

CONFORMED COPY

LOAN NUMBER 3884-TH

Guarantee Agreement

(Lam Takhong Pump Storage Project)

between

KINGDOM OF THAILAND

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Dated September 8, 1995

LOAN NUMBER 3884-TH

GUARANTEE AGREEMENT

AGREEMENT, dated September 8, 1995, between KINGDOM OF THAILAND (the "Guarantor") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank").

WHEREAS: (A) The Guarantor and the Electricity Generating Authority of Thailand (the "Borrower"), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project;

WHEREAS: (B) By the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in various currencies equivalent to one hundred million dollars (\$100,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as provided in this Agreement; and

WHEREAS: (C) The Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower.

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the modifications set forth below (the "General Conditions") constitute an integral part of this Agreement:

(a) The last sentence of Section 3.02 is deleted.

(b) In Section 6.02, sub-paragraph (k) is re-lettered as sub-paragraph (l) and a new sub-paragraph (k) is added to read:

"(k) An extraordinary situation shall have arisen under which any further withdrawals under the Loan would be inconsistent with the provisions of Article III, Section 3 of the Bank's Articles of Agreement."

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to and Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

## ARTICLE II

### Guarantee; Provision of Funds

Section 2.01. Without limitation or restriction upon any of its other obligations under this Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, the Loan, and the premium, if any, on the prepayment of the Loan, and the punctual performance of all the other obligations of the Borrower, all as set forth in the Loan Agreement.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for the carrying out of the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

## ARTICLE III

### Other Covenants

Section 3.01. Without limitation or restriction upon the provisions of Article II of this Agreement, and except as the Bank shall otherwise agree, the Guarantor shall carry out a periodic review of the Borrower's electricity tariffs and take such measures (including, but without limitation, adjustments of the structure or levels of electricity tariffs of the Borrower) as shall be necessary to produce for the Borrower sufficient revenues to ensure that the Borrower shall comply with its self-financing, debt limitation and debt/equity ratio obligations pursuant to the provisions of Sections 5.02, 5.03 and 5.04 of the Loan Agreement, respectively.

Section 3.02. The Guarantor shall promptly make the necessary arrangements and take, or cause to be taken, all action necessary to ensure that its concerned governmental agencies, related entities and the Borrower fully comply with

the Environmental Mitigation and Development Plan.

Section 3.03. The Guarantor shall:

(a) fully cooperate and cause its concerned governmental agencies and related entities to fully cooperate, in the monitoring, evaluation, reporting and exchange of views regarding the Environmental Mitigation and Development Plan, as carried out or facilitated by the Borrower in pursuance of Section 3.04 (a), (b) and (c) of the Loan Agreement;

(b) promptly after each exchange of views pursuant to Section 3.04 (c) of the Loan Agreement, modify the said Plan to fully take into account any recommendation regarding the Plan and the implementation thereof as shall have been accepted by the Guarantor and the Bank, in the context of such exchange of views; and

(c) thereafter, in carrying out its obligations under Section 3.02 of this Agreement, fully take into account any modifications of the said Plan made in accordance with paragraph (b) of this Section and any other recommendation for remedial or corrective action as accepted by the Guarantor and the Bank in the context of an exchange of views in pursuance of Section 3.04 (c) of the Loan Agreement.

Section 3.04. The Guarantor shall, promptly after the completion of the bulk supply tariff study, referred to in Section 3.08 of the Loan Agreement, review with the Bank the recommendations of that study and implement with due diligence and efficiency said recommendations, taking into account the Bank's views during such review.

#### ARTICLE IV

##### Representative of the Guarantor; Addresses

Section 4.01. The Permanent Secretary of the Ministry of Finance of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 4.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Ministry of Finance  
Rama VI Road  
Bangkok 10400  
Thailand

Cable address:

MINANCE Bangkok

Telex:

82823 FISPOLO TH

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.

Telex:

248423 (RCA),  
82987 (FTCC),  
64145 (WUI) or  
197688 (TRT).

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

KINGDOM OF THAILAND

By /s/ Manaspas Xuto  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Russell Cheetham  
Regional Vice President  
East Asia and Pacific

