the Green Climate Fund (the “Fund”) as the borrower; and the International Bank for Reconstruction and Development (the “Bank”), serving as the interim trustee (“Trustee”) of the Green Climate Fund Trust Fund (MTO No. 069022) (“Trust Fund”).

WHEREAS the Board of the Fund has decided that contributions to the Trust Fund may be made in the form of concessional loans to the Fund.

WHEREAS the Lender has decided to contribute to the Trust Fund through a loan provided to the Fund in accordance with and subject to the provisions of this Loan Arrangement.

NOW, THEREFORE, the signatories hereto hereby agree as follows:

ARTICLE 1 – DEFINITIONS, INTERPRETATION AND CONSTRUCTION

1.1 Unless otherwise defined herein, all defined terms used herein will have the meaning ascribed thereto in the Standard Provisions (as hereinafter defined) and in addition the following terms will have the following meanings:

“Business Day” means any day (other than a Saturday or Sunday) when (a) banks are generally open for business both in Washington, D.C., U.S.A. and Toronto, Canada, (b) the Bank is generally open for business in Washington, D.C., U.S.A, and (c) the Fund is generally open for business in Songdo, Republic of Korea;

“Canada’s Contribution Arrangement” means the Contribution Arrangement entered into among the Government of Canada, acting through the Department of Foreign Affairs, Trade and Development, as a provider of a Grant Contribution and Canada’s Cushion, the Fund and the Trustee, pursuant to Section 4.1(a);

“Canada’s Cushion” means any Cushion provided by the Cushion Contributor pursuant to Canada’s Contribution Arrangement to support the Loan Contribution provided by the Lender under this Loan Arrangement;

“Cushion Contributor” means the Government of Canada, acting through the Department of Foreign Affairs, Trade and Development, as the provider of Canada’s Cushion;

“Drawdown” means the drawdown and payment of the Loan under this Loan Arrangement;

“Drawdown Date” means a Business Day on which the proceeds of the Loan are drawn by the Trustee in accordance with Sections 2.2, 2.3 and 2.4;

“Drawdown Effective Date” has the meaning given to it in Section 4.1 (b);

“Drawdown Request” means a request for Drawdown submitted to the Lender in accordance with Section 2.3, substantially in the form attached hereto as Annex I (Form of Drawdown Request);

“GCF Trust Fund Agreement” has the meaning given to it in Section 1.2;

“Government of Canada’s Fiscal Year” means a twelve-month period extending from April 1 of one year to March 31 of the following year;

“Individual Lender’s Loan Reflows” means the portion of Lenders’ Loan Reflows determined by the Secretariat as attributable to the Lender;

“Individual Lender’s Loan Resources” means the portion of Lenders’ Loan Resources that may be used to make interest payment and/or repayment of the Outstanding Loan Balance at a given Payment Date, as determined by the Secretariat in accordance with Section 5.1;

“Interest Payment Amount” means for each Interest Payment Date, the amount of interest payable on the Loan on such date;

“Interest Payment Date” means each date on which interest on the Loan is payable, as specified in Section 3.1 and as may be revised pursuant to Section 5.2;

“Interest Period” means (a) the initial period from and including the date that is sixty (60) months from the Drawdown Effective Date to but excluding the immediately following June 15 or December 15, whichever occurs first, and (b) after the initial period, each six (6) month period thereafter from and including the last day of the preceding period to but excluding the immediately following June 15 or December 15, whichever occurs first;

“Lenders’ Loan Reflows” means the portion of the reflows of funds from loans extended by the Fund, as allocated by the Secretariat for Loan Contributions in accordance with the Applicable Policies and paragraph 3.3(e) of the Standard Provisions;

“Lenders’ Loan Resources” means the resources consisting of (a) proceeds from Loan Contributions in the amount determined by the Secretariat as available for making any principal, interest and other payments to be made on the loans under the Loan Agreements/Arrangements, and (b) Lenders’ Loan Reflows;

“Loan” means the repayable contribution to be provided to the Fund as borrower solely for the benefit of the Trust Fund, by the Lender under this Loan Arrangement;

“Loan Arrangement” means this arrangement and its annex;

“Non-Performing Loan” has the meaning given to it in Section 5.2(i)(A);

“Outstanding Loan Balance” means the principal amount of the Loan drawn by the Trustee and outstanding from time to time from the Drawdown Effective Date;

“Payment Date” means any Interest Payment Date or Principal Repayment Date, as applicable;

“Principal Repayment Amount” means for each Principal Repayment Date, the amount of principal of the Loan payable on such date;

“Principal Repayment Date” means each date on which all or any portion of the principal amount of the Loan is payable, as specified in Section 3.2 and as may be revised pursuant to Section 5.2;

“Standard Provisions” means the Standard Provisions Applicable to the Contributions to the Green Climate Fund Trust Fund, incorporated in the GCF Trust Fund Agreement as Annex I, as such standard provisions may be amended from time to time in accordance with its terms; and

“Unpaid Amount” has the meaning given to it in Section 5.2(i)(A).

1.2 The signatories hereto accept that: (a) the Trustee will administer the Loan Contribution received in the Trust Fund in accordance with the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund (including all Annexes and Attachments attached thereto, which constitute an integral part thereof), dated April 22, 2015 between the Fund and the Trustee, as may be amended from time to time in accordance with its provisions (the “GCF Trust Fund Agreement”); and (b) the provisions of the GCF Trust Fund Agreement will apply to this Loan Arrangement. In case of any inconsistency between this Loan Arrangement and the Standard Provisions, the provisions of the Standard Provisions will prevail.

1.3 In this Loan Arrangement, unless the context otherwise requires:

(a) Headings are inserted for convenience of reference only and do not affect the interpretation of this Loan Arrangement; and

(b) A reference to a document includes an amendment or supplement to, or replacement or novation of, that document but disregarding any amendment, supplement, replacement or novation made in breach of this Loan Arrangement.

1.4 All annexes attached hereto will constitute an integral part of this Loan Arrangement.

1.5 For the purpose of this Loan Arrangement:

1.5.1 all references made in the Standard Provisions to “shall”, “Contribution Agreements”, “Contribution Agreement”, “Loan Agreements” and “Loan Agreement” will have the same meaning as the term “will”, “Contribution Arrangements”, “Contribution Arrangement”, “Loan Arrangements” and “Loan Arrangement”, respectively;

1.5.2 all references made in paragraph 11 of the Standard Provisions to “parties” will have the same meaning as the term “signatories”;

1.5.3 all provisions in the Standard Provisions that indicate an agreement on the part of the Contributor or the Lender will be read to mean an acceptance by the Contributor or the Lender, respectively; and

1.5.4 all references made in paragraph 5.4 and 8.1 of the Standard Provisions to “obligation(s)” will have the same meaning as the term “commitment(s)”; all references made in paragraph 5.3 of the Standard Provisions to “obligation(s)” will be read as “obligation(s)” or “commitment(s)”, as appropriate.

1.6 It is understood that this Loan Arrangement is not an international treaty. It is an administrative arrangement among the Lender, the Fund and the Trustee.

1.7 In providing the Loan under this Loan Arrangement, the Lender does not assume any responsibility or liability towards the Fund, the Trustee or any third parties for any claims, debts, demands, damage or loss as a result of the implementation of the activities of the Fund.

ARTICLE 2 – THE LOAN

2.1 The Lender will contribute to the Fund, on the terms and conditions set forth or referred to in this Loan Arrangement, the Loan in the amount in United States Dollars equivalent to one hundred and ten million Canadian Dollars (CAD 110,000,000) for the purpose of making a Loan Contribution to the Trust Fund. For the avoidance of doubt, the Loan Contribution does not constitute a loan to the Trust Fund. The amount in United States Dollars will be deposited by the Lender in accordance with Section 2.4 using the prevailing foreign exchange rate obtained by the Lender through its correspondent bank on the date of the deposit. The amount of the Loan, including the interest payments and principal repayments, will be denominated in United States Dollars.

2.2 The Loan will consist of one Drawdown. Once the condition precedent set out in Section 4.1(b) has been met, the Lender and the Fund will decide in writing in advance on a Drawdown Date, which will be during the Government of Canada's Fiscal Year 2018/19. Notwithstanding the foregoing, the signatories acknowledge that as of the date of this Loan Arrangement, the Bank's role as the interim trustee of the Trust Fund terminates on 30 April 2018 under paragraph 8.4 of the GCF Trust Fund Agreement. The Trustee will not request any Drawdown of the Loan if the Bank is not the Trustee of the Trust Fund as of the Drawdown Date, in which case the provisions of paragraph 8.6 of the GCF Trust Fund Agreement, paragraph 5.4 of the Standard Provisions and Section 8.6 of this Loan Arrangement will apply.

2.3 Upon decision by the Lender and the Fund in Section 2.2, the Secretariat will, by not less than twenty-five (25) Business Days prior to the Drawdown Date, send a Written Instruction, specifying the Drawdown Date to the Trustee. By sending such Written Instruction to the Trustee, the Fund irrevocably and unconditionally authorizes the Trustee, and the Trustee will, subject to Section 2.2, within ten (10) Business Days from its receipt of such instruction, request the Drawdown of the full amount of the Loan as set out in Section 2.1 by delivering to the Lender a Drawdown Request.

2.4 Upon receipt of the Drawdown Request, subject to there being an appropriation by the Parliament of Canada for the Government of Canada's Fiscal Year in which the Drawdown Date falls, the Lender will, on or before the Drawdown Date, deposit the amount in United States Dollars into the account designated by the Trustee in the Drawdown Request. When making such deposit, the Lender will instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, the deposit instructions which include information indicating: the amount paid, that the payment is made by the Lender for MTO No. 069022 (Green Climate Fund), and the date of the deposit. The Trustee will promptly notify the Lender and the Fund of the amount of the proceeds it received in United States Dollars. The Trustee will also notify the Fund and the Lender of the Drawdown Effective Date promptly upon its occurrence.

2.5 Upon receipt by the Fund of the notifications from the Trustee on the amount of the proceeds it received and the Drawdown Effective Date as specified in Section 2.4, the Fund will promptly send a notice to the Lender and the Trustee confirming (i) the amount of the Loan under this Loan Arrangement, and (ii) the schedule for its repayment in United States Dollars in accordance with the terms of this Loan Arrangement.

2.6 The proceeds of the Loan will be credited to the Trust Fund as the Loan Contribution by the Lender to be used and administered in accordance with the GCF Trust Fund Agreement. The Lender confirms that it has received a copy of the GCF Trust Fund Agreement.

2.7 The Bank will act under this Loan Arrangement solely in its capacity as trustee of the Trust Fund and neither in its individual or personal capacity nor as borrower, guarantor or surety. The Trustee will be responsible only for performing those functions specifically set forth in this Loan Arrangement and the

GCF Trust Fund Agreement, and will not be subject to any other duties or responsibilities to the Fund or the Lender. The Trustee will not be responsible for any determination made by the Fund or the Secretariat under this Loan Arrangement, and may rely in good faith on any instruction provided by the Fund or the Secretariat under this Loan Arrangement without further inquiry or investigation on its part, and will have no liability for relying in good faith on any such instruction or otherwise for any actions taken, or omitted to be taken, in good faith. Absent any gross negligence or willful misconduct on the part of the Trustee, the Trustee's liability under this Loan Arrangement will in any event be limited to the extent of the resources made available in the Trust Fund pursuant to the GCF Trust Fund Agreement and this Loan Arrangement.

ARTICLE 3 – TERM; INTEREST AND PRINCIPAL PAYMENTS

3.1 Subject to the provisions of Section 5.2, interest will accrue on the Outstanding Loan Balance at a rate of one per cent (1%) per annum during each Interest Period. Interest will accrue from the date that is sixty (60) months from the Drawdown Effective Date and will be payable on the immediately following June 15 or December 15, whichever occurs first, and thereafter will be payable semi-annually in arrears on the immediately following June 15 and December 15 of each year, whichever occurs first. The Interest Payment Amount will be computed on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days.

3.2 Subject to the provisions of Section 5.2, the Loan will be repaid in forty (40) equal semi-annual installments on June 15 and December 15 of each year, with the first such repayment occurring on June 15 or December 15, whichever occurs first following sixty (60) months after the Drawdown Effective Date.

3.3 Upon giving not less than twenty (20) Business Days' prior written notice to the Lender (with a copy to the Trustee), the Fund may prepay the Outstanding Loan Balance and any accrued interest, in whole or in part without penalty.

3.4 The Lender will not have the right to demand any payment under this Loan Arrangement in advance of maturity.

ARTICLE 4 – CUSHION

- 4.1 (a) The Lender will provide Contributions in the amount of:
- (i) twenty two million Canadian Dollars (CAD 22,000,000) to the Trust Fund to serve as Canada's Cushion; and
 - (ii) one hundred sixty eight million Canadian Dollars (CAD 168,000,000) to the Trust Fund to serve as a Grant Contribution,

which will be paid to the Trustee pursuant to Canada's Contribution Arrangement.

(b) The signature of Canada's Contribution Arrangement by all signatories is a condition precedent to the Drawdown. The term of the Loan, referred to in Article 3 above, will begin on the last day on which the Trustee has received (i) the proceeds of the Loan; (ii) the Cushion in the amount of twenty two million Canadian Dollars (CAD 22,000,000); and (iii) the first installment of the Grant Contribution in the amount of forty million Canadian Dollars (CAD 40,000,000), in accordance with Sections 2.4 and 4.1(a) of this Loan Arrangement and Canada's Contribution Arrangement (the "Drawdown Effective Date").

4.2 All or any portion of Canada's Cushion may be converted into a Grant Contribution in accordance with paragraph 3.4 of the Standard Provisions.

4.3 The Fund will be responsible for ensuring that Canada's Cushion is used in accordance with the terms of this Loan Arrangement, Canada's Contribution Arrangement and the Applicable Policies. Canada's Cushion will only be used to make interest payments and/or repayments of the Outstanding Loan Balance due by the Fund to the Lender under this Loan Arrangement, and not to any other lenders, as set out in Section 5.2 below.

ARTICLE 5 – LIMITED RECOURSE; PAYMENT ARRANGEMENTS

5.1 The Lender accepts that any payment and repayment commitment of the Fund hereunder will be limited to the available Individual Lender's Loan Resources and Canada's Cushion held in the Trust Fund, and the Lender will not have any recourse against any other assets of the Fund or the Trust Fund. The Secretariat will, in accordance with the terms of the Standard Provisions, the Applicable Policies, including International Financial Reporting Standards, and this Loan Arrangement, determine the amount of the Individual Lender's Loan Resources and Canada's Cushion available in the Trust Fund for the purpose of making any interest payment and/or repayment of the Outstanding Loan Balance under Sections 3.1, 3.2, 3.3 and/or 5.2. For the purpose of this Loan Arrangement, the Individual Lender's Loan Resources will be determined, in relation to each Payment Date, by firstly, deducting from the Lenders' Loan Resources available in the Trust Fund the total amount of resources to be applied for the reimbursement of Canada's Cushion in accordance with Section 5.2(ii) and for the reimbursement of other lenders' respective Cushions in a similar manner as Section 5.2(ii) at that Payment Date, as applicable, and secondly, calculating the pro rata share of the remaining Lenders' Loan Resources available in the Trust Fund based on the amount of the payment payable under this Loan Arrangement to the Lender at that Payment Date, relative to the total amounts of payments payable under all Loan Agreements/Arrangements at that Payment Date.

5.2 (i) If two (2) months prior to any Payment Date, the Secretariat determines that the Individual Lender's Loan Resources available in the Trust Fund are less than the amount due and payable under this Loan Arrangement, the payment on such Payment Date will be made only to the extent of such Individual Lender's Loan Resources available, and:

- (A) If the Secretariat determines that any part or all of the insufficient Individual Lender's Loan Resources are due to financial losses from non-performing loans extended by the Fund under paragraph 3.3(d) of the Standard Provisions as determined by the Secretariat ("Non-Performing Loans"), the Secretariat will (a) use any available Canada's Cushion to pay the amount representing the difference between the Individual Lender's Loan Resources available in the Trust Fund and the scheduled Principal Repayment Amount and Interest Payment Amount (the "Unpaid Amount"), and (b) in the event of insufficient Canada's Cushion, write off any or all of such portion of the Unpaid Amount.
- (B) If the Secretariat determines, in respect to any Payment Date other than a last scheduled Payment Date, that any part or all of the insufficient Individual Lender's Loan Resources are due to any reasons other than financial losses from Non-Performing Loans, the Secretariat will (a) use any available Canada's Cushion to pay the Unpaid Amount and (b) in the event of insufficient Canada's Cushion, carry forward any and all portion of the Unpaid Amount remaining unpaid after (a) above, and add such amount to the scheduled Principal Repayment Amount due and payable at the following Payment Date. For the avoidance of doubt, if any

portion of the Unpaid Amount is carried forward, it will form part of the Outstanding Loan Balance for calculating the Interest Payment Amount due and payable on any subsequent Payment Date and the Outstanding Loan Balance will be adjusted by the Secretariat accordingly. The Secretariat will also promptly notify the Lender and the Trustee of the revised schedule for the interest payment and/or repayment of the Outstanding Loan Balance to reflect such carrying forward of the Unpaid Amount.

(C) If the Secretariat determines, in respect of a last scheduled Payment Date, that the insufficient Individual Lender's Loan Resources are due to any reasons other than financial losses from Non-Performing Loans, and:

(x) the Secretariat determines that all Individual Lender's Loan Reflows (excluding those amounts of financial losses from the Non-Performing Loans, against which any portion of the Unpaid Amount has been paid through the use of Canada's Cushion or written off under Section 5.2(i)(A)) have been collected by the Fund in accordance with Applicable Policies approved by the Board, then any shortfall of the interest payment and/or repayment of the Outstanding Loan Balance will be paid from the then available Canada's Cushion on the last scheduled Payment Date, and to the extent there is insufficient available Canada's Cushion, any shortfall of the interest payment and/or repayment of the Outstanding Loan Balance will be written off by the Secretariat on the last scheduled Payment Date; or

(y) the Secretariat determines that any Individual Lender's Loan Reflows (excluding those amounts of financial losses from the Non-Performing Loans, against which any portion of the Unpaid Amount has been paid through the use of Canada's Cushion or written off under Section 5.2(i)(A)) have not been collected by the Fund in accordance with Applicable Policies approved by the Board, then, notwithstanding Sections 3.1 and 3.2, the schedule for the remaining interest payment and/or repayment of the Outstanding Loan Balance will be revised by the Secretariat, taking into account the amounts and timing of when such Individual Lender's Loan Reflows are expected to be collected by the Fund as determined by the Secretariat. In such case, the Secretariat will promptly notify the Lender and the Trustee of the revised schedule for the interest payment and/or repayment of the Outstanding Loan Balance on the new Payment Dates. For greater clarity, the Secretariat may revise the schedule for the remaining interest payment and/or repayment of the Outstanding Loan Balance in accordance with this Section 5.2(i)(C)(y) until the Secretariat determines that all Individual Lender's Loan Reflows (excluding those amounts of financial losses from the Non-Performing Loans, against which any portion of the Unpaid Amount has been paid through the use of Canada's Cushion or written off under Section 5.2(i)(A)) will have been collected by the Fund in accordance with Applicable Policies approved by the Board. Notwithstanding the foregoing, the Secretariat may only revise the payment schedule to the extent that the last Payment Date under any new schedule will not extend beyond five (5) years from the original last Payment Date specified in the notice from the Fund to the Lender and the Trustee pursuant to Section

2.5, unless otherwise agreed in writing by the Lender, the Fund and the Trustee. The provisions of Section 5.2 will apply to the payments to be made under any new payment schedule. If the payment schedule may not be revised further under this Section 5.2(i)(C)(y), and if the Secretariat determines two (2) months prior to the last Payment Date thereunder that there are insufficient Individual Lender's Loan Resources, any shortfall of the interest payment and/or repayment of the Outstanding Loan Balance will be paid from the then available Canada's Cushion on the last Payment Date, and to the extent there is insufficient available Canada's Cushion, any shortfall of the interest payment and/or repayment of the Outstanding Loan Balance will be written off by the Secretariat on the last Payment Date.

(ii) In the event the Secretariat determines that any amount of the Individual Lender's Loan Reflows, against which any amount of Canada's Cushion has been used under Sections 5.2(i)(B) and (i)(C)(y) for cases where the insufficient Individual Lender's Loan Resources are due to any reasons other than financial losses from Non-Performing Loans, have been collected, such amount of Individual Lender's Loan Reflows as determined by the Secretariat will be applied for reimbursing Canada's Cushion at the immediately following Payment Date. The reimbursement of Canada's Cushion under this Section 5.2(ii) may be made up to the date falling five (5) years from the original last Payment Date specified in the notice from the Fund to the Lender and the Trustee pursuant to Section 2.5, unless otherwise agreed in writing by the Lender, the Fund and the Trustee. If any date of reimbursement falls after all payments to the Lender under this Loan Arrangement have been made in full, such amount of reimbursement will be added to the amount of the Grant Contribution in accordance with paragraph 3.4 of the Standard Provisions.

(iii) Within twenty (20) Business Days prior to the Payment Date in relation to which any interest payment and/or repayment of the Outstanding Loan Balance will be written off, the Secretariat will notify the Lender and the Trustee in writing of the amount and the date of the interest payment and/or repayment, respectively, of the Outstanding Loan Balance to be written off. The Lender and the Fund acknowledge that any amount so written off in accordance with the provisions of this Section 5.2 will no longer be considered due and payable by the Fund to the Lender under this Loan Arrangement, following such notification by the Secretariat.

5.3 Following determination by the Secretariat of the available resources under Sections 5.1 and 5.2 above, and no later than ten (10) Business Days, but no earlier than thirty (30) Business Days, prior to any Payment Date, the Secretariat will deliver to the Trustee a Written Instruction instructing the amount of interest payment and/or repayment of the Outstanding Loan Balance to be made under this Loan Arrangement on such Payment Date. With the Secretariat's delivery of such Written Instruction to the Trustee, the Fund irrevocably and unconditionally authorizes the Trustee, and the Trustee agrees, to process such interest payment and/or repayment of the Outstanding Loan Balance in accordance with, and to the extent of, the Written Instruction and in accordance with the provisions of Article 5.

5.4 Subject to the provisions of Section 5.3, the Trustee will transfer to the Lender, on each Payment Date and out of the Trust Fund resources held by it, the amount so instructed by the Secretariat in the Written Instruction, as payments under Sections 3.1, 3.2, 3.3 and/or 5.2, as applicable.

5.5 Except as otherwise agreed by the signatories, any payment under this Loan Arrangement will be made in United States Dollars.

5.6 Any payment which is due to be made on a day that is not a Business Day will be made on the next Business Day.

5.7 All payments by the Trustee under this Loan Arrangement will be paid to the bank account of the Lender designated by the Lender to the Trustee in writing on the date hereof, or to such other account designated by the Lender to the Trustee in writing no less than thirty (30) Business Days prior to a relevant Payment Date.

5.8 All payments required to be made by the Trustee under this Loan Arrangement will be calculated without reference to any set-off and will be made free and clear of and without any deduction for or on account of any set-off.

5.9 The Fund will verify, keep record of and track the uses of the Lenders' Loan Resources, the Lenders' Loan Reflows, the Individual Lender's Loan Resources, the Individual Lender's Loan Reflows and Canada's Cushion under this Loan Arrangement and Canada's Contribution Arrangement. The Fund will report to the Lender on the uses of such types of resources on a semi-annual basis, unless otherwise agreed between the Fund and the Lender. The Trustee will neither verify, keep record of, track, nor report on, any uses of such types of resources, and will not establish any sub-account in the Trust Fund for this purpose. The Trustee will process any interest payment and/or repayment of the Outstanding Loan Balance out of the Trust Fund resources at the Written Instruction from the Secretariat in accordance with Sections 5.3 and 5.4, without regard to types of resources tracked by the Fund, whether Lenders' Loan Resources, Lenders' Loan Reflows, Individual Lender's Loan Resources, Individual Lender's Loan Reflows, Canada's Cushion or otherwise and without tracking the Contributions made or reflows received during the IRM Period or any subsequent replenishment period.

5.10 The Fund will provide relevant financial information to the Lender in order to support any decision that may be taken to revise interest payment and/or repayment schedule under Section 5.2(i)(C)(y), as may be reasonably requested by the Lender.

ARTICLE 6 – DECLARATIONS

6.1 Each of the signatories to this Loan Arrangement declares by confirming its acceptance below, that it is authorized to enter into this Loan Arrangement and act in accordance with its provisions.

ARTICLE 7 – NOTICES

7.1 Any notice, request or other communication to be given or made under this Loan Arrangement will be in writing in English language and delivered by mail, facsimile or e-mail to the respective signatory's address specified below or at any other address as the signatory notifies in writing to the other signatories from time to time:

For the Lender:

Director General
Food Security and Environment Bureau
Department of Foreign Affairs, Trade and Development
125 Sussex Drive, D1-185
Ottawa, Ontario, K1A 0G2
Canada

Tel: +1 343 203-4725
Fax : +1 613-992-2541
E-mail: Caroline.Leclerc@international.gc.ca

For the Fund:

Chief Financial Officer
Green Climate Fund Secretariat
G-Tower, 175 Art Center-daero
Yeonsu-gu, Incheon 22004, Republic of Korea

Tel: + 82 32 458 6075
Fax: + 82 32 458 6094
E-mail: CFO@gcfund.org

For the Trustee:

Director
Trust Funds and Partnerships
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: gcfitrustee@worldbank.org

ARTICLE 8 – AMENDMENTS AND WAIVERS; SEVERABILITY; COUNTERPARTS

8.1 This Loan Arrangement may be amended only in writing among the Fund, the Trustee and the Lender.

8.2 If the Board adopts policies and guidelines that regulate how the Fund will manage its financial risks on a day-to-day basis including liquidity, asset-liability, market and credit risk management (including the debt instruments extended by the Fund), the Fund will notify the Lender and the Trustee if and to the extent that such policies and guidelines contradict the terms of Sections 5.1, 5.2, 5.9 and/or 5.10 of this Loan Arrangement. The signatories hereto will discuss in good faith to amend Sections 5.1, 5.2, 5.9 and/or 5.10 of this Loan Arrangement as necessary to reflect the adopted policies and guidelines, and such amendment to be mutually agreed by the signatories.

8.3 No failure or delay in exercising any entitlement under this Loan Arrangement will impair such entitlement or operate, or be construed, as a waiver or variation of it or preclude its exercise at any subsequent time, and no single or partial exercise of any entitlement will preclude any other or further exercises thereof or the exercise of any other entitlement.

8.4 None of the signatories will be deemed to have waived any of its entitlements under this Loan Arrangement, unless expressly so stated in a notice by the signatory waiving such an entitlement to the other signatories.

8.5 None of the signatories to this Loan Arrangement may assign, transfer, novate or dispose of any of its entitlements or commitments under the Loan Arrangement without the prior written consent of the other signatories to the Loan Arrangement (such consent not to be unreasonably withheld or delayed).

8.6 Notwithstanding Section 8.5 above:

(a) as set forth in paragraph 5.3 of the Standard Provisions, the Trustee may assign, transfer or novate any of its entitlements or commitments under this Loan Arrangement to a successor trustee of the Fund upon the Board's appointment of such trustee, and the Fund and the Lender will carry out necessary actions, if any, to effect such assignment, transfer or novation; and

(b) if the Bank's role as the interim trustee of the Trust Fund will be terminated pursuant to the terms of the GCF Trust Fund Agreement: (i) the Trustee may assign, transfer or novate any of its entitlements or commitments under this Loan Arrangement to a successor as directed by the Secretariat; and (ii) the Fund and the Lender will carry out necessary actions, if any, to effect such assignment, transfer or novation. The Fund will also take all necessary actions to appoint such successor without undue delay. If: (i) the Fund fails to appoint a successor; or (ii) the successor fails to agree to such assignment, transfer or novation, in both cases within six (6) months of termination of the Bank's role as the interim trustee of the Trust Fund, then the Trustee, the Fund and the Lender will promptly accept any other arrangement with a view to winding up the Trustee's affairs in an expeditious manner while avoiding discontinuity in the operations under this Loan Arrangement.

8.7 This Loan Arrangement may be executed in counterparts, each of which is an original and all of which together will be deemed to constitute one and the same instrument.

8.8 If the Board amended or adopted any Applicable Policies, the Fund will notify the Lender and the Trustee if and to the extent that such amended or adopted Applicable Policies contradict with the terms of this Loan Arrangement. The signatories hereto will discuss in good faith to amend this Loan Arrangement as necessary, and such amendments to this Loan Arrangement are to be mutually agreed by the signatories. For the avoidance of doubt, to the extent that any Applicable Policies amended or adopted by the Board relate in any way to the functions of the Trustee performed or to be performed under this Loan Arrangement, the Trustee will not be bound by any such amended or adopted Applicable Policies in the absence of the agreement of the Trustee.

ARTICLE 9 – EFFECTIVENESS AND TERMINATION

9.1 This Loan Arrangement will come into effect upon (i) signature by the signatories and (ii) submission of a written notification from the Secretariat to the Lender and the Trustee that the Board has confirmed the terms of this Loan Arrangement.

9.2 If this Loan Arrangement will not have come into effect within three hundred and sixty (360) days after the date of this Loan Arrangement, any signatory may give a written notice to the other signatories that this Loan Arrangement will be deemed never to have been signed by any of the signatories, without need of any further writing or notice.

9.3 If this Loan Arrangement has come into effect, this Loan Arrangement and all commitments hereunder will terminate upon the full payment, or write off in accordance with Section 5.2, of all amounts due and payable under this Loan Arrangement and the completion of the reimbursement of Canada's Cushion in accordance with Section 5.2(ii).

ARTICLE 10 – DISPUTE RESOLUTION

10.1 The entitlements and commitments of the Fund, the Trustee and the Lender under this Loan Arrangement will be administered in accordance with their terms. None of the Fund, the Trustee or the

Lender will be entitled in any proceeding under this Article to assert any claim that any provision of this Loan Arrangement is invalid because of any provision of the Articles of Agreement of the Bank.

10.2 Any dispute, controversy or claim arising out of this Loan Arrangement between the signatories will be settled by negotiation or other mutually accepted mode of settlement.

10.3 The commitments of the Trustee under this Loan Arrangement are not the obligations or commitments of any government or member of the Bank.

10.4 Nothing in this Loan Arrangement will operate as or be construed to constitute a waiver, renunciation or any other modification of any privilege or immunity of:

- (a) the Bank under its Articles of Agreement or under any applicable law;
- (b) the Fund under any privilege or immunity that it may have under its Governing Instrument or under any applicable law, treaty or binding international agreement or instrument; or
- (c) the Lender under applicable law.

IN WITNESS whereof, the signatories hereto, acting through their duly authorized representatives, have caused this Loan Arrangement to be signed in their respective names in three (3) original copies.

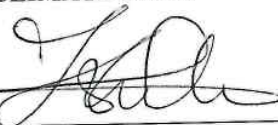
GOVERNMENT OF CANADA, ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

By: 
(Authorized Representative)

Date: December 11, 2015

Name: Diane Jacovella
Title: Assistant Deputy Minister
Global Issues and Development Branch

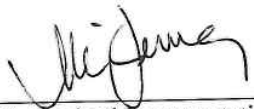
GREEN CLIMATE FUND

By: 
(Authorized Representative)

Date: 11 December 2015

Name: Hèla Cheikhrouhou
Title: Executive Director

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, SERVING AS THE INTERIM TRUSTEE OF THE GREEN CLIMATE FUND TRUST FUND

By: 
(Authorized Representative)

Date: 12/9/2015

Name: Mei Leng Chang
Title: Acting Director
Trust Funds and Partnerships
Development Finance

Annex I
Form of Drawdown Request

[Trustee's Letterhead]

[insert date]

To: [Address details of Lender]

Dear [•],

Re: Drawdown Request

We refer to the Loan Arrangement (the "Loan Arrangement") dated [insert date] between the Government of Canada, acting through the Department of Foreign Affairs, Trade and Development (the "Lender") as the lender; the Green Climate Fund (the "Fund") as the borrower; and the International Bank for Reconstruction and Development (the "Bank"), serving as the interim trustee (the "Trustee") of the Green Climate Fund Trust Fund (MTO No. 069022)(the "Trust Fund"). Unless otherwise defined in this request, all capitalized terms appearing herein will have the meanings ascribed to them under the Loan Arrangement.

In accordance with the Written Instruction received from the Fund (a copy attached), we hereby request a Drawdown of the Loan in the amount in United States Dollars equivalent to *one hundred and ten million Canadian Dollars (CAD 110,000,000)* on or before [insert Drawdown Date], pursuant to Section 2.3 of the Loan Arrangement.

Please arrange for the proceeds to be deposited on or before [insert Drawdown Date] to the following account:

Account Name:	[•]
Account Number:	[•]
Bank Name and Address:	[•]
Swift/BIC code:	[•]

Sincerely,

International Bank for Reconstruction and Development, serving as the interim trustee of the Green Climate Fund Trust Fund

Attachment: a copy of the Written Instruction from the Fund