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**NUMBER B-1230 JO**

# **INDEMNITY AGREEMENT**

**(Amman East Power Plant Project)**

between

**HASHEMITE KINGDOM OF JORDAN**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

**Dated March 14, 2007**

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Public Disclosure Authorized

## INDEMNITY AGREEMENT

INDEMNITY AGREEMENT, dated March , 2007 between the Hashemite Kingdom of Jordan (“**Jordan**”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “**Bank**”).

(A) WHEREAS the GOVERNMENT OF JORDAN (the “**Government**”) and AES JORDAN PSC (the “**Company**”) entered into the Implementation Agreement dated February 25, 2007 (the “**Implementation Agreement**”), pursuant to which the Company agreed (i) to develop, design, finance, construct, test, commission, complete, own, insure, operate, and maintain a gas/oil-fired combined cycle electric power plant at Almanakher, Jordan (the “**Project**”); and (ii) to provide electric power capacity and energy generated from the Project to the National Electric Power Company of Jordan (“**NEPCO**”) pursuant to a Power Purchase Agreement dated February 25, 2007 entered into between the Company and NEPCO (the “**PPA**”);

(B) WHEREAS pursuant to a Common Terms Agreement and a Commercial Bank Facility Agreement (collectively, the “**IBRD-Guaranteed Facility Agreement**”) dated on or about the date hereof, between the Company, Sumitomo Mitsui Banking Corporation Europe Limited, acting on its own behalf and as agent (the “**Agent**”) and the financial institutions named therein as lenders (the “**Guaranteed Lenders**”), the Guaranteed Lenders have agreed to make available to the Company a loan of up to forty-five million United States Dollars (US\$45,000,000) (the “**Guaranteed Loan**”) to support a portion of the financing of the Project;

(C) WHEREAS Jordan has undertaken certain obligations (including payment obligations) to the Company with respect to the Project pursuant to the Implementation Agreement, the Land Lease Agreement dated February 25, 2007 between the Company and the Ministry of Finance/Department of Lands and Survey acting on behalf of the Government (the “**Land Lease Agreement**”), and the guarantee dated February 25, 2007 (the “**Government Guarantee**”) which guarantees irrevocably, unconditionally, and absolutely the performance of all terms, conditions, and covenants on the of part of NEPCO and the Water Authority of Jordan (“**WAJ**”) (NEPCO and WAJ, individually a “**Relevant Project Counterparty**” and collectively the “**Relevant Project Counterparties**”) under the PPA and under the Water Supply Agreement (“**WSA**”) dated February 25, 2007 (the Implementation Agreement, the PPA, the WSA, and the Land Lease Agreement, collectively, the “**Relevant Project Agreements**”);

(D) WHEREAS at the request and with the agreement of Jordan, the Bank has agreed to guarantee (the “**IBRD Guarantee**”) the payment of certain interest and the

repayment of the principal of the Guaranteed Loan on the terms and conditions set forth in the World Bank Guarantee Agreement dated on or about the date hereof, but only on condition that Jordan agrees to reimburse to the Bank all amounts paid by the Bank in relation to or arising from the World Bank Guarantee Agreement and to undertake such other obligations to the Bank as are set forth in this Indemnity Agreement; and

(E) WHEREAS in consideration of the Bank providing the IBRD Guarantee pursuant to the World Bank Guarantee Agreement, Jordan has undertaken the obligations to the Bank set forth in this Indemnity Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### Incorporation of General Conditions and Modifications

Section 1.01. (a) The following provisions of the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through October 15, 2006) (hereinafter the “**General Conditions**”), with the modifications set forth in paragraph (b) of this Section 1.01, constitute an integral part of this Indemnity Agreement:

- (i) Article I (*Introductory Provisions*);
- (ii) Section 3.06 (*Loan Terms, Place of Payment*), Section 3.07 (*Loan Terms, Currency of Payment*), Section 3.09 (*Loan Terms, Valuation Currency*), and Section 3.10 (*Loan Terms, Manner of Payment*);
- (iii) Section 5.10 (*Project Execution, Cooperation and Consultation*) and Section 5.11(a) (*Project Execution, Visits*);
- (iv) Section 6.01 (*Financial and Economic Data*), and Section 6.02(a) and 6.02(c) (*Negative Pledge*) as modified below;
- (v) Section 8.01 (*Enforceability*), Section 8.03 (*Failure to Exercise Rights*) as modified below, and Section 8.04 (*Arbitration*);
- (vi) Section 9.02 (*Legal Opinions or Certificates*) as modified below; and
- (vii) Article X (*Miscellaneous Provisions*) as modified below.

(b) The General Conditions, unless the context otherwise requires, shall be modified as follows:

- (i) the terms “Borrower”, “Loan Party”, “Loan Parties”, and “Member Country”, wherever used in the General Conditions, mean Jordan;
- (ii) the term “Effective Date”, wherever used in the General Conditions, means the date specified in Article VI of this Indemnity Agreement;

- (iii) the terms “Loan” and “Loan Payments”, wherever used in the General Conditions, mean the amounts payable by Jordan under this Indemnity Agreement;
- (iv) the terms “Loan Agreement” and “Legal Agreement(s)”, wherever used in the General Conditions, mean this Indemnity Agreement;
- (v) the term “Loan Currency”, wherever used in the General Conditions, means Dollars;
- (vi) the term “Project”, wherever used in the General Conditions, means the Project as defined in the Preamble to this Indemnity Agreement;
- (vii) Section 6.02 (a) is modified to read as follows: “(a) It is the policy of the Bank, in making loans to, or in providing guarantees for loans to, its members not to seek, in normal circumstances, special security from the member concerned but to ensure that no other External Debt shall have priority over its loans and amounts due to the Bank from the member concerned in consequence of such guarantees in the allocation, realization, or distribution of foreign exchange held under the control or for benefit of such member. To that end, if any Lien shall be created on any Public Assets as security for any External Debt, which will or might result in a priority for the benefit of the creditor of such External Debt in the allocation, realization, or distribution of foreign exchange, such Lien shall, unless the Bank shall otherwise agree, *ipso facto* and at no cost to the Bank, equally and ratably secure the amounts payable by Jordan under this Indemnity Agreement, which, for purposes of this Section only, shall be deemed to be equal to the Guaranteed Loan and Jordan, in creating or permitting the creation of such Lien, shall make express provision to that effect; provided, however, that if for any constitutional or other legal reason such provision cannot be made with respect to any Lien created on assets of any of its political or administrative subdivisions, Jordan shall promptly and at no cost to the Bank secure the amounts payable by the Country under this Indemnity Agreement by an equivalent Lien on other Public Assets satisfactory to the Bank.”
- (viii) Section 9.02 is modified to read as follows: “Jordan shall furnish to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of Jordan showing (A) that this Indemnity Agreement has been duly authorized or ratified by, and executed and delivered on behalf of,

Jordan and is legally binding upon Jordan in accordance with its terms.”

Section 10.01 is modified by deleting at the beginning of the second sentence the words “Except as otherwise provided in Section 9.03(a)”.

Section 1.02. Unless the context otherwise requires,

- (a) the several terms defined in the Preamble to this Indemnity Agreement have the respective meanings therein set forth;
- (b) the following terms shall have their respective meanings set forth in:
  - (i) the Implementation Agreement: “GOJ Event of Default”, “Foreign Political Force Majeure”, “Laws of Jordan”, “Local Political Force Majeure”, and “Project Company Event of Default”;
  - (ii) the PPA: “NEPCO Event of Default”;
  - (iii) the WSA: “WAJ Event of Default”; and
  - (iv) the Land Lease Agreement: “Lessor Event of Default”; and
- (c) the following additional terms have the following meanings:
  - (i) “**Associated Infrastructure**” means (i) the 400-kV, approximately 14-km overhead transmission line that will connect the Project to the Jordanian national grid, to be built by NEPCO; (ii) the 400-kV air-insulated substation to connect the transmission line to the Jordanian national grid, to be built by NEPCO; (iii) the approximately 1-km underground natural gas pipeline to connect the Project to the existing pipeline that transports natural gas from Egypt to Jordan, to be built by the Jordanian Egyptian Fajr for Natural Gas Transmission & Supply Company; and (iv) the approximately 18-km underground water pipeline that will supply water to the Project, to be built by WAJ;
  - (ii) “**Associated Infrastructure Environmental Management Plan**” means the environmental management plan, duly prepared by the Relevant Project Counterparties and acceptable to the Bank, which set out the environmental mitigation and protection measures in respect of the carrying out of the transmission line and substation, as well as the administrative and monitoring arrangements to ensure the implementation of said measures;

- (iii) **“Coercion”** means harming or threatening to harm, directly or indirectly, persons, or their property with the purpose of obtaining improperly or retaining improperly business or obtaining any other improper advantage;
- (iv) **“Collusion”** means a scheme or arrangement between two or more persons with the purpose of obtaining improperly or retaining improperly business or obtaining any other improper advantage;
- (v) **“Corrupt Practices”** means:
  - (x) the offering, promising, or giving of any undue pecuniary or other advantage, whether directly or through intermediaries to any official of Jordan or any Public Sector Entity, for that official or for a third party to influence the official to act or refrain from acting in relation to the performance of official duties, with the purpose of obtaining or retaining business or any other advantage; or
  - (y) the acquisition, possession, use, conversion, transfer, or concealment of the true nature of property of any description, and legal documents or instruments evidencing title to, or interest in, such property knowing that such property is an economic advantage in any way related to or arising from criminal offenses, for the purpose of: (i) concealing or disguising the illicit origin of the property, or (ii) assisting any person who is involved in the commission of a criminal offense as a result of which such property is generated, to evade the legal consequences of such actions;
- (vi) **“Demand Notice”** means a demand presented to the Bank by the Agent in accordance with Article 12 of the World Bank Guarantee Agreement (*Filing of Demands*) and substantially in the form of Schedule B thereto;
- (vii) **“Dollars”** and **“USD”** each means the lawful currency of the United States of America;
- (viii) **“Environmental and Social Laws”** means laws and regulations in Jordan relating to the environment, human health or safety, or laws and regulations relating to social issues (including minimum labor standards and laws and regulations prohibiting Forced Labor or Harmful Child Labor), including: (A) the Constitution of Jordan; (B) the laws of Jordan (and all of their

implementation regulations, where applicable); and (C) all other international conventions and treaties to which Jordan is a party and which have been ratified by Jordan and are in full force and effect, to the extent such laws and regulations are applicable to the Company or the Project;

- (ix) “**Environmental Management Plans**” or “**EMPs**” means the Associated Infrastructure Environmental Management Plan and the Project Environmental Management Plans;
- (x) “**Financing Documents**” has the meaning assigned to that term in the Implementation Agreement;
- (xi) “**Forced Labor**” means all work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty;
- (xii) “**Fraudulent Practice**” means a misrepresentation or omission of facts with the purpose of obtaining or retaining business or any other improper advantage;
- (xiii) “**Guarantee Fee**” means the guarantee fee payable by the Guaranteed Lenders to the Bank pursuant to the World Bank Guarantee Agreement;
- (xiv) “**Harmful Child Labor**” means the employment of children that is economically exploitative or is likely to be hazardous to, or to interfere with, the child’s education, or to be harmful to the child’s health, or physical, mental, spiritual, moral, or social development;
- (xv) “**Joint Coordinating Committee**” means the Joint Coordinating Committee with representatives of NEPCO and the Company to be established pursuant to Article 11 of the PPA;
- (xvi) “**Prohibited Activities**” means Coercion, Collusion, Corrupt Practices, Fraudulent Practices, Harmful Child Labor, and Forced Labor, in any way connected to the Project;
- (xvii) “**Project Agreements**” has the meaning assigned to that term in the Implementation Agreement;
- (xviii) “**Public Sector Entity**” means (a) the Government, any government department or ministry, agency, body (including state-owned company or other entity), instrumentality, or public

authority, whether national, state, regional (or any subdivision thereof), or any entity subject to the overall control or direction as to matters of policy of the Government or which is otherwise under and controlled by the Government; or (b) any court in Jordan with jurisdiction over the Company, the Agent, or the Project or any part thereof; or (c) any person having or asserting authority to issue a license, approval, or consent required or necessary in connection with the Project, or otherwise having jurisdiction over any aspect of the Project;

- (xix) **“Project Environmental Management Plans”** means the environmental management plans, duly prepared by the Company and acceptable to the Bank, which set out the environmental mitigation and protection measures in respect of carrying out the Project, as well as the administrative and monitoring arrangements to ensure the implementation of said measures;
- (xx) **“Resettlement Policy Framework”** means the policy framework for resettlement, and/or compensation, and rehabilitation required in the course of implementing the Project and the Associated Infrastructure prepared by Arab Center for Engineering Studies, dated January 2007, and approved by Jordan and the Bank;
- (xxi) **“Transaction Documents”** means the Project Agreements and the Financing Documents;
- (xxii) **“World Bank Agreements”** means the World Bank Guarantee Agreement, this Indemnity Agreement, and the World Bank Project Agreement; and
- (xxiii) **“World Bank Project Agreement”** means the agreement dated on or about the date hereof between the Bank and the Company.

## ARTICLE II

### Indemnity by Jordan to the Bank

Section 2.01. In consideration of the Bank providing the IBRD Guarantee on the terms and conditions set out in the World Bank Guarantee Agreement, Jordan hereby irrevocably and unconditionally agrees:

- (a) to reimburse the Bank immediately upon the Bank’s written demand or as the Bank may otherwise direct in writing for any amount paid by the Bank

under the World Bank Guarantee Agreement in Dollars together with interest thereon at the rate per annum determined by the Bank (which rate shall not exceed the Bank's prevailing lending rate for Variable-Spread Loans denominated in Dollars, as shown from time to time on the Bank's external website) from the date such payment is made by the Bank until such amount is paid in full;

- (b) to indemnify the Bank on demand in respect of all actions, proceedings, liabilities, claims, losses, damages, costs, and expenses brought against, suffered, or incurred by the Bank directly or indirectly in relation to or arising out of the World Bank Guarantee Agreement (except as otherwise provided in Section 8.04(i) of the General Conditions);
- (c) that (i) the Bank is authorized to comply with any Demand Notices served on the Bank pursuant to the World Bank Guarantee Agreement and make any payments which are due or claimed from the Bank under the World Bank Guarantee Agreement (the Bank shall promptly notify Jordan of any such demand, but failure to give such notice shall in no way affect the Bank's obligation to make payment under the World Bank Guarantee Agreement or Jordan's obligation to reimburse or indemnify the Bank pursuant to this Indemnity Agreement); and (ii) it shall not be incumbent on the Bank to inquire whether or not any statements in such Demand Notice are in fact correct; and
- (d) that any such Demand Notice shall, as between Jordan and the Bank, be conclusive evidence that the demand is properly made and payment is properly due. Following the notification to Jordan of the receipt by the Bank of any Demand Notice, Jordan may investigate the validity of the statements in such Demand Notice and take such actions as Jordan may see fit against the Company, the Agent, and the Guaranteed Lenders in respect thereof, all without prejudice to the Bank's obligations under the World Bank Guarantee Agreement to make a payment in respect of such Demand Notice and to Jordan's obligations under this Indemnity Agreement in relation to such payment by the Bank. The obligations of Jordan hereunder shall apply notwithstanding that Jordan or any Public Sector Entity or any of the Relevant Project Counterparties disputes the validity of any such Demand Notice or the accuracy or correctness of any documentation, fact, or figures relied upon or stated therein.

Section 2.02. (a) The obligations of Jordan under this Indemnity Agreement are irrevocable, absolute, and unconditional irrespective of the value, genuineness, validity, regularity, or enforceability of Jordan's obligations under the Implementation Agreement, Land Lease Agreement, or Government Guarantee, or any other Public Sector Entity's obligations under other Transaction Documents, and shall not be discharged except by performance and then only to the extent of such performance. Such obligations shall not be

subject to any prior notice to, demand upon or action against the Company, the Agent, the Guaranteed Lenders or any other person, or any prior notice to or demand upon Jordan with regard to any failure by the Company or Jordan to pay any amount in respect of which a Demand Notice is served on the Bank pursuant to the World Bank Guarantee Agreement. Such obligations shall not be impaired by any of the following: (i) any extension of time, forbearance, concession or other indulgence given to the Bank, the Company, the Agent, the Guaranteed Lenders, or any other person; (ii) any variation of the IBRD-Guaranteed Facility Agreement, or any Transaction Documents, or any other related agreement; (iii) any assertion of, or failure to assert, or delay in asserting, by any party to a Transaction Document, any right, power, or remedy against Jordan, the Company, or any other such party, or in respect of any security created or purported to be created for the Guaranteed Loan (or any part thereof or interest thereon); or (iv) any other circumstances which would or might (but for this provision) constitute a release, discharge, defense, or waiver for Jordan.

(b) The Bank may at any time, without thereby discharging, impairing, or otherwise affecting any rights, powers, and remedies hereby created or conferred upon it by this Indemnity Agreement, the IBRD-Guaranteed Facility Agreement, the World Bank Guarantee Agreement, the World Bank Project Agreement, any other Transaction Document, or any other related agreement or by law: (i) offer or agree to or enter into any agreement for the variation of the World Bank Guarantee Agreement, the IBRD-Guaranteed Facility Agreement (other than, without Jordan's consent, any such extension or variation which would increase the obligations of Jordan under this Indemnity Agreement), any Transaction Document, or any other related agreement; and (ii) offer or give or agree to give any time or other indulgence to any other person or entity from whom it may seek reimbursement (at law or otherwise) in respect of sums paid out or liabilities incurred by the Bank under the World Bank Guarantee Agreement.

(c) Any rights conferred on the Bank by this Indemnity Agreement shall be in addition to, and not in substitution for or derogation of, any other right which the Bank may at any time have to seek, from Jordan, the Company, or any other person or entity, reimbursement of or indemnification against payments made or liabilities arising from or in connection with the World Bank Guarantee Agreement.

(d) The Bank shall not be obliged before or after taking steps to enforce any rights conferred on it by this Indemnity Agreement or exercising any of the rights, powers, and remedies conferred upon the Bank by the World Bank Agreements, the IBRD-Guaranteed Facility Agreement, or any other Transaction Document or any other related agreement or by law: (i) to take action or obtain judgment or award in any court or tribunal of competent jurisdiction against any other person (including persons from whom it may seek reimbursement in respect of sums paid out or liabilities incurred pursuant to the World Bank Guarantee Agreement); or (ii) to enforce or seek to enforce any other rights it may have against Jordan or its rights against or security given by any other person including, but not limited to, security provided by the Guaranteed Lenders to the Bank.

Section 2.03. Any payment required to be made by Jordan pursuant to the terms of this Indemnity Agreement shall be applied first, to pay all interest and other charges due to the Bank and second, after such interest and other charges are paid, to pay all other amounts then due to the Bank under this Indemnity Agreement.

## **ARTICLE III**

### **Project-Related Covenants**

Section 3.01. Without limitation or restriction upon any of its other obligations under this Indemnity Agreement, Jordan hereby unconditionally undertakes to the Bank punctually to perform all of its obligations under the Implementation Agreement, the Land Lease Agreement, and the Government Guarantee and to cause each of the Relevant Project Counterparties punctually to perform all of its obligations under the Relevant Project Agreements to which each of the Relevant Project Counterparties is a party.

Section 3.02. Jordan shall notify the Bank prior to agreeing to any amendment, waiver, termination, or other change to the Implementation Agreement, the Government Guarantee, the Land Lease Agreement, or other Transaction Document to which Jordan or any Public Sector Entity is a party and shall obtain the written consent of the Bank prior to agreeing to any amendment, waiver, termination, or other change to such agreements and undertakings which would or could in the opinion of the Bank materially affect the rights or obligations of the Bank under the World Bank Guarantee Agreement, the World Bank Project Agreement, or the Transaction Documents.

Section 3.03. Jordan shall not take or permit any Public Sector Entity to take any action which would prevent or adversely interfere with the performance by the Relevant Project Counterparties of any of their obligations under the Relevant Project Agreements and shall cause the Relevant Project Counterparties to notify the Bank prior to agreeing to any amendment, waiver, termination, or other change and to obtain the written consent of the Bank prior to agreeing to any amendment, waiver, termination, or other change to the Relevant Project Agreements which would or could in the opinion of the Bank materially affect the rights or obligations of the Bank (pursuant to the World Bank Guarantee Agreement, the World Bank Project Agreement, or the Transaction Documents) including, without limitation, any assignment, transfer, novation, abrogation, granting of security over, or other disposition of any rights or obligations under such agreements.

Section 3.04. Jordan shall, or shall cause the Relevant Project Counterparties to, promptly notify the Bank (a) of any Project Company Event of Default, GOJ Event of Default, Local Political Force Majeure, Foreign Political Force Majeure, NEPCO Event of Default, WAJ Event of Default, or Lessor Event of Default, (b) of its receipt or giving by any party of any notice of any such event, any notice of intent to terminate, or termination notice pursuant to the Implementation Agreement or any Transaction Document, or (c) any

event or circumstance which would or could adversely affect Jordan's or any Relevant Government Counterparties' ability to perform its obligations or exercise its rights under the Implementation Agreement, or any other Transaction Document.

Section 3.05. Jordan shall take all actions within its power to remedy and cure each of the events referred to in Section 3.04 that would or could result in the breach or termination of any of the Implementation Agreement, the Government Guarantee, the Land Lease Agreement, or a Relevant Project Agreement, or that could adversely affect Jordan's ability to perform its obligations or exercise its rights under the Implementation Agreement, the Government Guarantee, or the Land Lease Agreement or the ability of any of the Relevant Project Counterparties to perform its obligations or exercise its rights under the Relevant Project Agreements.

Section 3.06. Jordan shall take all action within its power to ensure that there are no changes in the Laws of Jordan after the date of this Indemnity Agreement which would make obligations under the Implementation Agreement, the Government Guarantee, or any other Relevant Project Agreement illegal, invalid, unenforceable, or void in whole or part. If such change in the Laws of Jordan exists or occurs, Jordan shall take all actions within its power to remedy and cure, or to ensure that the appropriate Public Sector Entity remedies and cures, the adverse effect on the Project of such circumstances or change in the Laws of Jordan.

Section 3.07. Jordan shall:

- (a) cause NEPCO to agree with the Company that the functions of the Joint Coordinating Committee will include coordinating the implementation of the EMPs, RPF, and any other environmental and social aspects of the Project and the Associated Infrastructure in accordance with the Environmental and Social Laws and sound environmental and social standards and practices satisfactory to the Bank;
- (b) cause NEPCO to ensure that at least one of NEPCO's representatives to the Joint Coordinating Committee has sufficient expertise in environmental and social matters, and that the Joint Coordinating Committee will have access to competent personnel in sufficient numbers, and provided with adequate resources, to effectively coordinate the implementation of the EMPs, RPF, and any other environmental and social aspects of the Project and the Associated Infrastructure in accordance with the Environmental and Social Laws and sound environmental and social standards and practices satisfactory to the Bank;
- (c) cause the Company to implement in a timely manner the Project Environmental Management Plan and Resettlement Policy Framework, and any other environmental and social aspects of the Project to ensure that the Project is implemented in accordance with the Environmental and

Social Laws and sound environmental and social standards and practices satisfactory to the Bank;

- (d) deliver, or cause NEPCO to deliver, to the Bank (i) semiannually during construction and annually thereafter, a report on the implementation (including any variations) of the Associated Infrastructure Environmental Management Plan and on the coordination of implementation of the EMPs; and (ii) semiannually during construction a report on the implementation (including a log of any complaints and coordinating aspects) of the Resettlement Policy Framework;
- (e) carry out promptly or cause to be carried out promptly any action required to be performed by it or by any Public Sector Entity under the Associated Infrastructure Environmental Management Plans and the Resettlement Policy Framework;
- (f) take all action which shall be necessary on its part or on the part of any Public Sector Entity to enable the Company (i) to obtain any required approval or environmental authorization for the Project required under the Project Environmental Management Plans and the Resettlement Policy Framework and (ii) to perform all of its obligations under the World Bank Project Agreement and the Transaction Documents;
- (g) not take any action or to cause or permit any Public Sector Entity to take any action which would prevent or adversely interfere with the performance by the Company of the obligations referred to in Section 3.07(f) above;
- (h) deliver, or cause NEPCO to deliver, a copy of NEPCO's annual audited financial statements within six (6) months after the end of NEPCO's fiscal year; and
- (i) not take or permit to be taken any action which would prevent or adversely interfere with the Company's performance of its obligations under the World Bank Project Agreement.

Section 3.08. Jordan (i) affirms to the Bank that no Prohibited Activities have been engaged in by any official or representative of Jordan or of any Public Sector Entity, (ii) covenants that it shall not engage, or allow any official or representative of Jordan or of any Public Sector Entity to engage, in Prohibited Activities, and, (iii) declares its commitment to enforce all laws of Jordan against Prohibited Activities during and with respect to the performance of any contract or activity related to the Project.

Section 3.09. Without prejudice to Sections 5.10 (*Cooperation and Consultation*) and 6.01 (*Financial and Economic Data*) of the General Conditions, Jordan shall provide

the Bank promptly upon request all information necessary, in the reasonable opinion of the Bank, for the Bank's review of Jordan's performance of its covenants pursuant to Sections 3.06 and 3.07 above and for a review of the relevant monitoring mechanisms and indicators.

## **ARTICLE IV**

### **Remedies of the Bank**

Section 4.01. In the event that: (i) Jordan fails to make any payment to or to indemnify the Bank as required pursuant to Section 2.01 of this Indemnity Agreement; (ii) Jordan defaults in the performance of any of its obligations hereunder, and such failure or default continues and remains uncured in the opinion of the Bank for sixty (60) days or more (or, at the Bank's sole discretion, such other longer reasonable period to cure granted by the Bank if it considers that such failure or default is susceptible to being cured within such longer period) after notice thereof shall have been given to Jordan by the Bank; or (iii) any representation made by Jordan in or pursuant to this Indemnity Agreement, or any statement furnished in connection with this Indemnity Agreement and intended to be relied on by the Bank in providing the IBRD Guarantee, shall in the opinion of the Bank have been incorrect in any material respect, the Bank shall be entitled, in addition to any other rights and remedies it may have, to suspend or cancel in whole or in part Jordan's right to make withdrawals under any Loan Agreement between the Bank and Jordan or under any development credit agreement or financing agreement between the International Development Association and Jordan, or to declare the outstanding principal and interest of any such loan or credit due and payable immediately.

## **ARTICLE V**

### **Effective Date**

Section 5.01. This Indemnity Agreement shall come into force and effect upon signature of the parties.

## ARTICLE VI

### Miscellaneous Provisions

Section 6.01. The Minister of Planning and International Cooperation is hereby designated as representative of Jordan for the purposes of Section 10.02 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 10.01 (*Notices and Requests*) of the General Conditions:

For Jordan:

Minister of Planning and International Cooperation  
P.O. Box 555, 11118  
Amman  
Jordan

Facsimile: (962) 6-464-9341

For the Bank:

World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address: Telex:

INDEVAS 248423 (MCI)  
Washington, D.C. 64145 (MCI)

Facsimile: (202) 477-0169

