Project Agreement
(Boke Project)

BETWEEN

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

AND

OFFICE D'AMENAGEMENT DE BOKE

DATED SEPTEMBER 18, 1968
Project Agreement

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AGREEMENT, dated September 18, 1968, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and the OFFICE D’AMENAGEMENT DE BOKE (hereinafter called OFAB).

WHEREAS by an agreement of even date herewith (hereinafter called the Loan Agreement) between the Republic of Guinea (hereinafter called the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to sixty-four million five hundred thousand dollars ($64,500,000) on the terms and conditions set forth in the Loan Agreement, but only on condition that OFAB agrees to undertake certain obligations toward the Bank as hereinafter provided;

WHEREAS OFAB is willing to undertake the obligations hereinafter set forth;

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I
Definitions

Section 1.01. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) shall have the respective meanings therein set forth.

ARTICLE II
Particular Covenants of OFAB

Section 2.01. (a) OFAB shall carry out, maintain, operate and administer the Project with due diligence and
efficiency and in conformity with sound engineering, financial and administrative practices.

(b) Except as the Bank shall otherwise agree, OFAB shall, in the carrying out of the Project, employ engineering consultants and contractors acceptable to, and to an extent and upon terms and conditions satisfactory to, the Bank and OFAB.

(c) OFAB shall furnish or cause to be furnished to the Bank promptly upon their preparation the plans, specifications and construction schedules for the Project and any material modifications subsequently made therein in such detail as the Bank shall from time to time request.

(d) OFAB shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of OFAB; shall enable the Bank’s representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, the administration, the operations and financial condition of OFAB, its relations with CBG and the carrying out of OFAB’s, CBG’s, HALCO’s and the Stockholders’ respective rights and obligations under the documents specified in Section 2.09(a) of this Agreement and any other agreements related thereto.

(e) OFAB shall have its financial statements (balance sheet and related statements of revenue and expenses including without limitation statements of sources and application of funds) certified annually by international independent public accountants acceptable to the Bank and shall,
promptly after their preparation and not later than three months after the close of OFAB’s fiscal year, submit to the Bank certified copies of such statements and a signed copy of the accountant’s report.

(f) OFAB shall, upon request from the Bank, take all action permitted to be taken under Section 4.07 of the Financial Assurances Agreement to furnish to the Bank or cause CBG to furnish to the Bank any of the documents therein referred to and to cause CBG to enable the Bank’s representatives to inspect the works and construction included in the Mining Project.

Section 2.02. Except as shall be otherwise agreed by the Bank and OFAB, OFAB shall use all goods financed out of the proceeds of the Loan exclusively in the carrying out of the Project.

Section 2.03. (a) OFAB shall take out and maintain with responsible insurers or make other provision satisfactory to the Bank for insurance against such risks and in such amount as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, OFAB undertakes to insure the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by OFAB to replace or repair such goods.

Section 2.04. Except in the normal course of business, the goods purchased or paid for out of the proceeds of the Loan shall not be sold or otherwise disposed of by OFAB without the prior consent of the Bank.

Section 2.05. (a) OFAB shall operate and maintain the railway, the port, townsite and other installations included
in the Project and from time to time make or cause to be made all necessary renewals and repairs thereof, all in accordance with sound engineering practices.

(b) OFAB shall, at all times, manage its affairs and maintain its financial position all in accordance with sound engineering, financial and administrative practices and with qualified and experienced management.

(c) OFAB shall, except as the Bank shall otherwise agree, take all steps necessary to maintain and renew all rights, powers, licenses and franchises which are necessary or useful in the conduct of its business.

Section 2.06. (a) OFAB shall obtain the approval of the Bank prior to taking any action for the appointment of the Chairman of the Construction Coordination Committee and the appointment of the Consulting Engineer pursuant to Sections 4.03 and 4.04 of the Financial Assurance Agreement.

(b) Except as the Bank and OFAB shall otherwise agree, OFAB shall permit the Construction Coordination Committee duly to comply with the Terms of Reference of the Committee and shall not take any action which would prevent or interfere with the compliance by the Committee with such Terms of Reference.

(c) OFAB shall at all times employ as Director of (i) the Railway Department, (ii) the Port Department, and (iii) the Port City Department, Chief Accountant and Chief Engineer or any persons performing such functions, such persons with such professional qualifications and experience as shall have been approved by the Bank and when applicable in accordance with the provisions of Sections 2.05 and 2.06 of the OFAB Technical Assistance Agreement.
Section 2.07. Upon completion of the Project, OFAB shall with due diligence assist the Chairman of the Committee referred to in Section 4.03 of the Financial Assurances Agreement in meeting his obligations to deliver to the Bank and to each of the parties to such Agreement the Certificate referred to in Section 4.05 of such Agreement.

Section 2.08. (a) The Bank and OFAB shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request.

(b) The Bank and OFAB shall from time to time exchange views through their representatives with regard to the performance by OFAB of its obligations hereunder and under the agreements specified in Section 2.09(a) of this Agreement and any other agreements related thereto and its administration, operations and financial condition.

(c) OFAB shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the performance by OFAB of its obligations hereunder and under the agreements specified in Section 2.09(a) of this Agreement and any other agreements related thereto, or which shall increase or threatens to increase materially the estimated cost of the Project.

Section 2.09. (a) OFAB shall duly perform its obligations under the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement and the OFAB Training Agreement, and, except as the Bank and OFAB shall otherwise agree, shall not take or concur in any action which would have the effect of amending, suspending, terminating, assigning or waiving any provision of any one of such instruments.
(b) Except as the Bank and OFAB shall otherwise agree, OFAB shall, to the extent that it has an interest therein and is obligated or entitled to do so, take all such reasonable action as may be necessary to maintain in full force and effect and to secure the prompt and diligent performance by the parties thereto of any of the documents specified in paragraph (a) of this Section.

(c) The Bank and OFAB shall exchange views as to any arbitration or any proceeding contemplated or undertaken pursuant to any of the documents specified in paragraph (a) of this Section. OFAB shall promptly advise the Bank of any such arbitration or other proceedings contemplated or undertaken and shall give the Bank such information as the Bank shall reasonably request to enable the Bank, if it so desires, to make its views thereon known to OFAB and in any such arbitration or other proceedings.

Section 2.10. Except as the Bank shall otherwise agree, OFAB’s principal operating and administrative offices and the headquarters of the Director of the Railway Department of OFAB and of the Director of the Port Department of OFAB shall be located at the site of the Project.

Section 2.11. Except as the Bank and OFAB shall otherwise agree: (i) during the period of construction of the Project, OFAB shall not undertake or execute, for its own account or the account of the Borrower or of any third party or parties, any major projects or developments other than the Project; and (ii) thereafter, prior to undertaking or executing any such major project or development, OFAB shall first satisfy the Bank that such action would not interfere with the performance by OFAB of its obligations under this Agreement. For the purposes of this Section, the term “major project or development” means any project or development involving an investment of more than the equivalent of $100,000 or such other amount as shall be agreed from time to time between the Bank and OFAB.
ARTICLE III

Effective Date; Termination

Section 3.01. This Agreement shall come into force and effect on the date when the Loan Agreement shall become effective as provided therein. The Bank shall promptly notify OFAB of such date.

Section 3.02. This Agreement shall terminate and the obligations of the parties hereunder shall cease and determine on the date when the Loan Agreement shall terminate in accordance with its terms.

ARTICLE IV

Miscellaneous Provisions

Section 4.01. Any notice, demand or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram or cable to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such demand or request. The addresses so specified are:

For OFAB:

Office d'Aménagement de Boke
Conakry
Guinea

Alternative address for cables:

OFAB
BP820, Conakry
Guinea
For the Bank:

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

Alternative address for cables:

Intbafrad
Washington, D.C.

Section 4.02. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement or under Section 8.01 of the Loan Agreement on behalf of OFAB may be taken or executed by the Directeur Général or such other person or persons as OFAB shall designate in writing.

Section 4.03. OFAB shall furnish to the Bank sufficient evidence of the authority of the person or persons who will, on behalf of OFAB, take any action or execute any documents required or permitted to be taken or executed by OFAB pursuant to any of the provisions of this Agreement and the authenticated specimen signature of each such person.

Section 4.04. This Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

In Witness Whereof, the parties hereto have caused this Agreement to be signed in their respective names by their representatives thereunto duly authorized and de-
livered in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By J. Burke Knapp
Vice President

OFFICE D'AMENAGEMENT DE BOKE

By Marcel Cros
Authorized Representative