

CONFORMED COPY

IBRD GUARANTEE NUMBER G-2030

Cooperation Agreement

(Botswana – Morupule B Power Project)

between

CHINA EXPORT AND CREDIT INSURANCE CORPORATION

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated December 15, 2009

This **COOPERATION AGREEMENT** (the “*Agreement*”) is dated December 15, 2009 between:

- (1) **CHINA EXPORT AND CREDIT INSURANCE CORPORATION**, a company established under the laws of the People’s Republic of China and having its registered office located at Fortune Times Building, No.11 Fenghuiyuan, Xicheng District, Beijing, People’s Republic of China (“*Sinosure*”); and
- (2) **INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT** an international organization having its headquarters at 1818 H Street, N.W., Washington, DC 20433, United States of America (as “*IBRD*”).

WHEREAS:

- (A) BPC has entered into the EPC Contract (as defined below) with the EPC Contractor (as defined below) for the engineering, procurement and construction of the Project (as defined below);
- (B) BPC has entered into the ICBC Export Credit Facility Agreement (as defined below) with, *inter alia*, the Agent (as defined below) in which the Agent has made or agrees to make loans on certain terms to BPC for the purpose of financing payments due under the EPC Contract;
- (C) Botswana, acting through the Ministry of Finance and Development Planning, has entered into the deed of guarantee with, *inter alia*, the Agent, for the purpose of guaranteeing, *inter alia*, principal and interest amounts payable by BPC under the ICBC Export Credit Facility Agreement;
- (D) Sinosure has agreed to issue the Sinosure Insurance Policy in favor of the Agent, covering *inter alia*, payment defaults made by BPC under the ICBC Export Credit Facility occurring during the period beginning on or after the Initial CP Satisfaction Date and ending on the fifteenth (15th) anniversary thereof;
- (E) On or about the date hereof, IBRD and the Agent (acting for itself and on behalf of the lenders) entered into the IBRD Guarantee Agreement pursuant to which IBRD agrees, on the terms and conditions set out therein, to guarantee to the Agent the repayment of certain principal amounts up to two hundred and forty-two million, six hundred and sixty-one thousand, three hundred and forty-one United States dollars and zero cents (US\$242,661,341.00) and the payment of one interest installment payable by BPC under the ICBC Export Credit Facility Agreement during the period beginning one calendar day after the fifteenth (15th) anniversary of the Initial CP Satisfaction Date and ending on the twentieth (20th) anniversary of the Initial CP Satisfaction Date, all as set out more fully in the IBRD Guarantee Agreement; and
- (F) IBRD and Sinosure have agreed to enter into this Agreement to set out certain common understandings between them in relation to the operation of the rights and obligations relating to the IBRD Guarantee Agreement and the Sinosure Insurance Policy (each hereinafter a “*Guarantee/Insurance Agreement*” and together the “*Guarantee/Insurance Agreements*”) and related matters of common interest.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

“**Agent**” has the meaning given to it in the IBRD Guarantee Agreement;

“**Botswana**” means the Republic of Botswana;

“**BPC**” means Botswana Power Corporation;

“**Eligible Financial Institution**” means (other than an export credit agency or other governmental, quasi-governmental or multilateral agency) a financial institution, bank, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, that: (i) is commercially operated; (ii) has not been declared ineligible to be awarded an IBRD- or IDA-financed contract in accordance with the IBRD Sanctions Procedures, as published at the date of this Agreement on the website located at www.worldbank.org/debarred and as such website may from time to time be updated, changed, modified or replaced; *provided that* in the case of replacement, only as expressly notified, indicated on or otherwise redirected from the original website or as may be otherwise notified by IBRD to the Agent from time to time; and (iii) that has not been blacklisted for receiving payments from a member state of the United Nations pursuant to a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations to counter terrorism, as published at the date of this Agreement on the website located at <http://www.un.org/sc/committees/1267/consolist.shtml> and as such website may from time to time be updated, changed, modified or replaced; *provided that* in the case of replacement, only as expressly notified, indicated on or otherwise redirected from the original website or as may be otherwise notified by IBRD to the Agent from time to time;

“**EPC Contract**” has the meaning given to it in the ICBC Export Credit Facility Agreement;

“**EPC Contractor**” has the meaning given to it in the ICBC Export Credit Facility Agreement;

“**Guarantee/Insurance Agreement(s)**” has the meaning given to it in recital F;

“**IBRD Guarantee**” means the guarantee provided by IBRD on the terms set out in the IBRD Guarantee Agreement;

“**IBRD Guarantee Agreement**” means the guarantee agreement dated on or about the date hereof and entered into, *inter alia*, between IBRD and the Agent;

“**ICBC**” means the Industrial and Commercial Bank of China Limited;

“**ICBC Export Credit Facility**” means the export credit facility in the principal amount of up to eight hundred twenty-five million, forty-eight thousand, five hundred fifty nine United States dollars and forty cents (US\$825,048,559.40) made available under the ICBC Export Credit Facility Agreement as described in Clause 2 (*The Facility*) thereof;

“**ICBC Export Credit Facility Agreement**” means the export credit facility agreement dated June 15, 2009 and entered into between, *inter alia*, ICBC, BPC, Standard Bank plc and Stanbic Bank Botswana Limited in connection with the Project;

“**Project**” has the meaning given to it in the ICBC Export Credit Facility Agreement;

“**Sinosure Insurance Policy**” means the contract of insurance in respect of the ICBC Export Credit Facility Agreement issued or to be issued by Sinosure under which the Agent (on behalf of the lenders) is named as insured;

Interpretation

1.2 Unless the context requires otherwise, any reference herein to a Clause, Sub-clause or Schedule is to a clause, sub-clause or schedule to this Agreement;

- 1.3 Headings in this Agreement are inserted for convenience of reference only and shall be ignored in construing this Agreement;
- 1.4 All schedules to this Agreement are an integral part of this Agreement with the same force and effect as if they were fully set out herein; and references to this Agreement shall include references to both this Agreement and the schedules;
- 1.5 Words importing the singular include the plural and *vice versa*;
- 1.6 References to the words “include” and “including” shall be construed without limitation; and
- 1.7 References in this Agreement to any document are references to such document as originally executed and, if amended, supplemented or replaced, to such document as amended, supplemented or replaced from time to time (provided that where consent is required to amend, supplement or replace, such consent has been obtained), and shall include any document that amends, supplements or replaces it.

2. **COVERAGE AND COMMON UNDERSTANDINGS**

- 2.1 Sinasure acknowledges that Sinasure is not an Eligible Financial Institution under the IBRD Guarantee Agreement and agrees that it shall not take, by way of subrogation, assignment, transfer, novation or otherwise, any right or interest under the IBRD Guarantee Agreement.
- 2.2 IBRD agrees that it shall not take, by way of subrogation, assignment, transfer, novation or otherwise, any right or interest under the Sinasure Insurance Policy.
- 2.3 Subject to the limitations set out in Clauses 2.1 and 2.2, in the event that either Sinasure or IBRD becomes involved in a dispute with the Agent, a lender, BPC, Botswana or another party in connection with the Project, which cannot be resolved without legal action, then neither Sinasure nor IBRD shall be precluded from taking independent legal action or making independent determinations to effect recovery or to enforce or preserve its rights or to perform its obligations.
- 2.4 Subject to the limitations set out in Clauses 2.1 and 2.2, it is understood that neither Sinasure nor IBRD shall be required to share with the other any recovery, compensation, reimbursement or other amount(s) received or obtained by it in connection with the Project, pursuant to: (i) any legal action (including any arbitration, administrative or court proceeding, or tribunal determination); or (ii) any agreement entered into by it with another party.

3. **COOPERATION; EXCHANGE OF INFORMATION; CONSULTATION**

- 3.1 Each of Sinasure and IBRD agrees that it shall, in conformity with and subject to its policies, guidelines and practices with respect to the treatment of information of a confidential nature, at the request of the other, exchange views and provide pertinent information or give notice with respect to the following matters:
- (a) any payment made or to be made by it under its Guarantee/Insurance Agreement;
 - (b) any suspension, termination or cancellation, in whole or in part, of the coverage provided under its Guarantee/Insurance Agreement;
 - (c) any proposed amendment to the terms of its coverage or to the terms of its Guarantee/Insurance Agreement, as applicable;
 - (d) any proposal to extend the coverage, including but not limited to the amount or time period of such coverage, under its Guarantee/Insurance Agreement; or

3.2 In addition to the matters referred to in this Clause 3, each of Sinosure and IBRD may consult with the other on any matter of common interest arising out of this Agreement or out of any Guarantee/Insurance Agreement.

3.3 IBRD and Sinosure shall each provide the other with a copy of the final executed version of its respective Guarantee/Insurance Agreement and any subsequent amendment or modification made to such Guarantee/Insurance Agreement in accordance with its terms.

4. **NOTICES**

4.1 Any written communication or notice required under this Agreement, and any other document contemplated by this Agreement shall be in writing and, unless the parties otherwise agree, in English. Any such notice shall be deemed to have been duly given either on the date of dispatch, if delivered by hand or facsimile or five (5) calendar days after the date of posting, if sent by registered airmail, and in each case addressed as specified below, or to such other address as either party shall have designated by notice to the other.

For IBRD:

Address: The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Attention: Manager, Africa Energy
Facsimile: +1 202 473 5153

With a copy to:

Address: The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Attention: Manager, IBRD Guarantees
Facsimile: +1 202 522 0761
E-mail: guarantees@worldbank.org

For Sinosure:

Address: Fortune Times Building, No.11 Fenghuiyuan, Xicheng
District, Beijing
People's Republic of China
Attention: WANG Xu/ GUO Jing
Facsimile: + 86 10 66118300

5. **SEVERABILITY OF PROVISIONS**

If any provision of this Agreement is or becomes prohibited, illegal, invalid or unenforceable in any jurisdiction, such prohibition, illegality, invalidity or unenforceability shall not affect or impair the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions in any other jurisdiction.

6. **AMENDMENT**

This Agreement may only be amended, varied or modified in writing signed by the duly authorized representatives of the parties hereto.

7. **SEPARATE CONTRACTUAL RIGHTS**

Save as otherwise provided herein, nothing in this Agreement shall limit or restrict the rights of IBRD or Sinosure pursuant to any other agreement.

8. **EFFECTIVENESS OF THIS AGREEMENT**

This Agreement shall take effect upon its signature by both parties and shall remain in full force and effect until the earlier of: (a) the date on which the Sinosure Insurance Policy is no longer effective; and (b) the date on which the IBRD Guarantee has been terminated or is no longer in effect.

9. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in separate counterparts and by each party separately on a separate counterpart, and each counterpart, when so executed and delivered, shall be an original. Such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF the parties to this Agreement have caused this Agreement to be duly executed and delivered by their duly authorized representatives on the date first above written.

**CHINA EXPORT AND CREDIT
INSURANCE CORPORATION**

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT**

By: /s/ Chen Xin
Authorized Representative

By: /s/ Ruth Kagia
Authorized Representative

Name (printed): CHEN Xin
Title: Head of First Business Department

Name (printed): Ruth Kagia
Title: Country Director