

No.6 of 2008.

*Bogenvil Resources Development Corporation (AROB) Ltd (Kabui Model)
Authorization Act 2008.*

Certified on: 29 December 2008.



AUTONOMOUS REGION OF BOUGAINVILLE

No. 6 of 2008

***Bogenvil Resources Development Corporation (AROB) Ltd. (Kabui Model)
Authorization Act 2008.***

ARRANGEMENT OF SECTIONS.

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AUTONOMOUS REGION OF BOUGAINVILLE.

No. 6 of 2008

AN ACT

entitled

***Bogenvil Resources Development Corporation (AROB) Ltd. (Kabui Model)
Authorization Act 2008.***

Being an Act:

- (a) to assist in giving effect to, and to exercise, the Autonomous Bougainville Government's custodianship of resources on Bougainville pursuant to Section 23 of the Bougainville Constitution;
- (b) to assist in the integration and coordination of development of industries in and the resources of Bougainville in partnership with the People of Bougainville pursuant to section 24 of the Bougainville Constitution;
- (c) to recognise the establishment of *Bogenvil Resources Development Corporation (AROB) Ltd.* as a commercial enterprise formed for the purpose of attracting and raising foreign and domestic capital for investment in Bougainville;
- (d) to recognise Bogenvil Resources Development Corporation (AROB) Ltd. as a business platform which has been established to assist in economic recovery and advancement of Bougainville;
- (e) to provide that Bogenvil Resources Development Corporation (AROB) Ltd. is not the ABG or an instrumentality of the ABG and that its assets are not public assets;
- (f) to further provide standards of operation for Bogenvil Resources Development Corporation (AROB) Ltd.; and
- (g) to recognize the Agreement entered into between the Autonomous Bougainville Government and Bogenvil Resources Development Corporation (AROB) Ltd. dated the 25th day of April 2008,

MADE by the House of Representatives

1. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.

This Act to the extent it regulates or restricts a right or freedom referred to in Subdivision III.3.C (*qualified rights*) of the *National Constitution*, namely the right to protection from unjust deprivation of property conferred by section 53 of the *National Constitution*, is a law made for the purpose of giving effect to the public interest in public welfare and the development of under-privileged or less advanced groups or areas.

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2. INTERPRETATION.

(1) In this Act, unless the contrary intention appears –

“ABG” means the Autonomous Bougainville Government;

“assets” means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description (including money) and includes shares and capital (uncalled or otherwise) in any corporation, securities, choses in action and documents of any kind;

“Bougainville” means the Autonomous Region of Bougainville;

“Bougainvillean” means a person who is a Bougainvillean pursuant to section 7(1) of the Bougainville Constitution;

“Company” means Bogenvil Resources Development Corporation (AROB) Ltd., a company incorporated under the Companies Act 1997 of the Independent State of Papua New Guinea;

“Minister” means the Minister responsible for the administration of this Act, who is a member of the Bougainville Executive Council;

(2) It is declared that, as the Company is a private company,

(a) application of Public Finances (Management) Act 1995 this Act, the Company is not a public body for the purposes of the Public Finances (Management) Act 1995; and

(b) application of the Claims By and Against the State Act 1996 by this Act, the Claims By and Against the State Act 1996 does not apply to claims by or against the Company; and

(c) application of Independent Public Business Corporation of Papua New Guinea Act 2002 by this Act, and any other powers and authorities under that Act does not apply to –

(i) the Company or any of its subsidiaries; and

(ii) the assets of the Company or of its subsidiaries; and

(iii) any of the shares or rights in respect of shares of the Company or any of its subsidiaries; and

(d) application of the Audit Act 1989 by this Act, the account of the Company and its subsidiaries are not subject to inspection and audit under the said Audit Act 1989.

(3) All of the statutes referred to in subsection (2) are statutes of the Independent State of Papua New Guinea.

3. APPLICATION OF THE ACT.

This Act binds –

(a) the ABG; and

(b) the Company and the subsidiaries of the Company to a public private partnership to integrate and coordinate development of Bougainville pursuant to sections 23 and 24 of the Bougainville Constitution.

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4. ESTABLISHMENT AND OPERATION OF THE COMPANY.

- (1) The Company has been incorporated under the Companies Act 1997, as a commercial enterprise formed for the purpose of attracting and raising foreign and domestic capital for investment in Bougainville and thereby to assist in the development of industries in and the resources of Bougainville in partnership with the People of Bougainville.
- (2) Without limiting the industries which the Company may consider, it is recognised that the Company shall explore opportunities in the banking, biodiesel, fishing, mining, quarrying, tourism sectors, among others.
- (3) The Company shall:
 - (a) conduct its business in a manner which fully reflects the principles set forth in the Bougainville Constitution;
 - (b) without limiting the generality of subsection (a), it is recognized that the Company shall take the necessary measures to bring about appropriate balanced development of the different areas of Bougainville and shall take special measures in favour of the development of the least developed areas;
 - (c) without limiting the generality of subsection (a), be sensitive to the needs of the physical environment in which the Company operates and utilise and develop its assets in line with international best practices and principles of sustainable development; and
 - (d) exhibit a sense of social responsibility by having regard to the interests of the communities in which the Company operates.

5. BOARD OF DIRECTORS OF THE COMPANY.

- (1) The majority of the directors of the Company shall be Bougainvilleans.
- (2) The chairman of the board of directors shall be a Bougainvillean.
- (3) All directors of the Company must have relevant qualifications and experience and must be widely considered to be of good character and repute and of high business integrity in their community.

6. SHAREHOLDERS OF THE COMPANY.

- (1) It is recognised that:
 - (a) the Autonomous Bougainville Government currently beneficially owns fifteen per cent of the Company, through its wholly owned company, AROB Equities Limited;
 - (b) Bougainville Veterans Holdings Ltd. currently beneficially owns nine per cent of the Company;
 - (c) Bougainville Pioneers Corporation Ltd. currently beneficially owns six per cent of the Company; and
 - (d) Invincible Resources Corp., a company incorporated in British Columbia, Canada, currently beneficially owns seventy per cent of the Company.

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(2) It is recognized that in order to raise capital and to eventually achieve majority ownership of the Company by Bougainvilleans:

(a) initially, the 70% interest in the Company owned by Invincible Resources Corp. will be diluted; and

(b) from time to time for commercial reasons, in order to raise additional capital, the ownership interests of all of the shareholders may be diluted proportionately.

7. STATUS OF THE COMPANY.

(1) The Company and the Company's subsidiaries are not, and shall not for any purpose be taken or characterised as being –

(a) the ABG; or

(b) an agent of the ABG, unless expressly appointed for such purpose by the ABG with the express concurrence of the Company or the subsidiary concerned; or

(c) an instrumentality of the ABG.

(2) Neither the Company nor any of the Company's subsidiaries is entitled to claim the benefit of sovereign immunity in relation to its or their actions or assets.

(3) The assets of the Company and the Company's subsidiaries, are not public assets for any purpose.

(4) Neither the Company nor any of the Company's subsidiaries is entitled to render the ABG liable for its or their debts, liabilities or obligations.

(5) The ABG does not, and shall not, guarantee or indemnify the Company or any of the Company's subsidiaries in respect of any of its or their assets or liabilities (including any overdraft or other financial accommodation).

(6) The ABG does not, and shall not, guarantee or indemnify any third person in respect of any debt or liability of the Company or any of the Company's subsidiaries unless, in each particular instance, the Bougainville Executive Council, with the express concurrence of the Company or the subsidiaries concerned, expressly agrees that the ABG shall do so.

8. AGREEMENT WITH THE AUTONOMOUS BOUGAINVILLE GOVERNMENT.

(1) The Agreement between the Company and the Autonomous Bougainville Government dated the 25th day of April 2008 is hereby ratified and confirmed.

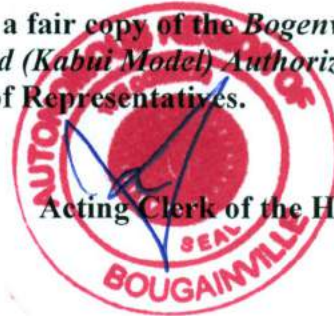
(2) It is recognised that the Company may enter into additional agreements to fulfill its intended purposes.

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9. REPORTS

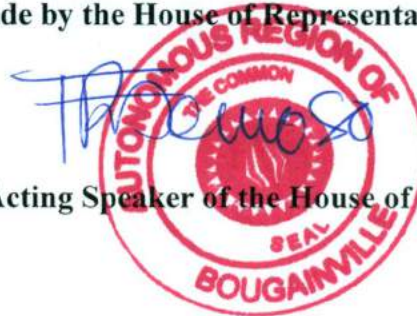
A copy of the annual financial reports of the Company, including audited financial statements, which are provided to the Company's shareholders, shall be made available to the ABG, through the Minister.

I hereby certify that the foregoing is a fair copy of the *Bogenvil Resources Development Corporation (AROB) Ltd (Kabui Model) Authorization Act 2008* which has been made by the House of Representatives.



Acting Clerk of the House of Representatives

I, FRANCESCA SEMOSO, acting Speaker of the House of Representatives, hereby certify that the *Bogenvil Resources Development Corporation (AROB) Ltd (Kabui Model) Authorization Act 2008* was made by the House of Representatives on 22nd of December 2008.



Acting Speaker of the House of Representatives