Guarantee Agreement

(Shashe Project)

BETWEEN

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

AND

AMERICAN METAL CLIMAX, INC.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

BAMANGWATO CONCESSIONS LIMITED

BOTSWANA RST LIMITED

CHARTER CONSOLIDATED LIMITED

METALLGESELLSCHAFT AG

RST INTERNATIONAL, INC.

ZAMBIAN ANGLO AMERICAN LIMITED

DATED MARCH 1, 1972
Guarantee Agreement

(Shashe Project)

BETWEEN

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

AND

AMERICAN METAL CLIMAX, INC.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

BAMANGWATO CONCESSIONS LIMITED

BOTSWANA RST LIMITED

CHARTER CONSOLIDATED LIMITED

METALLGESELLSCHAFT AG

RST INTERNATIONAL, INC.

ZAMBIAN ANGLO AMERICAN LIMITED

DATED MARCH 1, 1972
GUARANTEE AGREEMENT

AGREEMENT, dated March 1, 1972, between, on the one side, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and, on the other side,

(i) AMERICAN METAL CLIMAX, INC. (hereinafter called Amax), a corporation duly incorporated and existing under the laws of the State of New York, the United States of America;

(ii) ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED (hereinafter called Anglo), a corporation duly incorporated and existing under the laws of the Republic of South Africa;

(iii) BAMANGWATO CONCESSIONS LIMITED (hereinafter called BCL), a corporation duly incorporated and existing under the laws of the Republic of Botswana;

(iv) BOTSWANA RST LIMITED (hereinafter called BRST), a corporation duly incorporated and existing under the laws of the Republic of Botswana;

(v) CHARTER CONSOLIDATED LIMITED (hereinafter called Charter), a corporation duly incorporated and existing under the laws of England;

(vi) METALLGESELLSCHAFT AG (hereinafter called MG), a corporation duly incorporated and existing under the laws of the Federal Republic of Germany;

(vii) RST INTERNATIONAL, INC. (hereinafter called RST), a corporation duly incorporated and existing under the laws of the State of Delaware, the United States of America; and

(viii) ZAMBIAN ANGLO AMERICAN LIMITED (hereinafter called Zamanglo), a corporation duly incorporated and existing under the laws of Bermuda.

WHEREAS (A) By an agreement dated June 30, 1971 between the Republic of Botswana (hereinafter called the Borrower) and the Bank, which agreement as amended by an agreement dated March 1, 1972 and as it may be further amended
from time to time in accordance with its terms, the schedules therein referred to and the General Conditions Applicable to Loan and Guarantee Agreements dated January 31, 1969, as modified and made applicable thereto are hereinafter called the Loan Agreement, the Bank has agreed to make to the Borrower a loan (hereinafter called the Loan) in various currencies equivalent to thirty-two million United States dollars (US$32,000,000) for the carrying out of the project described in Schedule 3 to the Loan Agreement (hereinafter called the Project) required for the mining project described in Schedule 4 to the Loan Agreement (hereinafter called the Mining Project) to be undertaken by BCL on terms and conditions set forth in the Loan Agreement, but on condition that (i) Amax, Anglo, BCL, BRST, Charter, RST and Zamanglo undertake certain obligations with respect to the Project, the Mining Project and the Loan; and (ii) MG undertakes certain obligations with respect to the Project and the Loan;

(B) By an agreement (hereinafter called the KFW Loan Agreement) dated February 11, 1972 between Kreditanstalt fur Wiederaufbau (hereinafter called KFW) and BCL, KFW together with ten German commercial banks will make to BCL a loan in an amount of two hundred twenty-two million Deutsche Mark (DM222,000,000) for the carrying out of the Mining Project on terms and conditions set forth in the KFW Loan Agreement;

(C) By an agreement (hereinafter called the IDC Loan Agreement) dated March 1, 1972 between the Industrial Development Corporation of South Africa Limited (hereinafter called IDC), Tusitala (Pty.) Limited (hereinafter called Tusitala) and BCL, Tusitala will make to BCL a loan in an amount of thirteen million five hundred thousand Rand (R13,500,000) for the carrying out of the Mining Project on terms and conditions set forth in the IDC Loan Agreement;

(D) By resolution passed by BCL, the authorized share capital of BCL will be increased from R3,000,000 divided into 1,500,000 ordinary shares of R2 each to not less than R39,000,000 by the creation of not less than 18,000,000 new ordinary shares of R2 each in order to make shares available for issuance to the Borrower and for the purposes of the proposed subscription by the shareholders of BCL of additional shares in the capital of BCL to provide financing for the Mining Project;

(E) Amax, Anglo, BRST, Charter, RST and Zamanglo own, either directly or through other companies, shares in BCL;

(F) By an agreement to be entered into between the Borrower, BCL, BRST and BCL (Sales) Limited, a wholly-owned subsidiary of BCL incorporated under the laws of the Republic of Botswana (hereinafter called BCL Sales) which
agreement and the schedules therein referred to are hereinafter called the Master Agreement, the Borrower and BCL have agreed to the terms and conditions of carrying out the Project and the Mining Project;

(G) By an agreement dated as of March 1, 1972 between BCL Sales and Amax, Amax has agreed to refine the copper/nickel matte produced from the mines under the Mining Project on terms and conditions set forth in said agreement;

(H) By an agreement dated November 22, 1971 between BCL Sales and MG, BCL Sales has agreed to sell and MG has agreed to purchase nickel, copper and other minerals produced under the Mining Project on terms and conditions set forth in said agreement;

(I) By a Trust Deed to be entered into between the Borrower, the Bank, KFW, IDC, Tusitala, MG, the Botswana Power Corporation, the Water Utilities Corporation, BCL, BCL Sales and the Trustee, the Borrower has agreed to instruct the Trustee to pay directly to the Bank the amounts due by the Borrower to the Bank under the Loan Agreement out of funds payable to the Borrower under the said Trust Deed all on terms and conditions set forth therein; and

(J) Amax, Anglo, BCL, BRST, Charter, MG, RST and Zamanglo have agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969, with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 6 to the Loan Agreement (said General Conditions Applicable to Loan and Guarantee Agreements, as so modified, being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the General Conditions shall have the respective meanings therein set forth, and the following additional terms have the following meanings:
(a) "Amax-RST-BRST" means Amax, RST and BRST collectively and whenever that term is used in connection with the obligations of Amax-RST-BRST under Article II of this Agreement, such obligations shall be carried out by Amax, RST and BRST jointly and severally.

(b) "Anglo-Zamanglo-BRST" means Anglo, Zamanglo and BRST collectively and whenever that term is used in connection with the obligations of Anglo-Zamanglo-BRST under Article II of this Agreement, such obligations shall be carried out by Anglo, Zamanglo and BRST jointly and severally.

(c) "Charter-Zamanglo-BRST" means Charter, Zamanglo and BRST collectively and whenever that term is used in connection with the obligations of Charter-Zamanglo-BRST under Article II of this Agreement, such obligations shall be carried out by Charter, Zamanglo and BRST jointly and severally.

(d) "Completion Loans" means loans referred to in items I (c) and (d) of Schedule 1 (Financing Plan of BCL) to this Agreement and in Section 2.02 (a) of this Agreement.

(e) "current assets" means the current assets of the party concerned as recorded in accordance with sound accounting principles consistently applied on its balance sheet.

(f) "current liabilities" means the current liabilities of the party concerned as recorded in accordance with sound accounting principles consistently applied on its balance sheet and include the portion of long-term indebtedness falling due within one year.

(g) "Guarantor-Shareholders" means Amax, Anglo, BRST, Charter, RST and Zamanglo and includes any or all of them as the context may require.

(h) "consolidated current assets" and "consolidated current liabilities" mean the aggregate of the current assets and current liabilities, respectively, of BCL and its subsidiaries after eliminating all inter-company items and all other items which should be eliminated in accordance with sound accounting practice.
ARTICLE II

Guarantee; Provision of Funds

Section 2.01. Without limitation or restriction upon any of the other covenants or agreements in this Agreement contained:

(a) BCL absolutely, unconditionally and independently of the obligations of any other Guarantors, guarantees the due and punctual payment of the principal of, and the interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity, all as set forth in the Loan Agreement and in the Bonds.

(b) Subject to the provisions of subsection (c) hereof, Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST, severally and not jointly with each other, absolutely, unconditionally and independently of the obligations of any other Guarantors, guarantee the due and punctual payment of the principal of, and interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity, all as set forth in the Loan Agreement and in the Bonds.

(c) The liability of Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST shall be respectively limited to the following percentages of any amount due, outstanding and unpaid under the Loan Agreement or the Bonds (after deduction of the whole of any payment made by BCL in accordance with subsection (a) hereof) on any date on which such amount shall be due and payable, namely:

<table>
<thead>
<tr>
<th>Guarantor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amax-RST-BRST</td>
<td>30%</td>
</tr>
<tr>
<td>Anglo-Zamanglo-BRST</td>
<td>22.5%</td>
</tr>
<tr>
<td>Charter-Zamanglo-BRST</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

provided, however, that on the occurrence of any of the following: (i) the expiration of eighteen years after the date of this Agreement, or of fifteen years after the date on which the first shipment of nickel and copper is shipped from the Refinery (as defined in the Sales Agreement) to MG, whichever is the later, or (ii) in the event that MG's total payments made under this Agreement shall have reached the amount of twelve million dollars ($12,000,000) equivalent, or (iii) MG's obligations under this Agreement are terminated in accordance with Section 3.01
(d) of this Agreement unless the termination is solely because of the application of Section 3.01 (c) (iii) of this Agreement and as a direct result of the event or condition giving rise to the termination of MG's obligations, it is impossible for BCL or BCL Sales, or for the Borrower acting on behalf of BCL or BCL Sales, to replace the Sales Agreement with a sales arrangement or arrangements which place BCL and the Principal Guarantors other than MG in as favorable a position as they were prior to such termination (without taking into account the position of Amax being a purchaser of nickel from MG under an agreement between them), the liability of Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST shall be respectively limited to the following percentages of any amount due, outstanding and unpaid under the Loan Agreement or the Bonds (after deduction of the whole of any payment made by BCL in accordance with subsection (a) hereof) on any date on which such amount shall be due and payable, namely:

- Amax-RST-BRST 50%
- Anglo-Zamanglo-BRST 37.5%
- Charter-Zamanglo-BRST 12.5%

provided, further, that Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST shall not be liable for any amounts due and payable by MG under this Agreement on the date of the termination referred to in subparagraph (iii) of the foregoing proviso or on the later of the dates referred to in subparagraph (i) of the foregoing proviso.

(d) MG absolutely, unconditionally and independently of the obligations of any other Guarantors, guarantees the due and punctual payment of the principal of, and the interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity, all as set forth in the Loan Agreement and in the Bonds, provided, however, that the liability of MG under this subsection (d) shall be limited to an amount equivalent to forty per cent (40%) of any amount due, outstanding and unpaid under the Loan or the Bonds on any date on which such amount shall be due and payable, provided, further, that the total payments of MG under this subsection (d) shall not exceed the equivalent of twelve million dollars ($12,000,000).

Section 2.02. (a) Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST shall, in proportion to their respective percentages as set forth in the first proviso to Section 2.01 (c) of this Agreement, promptly provide
to BCL, or cause BCL to be promptly provided with, as and when required, by means of loans or of payments in cash for additional ordinary shares of capital stock issued by BCL, funds in addition to those referred to in items I (a), (b) and II (a) of Schedule 1 (Financing Plan of BCL) to this Agreement:

(i) necessary to complete Phase I of the Mining Project and to provide the initial working capital required by BCL; and

(ii) necessary to complete Phase II of the Mining Project.

(b) Except as the Bank shall otherwise agree, the terms and conditions of the Completion Loans shall be as follows:

(i) interest and any other charges on such Completion Loans shall not exceed

(A) in the case of Completion Loans from sources outside of Botswana, the minimum commercial lending rate of the First National City Bank for loans in New York plus one per cent (1%), or

(B) in the case of Completion Loans from Botswana sources, the minimum commercial lending rate of Barclays Bank International Limited in Botswana;

(ii) subject to the provisions of Section 4.03 of this Agreement, the principal amounts of such Completion Loans shall be repaid from amounts available for dividends in an amount not exceeding twenty per cent (20%) of such principal amounts in any year, provided, however, that after a dividend in an amount equivalent to not less than twenty per cent (20%) of such principal amounts shall have been paid in such year, the total repayments of such principal amounts in such year may be increased to an amount not exceeding thirty-three and one-third per cent (33-1/3%) of such principal amounts;

(iii) the principal of, and interest and other charges on, such Completion Loans shall be payable only out of the net consolidated income of BCL and its subsidiaries and only after BCL shall have made the payments of all of the principal of, and interest and other charges due on the KFW Loan and the IDC Loan and of its obligations due to the Bank under the
Guarantee Agreement and to the statutory corporations of the Borrower under the Master Agreement and under any agreements scheduled thereto;

(iv) the principal of, and interest and other charges on, such Completion Loans shall be payable only if (A) after any such payment, together with any payment of dividends, the consolidated current assets of BCL and its subsidiaries will be at least 1.5 times the consolidated current liabilities of BCL and its subsidiaries, and (B) there is no existing default in the payment of the principal of, or interest and other charges on the KFW Loan, the IDC Loan or in the payment of BCL's obligations to the Bank under the Guarantee Agreement or to the Borrower or to the statutory corporations of the Borrower under the Master Agreement and under any agreements scheduled thereto, provided that nothing herein shall prevent any payment on such Completion Loans during the pendency of a bona fide dispute concerning a breach under the Master Agreement or any agreements scheduled thereto as to which BCL and its subsidiaries have made adequate provision for their liabilities thereunder; and

(v) such Completion Loans shall be subordinated to the KFW Loan, the IDC Loan and BCL's obligations to the Bank under the Guarantee Agreement and to the Borrower or to the statutory corporations of the Borrower under the Master Agreement and under any agreements scheduled thereto, on terms and conditions set forth in Schedule 2 to this Agreement or on such other terms and conditions as shall be satisfactory to the Bank.

(c) The obligations of Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST under subsection (a) (i) hereof shall terminate on the earlier occurrence of:

(i) the date on which the entire principal amount of the Loan and the Bonds and all interest and other charges which shall have accrued on the Loan and the Bonds shall have been paid; or

(ii) the date on which BCL shall deliver to the Bank the following:

(A) a certificate prepared and signed by Bechtel Corporation, 50 Beale Street, San Francisco, California, U.S.A., or
another independent engineer or engineering firm acceptable to the Bank stating that:

(1) the facilities included in Phase I of the Mining Project referred to in Schedule 4 to the Loan Agreement have been constructed according to design specifications;

(2) such facilities have for a period of six months maintained an annual productive rate of at least 34,000 metric tons of copper/nickel matte and for a period of four months within the same six months period maintained an annual productive rate of at least 95,500 metric tons of sulfur produced by such facilities; and

(3) the mine, the concentrator and the smelter have been tested simultaneously for a continuous period of five days at rated capacity and proven to be satisfactory in accordance with sound engineering procedures and practices.

(B) a certificate as of the same date as the certificate referred to in (A) above, prepared and signed by Deloitte and Co. or another firm of independent auditors acceptable to the Bank stating that on such date the consolidated current assets of BCL and its subsidiaries are at least 1.5 times the consolidated current liabilities of BCL and its subsidiaries.

(d) The obligations of Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST under subsection (a) (ii) hereof shall terminate on the earlier occurrence of:

(i) the date on which the entire principal amount of the Loan and the Bonds and all interest and other charges which shall have accrued on the Loan and the Bonds shall have been paid; or

(ii) the date on which BCL shall deliver to the Bank a certificate prepared and signed by Bechtel Corporation, 50 Beale Street, San Francisco, California, U.S.A., or another independent engineer or engineering firm acceptable to the Bank stating that:

(A) the facilities included in Phase II of the Mining Project referred to in Schedule 4 to the Loan Agreement have been constructed according to design specifications;
(B) such facilities have been tested for a continuous period of five days at rated capacity and proven to be satisfactory in accordance with sound engineering procedures and practices; and

(C) such facilities, together with those facilities constructed and installed in the mine at Selebi under Phase I of the Mining Project, have for a period of three months maintained an annual productive rate of at least 615,000 metric tons of ore.

(e) Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST shall cause the amounts referred to in item II (a) of Schedule I to this Agreement, to the extent required for the completion of Phase II of the Mining Project, to be paid in for the subscription at least at par of additional ordinary share capital of BCL by January 1, 1979.

Section 2.03. (a) BCL hereby agrees with the Guarantor-Shareholders that as between them it will reimburse the Guarantor-Shareholders for any payment made by any of them in accordance with Section 2.01 (b) and Section 2.02 (a) of this Agreement.

(b) BRST hereby agrees with Amax, RST, Anglo, Charter and Zamanglo that as between them the whole of the liability of Amax-RST-BRST, Anglo-Zamanglo-BRST and Charter-Zamanglo-BRST under this Article II shall be borne by BRST and accordingly to reimburse Amax, RST, Anglo, Charter and Zamanglo for any payment made by any of them in accordance with Section 2.01 (b) or Section 2.02 (a) of this Agreement.

(c) Amax and RST hereby agree that as between them the whole of the liability of Amax-BRST-RST under this Article II shall, after deduction of any payment made by BRST in accordance with Section 2.01 (b) or Section 2.02 (a) of this Agreement be borne by Amax and RST in the proportion of 71:29 and accordingly if one of such parties shall have made a payment in accordance with Section 2.01 (b) or Section 2.02 (a) of this Agreement exceeding its proportion as aforesaid after taking into account any reimbursement made by BRST in accordance with subsection (b) hereof, the amount of such excess shall be reimbursed to that party by the other party.

(d) Any non-compliance with the provisions contained in this Section by Amax, BCL, BRST or RST shall not in any way affect any Guarantor's obligations to the Bank or Bond holders under this Agreement.
Section 2.04. Each Guarantor hereby agrees to guarantee the due and punctual payment of the principal of, and interest and other charges on, any additional loans which may be granted by the Bank to the Borrower for the completion of the Project, and the bonds to be issued under the loan agreements for such loans, on the same terms and conditions other than financial terms as set forth in this Agreement and in the Loan Agreement, provided that:

(a) the total amount of such loans to be guaranteed by the Guarantor-Shareholders shall not exceed twenty per cent (20%) of the amount of the Loan; and

(b) the total payments of MG under this Guarantee Agreement and under any other guarantee agreements for such additional loans shall not exceed the equivalent of twelve million dollars ($12,000,000).

Section 2.05. (a) The Guarantors shall be entitled at any time and from time to time to make payments, including prepayments, under the Loan Agreement on behalf of the Borrower.

(b) The payments made by the Guarantors pursuant to subsection (a) hereof shall for all purposes, including without limitation for purposes of this Agreement, the Loan Agreement and the Master Agreement, constitute a guarantee payment by the Guarantors under this Agreement.

Section 2.06. Except as expressly provided in Section 5.05 of this Agreement, no other entity or person who is not a party to this Agreement shall have or acquire any rights by reason of this Agreement nor shall the parties hereto have any obligations or liabilities to any such other entity or person by reason of this Agreement.

Section 2.07. (a) Payments by BCL to any of the Guarantor-Shareholders under Section 2.03 (a) of this Agreement (in addition to the obligations of BCL referred to in Section 2.02 (b) (v)) shall be subordinated in accordance with the provisions of Schedule 2 to this Agreement.

(b) Payments by Amax to the Bank under Section 2.01 (b) of this Agreement shall be subordinated in accordance with the provisions of Schedule 3 to this Agreement.

(c) Payments by Amax to RST under Section 2.03 (c) of this Agreement shall be subordinated in accordance with the provisions of Schedule 4 to this Agreement.
(d) Payments by BRST to any of the Guarantor-Shareholders under Section 2.03 (b) of this Agreement and by RST to Amax under Section 2.03 (c) of this Agreement shall be subordinated in accordance with the provisions of Schedule 5 to this Agreement.

ARTICLE III

Suspension and Termination of Obligations

Section 3.01. Subject to the provisions of Section 3.02 of this Agreement:

(a) The obligations of the Guarantor-Shareholders under this Agreement shall be suspended if and only if:

(i) it is physically impossible for BCL to construct the Mining Project or operate the facilities essential for the operation of the Mining Project or for BCL to transport or export the product of the Mining Project (A) as a direct result of any act or omission to act of the Borrower or of any governing authority in effective control of all or any part of Botswana, other than a failure in connection with the construction or operation of the Project or the railways unless such failure is the direct result of any act or omission to act of the Borrower or of any such governing authority the purpose of which is to make it physically impossible for BCL to construct or operate such facilities or to transport or export such product as aforesaid, provided, however, that such physical impossibility shall not be a direct result of any intervention of any foreign authorities or the act or omission to act shall not be a direct result of compliance with any legally binding decisions or requirements imposed by the United Nations or by the International Court of Justice, or (B) as a direct result of any act of revolution, insurrection or war in Botswana whether declared or not; and such physical impossibility continues for a period of 180 consecutive days, or for an aggregate period of 180 days in any period of 270 consecutive days;

(ii) the Borrower or any governing authority in effective control of all or any part of Botswana shall have compulsorily acquired, or shall have caused to be compulsorily acquired, ownership or control of all or substantially all the property and assets of BCL
essential for the proper and efficient operation of its business and such event continues for a period of 180 days; or

(iii) the obligations of MG under this Agreement shall have been suspended in accordance with Section 3.01 (c) (iii) hereof and as a direct result of the event or condition giving rise to the suspension under the said Section 3.01 (c) (iii) it is impossible for BCL or BCL Sales, or for the Borrower acting on behalf of BCL or BCL Sales, to make sales arrangements.

(b) The obligations of the Guarantor-Shareholders under this Agreement shall be terminated if and only if:

(i) the suspension of the obligations of the Guarantor-Shareholders pursuant to subsection (a) hereof shall continue for a period of 540 days; or

(ii) the Bank shall declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately (A) solely because of the occurrence of any event or condition specified in Section 3.01 (a) of this Agreement, or (B) provided that the Bank shall have received the notice from BCL or any of the Guarantor-Shareholders in accordance with Section 3.03 (a) of this Agreement because of the occurrence of any other event of default under the Loan Agreement substantially caused by the occurrence of any such event or condition specified in said Section 3.01 (a).

(c) The obligation of MG under this Agreement shall be suspended if and only if:

(i) the obligations of the Guarantor-Shareholders under this Agreement shall have been suspended in accordance with subsection (a) hereof during the period prior to the date referred to in Section 5.04 (b) of this Agreement;

(ii) the obligations of the Guarantor-Shareholders under this Agreement shall have been suspended in accordance with subsection (a) hereof and as a direct result of the occurrence of the event or condition giving rise to the suspension of the obligations of the Guarantor-Shareholders, there shall not have
been made available in the 300-day period following the occurrence of such event or condition, by BCL, BCL Sales or by any other person, to MG (A) 6,000 metric tons of nickel on terms similar to those set forth in the Sales Agreement between MG and BCL Sales, or (B) 17,500 metric tons of copper/nickel matte on such terms adjusted for the costs of freight, insurance, refining and customs duties, or (C) a combination of nickel and copper/nickel matte in such quantity which after refining of such matte together with such nickel would provide 6,000 metric tons of nickel and on such terms adjusted for the costs of freight, insurance, refining and customs duties; or

(iii) the Borrower or any governing authority in effective control of Botswana shall have prohibited or restricted BCL and/or BCL Sales from supplying nickel produced under the Mining Project to MG, and such prohibition or restriction continues for a period of 300 days; provided, however, that such prohibition or restriction shall not be a direct result of compliance with any legally binding decisions or requirements imposed by the United Nations or by the International Court of Justice.

(d) The obligations of MG under this Agreement shall be terminated if and only if:

(i) the suspension of the obligations of MG pursuant to subsection (c) hereof shall continue for a period of 540 days; or

(ii) the Bank shall declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately (A) solely because of the occurrence of any event or condition specified in Section 3.01 (c) of this Agreement, or (B) provided that the Bank shall have received the notice from MG in accordance with Section 3.03 (b) of this Agreement because of the occurrence of any other event of default under the Loan Agreement substantially caused by the occurrence of any such event or condition specified in said Section 3.01 (c).

Section 3.02. The obligations of MG or any Guarantor-Shareholders claiming that its obligations under this Agreement are suspended or terminated shall be suspended or terminated only if:
(i) the event or condition giving rise to the respective suspension or termination under Section 3.01 hereof has not been provoked by an act or omission to act of BCL or any of its subsidiaries, any of the Guarantor-Shareholders or MG;

(ii) the Guarantor-Shareholders, MG, BCL and BCL's subsidiaries have complied with their respective obligations under the Specified Documents or, if any of the Guarantor-Shareholders or MG or BCL or any of BCL's subsidiaries have failed to comply with their obligations under the Specified Documents, such failure to comply is not responsible in any material respect for the existence of the event or condition giving rise to the respective suspension or termination under Section 3.01 hereof;

(iii) the existence of the event or condition giving rise to the respective suspension or termination under Section 3.01 hereof is not expressly or by implication permitted under the terms of any of the Specified Documents, and has not been otherwise agreed to expressly or by implication by any of the Guarantor-Shareholders (including their subsidiary companies owning shares in BCL), by MG or by BCL or by any of BCL's subsidiaries;

(iv) BCL, BCL's subsidiaries, the Guarantor-Shareholders and MG have taken all proper precautions, exercised due care and taken all reasonable alternative measures to avoid the existence of the event or condition giving rise to the respective suspension or termination under Section 3.01 hereof and have made all reasonable efforts to mitigate the effect of such event or condition; and

(v) the event or condition giving rise to the respective suspension or termination under Section 3.01 hereof has not resulted from any law, decree, regulation or administrative action of the Borrower or of any governing authority in effective control of Botswana, which: (A) is reasonably related to constitutionally sanctioned governmental objectives, (B) is by its express terms not for the purposes of prohibition of copper/nickel matte export, nationalization, confiscation or expropriation (including but not limited to intervention, condemnation or other taking), and is not arbitrary, (C) is based on a reasonable classification
of entities to which it applies, (D) does not violate generally accepted international law principles, and (E) does not violate any provisions of the Specified Documents in such a way as to materially and adversely affect the rights of the Guarantors.

Section 3.03. (a) BCL and the Guarantor-Shareholders shall promptly give notice to the Bank of the existence of any event or condition giving rise to the respective suspension or termination under Sections 3.01 (a) and (b) of this Agreement.

(b) MG shall promptly give notice to the Bank of the existence of any event or condition giving rise to the respective suspension or termination under Sections 3.01 (c) and (d) of this Agreement.

Section 3.04. The suspended obligations of MG or any Guarantor-Shareholders shall be resumed immediately in full force and enforceability as if no such suspension had occurred, if the event or condition the continuation of which for the stated period gives rise to the respective suspension referred to in Section 3.01 hereof is removed within 540 days after the date of such suspension, except that if such obligations shall have been suspended for a continuous period of more than 180 days, the date on which such obligations shall be resumed shall be a date 180 days after the date on which the event or condition giving rise to such suspension shall have been removed.

ARTICLE IV

Particular Covenants of BCL

Section 4.01. (a) BCL shall carry out and operate the Mining Project with due diligence and efficiency and in conformity with sound administrative, financial, engineering and mining practices.

(b) BCL shall undertake all reasonable efforts to complete Phase II of the Mining Project by December 31, 1979.

Section 4.02. (a) BCL shall execute and deliver the Agreements of Hypothecation in favor of the Bank, KFW and Tusitala and in such form and on such terms and conditions as the Bank may reasonably require to constitute by way of security for the obligations of BCL under Section 2.01 (a) hereof a first mortgage upon BCL's right, title and interest in the Mining Lease and upon any other right, title and interest in BCL's immovable property located in Selebi-Pikwe township, such first mortgage to rank pari passu with the first mortgage
securing the loan obligations of BCL under the KFW Loan Agreement and the IDC Loan Agreement and prior to any other security.

(b) BCL shall procure all necessary consents from all interested parties for the valid execution and delivery of the Agreements of Hypothecation.

(c) BCL shall duly register or cause to be duly registered the Agreements of Hypothecation and all documents required to be registered.

(d) All costs incidental to the preparation, execution, registration and delivery of the Agreements of Hypothecation, including the costs of legal counsel retained by the Bank for such purposes, shall be borne by BCL.

Section 4.03. BCL shall not without the prior consent of the Bank declare or pay any dividend on account of any of its shares if:

(a) after such payment, the ratio of the value of the consolidated current assets of BCL and its subsidiaries to their consolidated current liabilities will be less than 1.5 to 1; or

(b) there is an existing default in the payment of the principal of or interest and other charges on the KFW Loan, the IDC Loan or in the payment of BCL's obligations to the Bank under the Guarantee Agreement or to the Borrower or to the statutory corporations of the Borrower under the Master Agreement or under any agreements scheduled thereto, provided that nothing herein shall prevent any payment on such dividend during the pendency of a bona fide dispute concerning a breach under the Master Agreement or any agreements scheduled thereto as to which BCL and their subsidiaries have made adequate provision for its liabilities thereunder.

Section 4.04. (a) BCL shall, on or prior to December 31 in each year commencing with 1976, furnish to the Bank, with applicable supporting evidence, a certificate prepared on the basis of the best information then available stating (i) the amount of proven and probable reserves of copper and nickel ores, including all proven and probable reserves discovered prior to the date of such certificate within the area of the Grant as defined in the Mining Lease, available to be mined under the Mining Project; (ii) the estimated annual schedule of depletion of such reserves and the estimated annual production of copper and nickel; (iii) the results of BCL's exploration, and its plan for further mining development, in the area of Grant as defined in the Mining Lease; and (iv) the Exhaustion Date.
(b) If the Bank shall disagree with BCL on the statement or the Exhaustion Date certified by BCL, such disagreement shall be determined by arbitration in accordance with Article VI hereof.

(c) If the Exhaustion Date is stated by BCL or is determined by arbitration as aforesaid to be a date prior to the then final maturity date for payment of the Loan, unless the Borrower, the Bank and BCL shall otherwise agree, the amortization schedule set forth in Schedule 2 to the Loan Agreement in its original form or as last revised pursuant to the provisions of the Loan Agreement shall be revised to provide for the payment of the principal of the Loan then outstanding together with interest and other charges thereon in equal semi-annual installments using the Exhaustion Date as the final maturity date and the Premiums on Prepayment and Redemption set forth in the said Schedule shall be adjusted accordingly.

(d) For the purposes of this Section, the term "Exhaustion Date" means the date by which the operation of the Mining Project shall cease to be commercially justifiable.

(e) For the purposes of subsection (a) hereof in determining the amount of the reserves, either proven or probable, the standards set by the Bureau of Mines of the Government of the United States of America shall be used.

Section 4.05. (a) BCL shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning (i) the administration, operations and financial condition of BCL and its subsidiaries and the Mining Project, and (ii) the relations between BCL and its subsidiaries and respectively the Borrower and the Corporations.

(b) BCL shall promptly inform the Bank of any failure by BCL or any of BCL's subsidiaries to comply with any of its obligations under the Specified Documents.

(c) BCL shall inform the Bank of any failure of which BCL or any of its subsidiaries shall have actual notice by any other party to comply with any of the obligations of that party under the Specified Documents.

(d) BCL shall, and shall cause its subsidiaries to, afford all reasonable opportunity for accredited representatives of the Bank to inspect all plants, sites, works, property and equipment of BCL and its subsidiaries.
Section 4.06. Except as the Bank shall otherwise agree, BCL shall, and shall cause each of its subsidiaries to:

(a) maintain records adequate to reflect in accordance with consistently maintained sound accounting practices its operations and financial condition;

(b) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements), for each financial year audited, in accordance with sound auditing principles consistently applied, by Deloitte and Co. or such other independent auditors acceptable to the Bank;

(c) furnish to the Bank as soon as available, but in any case not later than four months after the end of each such year, (i) certified copies of its financial statements for such year as so audited and (ii) the reports of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(d) furnish to the Bank such other information concerning its records, accounts and financial statements and the audit thereof as the Bank shall from time to time reasonably request.

Section 4.07. BCL shall establish and maintain separate accounts for Phase II of the Mining Project to account separately for the financing and construction of Phase II of the Mining Project.

Section 4.08. Except as the Bank shall otherwise agree:

(a) BCL shall not, and shall cause its subsidiaries not to, have any subsidiary other than BCL Sales and Bamangwato Concessions (Proprietary) Limited.

(b) BCL shall at all times hold all of the outstanding share capital of its subsidiaries.

(c) BCL shall not, and shall cause its subsidiaries not to, incur or permit to exist any indebtedness except indebtedness permitted under the provisions of the Trust Deed.

ARTICLE V

Other Covenants

Section 5.01. Each Guarantor shall give to the Bank such information as the Bank shall reasonably request relating to its ability to perform its obligations
hereunder and shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the performance of such obligations.

Section 5.02. (a) Each Guarantor shall endorse, in accordance with the provisions of the General Conditions its guarantee on the Bonds to be executed and delivered by the Borrower.

(b) The following person of each Guarantor and such other person or persons as he shall appoint in writing are designated as respective authorized representatives of each Guarantor for the purposes of Sections 8.10 and 10.03 of the General Conditions:

(i) Anglo, the Managing Secretary;

(ii) Amax, the Secretary or any Assistant Secretaries;

(iii) BCL, the Managing Director or the Secretary;

(iv) BRST, the Managing Director or the Secretary;

(v) Charter, the Joint Secretaries;

(vi) MG, a member of the Board and the head of the Financial Department;

(vii) RST, the Secretary or any Assistant Secretaries; and

(viii) Zamanglo, the Secretary.

Section 5.03. (a) Except as the Bank shall otherwise agree, no sale or transfer of any shares of stock of:

(i) BCL made by BRST, or of BRST by Amax or RST, or of RST by Amax, shall relieve Amax, BRST or RST from its obligations under this Agreement; and

(ii) BCL made by BRST, or of BRST by any company or companies owned directly or indirectly by Anglo, Charter or Zamanglo or of such company or companies by Anglo, Charter or Zamanglo, shall relieve Anglo, Charter or Zamanglo from their obligations under this Agreement.
(b) Subject to the provisions of Article III of this Agreement, no court order concerning the corporate reorganization of any of the Guarantors or any of the transactions relating to the Project or the Mining Project to which any Guarantor is a party, shall relieve any of the Guarantors from its obligations under this Agreement.

Section 5.04. (a) BCL and MG shall notify the Bank of the date on which the first shipment of nickel and copper is shipped from the Refinery (as defined in the Sales Agreement) to MG.

(b) MG shall notify the Bank of the date of first Arrival of Nickel (as defined in the Sales Agreement).

Section 5.05. (a) Except as otherwise agreed to between the Borrower and the Guarantors, each Guarantor hereby waives and agrees not to exercise, or to assign to any person:

(i) the rights of the Bank or of any Bondholders against the Borrower to which the Guarantor may be subrogated, including the right to claim any reimbursement from the Borrower of any payments made by such Guarantor to the Bank pursuant to the provisions of this Agreement; and

(ii) any other rights against the Borrower which such Guarantor may acquire as a result of its payments made to the Bank pursuant to the provisions of this Agreement;

(b) The foregoing subsection (a) shall not apply:

(i) if the Bank shall have declared the principal of the Loan and of all the Bonds outstanding to be due and payable immediately solely because of the Borrower's default under Article III, Article IV except Section 4.08 (b), Article V except Section 5.02 (e) and Article VI of the Loan Agreement; and

(ii) as a result of such declaration under the foregoing sub-paragraph (i), the Guarantor shall have made the required payments pursuant to the provisions of this Agreement.

Section 5.06. (a) Subject to the provisions of Section 5.05 of this Agreement, the Guarantors hereby agree that the following provisions relating to subrogation shall apply among themselves:
(i) BCL shall have no rights of subrogation against any other Guarantor;

(ii) MG shall have no rights of subrogation against any other Guarantor;

(iii) Amax, Anglo, RST, Charter and Zamanglo each shall have rights of subrogation against BRST and BCL and no other Guarantor;

(iv) BRST shall have rights of subrogation only against BCL and no other Guarantor; and

(v) As long as any amount of principal of, or interest or other charges on, the Loan or the Bonds is outstanding and unpaid, all rights of subrogation of a Guarantor against BCL may be exercised against BCL only by requiring BCL to issue notes meeting the requirements described in Section 2.02 (b) of this Agreement.

(b) Any non-compliance with the provisions contained in this Section by any Guarantor shall not in any way affect any Guarantor's obligation to the Bank or the Bondholders under this Agreement.

Section 5.07. (a) The Bank covenants and agrees with each of the Principal Guarantors that, without the Principal Guarantor's prior consent:

(i) It will not amend or modify the Loan Agreement:

(A) to add new provisions; nor

(B) to change any provisions relating to the principal amount of the Loan, the interest rate, the commitment charges, the currencies in which the Loan is to be made or is to be repayable, the conditions to the effectiveness of the Loan Agreement, the manner of and conditions to the Loan's withdrawal, the prepayment of the Loan, the maturity of the Loan or of any installment of the principal thereof (except the application of reduction or cancellation of the amount of the Loan in accordance with the present provisions of Section 6.05 of the General Conditions), the definition or description of the Mining Project, the purpose of the Loan, the manner and time
of payments of interest, commitment charges and other amounts due under the Loan Agreement, the manner in which commitment charges and interest are computed, the acts or events which give the Bank the right to suspend or cancel the Loan or give the Bank or the Bondholders the right to accelerate its maturity, the remedies of the Bank or the Bondholders, the form of the guarantees of the Guarantors on the Bonds, any requirement for consent or approval by a Guarantor, the right of the Guarantors to receive notices of events of default, and the manner in which notices of events of default are given to the Guarantors.

(ii) It will not waive or grant any extension of time to the Borrower for the making of any payment of principal, interest, premium or other charges at the date such payment is due under the Loan Agreement if, and only to the extent that, the Guarantors are liable to make such payment under the Guarantee Agreement.

(b) The obligations of a Guarantor under the Guarantee Agreement shall in no way be changed or enlarged by any amendment or modification of the Loan Agreement, which pursuant to subsection (a) (i) hereof requires the consent or agreement of a Principal Guarantor, without the consent or agreement of such Principal Guarantor. If as a direct result of any such amendment or modification the risk of a Guarantor being called on to make any payments under the Guarantee Agreement shall have materially increased, such Guarantor shall not be required to make any such payment until the Bank or the Borrower shall have taken action to eliminate such increased risk including, but not limited to, the rescission of such amendment or modification, provided that such Guarantor shall have notified the Bank promptly after learning of such amendment or modification that it considers such amendment or modification to increase materially such risk.

Section 5.08. The Bank hereby agrees that the Guarantors shall not be required to make payment under the Guarantee Agreement if the Bank shall have declared the principal of the Loan and of all the Bonds outstanding to be due and payable immediately solely because of one or more of the following events:

(a) the Borrower's default under Section 4.10 to Section 4.14 of the Loan Agreement; or

(b) the event provided for under Section 7.01 (b) of the General Conditions.
ARTICLE VI

Arbitration

Section 6.01. (a) Any controversy between the Bank, on the one side, and any other party or parties to this Agreement, on the other side, and any claim by the Bank against any such other party or parties or any claim by any such other party or parties against the Bank arising under this Agreement which shall not be determined by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be the Bank, on the one side, and BCL, and/or one or more of the Guarantor-Shareholders and/or MG, as the case may be, on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by the Bank, a second arbitrator shall be appointed by BCL, and/or such Guarantor-Shareholders and/or MG, as the case may be, and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice, provided, however, that at the request of any Guarantor-Shareholders, BCL or MG participating in the arbitration, the Arbitral Tribunal shall consist of five arbitrators appointed as follows: two arbitrators shall be appointed by the Bank; one arbitrator shall be appointed by MG; one arbitrator shall be appointed by BCL and/or such Guarantor-Shareholders, as the case may be; and the fifth arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice. If any party shall fail to appoint an arbitrator as provided above, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration and the nature of the relief sought. Within 30 days after the giving of such notice, each side shall notify the other side of the arbitrator appointed by it.
(e) If within 60 days after the giving of such notice instituting the arbitration proceeding the parties shall not have agreed upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The arbitration shall take place in Geneva, Switzerland. The Arbitral Tribunal shall convene at such time as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine when it shall sit.

(g) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(h) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. If the minority refuses to sign the award, mention of such refusal shall be made in such award. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to this Agreement, who are parties to the arbitration as to issues between the Bank on the one side and one or more of the other parties on the other side but, unless such parties shall otherwise agree, such award shall not be final and binding as to issues, or as to the facts concerning such issues, between or among two or more such other parties unless all but one of the arbitrators concur in the award. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. The Bank, BCL, Amax, Anglo, BRST, Charter, MG, RST and Zamanglo shall each defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the Bank, on the one side, and the other party or parties thereto, on the other. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.
(j) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the determination of the controversies or claims described in paragraph (a) above.

(k) If within 30 days after counterparts of the award shall be delivered to the parties the award shall not be complied with, any party may enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party, may enforce such judgment by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award or the provisions of this Agreement.

(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made upon the parties to this Agreement in the manner provided in Section 10.01 of the General Conditions. The parties to this Agreement waive any and all other requirements for the service of any such notice or process.

(m) Any two or more controversies or claims referred to in subsection (a) hereof may, if the parties to the said controversies or claims shall so agree, be submitted concurrently to arbitration by the Arbitral Tribunal.

ARTICLE VII

General Provisions

Section 7.01. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Intbafrad
Washington, D.C.
For Anglo:

Anglo American Corporation of South Africa Limited
44 Main Street
Johannesburg
Republic of South Africa

Cable address:

Anmercosa
Johannesburg

For Amax:

American Metal Climax, Inc.
1270 Avenue of the Americas
New York, New York 10020
United States of America

Cable address:

Amaxmet
New York

For BRST:

Botswana RST Limited
One Noble Street
London E.C. 2
United Kingdom

Cable address:

Cubiquest
London

For BCL:

Bamangwato Concessions Limited
P.O. Box 376
Gaborone, Botswana
Cable address:

Cunimet
Gaborone

For Charter:

Charter Consolidated Limited
40 Holborn Viaduct
London E.C. 1P 1AJ
United Kingdom

Cable address:

Charter
London EC1

For MG:

Metallgesellschaft AG
6000 Frankfurt (Main) 1
Reuterweg 14
Germany

Cable address:

Metalbank
Frankfurt-Main

For RST:

RST International, Inc.
1270 Avenue of Americas
New York, New York 10020
U.S.A.

Cable address:

Amaxmet
New York
For Zamanglo:

Zambian Anglo American Limited
P.O. Box 650
Hamilton, Bermuda

Cable address:

Spectrum
Bermuda

Section 7.02. (a) With regard to the obligations of BCL and the Guarantor-Shareholders to the Bank and the Bondholders, this Agreement shall terminate on the date on which the entire principal amount of the Loan and the Bonds and all interest and other charges which shall have accrued on the Loan and the Bonds shall have been paid.

(b) With regard to the obligations of MG to the Bank and the Bondholders, this Agreement shall terminate on the earlier date of (i) and (ii):

(i) the date on which the entire principal amount of the Loan and the Bonds and all interest and other charges which shall have accrued on the Loan and the Bonds shall have been paid; or

(ii) provided that MG shall have fulfilled its obligations under this Agreement, the date eighteen years after the date of this Agreement, or the date fifteen years after the date on which the first shipment of nickel and copper is shipped from the Refinery (as defined in the Sales Agreement) to MG, whichever is the later.

Section 7.03. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, United States of America.

Section 7.04. This Agreement may be executed in several counterparts, each of which shall be an original.

Section 7.05. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 7.06. The Guarantors hereby accept the Agreement dated March 1, 1972 amending the Loan Agreement dated June 30, 1971 between the Borrower and the Bank.
IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and to be delivered as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Robert M. Dean

Authorized Representative

AMERICAN METAL CLIMAX, INC.

By /s/ D. J. Donahue

Authorized Representative

ANGLO AMERICAN CORPORATION OF
SOUTH AFRICA LIMITED

By /s/ M. C. O'Dowd

Authorized Representative

BAMANGWATO CONCESSIONS LIMITED

By /s/ H. J. Hinves

Authorized Representative

BOTSWANA RST LIMITED

By /s/ H. J. Hinves

Authorized Representative

CHARTER CONSOLIDATED LIMITED

By /s/ E. P. Gush

Authorized Representative
METALLGESELLSCHAFT AG

By /s/ Casper /s/ Dallwitz
Authorized Representatives

RST INTERNATIONAL, INC.

By /s/ J. D. Walcott
Authorized Representative

ZAMBIAN ANGLO AMERICAN LIMITED

By /s/ M. C. O'Dowd
Authorized Representative
SCHEDULE 1

Financing Plan of BCL

(Amount expressed in Rand equivalent)

I. Phase I of the Mining Project

(a) Equity 32,800,000

(b) Long-term loans

(i) from KFW 43,000,000

(ii) from IDC through Tusitala 13,500,000

(c) Initial loans from Guarantor-Shareholders meeting the requirements of Section 2.02 (b) 2,200,000

(d) Deferred loans from Guarantor-Shareholders meeting the requirements of Section 2.02 (b) 9,500,000

II. Phase II of the Mining Project

(a) Equity 7,000,000
SCHEDULE 2

The BCL Subordinated Loans and Obligations

1. In this Schedule:

   (a) the term "Subordinated Loans" means the loans to BCL referred to in: (i) Section 2.02 (a) of the Guarantee Agreement; and (ii) items I (c) and (d) of Schedule 1 to the Guarantee Agreement;

   (b) the term "the BCL Obligations" means the obligations of BCL to make payments to any of the Guarantor-Shareholders in accordance with Section 2.03 (a) of the Guarantee Agreement;

   (c) the term "Subordinated Obligations" means the Subordinated Loans and the BCL Obligations; and

   (d) the term "Senior Obligations" means the obligations of BCL to the Bank, KFW, Tusitala, the Borrower and the statutory corporations of the Borrower referred to in Section 2.02 (b) (v) of the Guarantee Agreement.

2. BCL covenants and agrees and likewise each of the Guarantor-Shareholders covenants and agrees each for itself and its successors and assigns, that all payments due under the Subordinated Obligations are hereby expressly subordinated to the extent and in manner hereinafter set forth in right of payment to the prior payment in full of all Senior Obligations.

3. (a) Upon any distribution of assets of BCL, upon any dissolution, winding-up, liquidation, reorganization, recapitalization or readjustment of BCL or its securities (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other arrangement or marshalling of the assets and liabilities of BCL, or otherwise):

   (i) the holder or holders of Senior Obligations shall first be entitled to receive payment in full, or have provision satisfactory to such holders made for payment in full, of all Senior Obligations, before the holders of the Subordinated Obligations are entitled to receive any payment on account thereof; and

   (ii) any payment or distribution of assets of BCL of any kind or character, whether in cash, property or securities (other than securities of BCL or any other corporation provided for by a
plan of reorganization or readjustment, the payment of which is subordinate, at least to the same extent provided in this Schedule, to the payment of all Senior Obligations at the time outstanding and to the payment of all securities issued in exchange therefor to the holder or holders of Senior Obligations at the time outstanding, to which the holders of the Subordinated Obligations or any trustee in respect thereof would be entitled except for the provisions of this Schedule shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the holder or holders of Senior Obligations or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Obligations may have been issued, ratably according to the aggregate amounts remaining unpaid on the Senior Obligations held or represented by each, to the extent necessary to make payment in full of all Senior Obligations remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Obligations.

(b) No payment on account of the Subordinated Obligations shall be made by BCL if, at the time thereof or immediately after giving effect thereto, there exists (and has not been waived) any default in the payment of any Senior Obligations.

(c) In the event that, notwithstanding the foregoing provisions of this Section 3, any payment or distribution of assets of BCL of any kind or character, whether in cash, property or securities (other than securities of BCL or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate at least to the extent provided in this Schedule with respect to the Subordinated Obligations, to the payment of all Senior Obligations at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of Senior Obligations at the time outstanding), shall be received by the holders of the Subordinated Obligations or any trustee in respect thereof before all Senior Obligations are paid in full, or provision satisfactory to the holder or holders thereof is made for its payment, such payment or distribution shall be held in trust by such holders or such trustee for, and immediately paid over to, the holder or holders of Senior Obligations remaining unpaid or unprovided for or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Obligations.
Obligations may have been issued for application to the payment of such Senior Obligations, ratably according to the aggregate amounts remaining unpaid on account of such Senior Obligations, until all such Senior Obligations shall have been paid in full, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Obligations.

4. In case cash, securities or other property otherwise payable or deliverable to any of the holders of the Subordinated Obligations in respect of the Subordinated Obligations shall have been applied, pursuant to Section 3, to the payment of Senior Obligations, then, upon the payment in full of all Senior Obligations, such holder of the Subordinated Obligations shall be subrogated to any rights of any holders of Senior Obligations to receive any further payments or distributions applicable to Senior Obligations until all payments due under the Subordinated Obligations shall have been made in full, and such payments or distributions received by such holder of the Subordinated Obligations by reason of such subrogation, of cash, securities or other property which otherwise would be paid or distributed to the holders of Senior Obligations, shall, as between BCL and its creditors other than the holders of Senior Obligations, on the one hand, and such holder of the Subordinated Obligations, on the other hand, be deemed to be a payment by BCL on account of Senior Obligations and not on account of the Subordinated Obligations.

5. No present or future holder of any Senior Obligations shall be prejudiced in any way in the right to enforce the subordination of payments under the Subordinated Obligations by any act or failure to act on the part of BCL. The provisions of this Schedule are solely for the purpose of defining the relative rights of the holders of Senior Obligations, on the one hand, and each of the holders of the Subordinated Obligations on the other hand, against BCL and its assets, and nothing contained in this Schedule shall impair, as between BCL and any of the holders of the Subordinated Obligations, the obligations of BCL, which are unconditional and absolute, to make to such holders of the Subordinated Obligations payments under the Subordinated Obligations as and when the same shall become due and payable in accordance with the terms of the Guarantee Agreement, or prevent any of the holders of the Subordinated Obligations, upon default under the Guarantee Agreement, from exercising all rights, powers and remedies otherwise provided therein or by applicable law, all subject to the rights of the holders of Senior Obligations under this Schedule to receive cash, property or securities otherwise payable or deliverable to such holder of the Subordinated Obligations.

6. Nothing contained in this Schedule or elsewhere in the Guarantee Agreement shall, save as mentioned in Section 3 hereof and in Section 2.02 (b) of the
Guarantee Agreement, prevent BCL at any time from making payments under the Subordinated Obligations.
SCHEDULE 3

The Amax Guarantee

1. In this Schedule:

(a) the term "the Amax Guarantee" means the guarantee of the principal of, and the interest and other charges on, the Loan and the Bonds, and the premium (if any), entered into by Amax in accordance with Article II of the Guarantee Agreement; and

(b) the term "Senior Indebtedness" means the principal of (and the premium, if any) and unpaid interest on the following, as outstanding at any time:

(i) the 4-1/2% Notes Due 1988 issued in the aggregate principal amount of $60,000,000 by Amax pursuant to a Purchase Agreement, dated August 8, 1963, between Amax and the Purchasers named in Annex 1 of such agreement; and

(ii) the promissory notes issued in the aggregate principal amount of $20,000,000 by Ayrshire Collieries Corporation the indebtedness whereunder was assumed by Amax pursuant to an Assumption Agreement, dated June 12, 1969 between the said Ayrshire Collieries Corporation, the banks named on the signature page thereof, Continental Illinois National Bank and Trust Company of Chicago and Amax.

2. Amax, for itself, its successors and assigns, covenants and agrees, and the Bank likewise covenants and agrees for itself and any Bondholders, and each Bondholder, by his acceptance of any Bond, likewise covenants and agrees, that all payments due under the Amax Guarantee are hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Indebtedness.

3. (a) Upon any distribution of assets of Amax upon any dissolution, winding up, liquidation, reorganization, recapitalization or readjustment of Amax or its securities (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benenfit of creditors or any other arrangement or marshalling of the assets and liabilities of Amax, or otherwise):

(i) the holder or holders of Senior Indebtedness shall first be entitled to receive payment in full, or have provision satisfac...
to such holders made for payment in full, of the principal thereof, and the premium, if any, and interest thereon, before the holders of the Amax Guarantee are entitled to receive any payment thereunder on account of the principal of, or the premium, if any, or interest on, or other charges under the Loan or the Bonds; and

(ii) any payment or distribution of assets of Amax of any kind or character, whether in cash, property or securities (other than securities of Amax or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate, at least to the same extent provided in this Schedule, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holder or holders of Senior Indebtedness at the time outstanding), to which the holders of the Amax Guarantee or any trustee in respect thereof would be entitled except for the provisions of this Schedule shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the holder or holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the principal of, premium, if any, and interest on, the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

(b) No payment under the Amax Guarantee on account of the principal of, or premium, if any, or interest on or other charges under the Loan or the Bonds shall be made by Amax, and no redemption, retirement, purchase or other acquisition of such Loan or Bonds shall be made by Amax, if, at the time thereof or immediately after giving effect thereto, there exists (and has not been waived) any default in the payment of principal of, or premium, if any, or interest on any Senior Indebtedness.
(c) In the event that, notwithstanding the foregoing provisions of this Section 3, any payment or distribution of assets of Amax of any kind or character, whether in cash, property or securities (other than securities of Amax or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate at least to the extent provided in this Schedule with respect to the Amax Guarantee, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of Senior Indebtedness at the time outstanding), shall be received by the holders of the Amax Guarantee or any trustee in respect thereof before all Senior Indebtedness is paid in full, or provision satisfactory to the holder or holders thereof is made for its payment, such payment or distribution shall be held in trust by such holders or such trustee for, and immediately paid over to, the holder or holders of Senior Indebtedness remaining unpaid or unprovided for or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued for application to the payment of such Senior Indebtedness, ratably according to the aggregate amounts remaining unpaid on account of the principal of, premium, if any, and interest on such Senior Indebtedness, until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

4. In case cash, securities or other property otherwise payable or deliverable to the Bank or the Bondholders shall have been applied, pursuant to Section 3, to the payment of Senior Indebtedness, then, upon the payment in full of the principal of (and premium, if any) and interest on all Senior Indebtedness, the Bank and the Bondholders shall be subrogated to any rights of any holders of Senior Indebtedness to receive any further payments or distributions applicable to Senior Indebtedness until all payments due under the Amax Guarantee shall have been made in full, and such payments or distributions received by the Bank and the Bondholders, by reason of such subrogation, of cash securities or other property which otherwise would be paid or distributed to the holders of Senior Indebtedness, shall, as between Amax and its creditors other than the holders of Senior Indebtedness, on the one hand, and the Bank and the Bondholders on the other hand, be deemed to be a payment by Amax on account of Senior Indebtedness and not on account of the Amax Guarantee.

5. No present or future holder of any Senior Indebtedness shall be prejudiced in any way in the right to enforce the subordination of payments under the Amax Guarantee by any act or failure to act on the part of Amax. The provisions of this Schedule are solely for the purpose of defining the relative rights of the holders
of Senior Indebtedness, on the one hand, and the Bank and the Bondholders, on the other hand, against Amax and its assets, and nothing contained in this Schedule shall impair, as between Amax and the Bank and the Bondholders, the obligations of Amax, which are unconditional and absolute, to make to the Bank and the Bondholders payments under the Amax Guarantee as and when the same shall become due and payable in accordance with the terms of the Guarantee Agreement, or prevent the Bank and the Bondholders, upon default under the Guarantee Agreement, from exercising all rights, powers and remedies otherwise provided therein or by applicable law, all subject to the rights of the holders of Senior Indebtedness under this Schedule to receive cash, property or securities otherwise payable or deliverable to the Bank or the Bondholders.

6. Nothing contained in this Schedule or elsewhere in the Guarantee Agreement shall, save as mentioned in Section 3 hereof, prevent Amax at any time from making payments under the Amax Guarantee.

7. For the purposes of the Indenture dated as of January 1, 1970 between Amax and Manufacturers Hanover Limited constituting the 8% Subordinated Debentures due January 1, 1986 of Amax, the Amax Guarantee shall constitute Senior Indebtedness as therein defined and accordingly the payments of the principal of (and premium, if any) and interest on each and all of the said Debentures is subordinated to the extent and in the manner set forth in the said Indenture in right of payment to the prior payment in full of all amounts due under the Amax Guarantee.
SCHEDULE 4

The Amax Obligation

1. In this Schedule:

(a) the term "the Amax Obligation" means the obligation of Amax to make payments to RST in accordance with Section 2.03 (c) of the Guarantee Agreement; and

(b) the term "Senior Indebtedness" means the principal of (and premium, if any) and unpaid interest on the following, as outstanding at any time:

(i) the 4-1/2% Notes Due 1988 issued in the aggregate principal amount of $60,000,000 by Amax pursuant to a Purchase Agreement, dated August 8, 1963, between Amax and the Purchasers named in Annex 1 of such agreement;

(ii) the promissory notes issued in the aggregate principal amount of $20,000,000 by Ayrshire Collieries Corporation the indebtedness whereunder was assumed by Amax pursuant to an Assumption Agreement, dated June 12, 1969 between the said Ayrshire Collieries Corporation, the Banks named on the signature page thereof, Continental Illinois National Bank and Trust Company of Chicago and Amax; and

(iii) the Amax Guarantee (as defined in Schedule 3 to the Guarantee Agreement).

2. Amax, for itself, its successors and assigns, covenants and agrees, and RST likewise covenants and agrees for itself and its successors and assigns, that all payments due under the Amax Obligations are hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Indebtedness.

3. (a) Upon any distribution of assets of Amax upon any dissolution, winding up, liquidation, reorganization, recapitalization or readjustment of Amax or its securities (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other arrangement or marshalling of the assets and liabilities of Amax, or otherwise):
the holder or holders of Senior Indebtedness shall first be entitled to receive payment in full, or have provision satisfactory to such holders made for payment in full, of the principal thereof, and the premium, if any, and interest thereon, before the holders of the Amax Obligation are entitled to receive any payment on account thereof; and

(ii) any payment or distribution of assets of Amax of any kind or character, whether in cash, property or securities (other than securities of Amax or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate, at least to the same extent provided in this Schedule, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holder or holders of Senior Indebtedness at the time outstanding), to which the holders of the Amax Obligation or any trustee in respect thereof would be entitled except for the provisions of this Schedule shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the holder or holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the principal of, premium, if any, and interest on, the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

(b) No payment of or on account of the Amax Obligation shall be made by Amax, if, at the time thereof or immediately after giving effect thereto, there exists (and has not been waived) any default in the payment of principal of, or premium, if any, or interest on any Senior Indebtedness.

(c) In the event that, notwithstanding the foregoing provisions of this Section 3, any payment or distribution of assets of Amax of any kind or character, whether in cash, property or securities (other than securities of Amax or any other corporation provided for by a plan of reorganization or readjustment, the payment
of which is subordinate, at least to the extent provided in this Schedule with respect to the Amax Obligation, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of Senior Indebtedness at the time outstanding, shall be received by the holders of the Amax Obligation or any trustee in respect thereof before all Senior Indebtedness is paid in full, or provision satisfactory to the holder or holders thereof is made for its payment, such payment or distribution shall be held in trust by such holders or such trustee for, and immediately paid over to, the holder or holders of Senior Indebtedness remaining unpaid or unprovided for or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued for application to the payment of such Senior Indebtedness, ratably according to the aggregate amounts remaining unpaid on account of the principal of, premium, if any, and interest on such Senior Indebtedness, until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

4. In case cash, securities or other property otherwise payable or deliverable to RST shall have been applied, pursuant to Section 3, to the payment of Senior Indebtedness, then, upon the payment in full of the principal of (and premium, if any) and interest on all Senior Indebtedness, RST shall be subrogated to any rights of any holders of Senior Indebtedness to receive any further payments or distributions applicable to Senior Indebtedness until all payments due under the Amax Obligation shall have been made in full, and such payments or distributions received by RST by reason of such subrogation, of cash, securities or other property which otherwise would be paid or distributed to the holders of Senior Indebtedness, shall, as between Amax and its creditors other than the holders of Senior Indebtedness, on the one hand, and RST, on the other hand, be deemed to be a payment by Amax on account of Senior Indebtedness and not on account of the Amax Obligation.

5. No present or future holder of any Senior Indebtedness shall be prejudiced in any way in the right to enforce the subordination of payments under the Amax Obligation by any act or failure to act on the part of Amax. The provisions of this Schedule are solely for the purpose of defining the relative rights of the holders of Senior Indebtedness, on the one hand, and RST, on the other hand, against Amax and its assets, and nothing contained in this Schedule shall impair, as between Amax and RST, the obligations of Amax, which are unconditional and absolute, to make to RST payments under the Amax Obligation as and when the same shall become due and payable in accordance with the terms of the Guarantee Agreement, or prevent RST upon default under the Guarantee Agreement, from
exercising all rights, powers and remedies otherwise provided therein or by applicable law, all subject to the rights of the holders of Senior Indebtedness under this Schedule to receive cash, property or securities otherwise payable or deliverable to RST.

6. Nothing contained in this Schedule or elsewhere in the Guarantee Agreement shall, save as mentioned in Section 3, prevent Amax at any time from making payments under the Amax Obligation.

7. For the purposes of the Indenture dated as of January 1, 1970 between Amax and Manufacturers Hanover Limited constituting the 8% Subordinated Debentures due January 1, 1986 of Amax, the Amax Obligation shall constitute Senior Indebtedness as therein defined and accordingly the payments of the principal of (and premium, if any) and interest on each and all of the said Debentures is subordinated to the extent and in the manner set forth in the said Indenture in right of payment to the prior payment in full of all amounts due under the Amax Obligation.
SCHEDULE 5

The BRST and RST Obligations

1. In this Schedule:

   (a) the term "the BRST Obligation" means the obligation to make payments to any of the Guarantor-Shareholders entered into by BRST in accordance with Section 2.03 (b) of the Guarantee Agreement;

   (b) the term "the RST Obligation" means the obligation to make payments to Amax entered into by RST in accordance with Section 2.03 (c) of the Guarantee Agreement; and

   (c) the terms "the BRST Guarantee" and "the RST Guarantee" mean the guarantee of the principal of, and the interest and other charges on, the Loan and the Bonds, and the premium (if any), respectively entered into by BRST and RST in accordance with Article II of the Guarantee Agreement (hereinafter together called "Senior Indebtedness").

2. BRST covenants and agrees in respect of the BRST Obligation and RST covenants and agrees in respect of the RST Obligation and likewise each of the Guarantor-Shareholders covenants and agrees in respect of the BRST Obligation and Amax covenants and agrees in respect of the RST Obligation, in each case for itself and its successors and assigns, that all payments due under the BRST Obligation and the RST Obligation are hereby expressly subordinated to the extent and in the manner hereinafter set forth in right of payment to the prior payment in full of all Senior Indebtedness.

3. (a) Upon any distribution of assets of BRST or RST upon any dissolution, winding up, liquidation, reorganization, recapitalization or readjustment of BRST or RST or of their respective securities (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other arrangement or marshalling of the assets and liabilities of BRST or RST, or otherwise):

   (i) the holder or holders of Senior Indebtedness shall first be entitled to receive payment in full, or have provision satisfactory to such holders made for payment in full, of all Senior Indebtedness, before the holders of the BRST Obligation or of the RST Obligation are entitled to receive any payment on account thereof; and
any payment or distribution of assets of BRST or RST of any kind or character, whether in cash, property or securities (other than securities of BRST or RST or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate, at least to the same extent provided in this Schedule, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holder or holders of Senior Indebtedness at the time outstanding), to which the holders of the BRST Obligation or of the RST Obligation or any trustee in respect thereof would be entitled except for the provisions of this Schedule shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the holder or holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

(b) No payment on account of the BRST Obligation or of the RST Obligation shall be made by BRST or RST if, at the time thereof or immediately after giving effect thereto, there exists (and has not been waived) any default in the payment of any Senior Indebtedness.

(c) In the event that, notwithstanding the foregoing provisions of this Section 3, any payment or distribution of assets of BRST or RST of any kind or character, whether in cash, property or securities (other than securities of BRST or RST or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinate at least to the extent provided in this Schedule with respect to the BRST Obligation and to the RST Obligation, to the payment of all Senior Indebtedness at the time outstanding and to the payment of all securities issued in exchange therefor to the holders of Senior Indebtedness at the time outstanding), shall be received by the holders of the BRST Obligation or of the RST Obligation or any trustee in respect thereof before all Senior Indebtedness is paid in full, or provision satisfactory to the holder or holders
thereof is made for its payment, such payment or distribution shall be held in trust by such holders or such trustee for, and immediately paid over to, the holder or holders of Senior Indebtedness remaining unpaid or unprovided for or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued for application to the payment of such Senior Indebtedness, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness, until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness.

4. In case cash, securities or other property otherwise payable or deliverable to any of the Guarantor-Shareholders in respect of the BRST Obligation or to Amax in respect of the RST Obligation shall have been applied, pursuant to Section 3, to the payment of Senior Indebtedness, then, upon the payment in full of all Senior Indebtedness, such Guarantor-Shareholder or Amax as the case may be, shall be subrogated to any rights of any holders of Senior Indebtedness to receive any further payments or distributions applicable to Senior Indebtedness until all payments due under the BRST Obligation or the RST Obligation as the case may be shall have been made in full, and such payments or distributions received by such Guarantor-Shareholder or Amax, by reason of such subrogation, of cash, securities or other property which otherwise would be paid or distributed to the holders of Senior Indebtedness shall, as between BRST or RST and their respective creditors other than the holders of Senior Indebtedness, on the one hand, and such Guarantor-Shareholder or Amax, on the other hand, be deemed to be a payment by BRST or RST on account of Senior Indebtedness and not on account of the BRST Obligation or of the RST Obligation.

5. No present or future holder of any Senior Indebtedness shall be prejudiced in any way in the right to enforce the subordination of payments under the BRST Obligation or under the RST Obligation by any act or failure to act on the part of BRST or RST. The provisions of this Schedule are solely for the purpose of defining (i) in the case of the BRST Obligation, the relative rights of the holders of Senior Indebtedness, on the one hand, and each of the Guarantor-Shareholders, on the other hand, against BRST and its assets and (ii) in the case of the BRST Obligation, the relative rights of the holders of Senior Indebtedness, on the one hand, and Amax on the other hand, against RST and its assets, and nothing contained in this Schedule shall impair, as between BRST and any of the Guarantor-Shareholders or between RST and Amax, the obligations of BRST or RST, which are unconditional and absolute, to make to such Guarantor-Shareholder or Amax payments under the BRST Obligation or under the RST Obligation as and when the same shall become due and payable in accordance with the terms
of the Guarantee Agreement, or prevent such Guarantor-Shareholder or Amax, upon default under the Guarantee Agreement, from exercising all rights, powers and remedies otherwise provided therein or by applicable law, all subject to the rights of the holders of Senior Indebtedness under this Schedule, to receive cash, property or securities otherwise payable or deliverable to such Guarantor-Shareholders or Amax.

6. Nothing contained in this Schedule or elsewhere in the Guarantee Agreement shall, save as mentioned in Section 3 hereof, prevent BRST or RST at any time from making payments under the BRST Obligation and under the RST Obligation.