

PROJECT DESCRIPTION

KYOK SOUL

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Kyok Soul, a limited liability company, emerged from its founder's desire to create employment opportunities for young men throughout Guinea. An expert in martial arts, Mr. Cissé Ibrahima Rachid and five limited partners worked with a group of young university students to provide surveillance and guardian services for larger corporations, embassies, non-governmental organizations, and private homes.

The company is well-regarded and growing. It is now one of the largest and most established providers of security services in Guinea with a workforce of over 980. It is seeking to expand its operations and workforce so it increases its capacity to service larger companies more effectively.

III. Funding

A. ADF Contribution

The financial plan for ADF contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the agreement and do not make ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Client Contribution

Kyok Soul will continue to provide working capital as necessary in order to achieve its growth targets.

IV. Project Goal

The goal of the project is to improve living standards of Guineans by creating employment opportunities throughout Guinea.

V. Project Purpose

The purpose of the project is to increase incomes for Kyok Soul, its employees, and its local suppliers. The following indicators will be used to track the achievement of this purpose:



APPENDIX A

- A. Kyok Soul's net income before interest, taxes, depreciation and amortization will increase from GNF 166,962,000 in 2007 to GNF 267,077,000 in 2008; to GNF 373,831,000 in 2009; to 508,326,000 in 2010; to GNF 659,855,000 in 2011; and to 763,780,000 in 2012.
- B. Kyok Soul's average, inflation adjusted annual salary payments to its workers will increase from GNF 1,943,280,000 in 2007; to GNF 2,842,289,000 in 2008; to GNF 3,701,475,000 in 2009; to GNF 4,625,082,000 in 2010; to GNF 5,705,137,000 in 2011; and to GNF 7,294,674,000 in 2012.
- C. Kyok Soul's annual payments to its suppliers will increase from GNF 897,412,000 in 2007; to GNF 1,221,452,000 in 2008; to GNF 1,467,875,000 in 2009; to GNF 1,844,638,000 in 2010; to GNF 2,301,248,000 in 2011; and to GNF 2,963,129,000 in 2012.

VI. Project Outputs

The expected outputs from the project are:

- A. Total sales revenues generated will grow from GNF 3,274,576,000 in 2007 to GNF 4,192,386,000 in 2008; to GNF 4,650,441,000 in 2009; to GNF 4,961,705,000 in 2010; to 5,112,689,000 in 2011; and to GNF 5,492,214,000 in 2012.
- B. The total number of employees at Kyok Soul is expected to increase from 984 in 2007 to 1,043 in 2008; to 1,106 in 2009; to 1,136 in 2010; to 1,152 in 2011; and to 1,214 in 2012.
- C. Strengthened fiscal and social responsibility as demonstrated by Kyok Soul's compliance with the Re-Investment Commitment set forth in Appendix A-2 of this agreement.

VII. Major Project Activities

To generate the above outputs and to fulfil the project purpose, Kyok Soul will undertake the following activities:

A. Operational Improvements

Under this Project, Kyok Soul will improve its response time to alert calls. In this regard the company will undertake the following:

1. equipping five sub-base stations (one for each commune in Conakry);
2. better equipping guards, including new hires;
3. acquiring and networking six new computers as field activity monitoring units; and
4. training senior staff in computerized guarding management.



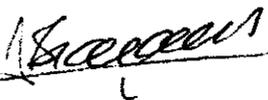
APPENDIX A

B. Financial and Management Systems Improvements

1. Training and technical assistance, especially in new management, financial and accounting and control systems and HIV/AIDS.
2. Strengthening financial systems by:
 - securing services of a competent accountant;
 - automating financial recordkeeping and reporting and implementing appropriate separation of duties for custody of checkbooks and authorizing payments;
 - ensuring that appropriate managers receive technical assistance and training in the use of new systems; and
 - developing and implementing a Kyok Soul financial management manual.

VIII. Monitoring and Evaluation

The USADF Partner in Guinea will closely monitor the activities of the Investment in order to ensure high quality assurance of the reporting as well as ensure the implementation plan is followed. Besides tracking general progress of the project, it will also continuously assess the identified project risks so that remedial actions can be taken on time in order to forestall significant adverse impact on the realization of the project objectives. Monitoring by the ADF Partner in Guinea will be an important aspect of the ongoing coaching and advisory service. The ADF Partner in Guinea will review all the Investment's quarterly reports prepared and submitted by Kyok Soul, and will submit comments and observations to the management of Kyok Soul as part of the annual project evaluation. The two organizations will jointly design the evaluation process and Kyok Soul will incorporate plans for addressing specific evaluation findings into its annual report.



PROJECT DESCRIPTION

KYOK SOUL

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Kyok Soul, a limited liability company, emerged from its founder's desire to create employment opportunities for young men throughout Guinea. An expert in martial arts, Mr. Cissé Ibrahima Rachid and five limited partners worked with a group of young university students to provide surveillance and guardian services for larger corporations, embassies, non-governmental organizations, and private homes.

The company is well-regarded and growing. It is now one of the largest and most established providers of security services in Guinea with a workforce of over 980. It is seeking to expand its operations and workforce so it increases its capacity to service larger companies more effectively.

III. Funding

A. ADF Contribution

The financial plan for ADF contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the agreement and do not make ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Client Contribution

Kyok Soul will continue to provide working capital as necessary in order to achieve its growth targets.

IV. Project Goal

The goal of the project is to improve living standards of Guineans by creating employment opportunities throughout Guinea.

V. Project Purpose

The purpose of the project is to increase incomes for Kyok Soul, its employees, and its local suppliers. The following indicators will be used to track the achievement of this purpose:

- A. Kyok Soul's net income before interest, taxes, depreciation and amortization will increase from GNF 166,962,000 2007 to GNF 267,077,000 in 2008; to GNF 373,831,000 in 2009; to 508,326,000 in 2010; to GNF 659,855,000 in 2011; and to 763,780,000 in 2012.
- B. Kyok Soul's average, inflation adjusted annual salary payments to its workers will increase from GNF 1,943,280,000 in 2007; to GNF 2,842,289,000 in 2008; to GNF 3,701,475,000 in 2009; to GNF 4,625,082,000 in 2010; to GNF 5,705,137,000 to 2011; and to GNF 7,294,674,000 in 2012.
- C. Kyok Soul's annual payments to its suppliers will increase from GNF 897,412,000 in 2007; to GNF 1,221,452,000 in 2008; to GNF 1,467,875,000 in 2009; to GNF 1,844,638,000 in 2010; to GNF 2,301,248,000 in 2011; and to GNF 2,963,129,000 in 2012.

VI. Project Outputs

The expected outputs from the project are:

- A. Total sales revenues generated will grow from GNF 3,274,576,000 in 2007 to GNF 4,192,386,000 in 2008; to GNF 4,650,441,000 in 2009; to GNF 4,961,705,000 in 2010; to 5,112,689,000 in 2011; and to GNF 5,492,214,000 in 2012.
- B. The total number of employees at Kyok Soul is expected to increase from 984 in 2007 to 1,043 in 2008; to 1,106 in 2009; to 1,136 in 2010; to 1,152 in 2011; and to 1,214 in 2012.
- C. Strengthened fiscal and social responsibility as demonstrated by Kyok Soul's compliance with the Re-Investment Commitment set forth in Appendix A-2 of this agreement.

VII. Major Project Activities

To generate the above outputs and to fulfil the project purpose, Kyok Soul will undertake the following activities:

A. Operational Improvements

Under this Project, Kyok Soul will improve its response time to alert calls. In this regard the company will undertake the following:

1. equipping five sub-base stations (one for each commune in Conakry);
2. better equipping guards, including new hires;
3. acquiring and networking six new computers as field activity monitoring units; and
4. training senior staff in computerized guarding management.

B. Financial and Management Systems Improvements

1. Training and technical assistance, especially in new management, financial and accounting and control systems and HIV/AIDS.
2. Strengthening financial systems by:
 - securing services of a competent accountant;
 - automating financial recordkeeping and reporting and implementing appropriate separation of duties for custody of checkbooks and authorizing payments;
 - ensuring that appropriate managers receive technical assistance and training in the use of new systems; and
 - developing and implementing a Kyok Soul financial management manual.

VIII. Monitoring and Evaluation

The USADF Partner in Guinea will closely monitor the activities of the Investment in order to ensure high quality assurance of the reporting as well as ensure the implementation plan is followed. Besides tracking general progress of the project, it will also continuously assess the identified project risks so that remedial actions can be taken on time in order to forestall significant adverse impact on the realization of the project objectives. Monitoring by the ADF Partner in Guinea will be an important aspect of the ongoing coaching and advisory service. The ADF Partner in Guinea will review all the Investment's quarterly reports prepared and submitted by Kyok Soul, and will submit comments and observations to the management of Kyok Soul as part of the annual project evaluation. The two organizations will jointly design the evaluation process and Kyok Soul will incorporate plans for addressing specific evaluation findings into its annual report.