

vol. 551  
No. 8035

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT,  
CENTRAL AFRICAN POWER CORPORATION  
and  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND**

**Loan Assumption Agreement—*Kariba Project* (with related letter). Signed at Salisbury, on 30 December 1963**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 10 January 1966.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT,  
CENTRAL AFRICAN POWER CORPORATION  
et  
ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD**

**Contrat de transfert d'emprunt — *Projet de Kariba* (avec lettre y relative). Signé à Salisbury, le 30 décembre 1963**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 10 janvier 1966.*

No. 8035. LOAN ASSUMPTION AGREEMENT<sup>1</sup> (*KARIBA PROJECT*) BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE CENTRAL AFRICAN POWER CORPORATION AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT SALISBURY, ON 30 DECEMBER 1963

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AGREEMENT, dated December 30, 1963, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the first part, the CENTRAL AFRICAN POWER CORPORATION (hereinafter called the Corporation), a corporation established by the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 of the United Kingdom of Great Britain and Northern Ireland, the powers, duties and immunities of such Corporation being established pursuant to such Order in Council, pursuant to an agreement dated November 25, 1963 between the Territory of Northern Rhodesia (hereinafter called the Territory) and the Colony of Southern Rhodesia (hereinafter called the Colony) and pursuant to the Central African Power Ordinance, 1963 of the Territory and the Central African Power Act, 1963, of the Colony, of the second part, and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the third part.

WHEREAS (A) Pursuant to a Loan Agreement dated June 21, 1956 between the Bank and the Federal Power Board<sup>2</sup> (hereinafter called the Board), a corporation established under the Electricity Act, 1956, of the Federation of Rhodesia and Nyasaland (hereinafter called the Federation), the Bank made to the Board a loan (hereinafter called the Loan) in various currencies in an aggregate principal amount equivalent to eighty million dollars (\$80,000,000), on the terms and conditions set forth in the Loan Agreement;

(B) By an Agreement dated June 21, 1956 between the Federation and the Bank<sup>3</sup> the Federation agreed to guarantee the Loan as therein provided;

(C) By an Agreement (hereinafter called the United Kingdom Guarantee Agreement) dated June 21, 1956 between the United Kingdom and the Bank<sup>4</sup> the United Kingdom agreed to guarantee the Loan as therein provided;

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<sup>1</sup> Came into force as of the time of the dissolution of the Federation of Rhodesia and Nyasaland, which took place immediately before 1 January 1964, in accordance with article IV.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 285, p. 326.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 285, p. 355.

<sup>4</sup> United Nations, *Treaty Series*, Vol. 285, p. 317.

(D) In connection with the Project (as defined in the Loan Agreement) the Board also borrowed the following amounts pursuant to loan agreements with the respective lenders : from the Colonial Development Corporation (at the date of these presents named the Commonwealth Development Corporation), a corporation established under the Overseas Resources Development Act, 1948, of the United Kingdom, the sum of fifteen million pounds sterling (£15,000,000) in the currency of the United Kingdom; from Commonwealth Development Finance Company Limited, a company incorporated under the Companies Act 1948 of the United Kingdom, the sum of three million pounds sterling (£3,000,000) in the currency of the United Kingdom; and from the Federation the sum of twenty-eight million Rhodesian pounds (Rh.£28,000,000) in the currency of the Federation;

(E) The Board has repaid pursuant to the Loan Agreement the equivalent of \$2,604,000 of the principal of the Loan and has made all interest payments due on the Loan to and including the payment due on December 1, 1963;

(F) It is planned to dissolve the Federation;

(G) On the dissolution of the Federation the assets and liabilities of the Board are to be transferred to the Corporation and the Corporation has agreed to assume on the date of such transfer the liabilities of the Board including the obligations of the Board under the Loan Agreement and the United Kingdom concurs in the assumption of such obligations;

(H) In addition to the guarantee of the United Kingdom under the terms of the United Kingdom Guarantee Agreement, the obligations assumed by the Corporation to pay principal, interest and other charges as provided in the Loan Agreement and in any bonds issued pursuant to the provisions thereof are to be guaranteed by the Territory and the Colony; and

(I) In agreements with the Commonwealth Development Corporation and the Commonwealth Development Finance Company Limited, respectively, executed prior to or simultaneously with the execution of this Agreement, the Corporation has agreed to assume the obligations of the Board under the agreements with these corporations referred to in Recital (D) above and in agreements with the Territory and the Colony, executed prior to or simultaneously with this Agreement, the Corporation has agreed to assume the obligations of the Board under the agreement with the Federation referred to in Recital (D) above;

NOW THEREFORE it is hereby agreed as follows :

### *Article I*

#### DEFINITIONS

*Section 1.01.* Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement :

The term "Loan Agreement" means the Loan Agreement dated June 21, 1956 between the Bank and the Board; and such term includes all schedules to such Loan Agreement as amended to the date of this Loan Assumption Agreement and Loan Regulations No. 4 of the Bank dated February 15, 1955, as made applicable to such Loan Agreement.

The term "Northern Rhodesia Guarantee Agreement"<sup>1</sup> means the agreement between the Territory, the Bank and the United Kingdom providing for the guarantee of the Loan.

The term "Southern Rhodesia Guarantee Agreement"<sup>2</sup> means the agreement between the Colony, the Bank and the United Kingdom providing for the guarantee of the Loan.

The term "dollars" and the sign "\$" mean dollars in currency of the United States of America.

## Article II

### ASSUMPTION OF OBLIGATIONS UNDER LOAN AGREEMENT

*Section 2.01.* The Corporation hereby assumes, and agrees to carry out, all the obligations of the Board under the Loan Agreement, and the Bank hereby recognizes the succession of the Corporation to the rights of the Board under the Loan Agreement, with the same effect as though the Corporation were substituted for the Board as a party to such Agreement and as though the word "Corporation" were substituted for the word "Borrower" wherever used therein, subject to the following modifications of the Loan Agreement:

(a) By the deletion of Section 1.01 and the substitution therefor of the following new Section, namely:

"*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1955, subject, however, to the qualifications and modifications thereof set forth in Schedule 3 to the Loan Agreement and to the further qualifications and modifications thereof set forth in the Schedule to the Loan Assumption Agreement (said Loan Regulations No. 4 as so qualified and modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein."

(b) By the deletion of the definition of "Stage 2" in Section 1.02 and the substitution therefor of the following new definition, namely:

"The term "Stage 2" means the progressive carrying out of the Program by the construction of a second transmission line from the Kariba

<sup>1</sup> See p. 120 of this volume.

<sup>2</sup> See p. 106 of this volume.

dam to Kitwe, the construction of a second power house and the installation (as required) of additional generating units aggregating at least 600,000 KW generating capacity, together with all necessary additional related substations and transmission lines.”

(c) By the deletion of Section 4.02 and the substitution therefor of the following new Section, namely :

“ *Section 4.02.* The Chairman of the Corporation and such person or persons as he shall appoint in writing are designated as authorized representatives of the Corporation for the purposes of Section 6.12 (a) of the Loan Regulations. ”

(d) By the deletion of Section 5.04 and the substitution therefor of the following new Section, namely :

“ *Section 5.04.* The Corporation shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the United Kingdom, the Federation, the Territory or the Colony on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Loan Assumption Agreement, the United Kingdom Guarantee Agreement, the Northern Rhodesia Guarantee Agreement, the Southern Rhodesia Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond (a) under the laws of the United Kingdom, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the United Kingdom or (b) under the laws of the Territory or laws in effect in its territories, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Territory or (c) under the laws of the Colony or laws in effect in its territories, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Colony. ”

(e) By the deletion of Section 5.11 and the substitution therefor of the following new Section, namely :

“ *Section 5.11.* Except as the Bank and the Corporation shall otherwise agree, the Corporation shall not, in any such manner as would or might adversely affect the interests of the Bank or the financial position or prospects of the Corporation, alter or abrogate, or grant any waiver in respect of, the terms and conditions of any of the agreements made by the Corporation referred to in Recital (I) of the Loan Assumption Agreement; nor shall the Corporation repay prior to maturity all or any part of any loan

(other than the Loan) if, as a result of so doing, the financial position or prospects of the Corporation would or might be impaired.”

(f) By the addition of the following new Section 5.12, namely :

“ *Section 5.12.* Except as the Bank and the Corporation shall otherwise agree, the Corporation shall not hereafter create, incur, assume, guarantee or become liable with respect to any long-term indebtedness except in respect of (subject to the provisions of Section 5.03 of the Loan Agreement) :

- “ (a) indebtedness incurred as a result of borrowings from the Commonwealth Development Corporation or from Commonwealth Development Finance Company Limited;
- “ (b) indebtedness incurred to enable the Corporation to carry out Stage 2 in accordance with Section 5.08 of the Loan Agreement;
- “ (c) indebtedness, incurred after completion of Stage 2, if net revenues of the Corporation for any twelve consecutive months out of the fifteen-month period last preceding the date of incurrence of such indebtedness amount to not less than one-and-three-tenths times the maximum debt service requirements in any succeeding financial year in respect of all outstanding long-term indebtedness and the indebtedness to be incurred.

For the purpose of this paragraph (c) :

- “ (i) indebtedness shall be deemed to be incurred on the date such indebtedness becomes outstanding in accordance with the loan contract or agreement providing therefor and on the date any modification of the terms of payment of any indebtedness becomes effective;
- “ (ii) the term “ net revenues ” means gross revenues from all sources adjusted to take account of tariffs in effect at the time of incurrence of debt (even though they were not in effect during the twelve consecutive months to which such revenues related) less operating and administrative expenses, including provision for taxes, if any, and all costs of thermal power, but before provision for depreciation and debt service requirements :
- “ (iii) the term “ debt service requirements ” means the aggregate amount of amortization (including sinking fund contributions, if any), interest and other charges on debt, provided, however, that the maximum debt service requirements attributable to the Corporation’s indebtedness to the Governments of the Territory and the Colony, respectively, in respect of the 5% loan due 1977-1980 originally made by the Federation to the

Board in an aggregate principal amount of Rh.£4,000,000 shall be deemed to amount in any financial year in which any such indebtedness is outstanding to 161,000 pounds in the currency for the time being of the Territory or the Colony, as the case may be, payable to each of such Governments; and

- “ (iv) whenever it shall be necessary, for the purpose of servicing debt, to value in one currency indebtedness payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency is obtainable by the Corporation at the time such valuation is made or, if such other currency is not so obtainable, at such reasonable rate of exchange as the Bank shall determine; and
- “ (d) indebtedness in an aggregate principal amount at any one time outstanding not greater than the equivalent of fifty thousand pounds sterling (£50,000) incurred in the ordinary day-to-day operations of the Corporation.

For the purpose of this Section 5.12 the term “ long-term indebtedness ” means any debt maturing by its terms more than one year after the date on which it is originally incurred and the term “ incur ” with reference to any indebtedness includes any modification of the terms of payment of such indebtedness. ”

(g) By the deletion of Section 6.01 and the substitution therefor of the following new Section, namely :

“ *Section 6.01.* (i) If Any of the following events shall occur and shall continue for a period of thirty days :

- “ (a) A default shall have occurred in the payment of principal or interest or any other payment required under the Loan or the Bonds;
- “ (b) A default shall have occurred in the payment of principal or interest or any other payment required under any other loan agreement between the Bank and the Corporation or under any loan agreement or under any guarantee agreement between the United Kingdom and the Bank or under any loan agreement or under any guarantee agreement between the Territory and the Bank or under any loan agreement or under any guarantee agreement between the Colony and the Bank;
- “ (c) If the Corporation shall take or permit to be taken any action or proceeding whereby any of its property shall or may be distributed among its creditors;
- “ (d) If the United Kingdom or the Territory or the Colony or any governmental authority having jurisdiction shall take any action for the dissolution or disestablishment of the Corporation or for the suspension of its operations; or

“(e) Demand shall have been made, for repayment in advance of maturity, of any of the monies to be repaid pursuant to the agreements referred to in Recital (I) of the Loan Assumption Agreement, by reason of any default as specified in such agreements,

or (ii) if a default shall occur in the performance of any other covenant or agreement on the part of the Corporation or any of the Guarantors under the Loan Agreement, the Loan Assumption Agreement, the Guarantee Agreements or the Bonds and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Corporation, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in the Loan Agreement, the Loan Assumption Agreement or in the Bonds to the contrary notwithstanding.”

### *Article III*

#### PARTICULAR COVENANTS

*Section 3.01.* The Corporation shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and any bonds representing the principal amount thereof are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Loan Assumption Agreement, the Northern Rhodesia Guarantee Agreement or the Southern Rhodesia Guarantee Agreement.

### *Article IV*

#### EFFECTIVE DATE; MISCELLANEOUS

*Section 4.01.* This Agreement shall take effect as of the time of the dissolution of the Federation.

*Section 4.02.* The following address is designated to the Bank by the Corporation for the purposes of Section 8.01 of the Loan Regulations (as defined in the Loan Agreement):

Central African Power Corporation  
Club Chambers, P. O. Box 630  
Salisbury, Southern Rhodesia

Alternative address for cablegrams and radiograms:

Hydro  
Salisburyrhod



*Article V*

## UNITED KINGDOM GUARANTEE AGREEMENT

*Section 5.01.* For the purposes of the United Kingdom Guarantee Agreement, the United Kingdom concurs in the entry by the Corporation into this Loan Assumption Agreement and in the assumption as herein set forth by the Corporation of the obligations of the Board under the Loan Agreement and approves the further modifications of Loan Regulations No. 4 of the Bank, dated February 15, 1955, set forth in the Schedule to this Loan Assumption Agreement. The United Kingdom and the Bank hereby agree that, at the time this Loan Assumption Agreement becomes effective as provided in Section 4.01 hereof, such Loan Regulations as so modified by the Loan Agreement and by this Loan Assumption Agreement shall be applicable to the United Kingdom Guarantee Agreement and shall govern the rights and obligations under the United Kingdom Guarantee Agreement of the parties thereto with the same force and effect as if they were fully set forth therein.

*Section 5.02.* This Loan Assumption Agreement, the Northern Rhodesia Guarantee Agreement and the Southern Rhodesia Guarantee Agreement shall be free from any taxes or fees that shall be imposed under the laws of the United Kingdom on or in connection with the execution, issue, delivery or registration thereof.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Assumption Agreement to be signed in their respective names and delivered as of the day and year first above written.

International Bank for Reconstruction and Development :

*By* Hugh N. SCOTT  
Authorized Representative

Central African Power Corporation :

*By* J. WARD  
Authorized Representative

United Kingdom of Great Britain and Northern Ireland

*By* J. B. JOHNSTON  
Authorized Representative

## SCHEDULE

## MODIFICATIONS OF LOAN REGULATIONS No. 4

Nothing in Section 1.02 of Loan Regulations No. 4 of the Bank, dated February 15, 1955, shall be deemed to preclude the application of such Regulations to the Northern Rhodesia Guarantee Agreement or the Southern Rhodesia Guarantee Agreement. Such Loan Regulations, as modified by Schedule 3 to the Loan Agreement, shall be deemed to be modified further as follows :

(a) By the deletion of Section 6.12 (b) and the substitution therefor of the following new subsection, namely :

“(b) The guarantees on the Bonds shall be signed in the name and on behalf of the United Kingdom or of the Territory or of the Colony (as the case may be) by their respective authorized representative or representatives designated in the Guarantee Agreements for the purposes of this Section. The signature of any such representative may be a facsimile signature if such respective guarantees are also countersigned manually by an authorized representative of the United Kingdom or of the Territory or of the Colony (as the case may be). If any authorized representative of the United Kingdom or of the Territory or of the Colony (as the case may be) whose manual or facsimile signature shall be affixed to any such guarantee shall cease to be such authorized representative, the Bond on which such guarantee is endorsed may nevertheless be delivered under the Loan Agreement and such guarantee shall be valid and binding on the United Kingdom or on the Territory or on the Colony (as the case may be) as though the person whose manual or facsimile signature shall have been affixed to such guarantee had not ceased to be such authorized representative.”

(b) By the deletion of Section 7.02 and the substitution therefor of the following new Section, namely :

“SECTION 7.02. *Obligations of Guarantors.* The obligations of the United Kingdom under the United Kingdom Guarantee Agreement and of the Territory under the Northern Rhodesia Guarantee Agreement and of the Colony under the Southern Rhodesia Guarantee Agreement shall be several obligations and shall not be discharged except by performance and then only to the extent of such performance. Such respective obligations shall not be subject to any prior notice to, demand upon or action against the Corporation or the United Kingdom or the Territory or the Colony or to any prior notice to or demand upon the United Kingdom or the Territory or the Colony with regard to any default by any of them or by the Corporation, and shall not be impaired by any of the following : any extension of time, forbearance or concession given to any of them or to the Corporation; any assertion of, or failure to assert, any right or remedy against any of them or the Corporation or in respect of any security for the Loan; any modification or amplification of the provisions of the Loan Agreement or the Loan Assumption Agreement or the United Kingdom Guarantee Agreement or the Northern Rhodesia Guarantee Agreement or the Southern Rhodesia Guarantee Agreement contemplated by the terms thereof respectively; any failure of the Corporation to comply with any requirement of any law, regulation or order of the United Kingdom or of the Territory or of the

Colony or of any political subdivision or agency of the United Kingdom or of the Territory or of the Colony.”

(c) By the deletion of the first sentence of subsection (c) of Section 7.04 and the substitution thereof of the following new sentence, namely :

“ 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 the Corporation, the Territory, the Colony and the United Kingdom or, if they shall not agree, by the United Kingdom ; 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 or, failing appointment by him, by the Secretary-General of the United Nations.”

(d) By the deletion of Section 8.03 and the substitution thereof of the following new Section, namely :

“ SECTION 8.03. *Action on Behalf of Guarantors.* (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under the United Kingdom Guarantee Agreement on behalf of the United Kingdom may be taken or executed by the representative of the United Kingdom designated in the United Kingdom Guarantee Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification or amplification of the provisions of the United Kingdom Guarantee Agreement may be agreed to on behalf of the United Kingdom by written instrument executed on behalf of the United Kingdom by the representative so designated or any person thereunto authorized in writing by him ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the United Kingdom under the United Kingdom Guarantee Agreement. The Bank may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the United Kingdom Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the United Kingdom thereunder.

“ (b) Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Northern Rhodesia Guarantee Agreement on behalf of the Territory may be taken or executed by the representative of the Territory designated in the Northern Rhodesia Guarantee Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification or amplification of the provisions of the Northern Rhodesia Guarantee Agreement may be agreed to on behalf of the Territory by written instrument executed on behalf of the Territory by the representative so designated or any person thereunto authorized in writing by him ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Territory under the Northern Rhodesia Guarantee Agreement. The Bank may accept the execution by such

representative or other person of any instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Northern Rhodesia Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Territory thereunder.

“(c) Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Southern Rhodesia Guarantee Agreement on behalf of the Colony may be taken or executed by the representative of the Colony designated in the Southern Rhodesia Guarantee Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification or amplification of the provisions of the Southern Rhodesia Guarantee Agreement may be agreed to on behalf of the Colony by written instrument executed on behalf of the Colony by the representative so designated or any person thereunto authorized in writing by him; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Colony under the Southern Rhodesia Guarantee Agreement. The Bank may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Southern Rhodesia Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Colony thereunder.”

(e) By the addition of the following definitions to paragraph 1 of Section 10.01, namely :

“ The term ‘ Colony ’ means the Colony of Southern Rhodesia.

“ The term ‘ Territory ’ means the Territory of Northern Rhodesia.

“ The term ‘ United Kingdom ’ means the United Kingdom of Great Britain and Northern Ireland.”

(f) By the deletion of paragraph 5 of Section 10.01 and the substitution therefor of the following new paragraph, namely :

“ 5. The term ‘ Loan Assumption Agreement ’ means the agreement between the Corporation, the Bank and the United Kingdom providing for the assumption by the Corporation of the obligations of the Federal Power Board under the Loan Assumption Agreement, as such Loan Assumption Agreement shall be amended from time to time; and such term includes all agreements supplemental to the Loan Assumption Agreement and all schedules to the Loan Assumption Agreement.

“ The term ‘ United Kingdom Guarantee Agreement ’ means the agreement between the United Kingdom and the Bank providing for the guarantee of the Loan.

“ The term ‘ Northern Rhodesia Guarantee Agreement ’ means the agreement between the Territory, the Bank and the United Kingdom providing for the guarantee of the Loan.

“ The term ‘ Southern Rhodesia Guarantee Agreement ’ means the agreement between the Colony, the Bank and the United Kingdom providing for the guarantee of the Loan.

“ The term ‘ Guarantee Agreements ’ means the United Kingdom Guarantee Agreement, the Northern Rhodesia Guarantee Agreement and the Southern Rhodesia Guarantee Agreement and includes any or all of such agreements as the context may require and includes all agreements supplemental, and all schedules, thereto respectively.

“ The term ‘ Guarantor ’ means the United Kingdom and the Territory and the Colony and includes any or all of them as the context may require. ”

(g) By the deletion of paragraph 6 of Section 10.01 and the substitution thereof of the following new paragraph, namely :

“ 6. The term ‘ Corporation ’ means the Central African Power Corporation, a corporation established by the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 of the United Kingdom.

“ The term ‘ Borrower ’ means the Corporation. ”

(h) By the deletion of paragraph 14 of Section 10.01 and the substitution thereof of the following new paragraph, namely :

“ 14. Where used in Section 3.01 of the United Kingdom Guarantee Agreement, the term ‘ external debt ’ means any debt payable in any medium other than currency of the United Kingdom, whether such debt is payable absolutely or at the option of the creditor in such other medium, where used in Section 3.01 of the Northern Rhodesia Guarantee Agreement, the term ‘ external debt ’ means any debt payable in any medium other than currency of the Territory, whether such debt is payable absolutely or at the option of the creditor in such other medium, and, where used in Section 3.01 of the Southern Rhodesia Guarantee Agreement, the term ‘ external debt ’ means any debt payable in any medium other than the currency of the Colony, whether such debt is payable absolutely or at the option of the creditor in such other medium. ”

(i) By the deletion of the first sentence of the second paragraph of each of the Forms of Bond set forth in Schedule 1 and Schedule 2, and the substitution thereof, in each such Schedule, of the sentence following, namely :

“ This Bond is one of an authorized issue of bonds of the aggregate principal amount of (or the equivalent thereof payable in other currencies), known as the Guaranteed Serial Bonds (hereinafter called the Bonds) of [the Corporation], issued or to be issued under a Loan Agreement dated June 21, 1956 between the Federal Power Board and International Bank for Reconstruction and Development (hereinafter called the Bank), the obligations under which were assumed by [the Corporation] in a Loan Assumption Agreement dated between [the Corporation], the Bank and the United Kingdom of Great Britain and Northern Ireland (hereinafter called the United Kingdom), and guaranteed by the United Kingdom in accordance with the terms of a Guarantee Agreement dated June 21, 1956 between the United Kingdom and the Bank and guaranteed as to part by the Territory of Northern Rhodesia (hereinafter called the Territory)

in accordance with the terms of a Guarantee Agreement dated between the Territory, the Bank and the United Kingdom, and guaranteed as to part by the Colony of Southern Rhodesia (hereinafter called the Colony) in accordance with the terms of a Guarantee Agreement dated between the Colony, the Bank and the United Kingdom.”

(j) By the deletion of the eighth paragraph of the Form of Bond set forth in Schedule 1 and the seventh paragraph of the Form of Bond set forth in Schedule 2 and the substitution therefor, in each such Schedule, of the following paragraph, namely :

“ The principal of the Bonds, the interest accruing thereon and the premium, if any, on the redemption thereof shall be paid without deduction for and free from any taxes, imposts, levies or duties of any nature or any restrictions now or at any time hereafter imposed under the laws of the United Kingdom or of the Territory, or laws in effect in its territories, or of the Colony, or laws in effect in its territories; *provided, however, that the provisions of this paragraph shall not apply to the taxation of payments made under the provisions of any Bond (a) under the laws of the United Kingdom, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the United Kingdom, or (b) under the laws of the Territory or laws in effect in its territories, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Territory, or (c) under the laws of the Colony or laws in effect in its territories, to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Colony.*”

(k) By the deletion of the Form of Guarantee set forth in Schedule 3 and the substitution therefor of the following Form of Guarantee, namely :

“ [Name of Guarantor], for value received, as a primary obligor and not as surety merely, hereby absolutely and unconditionally guarantees, and pledges its full faith and credit for, the due and punctual payment of [one-half of]\* the principal and redemption price of the within Bond and [one-half of]\* the interest thereon, free from taxes and restrictions as therein provided, prior notice to, demand upon or action against the obligor on said Bond or any other guarantor or the undersigned being waived. [For purposes of this guarantee, one-half of any payments of such principal, redemption price or interest made pursuant to the terms of this Bond by [the Corporation] shall be deemed to be made in respect of the part of such payments guaranteed by [name of Guarantor].]\*

[Name of Guarantor]

By \_\_\_\_\_

Authorized Representative

Dated \_\_\_\_\_

\* To be added in the case of the Territory or the Colony

## RELATED LETTER

CENTRAL AFRICAN POWER CORPORATION  
CHAIRMAN'S OFFICE  
SALISBURY, S. RHODESIA

30th December, 1963

Ref : 142 (195)

International Bank for Reconstruction  
and Development  
1818, H Street, N.W.  
Washington, 25, D.C.

Gentlemen :

We refer to the Loan Assumption Agreement of even date<sup>1</sup> between this Corporation, the International Bank for Reconstruction and Development (the "Bank") and the United Kingdom of Great Britain and Northern Ireland. We recognize the importance to the financial and operating success of the Corporation of obtaining senior staff with suitable qualifications. We further recognize that the position of General Manager is of the greatest importance in the day-to-day operations of the Corporation, and we understand fully the Bank's interest in seeing that this position is filled by a person with proper qualifications. We, therefore, agree that we will obtain your approval of such appointment before appointing any person as General Manager.

Sincerely yours,

Central African Power Corporation :

By J. WARD  
Authorized Representative

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<sup>1</sup> See p. 76 of this volume.