

No. 10876

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
THAILAND**

Guarantee Agreement—*Third Bangkok Port Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements and Loan Agreement between the Bank and the Port Authority of Thailand). Signed at Washington on 6 August 1970

Authentic text : English.

Registered by the International Bank for Reconstruction and Development on 2 December 1970.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
THAÏLANDE**

Contrat de garantie — *Troisième projet relatif au port de Bangkok* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie et le Contrat d'emprunt entre la Banque et la Direction des ports de Thaïlande). Signé à Washington le 6 août 1970

Texte authentique : anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 2 décembre 1970.

GUARANTEE AGREEMENT¹

AGREEMENT, dated August 6, 1970, between KINGDOM OF THAILAND (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by the Loan Agreement of even date herewith² between the Bank and Port Authority of Thailand (hereinafter called the Borrower) the Bank has agreed to make to the Borrower a loan in various currencies equivalent to twelve million five hundred thousand dollars (\$12,500,000), 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 hereinafter provided; and

WHEREAS 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 parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969,³ with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements, being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

Article II

GUARANTEE; BONDS; PROVISION OF FUNDS

Section 2.01. Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby uncondition-

¹ Came into force on 6 November 1970, upon notification by the Bank to the Government of Thailand.

² See p. 44 of this volume.

³ *Ibid.*

ally 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 Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity and the punctual performance of all the other obligations of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. The Guarantor shall endorse, in accordance with the provisions of the General Conditions, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Guarantor for the purposes of Section 8.10 of the General Conditions.

Section 2.03. Without limitation or restriction upon the provisions of Section 2.01 of this Guarantee 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. (a) It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan or the Bonds by way of a lien on governmental assets.

(b) To that end the Guarantor (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt, and (ii) undertakes that if any such lien shall be created, it will *ipso facto* equally and ratably secure the payments of the principal of, and interest and other charges on, the Loan and the Bonds and in the creation of any such lien express provision will be made to that effect.

(c) The foregoing representation and undertaking shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section, the term “ governmental assets ” means assets of the Guarantor, of any of its political subdivisions, of any agency of the Guarantor

or of any such political subdivision, and assets of the Bank of Thailand or any institution performing the functions of a central bank.

Section 3.02. The Guarantor shall ensure that at least one commercial port-user is appointed to the Board of Commissioners of the Borrower.

Section 3.03. The Guarantor shall take such steps as are necessary to assure the maintenance and repair, in accordance with sound engineering and highway practices, of the roads outside the jurisdiction of the Borrower providing access to and necessary for the efficient operation of the Borrower's facilities and shall complete or cause to be completed by not later than December 31, 1973, or such other date as may be agreed to by the Guarantor and the Bank, an additional access road to the Borrower's facilities.

Section 3.04. The Guarantor covenants that it will consult with the Bank before undertaking any additional port construction or expansion and to that end shall, in consultation with the Bank, review reports prepared by consultants on the location and construction of further port facilities within the territories of the Guarantor.

Article IV

CONSULTATION AND INFORMATION

Section 4.01. The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end the Guarantor and the Bank shall from time to time, at the request of either party : (i) exchange views through their representatives with regard to the performance of the respective obligations under the Guarantee Agreement and other matters relating to the purposes of the Loan ; and (ii) furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor, including its balance of payments, and the external debt of the Guarantor, of any of its political subdivisions and of any agency of the Guarantor or of any such political subdivision.

Section 4.02. (a) The Guarantor 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 maintenance of the service thereof.

(b) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Article V

TAXES AND RESTRICTIONS

Section 5.01. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the foregoing shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.02. The Guarantor Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 5.03. The payment of the principal of, and interest and other charges on, the Loan and the Bonds shall be free from all restrictions, regulations, controls or moratoria of any nature imposed under the laws of the Guarantor or laws in effect in its territories.

Article VI

REPRESENTATIVE OF THE GUARANTOR; ADDRESSES

Section 6.01. The Minister of Finance of the Guarantor is designated as representative of the Guarantor for the purposes of Section 10.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Guarantor :

Minister of Finance
Ministry of Finance
Bangkok, Thailand

Cable address :

Minance
Bangkok

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.

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

Kingdom of Thailand :
By SUNTHORN HONGLADAROM
Authorized Representative

International Bank for Reconstruction and Development :
By J. BURKE KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 691. p. 300.*]

LOAN AGREEMENT

AGREEMENT, dated August 6, 1970, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and PORT AUTHORITY OF THAILAND (hereinafter called the Borrower), an autonomous entity established by the Port Authority of Thailand Act, B.E. 2494.

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,¹ with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise

¹ See above.

requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings :

- (a) "Port Legislation" means the Port Authority of Thailand Act, B.E. 2494 as amended by the Port Authority of Thailand Act (No. 2.), B.E. 2499 and the Port Authority of Thailand Act (No. 3), B.E. 2502.
- (b) "Prior Loan Agreement" means the Loan Agreement (*Second Port Project*) dated October 12, 1956¹ between the Bank and the Borrower.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to twelve million five hundred thousand dollars (\$12,500,000).

Section 2.02. Except as the Bank and the Borrower shall otherwise agree, the amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 3 to this Agreement and to be financed under the Loan Agreement; provided, however, that no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. The Closing Date shall be July 31, 1974 or such other date as shall be agreed between the Bank and the Borrower.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

Section 2.08. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

Section 2.09. The Chairman of the Board of Commissioners of the Borrower and such other person or persons as the Board of Commissioners shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

¹ United Nations, *Treaty Series*, vol. 261, p. 117.

Article III

EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, engineering and port management practices, and shall make available promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. In order to assist the Borrower in the carrying out of the Project, the Borrower shall employ consultants acceptable to the Bank upon terms and conditions and in accordance with a time schedule, satisfactory to the Bank. Such consultants shall include but shall not necessarily be limited to: (i) qualified and experienced engineering consultants; and (ii) a qualified and experienced dredging consultant.

Section 3.03. In carrying out the Project, the Borrower shall employ contractors acceptable to the Bank upon terms and conditions satisfactory to the Bank.

Section 3.04. (a) Except as the Bank shall otherwise agree, (i) the goods and services (other than consultants' services) required for the Project and to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 4 to this Agreement or as shall be agreed between the Bank and the Borrower, and (ii) contracts for the procurement of all goods and services to be financed out of the proceeds of the Loan shall be subject (except as otherwise provided in such Schedule) to the prior approval of the Bank.

(b) The Borrower undertakes to insure or make adequate provision for the insurance of the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the 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 the Borrower to replace or repair such goods.

(c) Except as the Bank shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively for the Project.

Section 3.05. (a) The Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the plans, specifications and contract documents and construction schedules for the Project, and any material modifications or additions thereto, in such detail as the Bank shall reasonably request.

(b) The Borrower: (i) shall maintain or cause to be maintained records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) shall enable the Bank's representatives to inspect the Project,

the goods financed out of the proceeds of the Loan and any relevant records and documents; and (iii) shall furnish to the Bank all such information as the Bank shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

Article IV

MANAGEMENT AND OPERATIONS OF THE BORROWER

Section 4.01. The Borrower shall at all times conduct its business and operations and maintain its financial position in accordance with sound financial and commercial practices under the supervision of qualified and experienced management.

Section 4.02. The Borrower shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Bank, for insurance against such risks and in such amounts as shall be consistent with sound port management practice.

Section 4.03. The Borrower shall : (i) operate and maintain its facilities, equipment, floating craft and other properties, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering, financial and port management standards; and (ii) take all practical steps which may be reasonably necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business.

Section 4.04. In order to assist the Borrower in the efficient conduct of its operations, the Borrower shall employ an accounting consultant acceptable to the Bank, upon terms and conditions satisfactory to the Bank.

Section 4.05. The Borrower shall employ management consultants acceptable to the Bank, upon terms and conditions acceptable to the Bank, to study the feasibility of adapting the Borrower's system for cargo handling and other related port operations to a multiple shift system and after consultation with the Bank shall take, by not later than January 1, 1972, or such other date as may be agreed to by the Bank, such steps as are necessary to implement the recommendations of such consultants.

Article V

FINANCIAL COVENANTS

Section 5.01. The Borrower shall maintain records adequate to reflect its operations and financial condition in accordance with consistently maintained sound accounting practices.

Section 5.02. The Borrower shall : (i) have its accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with sound auditing principles consistently applied,

by independent auditors acceptable to the Bank; (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and (iii) furnish to the Bank such other information concerning the accounts and financial statements of the Borrower and the audit thereof as the Bank shall from time to time reasonably request.

Section 5.03. (a) Except as the Bank shall otherwise agree, the Borrower shall take all such measures, including but not limited to adjustments of its tariffs, as shall be required to provide the Borrower with net operating revenue sufficient to yield an annual rate of return of not less than 8% on the net value of the Borrower's fixed assets in operation.

(b) For the purposes of this Section :

- (i) the term " net operating revenue " means the difference between (A) gross operating revenues, and (B) operating, administrative and maintenance expenses, including straight-line depreciation at an average rate of not less than 3.5% of the depreciable fixed assets, taxes (if any), but excluding interest and other charges on debt, and Treasury remittances;
- (ii) the net value of fixed assets in operation shall be the gross value of such assets, as revalued from time to time in accordance with sound and consistently maintained methods of valuation acceptable to the Bank, less the amount of accumulated depreciation;
- (iii) the annual rate of return shall be calculated in respect of each fiscal year of the Borrower by relating the amount of net operating revenue in such year to the average of the net values of the Borrower's fixed assets in operation at the beginning and at the end of such year.

(c) Without limitation or restriction on the foregoing, the Borrower's rates and charges shall be reasonably based on the costs of the services to which such rates and charges refer.

Section 5.04. Except as the Bank shall otherwise agree, the Borrower shall not incur any debt unless the amount of its net cash revenue in the fiscal year next preceding such incurrence or in a later twelve-month period ended prior to such incurrence, whichever amount is the greater, shall have been at least one and three-quarters times the maximum debt service requirements in any succeeding fiscal year on all debt of the Borrower, including the debt to be incurred. For the purposes of this Section :

- (a) the term " debt " means all indebtedness of the Borrower maturing by its terms more than one year after the date on which it is originally incurred;
- (b) debt shall be deemed to be incurred on the date of execution and delivery of a contract, loan agreement or other instrument providing for such debt;
- (c) the term " net cash revenue " means the difference between (i) gross revenues from all sources, adjusted to take account of the Borrower's tariffs in effect at the time the debt is to be incurred even though they were not in effect during the fiscal

year or other twelve-month period in which such revenues accrued, and (ii) operating, administrative and maintenance expenses, excluding depreciation and interest and other charges on debt, but including taxes (if any), and Treasury remittances;

- (d) the term “ debt service requirements ” means the aggregate amount of amortization (including sinking fund payments, if any), interest and other charges on debt;
- (e) whenever it shall be necessary to value, in terms of the currency of the Guarantor, debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency could, at the time of such valuation, lawfully be obtained by the Borrower for the purposes of servicing such debt or, if such other currency is not so obtainable, at a rate of exchange reasonably determined by the Bank.

Section 5.05. Section 5.07 of the Prior Loan Agreement shall be amended to read as in Section 5.04 of this Loan Agreement.

Section 5.06. Except as the Bank shall otherwise agree, until the Project has been completed the Borrower shall not make, or enter into commitments to make, any capital expenditures for the re-alignment of the bar channel at the mouth of the Chao Phraya River, the construction of berths at Klong Toi (other than the berths included in the Project), or the purchase of floating cranes or additional dredgers.

Section 5.07. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Article VI

CONSULTATION AND INFORMATION

Section 6.01. The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance of their respective obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and other matters relating to the purpose of the Loan.

Section 6.02. The Bank and the Borrower shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by either of them of its obligations under the Loan Agreement.

Article VII

TAXES

Section 7.01. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement¹ 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 payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 7.02. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds 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 the Loan Agreement, the Guarantee Agreement or the Bonds.

Article VIII

REMEDIES OF THE BANK

Section 8.01. If any event specified in Section 7.01 of the General Conditions or in Section 8.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower and the Guarantor declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

Section 8.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified :

The Port Legislation shall have been suspended, terminated, repealed or amended so as to materially and adversely affect, in the opinion of the Bank, the Borrower's ability to perform its obligations under the Loan Agreement.

Article IX

TERMINATION

Section 9.01. The date November 4, 1970 is hereby specified for the purposes of Section 11.04 of the General Conditions.

Article X

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 10.01. The Director of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

¹ Sec p. 36 of this volume.

Section 10.02. The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

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.

For the Borrower :

Port Authority of Thailand
Bangkok, Thailand

Cable address :

PAT
Bangkok

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and to be delivered 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

Port Authority of Thailand :

By SUNTHORN HONGLADAROM
Authorized Representative

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE LOAN

1. The table below sets forth the categories of imported items to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each category :

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>
I. Civil Works at Klong Toi including dredging, electricity, drainage, water supply, etc.	10,090,000
II. Engineering Fees	900,000
III. Technical Assistance of Experts and Management Consultants	360,000
IV. Unallocated	1,150,000
	TOTAL <u>12,500,000</u>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

- (a) expenditures in currency of the Guarantor, or for goods produced in, or services supplied from, the territories of the Guarantor;
- (b) payments for taxes imposed under the laws of the Guarantor or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof.

3. Notwithstanding the allocation of an amount of the Loan set forth in the second column of the table in paragraph 1 above:

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Loan then allocated to such Category and no longer required therefor will be reallocated by the Bank by increasing correspondingly the unallocated amount of the Loan;
- (b) if the estimate of the expenditures under any Category shall increase, a corresponding amount will be allocated by the Bank, at the request of the Borrower, to such Category from the unallocated amount of the Loan, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of any other expenditures.

SCHEDULE 2

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
September 15, 1974	220,000	September 15, 1982	380,000
March 15, 1975	225,000	March 15, 1983	390,000
September 15, 1975	235,000	September 15, 1983	405,000
March 15, 1976	240,000	March 15, 1984	420,000
September 15, 1976	250,000	September 15, 1984	435,000
March 15, 1977	260,000	March 15, 1985	450,000
September 15, 1977	270,000	September 15, 1985	465,000
March 15, 1978	275,000	March 15, 1986	480,000
September 15, 1978	285,000	September 15, 1986	500,000
March 15, 1979	295,000	March 15, 1987	515,000
September 15, 1979	310,000	September 15, 1987	535,000
March 15, 1980	320,000	March 15, 1988	550,000
September 15, 1980	330,000	September 15, 1988	570,000
March 15, 1981	340,000	March 15, 1989	590,000
September 15, 1981	355,000	September 15, 1989	610,000
March 15, 1982	365,000	March 15, 1990	630,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1%
More than three years but not more than six years before maturity	2%
More than six years but not more than eleven years before maturity	3½%
More than eleven years but not more than sixteen years before maturity	5%
More than sixteen years but not more than eighteen years before maturity	6%
More than eighteen years before maturity	7%

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of downstream extension of Klong Toi wharves at Bangkok Port and includes :

1. Construction of four deep-water berths, each approximately 185 meters long;
2. Construction of two lighterage berths, each approximately 100 meters long;
3. Construction of two transit sheds, each having a covered area of approximately 10,500 square meters;
4. Ancillary works including acquisition of land, electricity, roads, railways, open storage areas, dredging, bridges and culverts, water supply, drainage, etc.;
5. Consultants' services for engineering and supervision during construction;
6. Management consultants' services to review cargo-handling methods and operations; and
7. Technical assistance of experts for dredging and accounting systems.

The Project is expected to be completed by December 1973.

SCHEDULE 4

PROCUREMENT

Unless the Bank shall otherwise agree, the procedure outlined below shall be followed for all civil works contracts :

1. All civil works included in the Project shall be included in a single contract. Prequalification, as described in paragraph 1.3 of the Guidelines, shall be employed for civil works bidders. A period of 45 days shall be allowed for submission of pre-

qualification documents. Prior to prequalification, the Borrower shall send to the Bank a list of all firms requesting prequalification, together with the proposed list of prequalified contractors and the reasons for approval or rejection.

2. Prior to issuing and publishing invitations to bid, the Borrower shall send to the Bank for approval two copies of the invitation to bid, draft forms of contract, specifications and all other bid documents together with a complete description of the international advertising procedure to be used (including a list of publications in which the advertisements will appear and the time to be allowed for bid preparation). Bidders shall be allowed at least 84 days to submit their bids and shall not be required to be registered in Thailand as a condition to submit bids. Should any other formality be required of a successful bidder before undertaking the works, every facility shall be furnished to the contractor to avoid any possible delay.

3. Contracts shall include adequate escalation clauses, as described in paragraph 4.4 of the Guidelines, and shall show unit prices.

4. After bids have been received and analyzed, two copies of the analysis of bids, the recommendations of the consulting engineers and the proposals of the Borrower for award, together with the reason for such proposals, shall be submitted to the Bank for its review and comment prior to the award of the contract or issuance of a letter of intent. Unless the Bank shall otherwise agree, contracts shall be awarded to the lowest evaluated bidder. If it is proposed to award any contract to other than the lowest evaluated bidder, the reasons for such proposal shall be stated in writing to the Bank.

5. If the proposed final contracts were to differ from the terms and conditions contained in the respective documents approved by the Bank under (2) and (4) above, two copies of the text of the proposed changes shall be submitted to the Bank for its review and comment prior to the execution of the contract.

6. After award of the contract, two copies of the final contract shall be transmitted to the Bank.