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**HOLLAND  
SHIPYARDS**

**CONCESSION AGREEMENT**

**MARINE SLIPWAY AT QUEEN ELIZABETH QUAY II**

**BY AND AMONG**

**SIERRA LEONE PORTS AUTHORITY  
("THE AUTHORITY")**

**-AND-**

**THE GOVERNMENT OF SIERRA LEONE; REPRESENTED BY THE  
MINISTRY OF TRANSPORT AND AVIATION  
("THE GoSL")**

**-AND-**

**NATIONAL COMMISSION FOR PRIVATISATION  
("NCP")**

**-AND-**

**HOLLAND SHIPYARDS  
("THE SPONSOR")**

**-AND-**

**HOLLAND SHIPYARDS SIERRA LEONE LIMITED  
("THE CONCESSIONAIRE")**

**DATED 25<sup>TH</sup> SEPTEMBER, 2014**

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**THIS CONCESSION AGREEMENT** is made on the <sup>25<sup>th</sup></sup> day of ~~September~~ 2014 between **THE SIERRA LEONE PORTS AUTHORITY**, a statutory corporation duly established in accordance with the Provisions of the Ports Authority Act 1964 with its Head Office at the Queen Elizabeth II Quay, at Cline Town, Freetown in the Western Area of the Republic of Sierra Leone, ("**the Authority**")

**AND**

**THE GOVERNMENT OF SIERRA LEONE**, Represented by The Honourable Minister of Transport and Aviation of Youyi Building, Brookfields, Freetown, Sierra Leone ("**the GoSL**");

**AND**

**NATIONAL COMMISSION FOR PRIVATISATION**, an agency of the Government of Sierra Leone established under the National Commission for Privatisation Act, 2002, whose office is situate at Lotto House, OAU Drive, Tower Hill, Freetown, Sierra Leone ("**NCP**");

**AND**

**HOLLAND SHIPYARDS** a Dutch company whose registered office is situate at Rivierdijk 436, 3372 BW Hardinxveld-Giessendam, The Netherlands, ("**the Sponsor**");

**HOLLAND SHIPYARDS SIERRA LEONE LIMITED**, a private company duly incorporated under the laws of Sierra Leone and having its registered office at 9 College Road, Cline Town, Freetown, Sierra Leone ("**the Concessionaire**")

The Authority and the Concessionaire and their respective successors and permitted assigns are hereafter referred to individually as a "**Party**" and together, as the "**Parties**";

GoSL and NCP and their respective permitted assigns are hereinafter referred to individually as a "**Confirming Party**" and together, as the "**Confirming Parties**".

#### **PREAMBLE**

A. By virtue of the Act, the Authority is owner and operator of the Port;

B The Authority is charged among other things, with the responsibility of constructing, executing, carrying out, equipping, improving, working and developing ports, docks, harbours, piers, wharves, water courses, embankment and jetties in Sierra Leone and may carry out any of these responsibilities through any other person authorised by it in that behalf; **AND**

C. GoSL with a view to improving the efficiency and cost effectiveness of SLPA has undertaken a privatisation exercise in respect of the non-core activities of SLPA, one of these being the slipway;





D. NCP is the agency established by the GoSL to formulate and approve policies on privatisation and commercialisation and is the implementation agency for the concessioning of the "SLIPWAY";

E. The Company (Sponsor) has by way of competitive tender won the right to a Concession of "the SLIPWAY" and the land on which the said slipway is located for an initial period of Fifteen [15] years, with an option to renew for a further term of five [5] years;

F. For the purposes of the Concession, the sponsor has formed the Concessionaire, as a special purpose company and has registered it in Sierra Leone; and

G. The Parties have agreed to enter into this Agreement, in order for the Concessionaire to:

- a. be granted the right to perform the Operations
- b. to obtain possession and use the Premises and assets; and
- c. to maintain and make certain Improvements to the Concession property.

**WITNESSETH NOW, THEREFORE,** in consideration of the mutual promises and agreements of the Parties herein expressed, as well as other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:





## ARTICLE I: DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

The following terms shall have the meanings specified in this Article when capitalized and used in this Agreement (including the Recitals):

“Act” means the Ports Act, 1964 and Amendment Act 1991 of the Republic of Sierra Leone or such other law governing the port authority or port operations applicable to the Port as may supersede or succeed the same from time to time.

“Affected Party” means the Contracting Party or Parties to an Agreement likely to be affected by the other party’s impact of a proposed activity.

“Agreement” means this Concession Agreement (including all Appendices attached hereto), as amended and/or supplemented from time to time.

“Alteration” means any change that does not affect the basic character or structure of the thing it is applied to or the process of making a change in the appearance or form of something.

“Annual Report” has the meaning set forth in Article 9.4.

“Applicable Law” means all Sierra Leone laws.

“Business Days” means a day on which commercial banks in Sierra Leone are not authorized or required to close.

“Change in Law” means any amendment, modification, superseding act, deletion, addition or change in or to the Applicable Law that occurs and takes effect after the Execution Date and has a material adverse effect on the Concessionaire’s performance of its obligations hereunder.

“Commencement Fee” has the meaning set forth in Appendix F.

“Common Areas” means all areas and facilities outside the Premises and within the exterior land boundary lines of the Port (excluding the Berths) that are provided and designated by the Landlord from time to time as “common areas” for general non-exclusive use.

“Concession Fee” means the Entry Fee, Rental Fee and Throughput Fee set forth in Appendix F

“Concession Property” has the meaning set forth in the Recitals. For avoidance of doubt, Concession Property is also deemed to include any Improvements thereon made by the Authority or the Concessionaire during the Term in accordance with this Agreement.



“Concessionaire” has the meaning set forth in the Preamble.

“Day” means a calendar day unless otherwise specified.

“Development Plan” has the meaning set forth in the Recitals and Appendix D.

“Dispute” means a conflict or controversy; or a conflict of claims or rights; an assertion of a right, claim, or demand on one side, met by contrary claims or allegations on the other

“Dollar” or “\$” means the lawful currency of the United States of America.

“Effective Date” means three (3) months from the date of signing of this Agreement.

“Emergency” means a crisis, incident or other untoward position or threat to public, health, environment and safety as agreed by the Parties.

“Environment” means the conditions and influences that surround and affect the growth, health, progress, etc., of someone or something or the aggregate of social and cultural conditions that influence the life of an individual or community

“Event of Default” means a Concessionaire’s Event of Default or Landlord’s Event of Default, as applicable.

“Execution Date” means the date this Agreement is signed by the Parties.

“Expert” means any person, body or organization of international repute with recognized technical/professional expertise in respect of any field, matter or subject relevant for the purpose of this Agreement, appointed by the Parties by mutual consent, the cost of whom shall be shared equally between the Landlord and the Concessionaire.

“Force Majeure” means any event that might prevent the parties from fulfilling their contractual obligations for causes that could not be anticipated and/or are beyond their control.

“Governmental Authority” means any Sierra Leonean governmental ministry, bureau, authority, council, office, or other instrumentality having jurisdiction over a Party, the Port, the Concession Property or the Operations, as the case may be, including without limitation, the Authority, the Regulator and the Utilities Charges Commission or Affiliate of any of the foregoing.



“Improvements” means the improvements to be made to the Concession Property by the Concessionaire in accordance with the provisions of the Development Plan set out in Appendix D of this Agreement.

“Latent Defects” means those defects not identified in the Property Survey as specified in Appendix G, and which could not reasonably be identified by the Concessionaire’s exercise of due diligence.

“Lease Rental Fee” has the meaning set forth in Appendix F.

“LIBOR” means the London Interbank Offered Rate for Dollar deposits, as published by The Wall Street Journal or, if not published, then by the Financial Times of London, applicable from the due date for payment and thereafter on the first day of each succeeding month.

“Maintenance” means maintenance, repairs, renewals and replacements of the Concession Property existing at the Execution Date. For the avoidance of doubt, Maintenance does not include maintenance, repairs, renewals and replacements by the Authority, Improvements carried out by the Concessionaire pursuant to the Development Plan or other improvements or alterations made in accordance with the provisions of Article 5.8 of this Agreement;

“Material Adverse Effect” means a decline in profitability and/or the possibility that a party's operations and/or financial position may be seriously compromised.

“Month” or “months” means a calendar month.

“NCP” has the meaning set forth in the Recitals.

“Operations” has the meaning set forth in Article 6.

“Operations Rates” has the meaning set forth in Article 6.6.

“Operating Year” means a period of twelve (12) months commencing on the Effective Date or the anniversary of the Effective Date as the case maybe.

“Party” or “Parties” has the meaning set forth in the Preamble.

“Performance Requirements” has the meaning set forth in Article 6.4

“Person” means any legal or natural person, including any individual, corporation, partnership, Limited Liability Company, Joint Stock Company, association, joint venture, trust, governmental or international body or agency, or other entity.



“Preferential Rates” means non discriminatory concessionary rates granted by the Concessionaire to its customers including, but not limited to, volume discounts and discounts for transit/transshipment cargoes.

“Regulator” means the Landlord or, if there is a change in the law such that the Landlord no longer regulates and controls the development and/or conduct of Sierra Leone’s port industry, then the Governmental Authority of Sierra Leone established, assigned, chartered or commissioned to regulate and control the development and/or conduct of Sierra Leone’s port industry.

“Security Interest” means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

“Sierra Leone” means the Republic of Sierra Leone.

“Slipway” means a sloping surface or area in a Shipyard leading down to the water or sea, on which ships or vessels are built or repaired.

“Sponsor” has the meaning specified in the Recitals and Preamble.

“Staffing and Succession Plan” means the plan set forth in Appendix E.

“Term” has the meaning set forth in Article 4.2.

“Termination Date” means the date on which this Agreement is terminated in accordance with the terms set out herein.

“Termination Notice” means the notice given by either Party in accordance with the terms and conditions of this Agreement notifying the other party to this Agreement that this Agreement shall terminate three (3) months after the date of the Termination Notice;

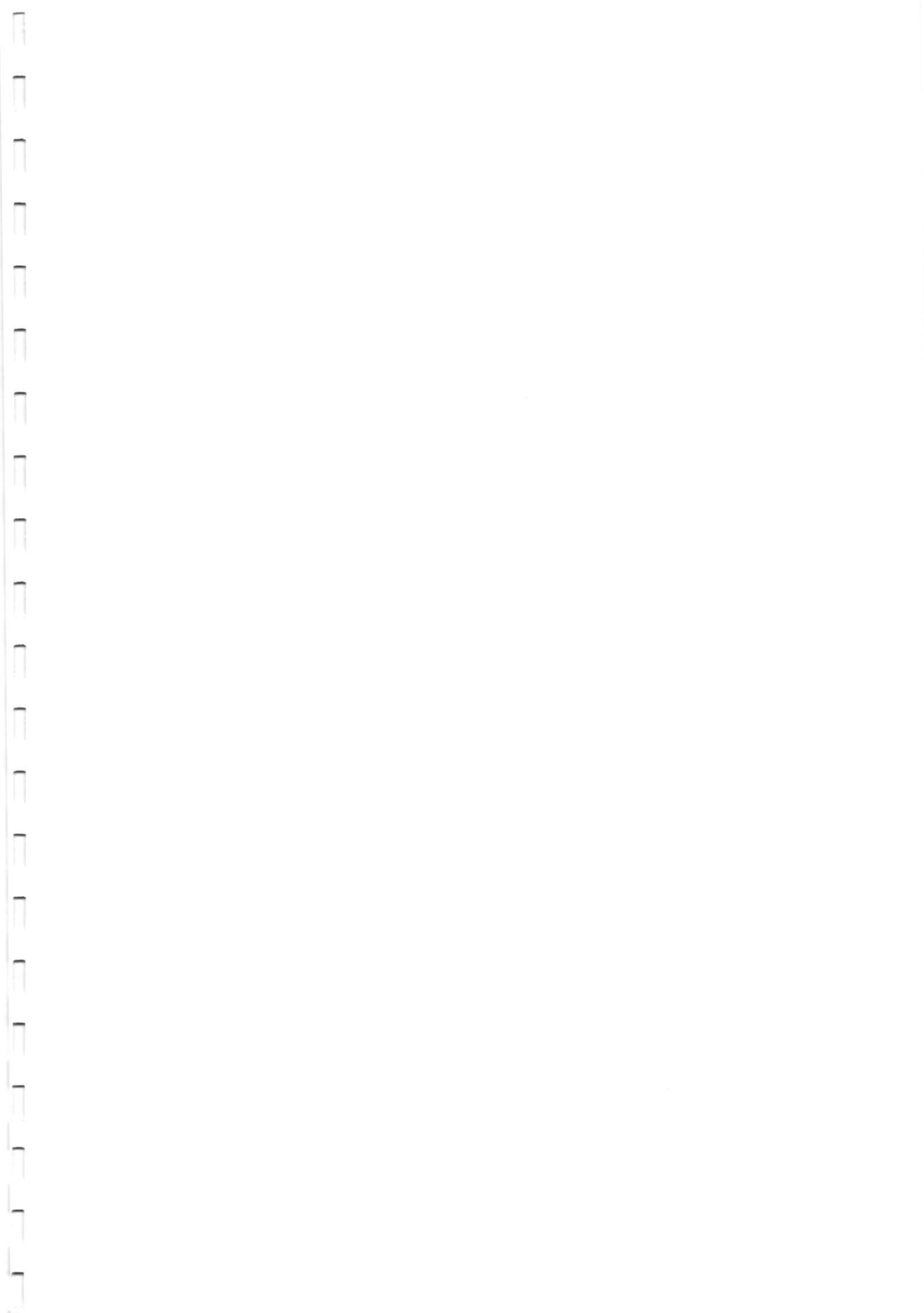
“Termination Period” means the period from the service of a Termination Notice until the Termination Date or, if no Termination Notice is served during the Term, the last three (3) months of the Term.

“Throughput Fee” has the meaning set forth in Appendix F.

“Transition Period” means the period from the Execution Date to the Effective Date.

“Transition Plan” means plan set out in Appendix H of this Agreement.





“Utilities” means infrastructure, equipment or services relating to the supply of electricity (including back-up power), water, sewage and drainage, telecommunications, fibre optic network, gas and fossil and other liquid fuel.

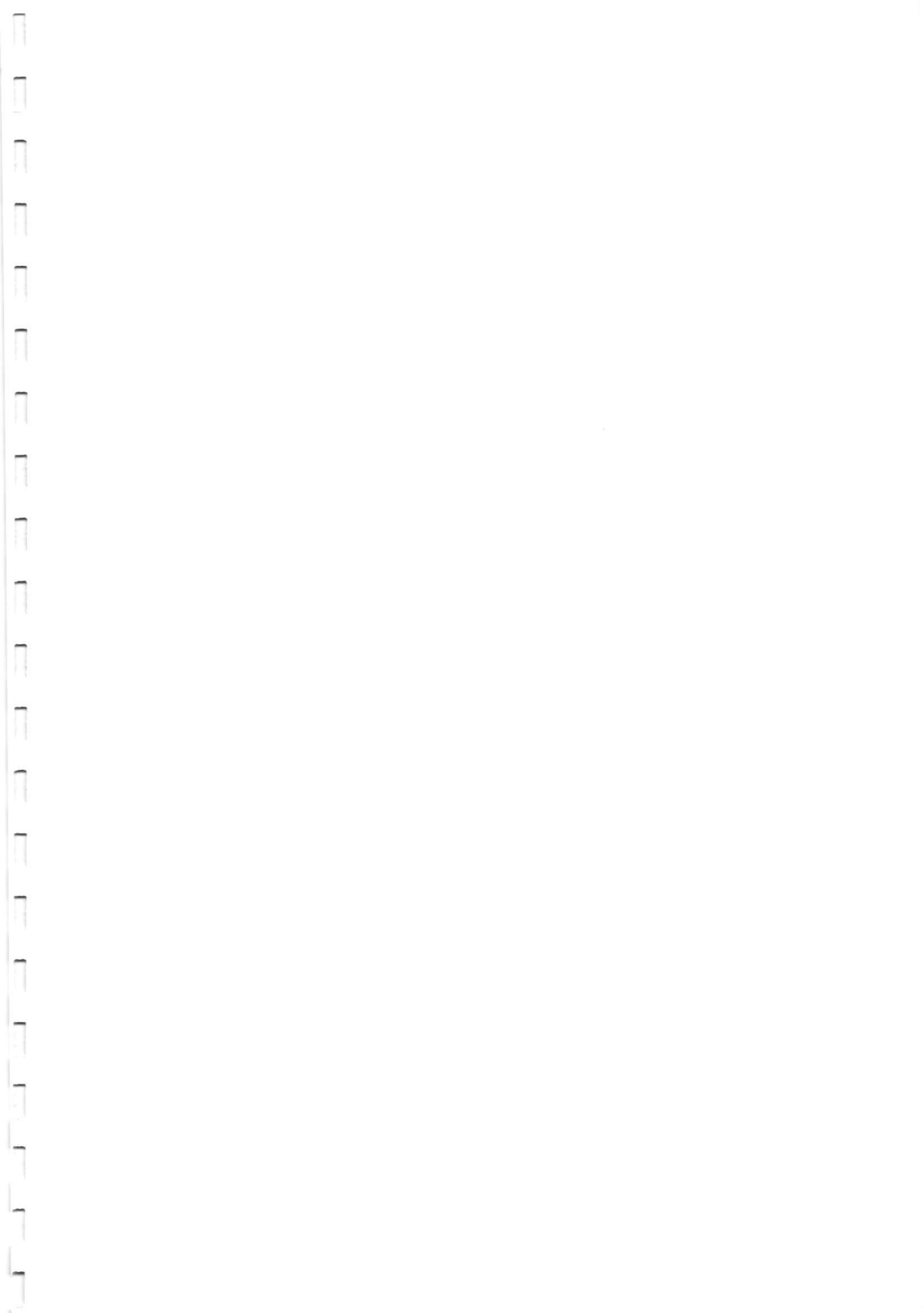
“Waiver” means the voluntary relinquishment, expressly or by implication, of some claim or right

“Waste Material” means unwanted material left over from a manufacturing process or refuse from places of human or animal habitation and shall include hazardous waste being a by product of anthropogenic activities that is either ignitable, corrosive, reactive or toxic and that can pose a substantial or potential hazard to human health or the environment when improperly managed.

## 1.2 Interpretation

- (a) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any of the provisions of this Agreement.
- (b) The word “including” means “including without limitation.”
- (c) References in this Agreement to statutes, ordinances, regulations, instructions or any other laws made thereunder include those statutes, ordinances, regulations, instructions or any other laws as amended, modified, re-enacted or replaced from time to time.
- (d) Unless the context otherwise requires:
  - (i) words in the singular include the plural , and vice versa;
  - (ii) words importing the past tense shall include the present tense and vice versa;
  - (iii) words importing any gender include all genders; and
  - (iv) a reference to a person includes a reference to a judicial person, a body corporate, an unincorporated body of persons and a government entity.
- (e) Unless otherwise indicated, all reference in this Agreement to Articles, Sections, and Appendices refer to the corresponding Articles, Sections and Appendices of or to this Agreement.





## **ARTICLE II: GRANT OF THE CONCESSION AND FEES**

### **2.1 Grant of Rights**

In consideration of the Concessionaire's obligations contained in this Agreement and relying on the Concessionaire's warranties, the Authority hereby appoints the Concessionaire to the exclusion of every other person, to use, manage, operate, maintain and improve the Concession Property as specified in Appendix G, subject to this Agreement and Applicable Law and the Concessionaire hereby accepts the appointment upon the terms and conditions of this Agreement.

### **2.2 Commencement Fee**

In return for the rights granted to it under Section 2.1 above and to commence operations, the Concessionaire shall pay to the Authority an Entry Fee of Twenty Five Thousand United States Dollars (\$25,000) as specified in Appendix F.

### **2.3 Lease Rental Fee**

The Concessionaire shall pay an Annual Lease Rental Fee of Three United States Dollars (\$3) per square meter (as specified in Appendix F) in return for the rights granted to it under Section 2.1 and for the Concession Area (Ten Thousand Square Meters - as specified in Appendix G) paying a total of Thirty Thousand United States Dollars (\$30,000) annually, and in consideration of this Agreement. Except as the Parties may otherwise agree in writing, all payments must be made in United States (US) Dollars. Any amounts due but not paid thereunder shall bear interest at six (6) months LIBOR plus five percent (5%).

### **2.4 Throughput Fee**

There shall be a throughput fee payable to SLPA of 3% on Gross Turnover of up to Two Million United States Dollars (\$2,000,000.00) and 4% on Gross Turnover of more than Two Million United States Dollars (\$2,000,000.00), as specified in Appendix F.

## **ARTICLE III: OBLIGATIONS, REPRESENTATIONS AND WARRANTIES**

### **3.1 Obligations of the Authority**

The Authority undertakes to the Concessionaire that it shall:

- (a) any or all measures for the smooth commencement of the Operations from the Execution Date to the Effective Date.
- (b) guarantee that the Concessionaire can freely carry out the entire Project, in so far as the Concessionaire does so in compliance with the laws and regulations of Sierra Leone, and in line with international standards and best practice.
- (c) not interfere in the management of the Concessionaire in so far as the Concessionaire does not infringe upon the Terms and Conditions of this Agreement and relevant national and international regulations
- (d) comply with all laws, regulations and consents applicable to it which relate to the Project;

- (e) not wilfully impede the Concessionaire in the performance of its obligations under this Agreement;
- (f) inform the Concessionaire as soon as reasonably practicable if at any time it becomes unable to meet any of its obligations and in such case inform and keep the Concessionaire informed of any course of action to remedy the situation recommended or required by other relevant competent authority;
- (g) may provide all necessary assistance to the Concessionaire and to do all that it may be reasonably required to do by the Concessionaire or any other relevant authority in ensuring that the Concessionaire's investments are registered successfully with appropriate Authority or any other relevant authority to enable the Concessionaire enjoy the benefits that may accrue by virtue of such registration;

### **3.2 Obligations of the Concessionaire**

- (a) subject to and in accordance with the provisions of this Agreement, the Concessionaire shall have the right and the obligation to perform its duties under this Agreement at its own cost and risk without recourse to the Authority except as otherwise expressly provided in this Agreement.
- (b) the Concessionaire shall bring machinery ONLY related to the Operations of the Slipway.
- (c) the Concessionaire shall use the building, floor space, the offices and all installations and equipment therein with all due care and for the purposes only of providing the Services detailed in this Agreement and shall at all times keep same, including the exterior surfaces in a clean, hygienic and tidy condition, and shall arrange for the prompt removal and disposal of all waste and garbage arising from any area occupied by the Concessionaire before the transition period.
- (d) the Concessionaire shall not do or cause or permit anything to be done in or on or in the vicinity of the Slipway or any part thereof which might interfere with the performance of any operations connected therewith or which might be or become a nuisance, create in unsanitary condition or annoyance or cause damage, inconvenience or discomfort to any person or persons properly using the Slipway or resort thereto.
- (e) the Concessionaire shall not make any structural alterations, whether by way of improvements or otherwise, to any buildings or office of the Authority which it is hereby permitted to occupy, without the prior written consent of the GoSL which shall not be reasonably withheld, and any such structural alterations and improvements approved by the GoSL shall be effected at the Concessionaire's sole expense.





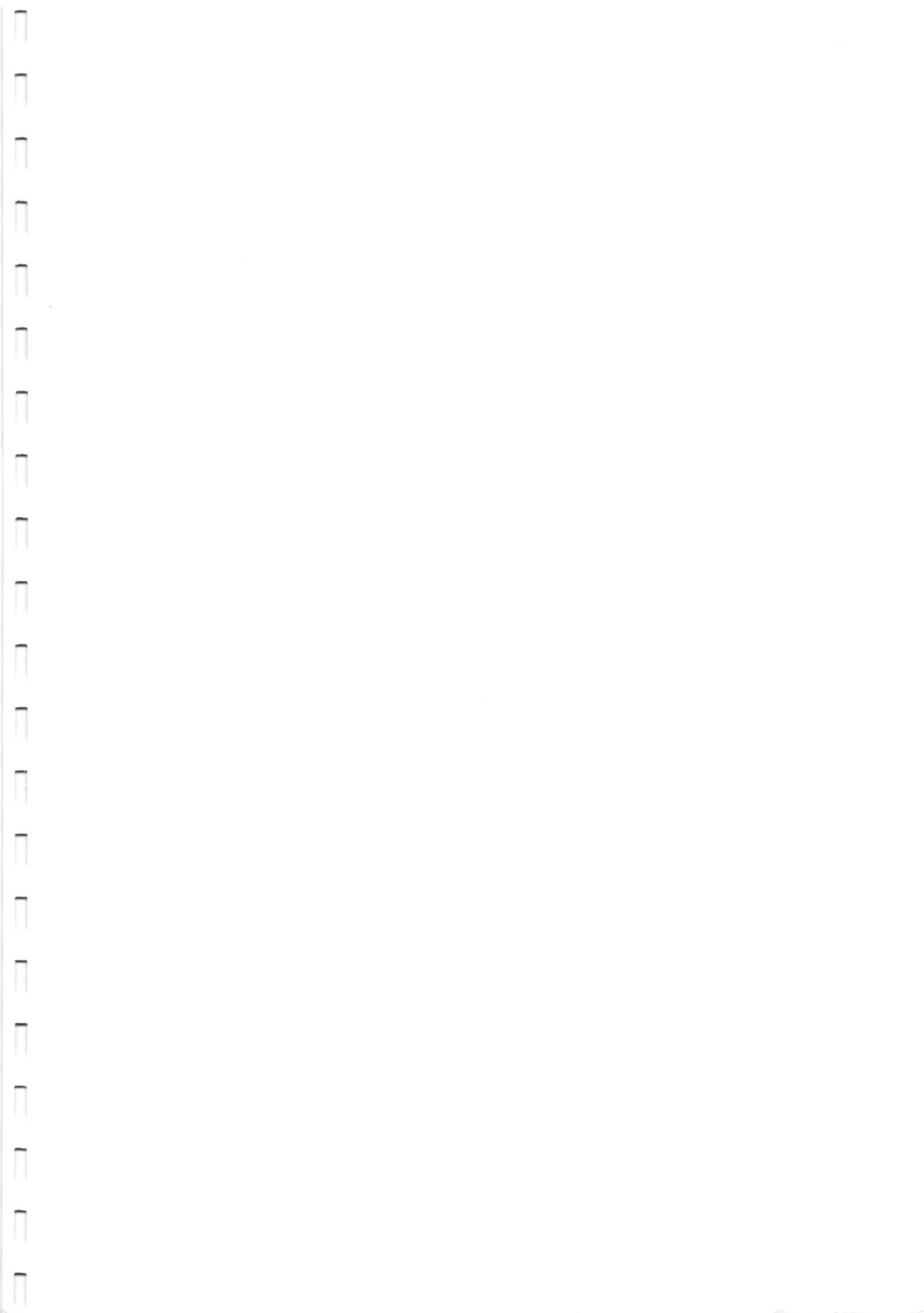
- (f) the Concessionaire shall at its own cost be solely responsible for ensuring that the Service is at all times performed:
- (i) in so far as not in conflict with an express obligation of the Concessionaire under this Agreement, where in relation to a matter there is no express obligation or standard imposed on the Concessionaire under this Agreement, in accordance with Good Industry Practice;
  - (ii) in a manner consistent with international best practices;
  - (iii) in a manner that is not likely to be injurious to health or to cause damage to property;
  - (iv) in a way that no acts of drug trafficking are done by the Concessionaire or its personnel
  - (v) in a way that its personnel or agents do not do acts of misconduct that are prejudicial to the security and good image of the Authority.
  - (vi) in compliance with all laws and consents (including without limitation the giving of notices and the obtaining of any such consents) and so as not to prejudice the renewal of such consents during the Concession Period.
- (g) the Concessionaire shall further, at its own cost and expense:
- (i) except to the extent expressly undertaken by the Authority, obtain facilities as may be required by it for purposes of the Project and the performance of its obligations under the Agreement.
  - (ii) procure and maintain in full force and effect, as necessary and appropriate proprietary rights, licenses agreements and permissions for materials, methods, processes and systems used in or incorporated into its operations;
  - (iii) appoint, supervise, monitor and control as necessary, the activities of contractors under its respective Operations;
  - (iv) make efforts to maintain harmony and good industrial relations among the personnel employed in connection with the performance of its obligations under this Agreement;

### 3.3 Representations and Warranties of the Authority:

The Authority represents and warrants to the Concessionaire that:

- (a) it has full power and authority to grant the Concession;





- (b) it has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
- (c) this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;
- (d) there are no suits or other legal proceedings pending or threatened against it in respect of the Project or the Assigned Premises which has or may have Material Adverse Effect.

**3.4 Representations and Warranties of the Concessionaire:**

The Concessionaire represents and warrants to the Authority that:

- (a) it is a private company limited by shares incorporated and registered in Sierra Leone;
- (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;
- (c) it has taken all necessary corporate and other action under applicable laws of Sierra Leone to authorise the execution, delivery and performance of this Agreement;
- (d) it has the financial standing and capacity to undertake the Project;
- (e) this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with the terms hereof;
- (g) there are no actions, suits, proceedings or investigations pending or to the Concessionaire's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may constitute Event of Default or which individually or in aggregate may result in Material Adverse Effect;
- (h) it has no knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any government authority which may result in Material Adverse Effect;
- (i) it has complied with all applicable laws and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have Material Adverse Effect;
- (j) subject to receipt by the Concessionaire from the Authority of the Termination Notice upon the expiry of the Concession Period in the manner and to the extent provided for under the applicable provisions of this Agreement, all rights and interests of the Concessionaire in and to the Project and Assigned Premises shall



pass to and vest in the Authority on the Termination Date free and clear of all encumbrances without any further act or deed on the part of the Concessionaire or the Authority;

- (k) no bribe or illegal gratification has been paid or will be paid in cash or kind by or on behalf of the Concessionaire to any person to procure the Concession.

#### ARTICLE IV: ARTICLE V: EFFECTIVE DATE, TERM, RENEWAL AND REVIEW

##### 4.1 Effective Date

(a) **Terms Binding on Execution Date**

The provisions of this Article, along with the provisions of Articles III (Representations and Warranties), Article X (Indemnities), Article XIII (Governing Law; Disputes Resolution) and Appendix H (Transition/Handover Plan), shall be in full force and effect, effective upon the Parties hereto, and enforceable in accordance with their terms, from the date of commencement of the Marine Slipway Operations.

(b) **Conditions Precedent I**

Except as otherwise provided in Article 4.1(a), this Agreement shall become binding ninety (90) days following the Execution Date provided that the conditions to effectiveness set forth in 4.1(a) above or where otherwise stated and the following conditions have been fulfilled, the Concessionaire shall:

- i. *Execution and Delivery of the Agreement* – participate in the drafting and delivery of this agreement;
- ii. *Corporate Proceedings* – deliver to the Authority a secretary's certificate certifying to:
  1. resolutions adopted by the Concessionaire evidencing the authorisations to execute same;
  2. details of shareholders of the concessionaire;
  3. the constitutional (Memorandum and Articles of Association) documents of the Concessionaire;
  4. certificate of incorporation; and
  5. letter of authorisation authorising the officers of the Concessionaire to execute this Agreement and documents required hereunder;



- iii. *Officer's Certificate* - deliver to the Authority a certificate in form and substance satisfactorily to the Authority, dated the Effective Date and signed by a duly authorised officer, as to the facts that;
  - 1. the representations and warranties of the Concessionaire in section 3.4 above is true and correct in all material respects when made and at and as of the Execution Date and Effective Date with the same effect as though made at and as of such time; and
  - 2. the Concessionaire has duly performed and complied in all material respects with all covenants and agreements contained in this agreement required to be performed or complied with by it at or before the Effective Date.
- iv. *Insurance Policies* – provide copies of all necessary insurance policies (insuring people (third parties) using the Slipway) approved by a reputable Insurance Institution acceptable to the Government of Sierra Leone.
- v. Provide signed survey plan; and
- vi. *Commencement Fee* – pay to the Authority the commencement fee in accordance with Appendix F

(c) **Conditions Precedent II**

Except as otherwise provided in Article 4.1(a), this Agreement shall become binding ninety (90) days following the Execution Date provided that the conditions to effectiveness set forth in 4.1(a) above or where otherwise stated and the following conditions have been fulfilled, the Authority shall:

- i. *Execution and Delivery of the Agreement* – participate in the drafting and delivery of this agreement;
- ii. *Guarantee* - letter of authority stating the authorisations of parties to execute this agreement;
- iii. Letter from the Authority stating the transfer of the Concession Property;
- iv. Approval and Ratification of the Concession Agreement by the House of Parliament; and
- v. Registration of the Agreement with the Administrator and Registrar-General.

**4.2 Term of the Concession Agreement**

This Concession Agreement is for a period of Fifteen (15) years commencing from the date of start of the Slipway Operations.





#### **4.3 Renewal of the Concession Agreement**

- (a) This Concession Agreement is NOT automatically renewable. However, the Authority shall give the Concessionaire renewal priority over another applicant for the slipway. The Concession Period may be renewed after the Fifteen (15) year duration specified in Article 4.2 above for another period of Five (5) years subject to the Concessionaire's performance of its obligations under this Agreement and consensus of the Parties on renewal terms and conditions.
- (b) Following such fifteenth (15th) Anniversary of the Effective Date, and unless this Agreement has otherwise been terminated, the parties shall meet on or around the thirteen (13th) Anniversary of the Effective Date of this Concession Agreement to negotiate and mutually agree on a possible renewal and the rent payable upon the renewal and extension of the concession, provided that either Party has notified the other Party in writing of its desire to renew this Agreement no less than two (2) years prior to such fifteenth (15th) anniversary of the Effective Date.

#### **4.4 Review of the Concession Agreement**

- (a) This Concession Agreement shall be reviewed after every five (5) years from the Effective Date of the Concession Agreement.
- (b) The Parties undertake to appoint a committee ("Review Committee") to review the rights and obligations of the Parties under this Agreement and both Parties shall have the right to appoint the same number of members of the Review Committee.
- (c) The time and place of the Review Committee Meeting, which shall not last for more than three (3) consecutive days, shall be agreed between the Parties in writing in advance of the Meeting. The Agenda of the Meeting (including details of committees members) will be prepared jointly by both Parties and shall be circulated by the Authority at least fifteen (15) Business Days in advance.
- (d) Any recommendation for Amendment to this Agreement by the Review Committee shall be agreed between the parties in writing and recorded in an Addendum in accordance with Article 14.12 of this Agreement.

### **ARTICLE V: THE CONCESSION PROPERTY**

#### **5.1 Concession Property**

In consideration of the Covenants and Agreements set forth in this Agreement and other good and valuable considerations, the Authority demises to the Concessionaire by way of Leasehold the Concession Property (as specified in Appendix G) free and clear of all Security Interests and the Concessionaire accepts such demise. For the avoidance of





doubt, the Authority shall remain the owner of the Concession Property throughout the Term.

## **5.2 Transition Period**

- (a) There shall be a Transition Period of Two (2) months during which the Authority shall remove all scrap from the Premises, transfer the Concession Property to the Concessionaire for the period specified and perform all its rights and obligations in order to allow the Concessionaire to commence its Operations.
- (b) The Concessionaire may within the Transition Period specified above make all necessary arrangements to recruit and employ all staff currently employed by the Authority at the Marine Slipway.
- (c) In consideration of the payment of the Entry Fee, the Authority hereby grants to the Concessionaire the right to use the Movable Assets (if necessary) during the Transition Period in accordance with the provisions of the Transition Plan. For the avoidance of doubt, title and risk in the Movable Assets shall remain with the Authority during the Transition Period but shall transfer to the Concessionaire on the Effective Date (if needed). Also, any damage to the Movable Assets caused by the Concessionaire pursuant to the right to use granted hereunder shall be the responsibility of the Concessionaire.

## **5.3 Transfer/Handover of the Concession Property**

- (a) The Authority shall transfer and/or Handover to the Concessionaire the Concession property on the Effective Date. In accordance with the Transition Plan (Appendix H), the Authority shall grant non-exclusive use and access to the Concessionaire during the Transition Period.
- (b) The Authority shall demise and handover to the Concessionaire physical possession of the Assigned Premises free from Encumbrance together with the necessary rights of way for the purpose of implementing the Project in accordance with the Transition Plan.
- (c) Upon the Assigned Premises or any part thereof being handed over pursuant to the preceding Article, the Concessionaire shall have the right to enter upon, occupy and use the Assigned Premises or part thereof delivered to it by the Authority and to make at its costs, charges and expenses such investigation, development and improvements in the Assigned Premises as may be necessary or appropriate to implement the Project and to provide the Project Facility in accordance with the provisions of this Agreement.

## **5.4 Peaceful and Quiet Enjoyment**

To the extent that the Concessionaire complies with the terms and conditions of this Agreement, the Concessionaire shall peacefully and quietly hold, occupy and enjoy the Concession Property. In the event that any third party other than Affiliates of the



Concessionaire conducts activities or presents claims which interfere with the Concessionaire's peaceful and quiet possession and enjoyment of the Concession Property or the Concessionaire suffers any claims, causes of action, damages, or losses which may accrue and arise from the acts or omissions of any other third party having a right of use over the Premises prior to the Execution Date, the Authority shall indemnify, defend, and hold harmless the Concessionaire from and against any such claims.

#### **5.5 Common Areas.**

The Authority shall grant to the Concessionaire for the benefit of the Concessionaire and its employees, contractors, customers and invitees during the Term, the non-exclusive right to use, in common with others entitled to such use (including the Authority), the Common Areas as they exist from time to time, subject to all rights reserved by the Authority hereunder and under the terms of all rules and regulations promulgated from time to time with respect thereto. The Concessionaire shall not use the Common Areas in any manner that is inconsistent with the Concessionaire's permitted use of the Premises nor in any manner that unreasonably interferes with the use of the Marine Slipway by users of the Marine Slipway. The Authority reserves the right from time to time, subject to the Authority first giving the Concessionaire not less than ten (10) days' notice in writing and provided that the performance of the operations by the Concessionaire is not adversely effected to:

- (a) make changes in or to the Common Areas;
- (b) close temporarily any of the Common Areas;
- (c) add, eliminate or change the location of any improvements in the Common Areas and/or construct additional buildings, facilities and other improvements within the Common Areas;
- (d) prohibit unauthorized Persons from using or accessing the Common Areas; or
- (e) perform such other activities and make such other changes in, to or with respect to the Common Areas as the Authority may deem appropriate.

#### **5.6 Exclusivity**

- (a) Rights granted to the Concessionaire under this Agreement shall relate ONLY to the Marine Slipway as specified in the Concession Area (Appendix G) and not any future Slipway within Ports or the country.
- (b) Nothing in Section 5.6(a) above shall preclude the Concessionaire from participating in any other competitive tender in respect of the award of Concession to execute Projects and provide services similar to this project in any other Slipway in Sierra Leone.





**5.7 Permitted Use of Concession Property**

- (a) The Concessionaire shall only use the Concession Property to perform the Operations as specified in Article VI. The Concessionaire shall not conduct any activities within the Premises other than the performance of the Operations.
- (b) The Concessionaire shall not conduct such permitted use, or allow such permitted use to be conducted, in violation of any Applicable Law or in any manner that would:
  - (i) violate, invalidate or cause a loss of coverage under any insurance in force on or after the Execution Date with respect to the Concession Property or other premises of the Port;
  - (ii) cause injury or damage to the Concession Property, to the person or property of any Person on the Concession Property or to any Person or property of any Person on other premises of the Port;
  - (iii) cause diminution in the value or usefulness of all or any portion of the Concession Property (reasonable wear and tear excepted);
  - (iv) disturb or unreasonably interfere with or endanger the Authority or any other concessionaire of the Port; or
  - (v) create a nuisance or waste in or about the Premises which adversely affects other premises of the Port.
- (c) The Concessionaire shall allow access to and use of the Assigned Premises/ Project Facility for laying/installing telephone lines, electric lines or for such other public purposes as the Authority may specify.

Provided that such access or use as mentioned in the above Article shall not unreasonably interfere in the Concessionaire's day to day business operations or result in a Material Adverse Effect and that the Authority shall, in the event of any physical damage to the Assigned Premises/Project Facility on account thereof, ensure that the Assigned Premises/Project Facility is promptly restored at its cost and expenses.

Provided further, that to the extent such access and use allowed by the Concessionaire affects the performance of any of its obligations hereunder, the Concessionaire shall not be deemed or construed to be in breach of its obligations nor shall it incur any liability on account thereof.





## 5.8 Improvements and Alteration of Concession Property

### a) *By the Authority*

Subject to the mutual agreement of the Parties and in accordance with Applicable Law, the Authority shall have the right to alter the Premises subject to the alteration of the Concession Fees payable by the Concessionaire in accordance with the provisions of this Agreement; provided that:

- (i) such alteration is required for technical operations and/or economic well-being of the Port
- (ii) such alteration does not unreasonably interfere with the Concessionaire's peaceful and quiet possession and enjoyment of the Concession Property and
- (iii) such alteration shall not have a material adverse effect in the performance of the Operations.

### (b) *By the Concessionaire*

- (i) The Concessionaire shall make Improvements
- (ii) No later than thirty (30) days prior to the proposed date for starting work on a given Improvement, the Concessionaire shall furnish to the Authority the following documents and information:
  - (1) the plans and drawings for such Improvement;
  - (2) the names and addresses of the proposed contractor(s); and
  - (3) such other documentation as may be reasonably requested by the Authority
- (iii) ***Amendment to Development Plan:*** The Concessionaire shall not amend the Development Plan without the Authority's prior written approval, such approval not being unreasonably withheld.
- (iv) ***Other Alterations:*** The Concessionaire shall not make any other improvements or alterations to the Concession Property, other than the Improvements in the development plan, without the Authority's prior written approval. Such approval must be given by the Authority in writing within thirty (30) Days following the request, failure of which, the Authority shall be deemed to have given its approval to the improvement or alternation and the Concessionaire may proceed with them.



- (v) Any improvements or alterations made by the Concessionaire to the Concession Property during the Term which cannot be removed by the Concessionaire on the Termination Date shall be and shall remain the property of the Authority without any claim for or reimbursement by the Concessionaire for the cost of the value thereof.
- (vi) **Applicable Standards:** The Concessionaire shall ensure that the Improvements made and/or alterations made are in compliance with Applicable Law, International Conventions, Protocols and International Agreements to which Sierra Leone is a party and Prudent Industry Standards.
- (vii) **Rights of the Authority to Monitor and Inspect:** Without limiting or reducing the Concessionaire's obligations or warranties in this Agreement, the Authority shall have the right to inspect any Improvement and/or any alterations during performance of the same and after they have been completed, and they shall not be used by the Concessionaire until the Concessionaire has notified the Authority in writing that they are in accordance with the plans approved by the Authority and comply with Applicable Law. The Authority shall moreover be given the right to inspect and copy all records and material of the Concessionaire relating to the Improvements and/or Alterations. The Authority shall have the right to be present and monitor at any time during the performance of the Improvements and any/or Alterations and shall have access to the Premises and to all records and materials of the Concessionaire related to such Improvements and/or Alterations including participation in related progress meetings.
- (vii) **Preference to be given to Sierra Leonean Firms or Companies:** When submitting the name of any proposed contractors under Article 5.2(b)(ii)(2), the Concessionaire shall give preference to Sierra Leonean indigenous firms or companies to the extent that they are able to comply with the standards set out in Article 5.2(b)(iv) and that they also satisfy any other requirements set by the Concessionaire.

## 5.9 Maintenance

- (a) **Concessionaire's Maintenance Obligations:** The Concessionaire shall be responsible for the Maintenance (but excluding Maintenance resulting from Latent Defects) in good condition and repair. The Maintenance performed by the Concessionaire shall comply with Applicable Law and Prudent Industry Standards. The Concessionaire shall inform the Authority in writing of entry into any contract for Maintenance and shall obtain and maintain all licenses, certifications or other documents required for such Maintenance in accordance with Applicable Law.





- (b) **Latent Defects:** The Authority shall remedy any latent defects which materially impair the Concessionaire's use of the Concession Property and the performance of its operations, provided the Authority is made aware of such defects by the Concessionaire within the first three (3) years from the Effective Date.

**5.10 Utilities**

- (a) Subject at all times to the covenants of the Authority set out in Article VIII, the Concessionaire shall make its own arrangements and pay for the supply of Utilities to the Concession Property, including serving the vessels that call at the Premises.
- (b) The Authority shall provide reasonable assistance to the Concessionaire in making its arrangements for the supply of the Utilities to the Premises.

**5.11 Extension of Concessionaire's Activities/Reclamation of Properties**

- (a) Subject to Applicable Law and the Authority's prior written approval, the Concessionaire shall have the right to negotiate rights of way, easements and other types of access to land and other property and Utilities near or adjacent to the Premises in order to perform its obligations hereunder, including without limitation the performance of the Operations.
- (b) Notwithstanding the generality of the preceding sub-section, the Concessionaire may undertake to reclaim land at the end of the second operating year. The reclaimed land shall be rent free for the first five (5) years after reclamation. At the end of that period, the Concessionaire shall pay an annual rental fee of Three (3) Dollars (\$3) per square meter.

**ARTICLE VI: OPERATIONS**

**6.1 Power and Authority to Perform the Operations**

The Authority hereby delegates to the Concessionaire all such powers and authority that it possesses under the Act and as are necessary for the Concessionaire to perform the Operations.

**6.2 Standard of Performance**

The Concessionaire shall perform the Operations:

- (a) in a safe, efficient, effective and economic manner;
- (b) with due care and skill; and





- (c) in accordance with Applicable Laws and Prudent Industry Standards.

**6.3 Duty to Co-operate**

In performing the Operations, the Concessionaire shall co-operate with the Authority and, if applicable, the Regulator so as to enable the Authority and the Regulator to perform their monitoring, supervisory and other duties relating to the Slipway.

**6.4 Key Performance Indicators (Performance Requirements)**

(a) **General Requirements:** The Concessionaire shall use its best efforts to:

- (i) develop and manage the Slipway and related business of the Concession Property in order to achieve maximum utilization thereof in a manner which is consistent with Applicable Law and Prudent Industry Standards; and
- (ii) ensure that there is no decline in the standards of the Operations.

(b) **Specific Requirements:** The Concessionaire shall perform the Operations in such a manner as to achieve the performance requirements in the applicable years of the Term described in Appendix C (Key Performance Indicators).

(c) **Monitoring and Evaluation of Performance Requirements:** The Authority shall monitor and evaluate the Concessionaire's performance of the Operations every six (6) months in the first three (3) years and thereafter every twelve (12) months. The process of evaluation shall commence on the Effective Date and shall be conducted as follows:

- (i) Following the completion of each Operating Year, the Concessionaire shall provide to the Authority a report in respect of that Operating Year which shall include, *inter alia*, a full account of its performance against the applicable Performance Requirements, an explanation of any failure to meet such Performance Requirements and any other information requested by the Authority to enable it to make its evaluation ("Concessionaire Report") within sixty (60) days after the end of each Operational Year. In the event that the Concessionaire fails to provide the Concessionaire Report within the said period, the Authority shall give the Concessionaire thirty (30) days notice in writing requiring the Concessionaire to produce such report.
- (ii) In the event that the Concessionaire fails to produce its Report by the expiry of the thirty (30) day period, it shall be implied that the Concessionaire failed to meet its performance requirements and section 6.4 (c)(v) shall apply.



- (iii) The Authority's evaluation, which shall have been on-going during the Operating Year, shall be completed by the Authority and the Authority shall produce and deliver to the Concessionaire an Evaluation Report containing its own assessment of the Concessionaire's performance against the Performance Requirements (Key Performance Indicators), taking into account any interruption, and stating whether, in its opinion, the Concessionaire has reached the Performance Requirements ("Authority Report") within thirty (30) days of the earlier of either:
  - (1) receipt of the Concessionaire Report; or
  - (2) request in the event that the Concessionaire fails, to provide the Concessionaire Report upon the expiry of the thirty (30) days referred to in Sub Section (i) above.
- (iv) Within fourteen (14) days of submission by the Authority of the Authority Report to the Concessionaire, the Parties shall meet and agree whether the Authority's evaluation is accepted by both Parties. Any disagreement between the Parties in respect of the Authority's Report shall be resolved pursuant to the provisions of Article XIII (Governing Law; Dispute Resolution).

## 6.5 Operations Rates

- (a) **General Parameters:** The Concessionaire shall ensure that the Operations Rates shall be in accordance with Applicable Laws and competitive with future competing Slipways of Sierra Leone having facilities similar to the Concession Property.
- (b) **Specific Parameters:** The Concessionaire shall charge for the Operations which are not greater than the rates set forth in Appendix B (Operations Rates) in accordance with the terms and conditions included therein. In the first two (2) years of the Term, the Concessionaire shall not increase the Operations Rates. Thereafter, any increases shall only be permitted if agreed to in writing by the Parties and any required Authorisations have been obtained and such increase shall be in line with the Consumer Price Index (CPI)
- (c) **Publication of Operations Rates:** The Concessionaire shall at all times publish its rates, charges and conditions of the Operations as directed by the Authority or the Regulator, and shall make such information immediately available upon request by any Person





- (d) **No Discriminatory Pricing:** The Concessionaire shall afford to all who may request the Operations uniform treatment under like conditions and shall not apply discriminatory charges on any Person. For the avoidance of doubt, the provisions of this Section shall not prohibit the Concessionaire from granting Preferential Rates in accordance with the provisions set out in sub section (e) below.
- (e) **Preferential Rates:** If Preferential Rates are applied to any customers of the Concessionaire, the Concessionaire shall inform the Authority and if applicable, the Regulator in writing of the same. If the Authority can show to the satisfaction of the Regulator, or if the Authority is the Regulator then an Expert, that the Preferential Rates applied by the Concessionaire are discriminatory, the Authority shall have the right to instruct the Concessionaire to apply such rates to all other similar customers of the Concessionaire using the Operations and the Concession Property.
- (f) **Complaints:** In the event that the Authority or any other Governmental Authority receives a complaint of discrimination on the part of the Concessionaire, and the Regulator, or if the Authority is the Regulator then an Expert, concludes after its investigation of such complaint that there are reasonable grounds for such complaint, then the Concessionaire shall immediately cease and desist from such practices and pay any applicable penalties provided for under Applicable Law.

## 6.6 Labour

- (a) **Concessionaire to Hire and Pay all Personnel:** The Concessionaire shall be solely responsible for the selection, hiring, assignment and supervising of its personnel and for the paying to them all wages, salaries, entitlements to pension contributions and other payments as required under applicable Law. The Concessionaire shall also be responsible for the negotiation of the employment and labour contracts in accordance with Applicable Law.
- (b) **Qualified Personnel:** The Concessionaire shall employ only such persons as are properly qualified, experienced and competent to perform the work assigned to them and, where appropriate, duly licensed.
- (c) **Sources of Labour:** The Concessionaire shall comply with the Staffing and Succession Plan. The Concessionaire shall use reasonable efforts to employ Sierra Leonean nationals in management positions to the extent that there are Sierra Leonean nationals who satisfy the requirements for such positions. Employees of the Marine slipway affected by the Authority ceasing to operate the Premises in favour of the Concessionaire will be employed by the Concessionaire provided such employees meet the employment criteria set by the Concessionaire. The Authority shall be responsible for the retirement benefits including but not limited to all





outstanding salaries and any relevant severance payments (if any) of its employees.

- (d) The Concessionaire shall be responsible for training all its personnel in accordance with the Staffing and Succession Plan and with Applicable Law
- (e) **Identification of Concessionaire Personnel:** The Concessionaire shall ensure that its personnel are issued the appropriate identification documentation. Such documentation shall be produced to any official or authorized person who has reasonable grounds to request the identification of such personnel. Upon the termination of employment of such personnel, such identity documentation shall be returned to the Concessionaire.

## ARTICLE VII: CONCESSIONAIRE'S COVENANT

### 7.1 Human Resource

#### (a) Applicable Regulations

- (i) The Concessionaire's staff shall be governed by the regulation of the Labour Laws and Local Content Policy of the Republic of Sierra Leone applicable to private sector employees.
- (ii) According to the provisions set forth in the above section, the Concessionaire shall negotiate with its staff, in compliance with the rules defined by the Labour Laws and Local Content Policy, and for implementation after the effective date of the Concession Agreement, an agreement to set up the terms of employment, management and salary of its staff and plan of action prescribed in terms of continuity of services including minimum service.

### 7.2 Recruitment Policy

- (a) The Concessionaire shall have no obligation to hire local staff where they do not meet the criteria set by the Concessionaire. The Concessionaire shall try to identify employees they wish to hire from the national labour market pool who meets the recruitment criteria set by the Concessionaire.
- (b) In addition, nothing in this agreement shall be viewed as an obligation for the Concessionaire to engage any agent of the SLPA Company, the Concessionaire being the sole entity allowed to appraise the list of personnel to be engaged in employment.
- (c) Notwithstanding Article 7.2 (b) above, the Concessionaire undertakes to employ all staff currently employed by the Authority at the Marine Slipway before it commences operations.





### 7.3 Integrity of staff

The Concessionaire shall ensure that staff at the Marine Slipway are persons of integrity who have the requisite skills, experience and motivation for the efficient and safe performance of their duties and the Concessionaire shall provide to its staff a means of identification bearing the name of the Concessionaire.

### 7.4 Health and Safety

(a) The Concessionaire shall make its best efforts to provide the human resources and the required equipment for the safety of its activity at the Slipway and the health of its staff, including but not limited to Health Insurance.

(b) In the event there is a Canteen at the Slipway, the Units of production shall apply the Hazard Analysis Critical Control Point (HACCP) procedures throughout the food preparation process, following a strict one-way flow in order to avoid any risk of cross contamination.

### 7.5 The Environment

(a) **Environmental Laws:** The Concessionaire shall comply with all Applicable Laws concerning the protection of the environment, and shall take adequate steps to prevent and control the pollution of the air, land, water and sea by oil, chemicals, emissions, hazardous wastes, effluent solid and other wastes in the Premises as required by such Applicable Laws. The Concessionaire shall consult with the applicable Governmental Authorities in taking such steps and shall cooperate with the Authority in achieving compliance with International Environmental Conventions to which Sierra Leone is a party.

(b) **Waste Disposal:** The Concessionaire shall arrange for the disposal of Waste Material generated from the Premises in accordance with Applicable Laws, International Conventions, Protocols, and International Agreements to which Sierra Leone is a party and Prudent Industry Standards after the Effective Date.

(c) **Environmental Impact Assessments:** In carrying out the Development Plan as specified in Appendix D, the Concessionaire shall comply with all Applicable Laws requiring the preparation and approval of environmental impact assessments. Upon submission of such environmental impact assessments to a Governmental Authority (if required), the Concessionaire shall submit to the Authority copy of same, as well as copy of any response from such Governmental Authority regarding same.

(d) **Obligation to Notify:** In the event that pollution occurs that may affect the Premises, the Concessionaire shall:

(i) inform the Authority immediately of same;



- (ii) take all reasonable measures required for detecting, cleaning and containing such pollution; and
- (iii) provide the Authority with frequent written updates on such measures being taken or remaining to be taken by the Concessionaire .

(e) **Concessionaire Obligation to Remedy:** In the event that Waste Material is present in the waters or in or on the bottom of the Slipway after the Effective Date, which has originated from the Premises, then the Concessionaire shall take immediate action to contain, remove and/or remediate the same in accordance with Applicable Laws, international conventions, protocols, international agreements to which Sierra Leone is a party and Prudent Industry Standards.

#### 7.6 **Environmental Emergencies**

In the event of an environmental emergency emanating from the Premises and endangering life or property, the Concessionaire shall take such action as may be reasonable and necessary to prevent, avoid, or mitigate injury, damage, or loss and shall, as soon as possible, report any such incidents, including the Concessionaire 's response thereto, to the Authority. If the Concessionaire has not taken reasonable precautions for the safety of the public, its customers or the protection of the Concession Property, and such failure creates an environmental emergency requiring immediate action, then the Authority, with or without notice to the Concessionaire may, but shall be under no obligation to, provide reasonable protection as required to address such emergency. The taking of any such action by the Authority or the Authority's failure to take any action, shall not limit the Concessionaire's liability. The Concessionaire shall reimburse the Authority for the performance of any such work or furnishing on the Concession Property of any such equipment in connection with any emergency in an amount equal to the reasonable costs incurred by the Authority in such performance of work or furnishing of equipment.

#### 7.7 **Dredging/Mooring**

The Concessionaire shall take such measures as shall be necessary in the Authority's opinion to enable dredging and placing and removing of any mooring posts in the vicinity of the Premises, including without limitation allowing anchoring, mooring and dredging vessels to be installed, used and maintained by or on behalf of the Authority in the shore strip of the Premises provided that such measures do not have an adverse effect on the performance of the Operations by the Concessionaire. The Concessionaire shall, at its own cost and expense, perform such work to the Concession Property as shall be necessary to avoid damages which could arise from



such work to be performed by or on behalf of the Authority. If, as a result of such work, the Concession Property is damaged, such damage shall be remedied at the Concessionaire's costs unless the same was attributable to the Authority's or its contractors' negligence or wilful misconduct.

**7.8 Taxes**

(a) The Concessionaire shall pay any taxes, levies, duties, withholdings, and any other sums required to be paid by it under Applicable Law. However, the Concessionaire shall be entitled to apply for any exemptions or incentives applicable under the law.

(b) Subject to sub section 7.8(a), the Concessionaire shall be entitled to apply for any import free duty tax/import duty waiver pursuant to Applicable Law.

**7.9 Licenses and Permits**

The Concessionaire shall obtain and keep in force all necessary licenses, permits and warranties which are necessary for the Concessionaire to fulfil its obligations under this Agreement.

**7.10 Equity Share**

The Concessionaire undertakes to give 10% of the Investment to the Authority after three (3) years against payment of 10% of only the newly invested sum which was invested in those three (3) years.

**7.11 Non Compliance**

In the event that the Concessionaire fails to comply with any of its obligations set out in this Article, then the Authority may notify the Concessionaire of such failure and give the Concessionaire thirty (30) days' notice in writing to rectify its failure. If the Concessionaire fails to rectify its failure, the Authority may fulfil such obligation for and on behalf of the Concessionaire at its own cost. The Authority shall be entitled to recover such costs from the Concessionaire. If Parties fail to agree the computation of costs and this has an adverse effect upon the Concessionaire's ability to perform the Operations under this Agreement, then the matter shall be settled in accordance with the provisions of Article XIII.

**ARTICLE XIII: THE AUTHORITY'S COVENANTS**

**8.1 Co-operation**

The Authority shall cooperate with the Concessionaire as reasonably necessary to enable the Concessionaire to perform its responsibilities under this Agreement,



including provision by the Authority of copies of drawings, plans, policies, papers, records, reports, data and other information directly related to the Premises or Slipway as reasonably necessary for the Concessionaire to perform the Operations and manage the Concession Property.

**8.2 Non Interference**

The Authority shall ensure that its personnel shall not delay or interfere with the performance of the obligations of the Concessionaire or with the Concessionaire's personnel in the execution of their duties.

**8.3 Latent Defects**

The Authority shall remedy any Latent Defects which materially impair the Concessionaire's use of the Concession Property and the performance of its Operations within six (6) months after such information is conveyed to the Authority by the Concessionaire in accordance with Article 5.9(b) of this Agreement.

**8.4 Utilities**

The Authority shall provide reasonable assistance to the Concessionaire in making its arrangements for the supply of the Utilities to the Premises.

**8.5 Licenses and Permits**

The Authority shall obtain and keep in force all necessary licenses, permits and warranties which are necessary for the Authority to fulfil its obligations hereunder and shall provide reasonable assistance to the Concessionaire in its efforts to obtain and keep in force the licenses and permits required to be obtained or maintained by the Concessionaire.

**8.6 Equity Share**

The Authority agrees to take 10% of shares in the Investment after three (3) years of commencement of operations against payment of 10% of only the newly invested sum which was invested in those three (3) years.

**8.7 Non Compliance**

In the event that the Authority fails to comply with any of its obligations set out in this Article, then the Concessionaire may notify the Authority of such failure and give the Authority thirty (30) days' notice in writing to rectify its failure. If the Authority fails to rectify its failure the Concessionaire may fulfil such obligation for and on behalf of the Authority at its own cost. The Concessionaire shall be entitled to recover such costs. If both Parties fail to agree the computation of costs and this has an adverse effect upon the Concessionaire's ability to perform the Operations under this Agreement, then the matter shall be settled in accordance with the provisions of Article XIII.





## ARTICLE IX: MONITORING, DOCUMENTATIONS AND AUDITS

### 9.1 Monitoring

- (a) A committee ("Monitoring Committee") comprising five (5) representatives of the Government of Sierra Leone and three (3) of the Concessionaire which shall be constituted within four weeks after signing of this Agreement (Details of Representatives shall be communicated to both Parties before the Effective Date of this Agreement. The Monitoring Committee shall monitor and facilitate the execution of the Concession Agreement to enhance effective and unhindered operations and ensure the Concessionaire's compliance with regulations.
- (b) The Monitoring Committee shall meet in ordinary session at least twice a year, to carry out its mandate which shall involve examination of the operations and pertinent documentation of the Concessionaire against the stipulations of this Agreement and industry/regulatory standards. Such examination must be undertaken in an open and fair dialogue between the Parties. The Monitoring Committee may hold extraordinary sessions as and when found necessary and requested by either party of the Agreement.
- (c) The Monitoring Committee shall not interfere in the Concessionaire's internal management.
- (d) The Monitoring Committee shall periodically inspect and monitor the operations of the Concessionaire on an on-going basis to ensure compliance with operational standards.
- (e) The Monitoring Committee shall send its session reports to the Authority's General Manager and the Concessionaire's Managing Director.

### 9.2 Documentations

- (a) **Maintenance of Books/Records:** The Concessionaire shall prepare and maintain registers, books, records and other means of recording information in the quality and quantity required for facilitating efficient management and monitoring of the Concession Property, for providing information to the Authority's and for informing the public and its customers of the quality and performance of its Operations.
- (b) **Accounting:** The Concessionaire shall maintain suitable and complete accounting and non-accounting records that summarize technical, commercial, financial and personnel information and such information shall be retained in a form that shall permit regular audits. Financial records and accounts shall be maintained in accordance with applicable international generally accepted accounting principles. Technical records (including without limitation engineering designs and drawings) shall be maintained in accordance with Prudent Industry Standards.





- (c) **Concession Property:** Beginning on the Effective Date, the Concessionaire shall prepare and maintain current records of the Concession Property in sufficient detail as required by the Authority, to provide a full understanding of the location and state of the Concession Property. Such records shall be comprised of physical drawings, databases and calculation sheets along with historical records relating to their constitution, repairs, and maintenance, including all works carried out as maintenance.
- (d) **Copies of Records:** The Concessionaire shall provide the Authority and the Regulator with copies of the foregoing records as requested by the Authority on a quarterly basis.
- (e) **Disclosure:** A Party shall obtain the written approval of the other Party prior to disclosing any confidential information related to this Agreement, the Concession Property or the Operations to the public.
- (f) **Other Information:** The Concessionaire shall provide to the Authority any other information as the Authority may reasonably require, including without limitation:
- (i) statistics on the quantity, types and weights of Vessels handled in the Premises;
  - (ii) statistics on the numbers and types of ships, wagons or road trucks loaded or unloaded in the Premises;
  - (iii) details of the claims received and payments made in relation to damage;
  - (iv) immediate notification of accidents within the Premises causing death or serious injury;
  - (v) immediate notification of incidents causing oil pollution or other forms of environmental damage;
  - (vi) industrial relations;
  - (vii) public complaints;
  - (viii) notification of additions to and disposals of mechanical equipment and other significant assets; and

### 9.3 Audits

Within ninety (90) days following the Effective Date, the Concessionaire shall, at its own cost and expense, select and contract an independent external financial auditor to perform a statutory audit. The Authority may appoint, at its own cost and expense, an independent auditor to undertake the duties of an external auditor including without limitation:



- (a) verification of Operations standards and quality;
- (b) review of the performance of any statutory or contractual obligation of the Concessionaire ; and
- (c) verification of financial records of the Concessionaire .

#### **9.4 Annual Report**

The Concessionaire shall prepare an annual report which shall include, at a minimum, the following technical and financial information:

- (a) any circumstances having an impact on the financial obligations of the Concessionaire under this Agreement;
- (b) number of vessels;
- (c) numbers and categories of customers, of personnel employed, levels of Operations, performance and Operations quality compliance;
- (d) renovation works and repairs carried out or to be carried out;
- (e) exceptional events such as pollution incidents, strikes, etc.;
- (f) Emergencies;
- (g) measures, if any, taken by the Concessionaire during the applicable year with respect to its obligations hereunder related to the protection and preservation of the environment;
- (h) the Operations performed during the applicable year; and
- (i) an audited set of accounts prepared in accordance with generally accepted international accounting principles and practices.

The Concessionaire shall submit to the Authority and the Regulator the Annual Report within fourteen (14) days after the end of each year during the Term (or such earlier date as required under Applicable Law). The Concessionaire shall provide any clarification of the Annual Report requested by the Authority and the Regulator.

### **ARTICLE X: INDEMINITY**

#### **10.1 Concessionaire's Indemnity to the Authority**

The Concessionaire will, indemnify, defend and hold harmless the Authority against any and all proceedings, actions, third party claims for loss, damages and reasonable expense of whatever kind and nature arising out of breach by the Concessionaire, its officers,



servants and agents of any obligations of the Concessionaire under this Agreement except to the extent that any such claim has arisen due to breach by the Authority of any of its obligations under this Agreement.

**10.2 Authority's Indemnity to the Concessionaire**

The Authority will, indemnify, defend and hold harmless the Concessionaire against any and all proceedings, actions, third party claims for loss, damages and expense of whatever kind and nature arising out of breach by the Authority, its officers, servants and agents of any obligations of the Authority under this Agreement except to the extent that any such claim has arisen due to breach by the Concessionaire of any of its obligations under this Agreement.

**10.3 Defence of Claims**

(a) The Indemnified Party shall have the right, but not the obligation, to contest, defend and litigate any claim, action, suit or proceeding by any third party alleged or asserted against such Party in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder and their reasonable costs and expenses shall be indemnified by the Indemnifying Party. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Person in respect of loss to the full extent provided by this Clause, the Indemnifying Party shall be entitled, at its option, to assume and control the defence of such claim, action, suit or other proceedings, liabilities, payments and obligations at its expense and through counsel of its choice provided it gives prompt notice of its intention to do so to the Indemnified Party and reimburses the Indemnified Party for the reasonable cost and expenses incurred by the Indemnified Party prior to the assumption by the Indemnifying Party of such defence. The Indemnifying Party shall not be entitled to settle or compromise any claim, action, suit or proceeding without the prior written consent of the Indemnified Party unless the Indemnifying Party provides such security to the Indemnified Party as shall be reasonably required by the Indemnified Party to secure, the loss to be indemnified hereunder to the extent so compromised or settled.

(b) If the Indemnifying Party has exercised its rights under Article 10.3(a) above, the Indemnified Party shall not be entitled to settle or compromise any claim, action, suit or proceeding without the prior written consent of the indemnifying Party (which consent shall not be unreasonably withheld or delayed). If the Indemnifying Party exercises its rights under Article 10.3(a) above, then the Indemnified Party shall nevertheless have the right to employ its own counsel and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, when and as incurred.





## ARTICLE XI: TERMINATION AND COMPENSATION

### 11.1 Termination

Either Party shall be entitled to terminate this Agreement upon giving the other Party not less than three (3) months' notice in writing of its intention to do so.

### 11.2 Termination by the Authority

(a) Without prejudice to termination specified in Article 11.1 above, this Agreement may be terminated by the Authority where the Concessionaire becomes bankrupt or insolvent, or due to the Concessionaire's material default including but not limited to:

- (i) Failure to obtain valid industrial certification.
- (ii) Loss of capability to satisfactorily operate the Project.
- (iii) Protracted shutdown of its business or parts thereof due to non-compliance with regulations.

(b) If the Concessionaire is in breach of any of its obligations under this Agreement except those for which specific remedy has been provided elsewhere, and has failed to cure such breach within sixty (60) days of receipt of notice thereof issued by the Authority.

(c) The Authority may, after thirty (30) days of formal notice for material default not remedied during sixty (60), decide to terminate this Agreement, except for Force Majeure, in the following cases:

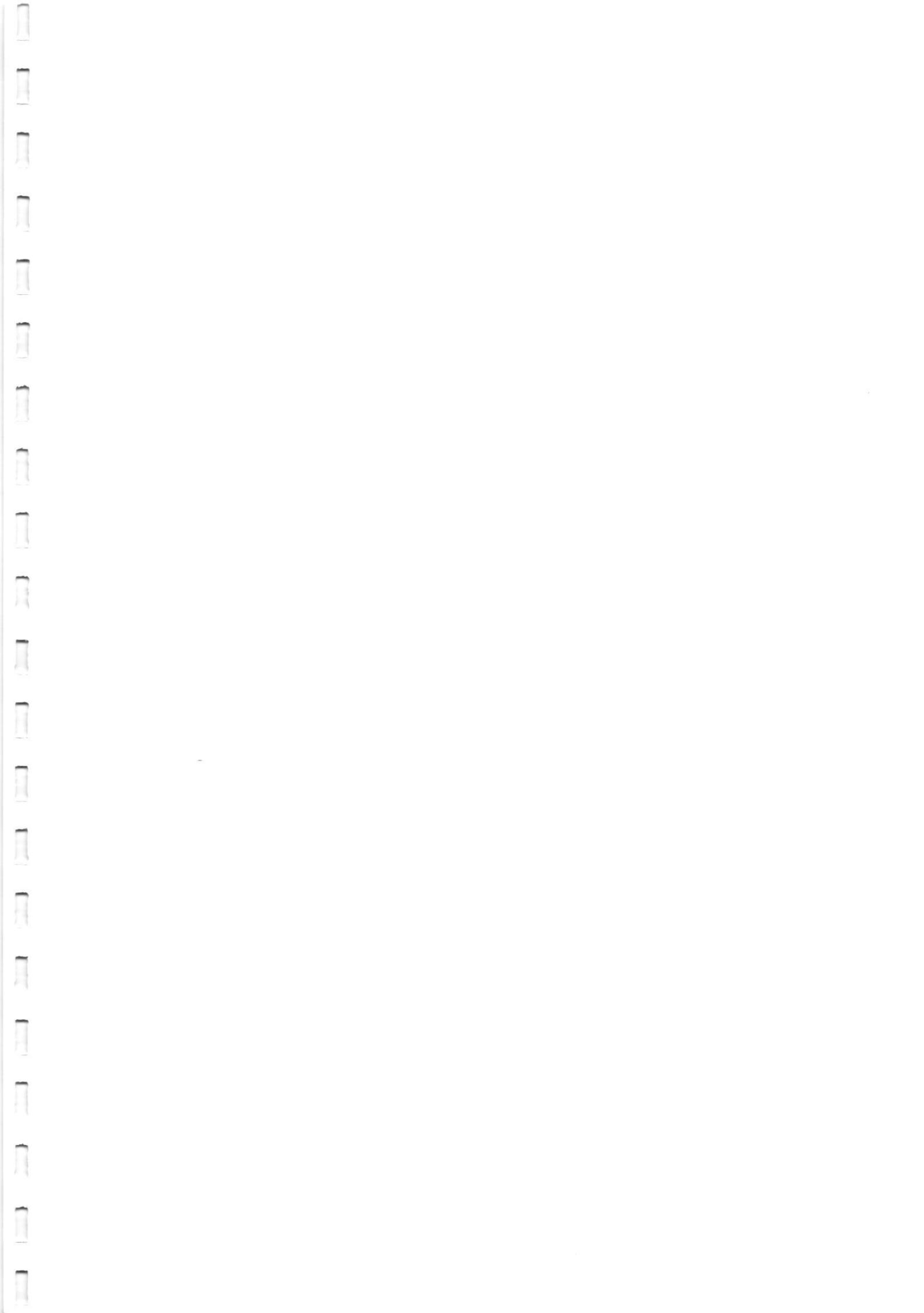
- (i) Material breach of the Concessionaire's obligations resulting from this agreement.
- (ii) Suspension or significant and sustained reduction of the Concessionaire's activity, even if it is due to financial difficulties.

### 11.3 Termination by the Concessionaire

(a) Any of the following events shall constitute an event of default by Authority which will entitle the Concessionaire to terminate this Agreement and also be entitled to Termination Payment unless caused by a Force Majeure Event:

- (i) If the Authority is in breach of any of its obligations under this Agreement except those for which specific remedy has been provided elsewhere, and has failed to cure such breach within sixty (60) days of receipt of notice thereof issued by the Concessionaire.





- (ii) Authority has repudiated this Agreement or otherwise expressed its intention not to be bound by this Agreement.
  - (iii) Any representation made or warranties given by the Authority under this Agreement has been found to be false or misleading.
  - (iv) Authority has unreasonably withheld or delayed grant of any approval or any approval or permission which the Concessionaire is obliged to seek under this Agreement, which may cause Material Adverse Effect.
  - (v) In case of termination for no cause by the Authority or in case early termination comes as a direct or indirect result of any Act of the Authority or any other Authority in Sierra Leone, the Concessionaire shall receive a compensation (which shall be agreed by both parties) for the residual value of the Built Own Operate and Transfer (BOOT) asset.
- (b) On the occurrence of the Authority's event of default, or within a reasonable time after Concessionaire becomes aware of the same, and while the same is still subsisting, Concessionaire may, at its option:
- (i) in respect of execution of the Works prior to the Actual Completion Date, suspend performance by it of its obligations under this Agreement until such time as the Authority shall have demonstrated to the reasonable satisfaction of Concessionaire that it will perform and is capable of performing its obligations under this Agreement; or
  - (ii) serve notice on the Authority of the occurrence (and specifying details) of such event of default. If the relevant matter or circumstance has not been rectified or remedied by the Authority (or otherwise) within sixty (60) of such notice, Concessionaire may serve a further notice on the Authority terminating this Agreement with immediate effect.

#### **11.4 Continuation of Operations**

Following issue of Termination Notice by either Party, the Parties shall promptly take all such steps as may be necessary or required to ensure that:

- (a) any such termination shall be without prejudice to the accrued rights and liabilities of the Parties in respect hereof as at the date of such termination or which may thereafter accrue in respect of any act or omission prior to such termination and shall be without prejudice to any provisions of this Agreement which are expressed to remain in force thereafter.





- (b) until Termination the Parties, to the fullest extent possible, discharge their respective obligations so as to maintain the continuity of service to the users of the Project Facility;
- (c) the Termination Payment (if any), payable by either party is paid on or before the Termination Date and
- (d) the Project Facility is handed over to the Authority by the Concessionaire on the Termination Date free from any Encumbrance. Should the Concessionaire failed to remove its Vessels upon termination of the Concession Agreement, the Concessionaire shall be deemed a hold-over Tenant, and shall pay rent in accordance with the previous term under this Concession Agreement.
- (e) The Parties shall pay to one another compensation due and payable in accordance with the provisions this Article.

**11.5 Compensation on termination due to the Authority's Default:** If the termination is due to the Authority's Event of Default, the compensation payable by the Authority shall be the aggregate of:

- (a) any costs, expenses, charges, and/or penalties incurred or sustained by the Concessionaire as a consequence of such termination;
- (i) the Commencement Fee if termination takes place within the first six (6) months of the Concession term; and
- (ii) any construction and development costs incurred by the Concessionaire pursuant to the conduct of the Development Plan or otherwise incurred pursuant to the development of the Premises in accordance with this Agreement;

**11.6 Compensation on termination due to the Concessionaire's Default:** If the termination is due to a Concessionaire Event of Default, the Concessionaire shall:

- (a) pay to the Authority any actual costs, expenses, charges, and/or penalties incurred or sustained by the Authority as a consequence of such termination; and
- (b) convey, transfer, assign and deliver to the Authority, free and clear of all liens and encumbrances, the Concessionaire's right and title for nil consideration, accompanied by any necessary bills of sale, assignment agreements, notation agreements or other instruments of transfer reasonably requested by the Authority.





**11.7 Compensation upon expiry of the Term**

The Parties shall bear their respective costs upon expiry of the Term.

**11.8 Delayed Payment**

If for any reason, other than those attributable to the other Party, a Party fails to pay the payments that it is required to make in accordance with this Article on the Termination Date, the defaulting Party shall be liable to pay interest at a rate of 10% annually of the outstanding amount.

**ARTICLE XII: FORCE MAJEURE**

**12.1 Definition of Force Majeure**

As used in this Agreement, Force Majeure Events include the impact/consequence thereof which:

- (a) is beyond the control of the Party claiming to be affected thereby ("Affected Party");
- (b) the Affected Party has been unable to overcome or prevent the occurrence of the event despite exercise of due care and diligence; and
- (c) prevents the Affected Party from performing or discharging its obligations under this Agreement including;
  - i. earthquake, flood, inundation, landslide;
  - ii. storm, tempest, hurricane, cyclone, lightning, thunder or other extreme atmospheric disturbances;
  - iii. fire caused by reasons not attributable to the Concessionaire or any of the employees or agents of the Concessionaire;
  - iv. strikes, boycotts, labour disruptions or any other industrial disturbances not arising on account of the acts or omissions of the Concessionaire;
  - v. ionising radiation, contamination by radio activity from nuclear fuel, any nuclear waste, radioactive toxic explosion;
  - vi. volcanic eruptions;
  - vii. any failure or delay of Contractors caused by any of the aforementioned Non-Political Events, for which no offsetting compensation is payable to the Concessionaire by or on behalf of such Contractors.



- viii. acts of terrorism in Sierra Leone;
  - ix. War (whether declared or not), hostilities (whether war be declared or not), invasion, act of foreign enemy, rebellion, riots, weapon conflict or military actions, civil commotion, in each case in Sierra Leone;
- (d) Any discriminatory, but not general law affecting the Concessionaire resulting in Material Adverse Effect
- (e) Action of a Government Authority having Material Adverse Effect including but not limited to:
- (i) acts of expropriation, compulsory acquisition or takeover by any Government authority of the Project/Project Facility or any part thereof or of the Concessionaire's or Contractors' rights under any of the Project Agreements;
  - (ii) any unlawful, unauthorised, without jurisdiction or unjustified or unreasonable refusal to issue or to renew or the revocation of any Applicable Permits, in each case, for reasons other than Concessionaire's or Contractors' breach or failure in complying with any applicable laws, Applicable Permits, any judgement or order of a Governmental Authority or of any contract by which the Concessionaire or Contractors' as the case may be is bound.
- (f) Early Termination of this Agreement by the Authority for reasons of national emergency, national security or the public interest.

## 12.2 Obligation to Notify

- (a) As soon as practicable and in any case within seven (7) days of the date of occurrence of a Force Majeure Event or the date of knowledge thereof, the Affected Party shall notify the other Party of the Force Majeure Event setting out, inter alia, the following in reasonable detail:
- (i) the nature and extent of the Force Majeure Event;
  - (ii) the nature of and the extent to which, performance of any of its obligations under this Agreement is affected by the Force Majeure Event;
  - (iii) the measures which the Affected Party has taken or proposes to take to mitigate the impact of the Force Majeure Event and to resume performance its obligations affected thereby; and
  - (iv) any other relevant information concerning the Force Majeure Event, and /or the rights and obligations of the Parties under this Agreement.





- (b) As soon as practicable and in any case within five (5) days of notification by the Affected Party in accordance with the preceding sub-clause, the Parties shall meet, hold discussions in good faith and where necessary conduct physical inspection/survey of the Project in order to:
- (i) assess the impact of the underlying Force Majeure Event;
  - (ii) to determine the likely duration of Force Majeure Period ; and
  - (iii) to formulate damage mitigation measures and steps to be undertaken by the Parties for resumption of obligations the performance of which shall have been affected by the underlying Force Majeure Event.

### **12.3 Performance of Obligations**

If the Affected Party is rendered wholly or partially unable to perform any of its obligations under this Agreement because of a Force Majeure Event, it shall be excused from performance of such obligations provided that:

- (a) the excuse from performance shall be of no greater scope and of no longer duration than is necessitated by the Force Majeure Event;
- (c) the Affected Party shall take all remedial measures including duly prosecuting and exhausting all remedies available to the Affected Party under the applicable laws;
- (d) when the Affected Party is able to resume performance of its obligations under this Agreement, it shall give to the other Party written notice to that effect and shall promptly resume performance of its obligations hereunder;
- (e) the Affected Party shall continue to perform its obligations which are not affected by the Force Majeure Event and which are capable of being performed in accordance with this Agreement.

### **12.4 Termination due to Force Majeure Event**

If a Force Majeure Event continues or is in the reasonable judgement of the Parties likely to continue beyond a period of ninety (90) days, the Parties may mutually decide to terminate this Agreement or continue this Agreement on mutually agreed revised terms. If the Parties are unable to reach an agreement in this regard, the Affected Party shall after the expiry of the said period, be entitled to terminate this Agreement.

### **12.5 Termination Notice**

If either Party having become entitled to do so decides to terminate this Agreement pursuant to this clause, it shall issue Termination Notice setting out:

- (i) sufficient details of the underlying Force Majeure Event;





- (ii) the Termination Date which shall be a date occurring not earlier than 60 days from the date of Termination Notice; and
- (iii) any other relevant information.

**12.6 Termination Payment as a result of Force Majeure**

- (a) No Payment shall be made by the Authority to the Concessionaire if Termination is as a result of Force Majeure but, the Concessionaire shall be entitled to receive and appropriate the proceeds of any debts or insurance obtained by it.
- (b) The Authority shall pay to the Concessionaire, if termination is as a result of an act of Government pursuant to Article 12.1(e) of this Agreement. Termination Payment shall be equal to the Residual Value of the Assets invested by the Concessionaire as on the Date of Termination Notice.

Provided the Authority shall be entitled to deduct from the Termination Payment payable to the Concessionaire, any amount due and recoverable by the Authority from the Concessionaire as on the Termination Date.

**ARTICLE XIII: GOVERNING LAW AND DISPUTE RESOLUTION**

**13.1 Governing Law**

This agreement is entered into under the laws of Sierra Leone and the rights and obligations of these parties will be governed and determined according to such laws.

**13.2 Amicable Disputes Settlement**

Notwithstanding Article 13.1 above, if any dispute of claim arises out of or in relation to or connection with this Agreement, including without limitation as to the validity, interpretation, enforceability or breach of this Agreement of the rights and obligations of the Parties under this Agreement, the Parties shall use their best endeavours to reach an amicable settlement of the dispute within thirty (30) days.

The Parties shall follow the dispute resolution procedure set out below:

- (b) Either Party shall give to the other written notice of the Dispute (Dispute Notice), setting out its nature and full particulars together with relevant supporting documents. On service of the Dispute Notice, the Parties shall appoint two senior authorised representatives of each who shall attempt to resolve such dispute in good faith.
- (c) The senior authorised representatives shall attempt to resolve the dispute within a maximum of thirty (30) days from the time of receipt of the Dispute Notice. The informal dispute resolution process shall terminate at



the end of the thirty day (30) day period, unless extended by mutual agreement.

- (d) Nothing in this section shall prevent, or be construed as preventing, a party from instituting formal proceedings to avoid the expiration of any applicable limitations period.

### **13.3 Arbitration**

- (a) Should the above amicable procedure fail, any and all disputes arising out of or in connection with this agreement shall be finally settled under the Rules of Arbitration in Sierra Leone in accordance with the said Rules.
- (b) The number of arbitrators shall be determined by the Court of Arbitration in Sierra Leone on the basis of the aggregate amount in dispute as set out in the request for arbitration and in the answer, but shall not exceed three (3) arbitrators.
- (c) English shall be the language of arbitration, i.e.: the language in which the hearing will be conducted and the award rendered. The Parties may submit their pleadings, whether in writing or orally, and witness statements, if any, in either English Language.
- (d) The place of arbitration shall be in Freetown or any other place mutually agreed by the Parties.
- (e) The arbitration costs shall be borne equally by the parties.
- (f) The Parties agree to treat any award made by the Arbitration Tribunal as final and binding upon them and immediately enforceable against them, and both parties undertake not to exercise or seek to exercise any right of appeal or other challenge against such final award before any court or jurisdiction.
- (g) Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published, the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

## **ARTICLE XIV: MISCELLANEOUS**

### **14.1 NCP**

NCP has agreed to sign this Agreement in its capacity as a confirming party. By execution of this Agreement, NCP confirms that this Agreement is made in compliance with the Port Reform and Modernization Strategy in order to increase the Port's efficiency and reduce the costs to users and the GoSL.





#### **14.2 Registration and Costs**

- (a) Registration fees, stamp duties and other public charges arising as a result or in consequence of this Agreement or of its implementation, shall be borne by the Concessionaire.
- (b) The Parties will each bear their own fees and expenses, including but not limited to legal fees and expenses, incurred in connection with the negotiations, preparation and execution of this Agreement and the transactions contemplated hereby.

#### **14.3 Waiver**

- (a) A waiver of any term, provision or condition of, or consent granted under this Agreement shall be effective only if given in writing and signed by an authorised representative of the waiving or consenting Party, and then only in the instance and for the purpose for which it is given.
- (b) No failure or delay on the part of any Party in exercising any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right as specifically set forth herein.
- (c) No breach by any Party of any provision of this Agreement shall be waived or discharged except with the express written consent of the other Party.

#### **14.4 Statutory and Regulatory changes**

The Parties undertake to mutually inform each other with respect to any statutory or regulatory changes which may impact on the performance of the this Concession Agreement and to negotiate in good faith in order to reach any amendments necessary to adapt this Concession Agreement.

#### **14.5 Sub-Contracting**

The Parties may engage any contractor or sub-contractor possessing the requisite skill, expertise and capability to perform some, but not all, of its obligations under this Agreement provided that the Party engaging the sub-contractor shall, at all times, be solely responsible for the action and omissions of that sub-contractor and provided also that the Concessionaire shall not subcontract any of its core Slipway Operations without a prior written consent of the Authority.

#### **14.6 Offsetting**

If an obligation has arisen upon one Party ("the Debtor") to pay the other Party ("the Creditor") in accordance with the terms of this Agreement and the Debtor has defaulted in payment of the amount due, the Creditor may offset the payment due from Debtor against any future payments that the Creditor is required to make to the Debtor pursuant to the terms of this Agreement.





#### 14.7 Confidentiality

- (a) Each Party shall hold in confidence any Confidential Information, provided that the provisions of this Clause shall not restrict either Party from passing such information to its professional advisers, to the extent necessary, to enable it to perform (or to cause to be performed) or to enforce its rights or obligations under this Agreement, and provided further that the Concessionaire may, subject to obtaining appropriate confidentiality restrictions:
- (i) pass to its bankers such documents and other information as are reasonably required by its bankers in connection with the raising of finance for the Project Operations; and
  - (ii) pass to the Contractors documents and other information which are necessary for Concessionaire's performance of this Agreement.
- (b) The obligation to maintain the confidentiality does not apply to Confidential Information:
- (i) which the disclosing Party confirms in writing is not required to be treated as Confidential Information;
  - (ii) which is or comes into the public domain otherwise than through any disclosure prohibited by this Agreement;
  - (iii) to the extent any person is required to disclose such Confidential Information by Law or any regulatory or government authority (but only to that extent); or
  - (iv) as the Authority may require for the purpose of the Project Operations or for the operation, maintenance or improvement of the Facilities in the event of, or following, termination of this Agreement.
- (c) Notwithstanding the provision of this Article, each Party shall hold in confidence for two (2) years after the termination of this Agreement any Confidential Information obtained from the other Party during the duration of this Agreement.

#### 14.8 Previous Agreements

This Agreement constitutes the entire agreement between the parties and supersedes and extinguished all previous negotiations, drafts, agreements, arrangements and understanding between them whether written or oral, relating to its subject matter.





**14.9 Entire Agreement**

The terms and provisions contained in this Agreement (including the Appendices) constitute the entire agreement between the Parties with respect to the subject matter hereof.

**14.10 Language**

The language of this Agreement shall at all times be English

**14.11 Severability/Invalidity**

If any term or provision herein is held to be void, unenforceable, invalid, illegal or inapplicable, the legality, enforceability, validity and applicability of the other provisions of this Agreement shall not be affected or impaired thereby. In such case, the Parties shall negotiate in good faith a lawful substitute provision to replace the void, unenforceable, invalid, illegal or inapplicable provision or term that shall be consistent with the intent and object of the original provision.

**14.12 Amendments**

No change, amendment, or modification of this Agreement shall be valid or binding upon the Parties hereto unless such change, amendment, or modification shall be in writing and duly executed by the Parties hereto.

**14.13 Notices**

Any notice, request, document, or other communication required or permitted under this Agreement may be given in any manner provided herein to the address or number provided below and shall be deemed effective as indicated:

- (a) if in writing and delivered in person or by courier, on the date it is delivered;
- (b) if sent by electronic or facsimile transmission, on the date that the sender receives written confirmation of such receipt by the recipient, provided that a copy is sent in accordance with Section (a) above; or
- (c) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered; unless the date of such delivery or receipt, as applicable, is not a business day in the place of such delivery or receipt, or such communication is delivered or received, as applicable, after the close of business on a business day in the place of such delivery or receipt, in which case such communication shall be deemed given and effective on the next business day in the place of such delivery or receipt following such day. Notices shall be given as follows:





- (i) For the Authority:  
Sierra Leone Ports Authority  
Queen Elizabeth II Quay,  
P.M.B. 386, Cline Town,  
Freetown, Sierra Leone  
Attention: The General Manager  
Telephone: +232 22.....  
Email:
  
- (ii) For NCP:  
National Commission for Privatisation  
Lotto House, OAU Drive, Tower Hill,  
Freetown, Sierra Leone  
Attention: The Chairman  
Telephone: +232 22 .....  
Email:
  
- (iii) For GoSL:  
Youyi Building, Brookfields,  
Freetown, Sierra Leone  
Attention: The Honourable Minister of Transport and Aviation  
Telephone: +232 22.....  
Email:
  
- (iv) For the Sponsor:  
Holland Shipyards  
Rivierdijk 436, 3372 BW Hardinxveld-Giessendam  
The Netherlands  
Attention: Chief Executive Officer  
Telephone: +31(0) 184 630 516/+31(0) 6 1015 3655  
Email: [k.c.hoogendoorn@holland-shipyards.com](mailto:k.c.hoogendoorn@holland-shipyards.com)
  
- (v) For the Concessionaire:  
9 College Road, Cline Town  
Freetown, Sierra Leone  
Attention:  
Telephone: +232 76 716253  
Email: [alimmaxganga@yahoo.co.uk](mailto:alimmaxganga@yahoo.co.uk)





#### **14.14 Appendices**

The following Appendices attached hereto shall form an integral part of this Agreement and for the avoidance of doubt, each such Appendix shall, for the purposes of interpretation and enforcement of this Agreement, have the same force and effect as the body of this Agreement:

<b>Appendix A</b>	Investment Schedule
<b>Appendix B</b>	Operations Rates
<b>Appendix C</b>	Key Performance Indicators
<b>Appendix D</b>	Development Plan
<b>Appendix E</b>	Staffing and Succession Plan
<b>Appendix F</b>	Schedule of Fees
<b>Appendix G</b>	Concession Properties (Survey Plan and List of Assets)
<b>Appendix H</b>	Transition and Handback Plan



**In witness whereof the Parties have each duly executed this Agreement on the day and year first above written**

SIGNED SEALED AND DELIVERED FOR AND ON BEHALF OF THE WITHIN-NAMED SIERRA LEONE PORTS AUTHORITY ("THE AUTHORITY")

**BY ITS GENERAL MANAGER – Mr. A. B. Bangura**

Signature: 

Date: 25 Sept 2014

**IN THE PRESENCE OF:**

Name: Abu Bakarr Bah

Signature: 

Date: 25<sup>th</sup> September 2014

SIGNED AND SEALED AND DELIVERED FOR AND ON BEHALF OF THE WITHIN-NAMED MINISTRY OF TRANSPORT AND AVIATION ("GoSL")

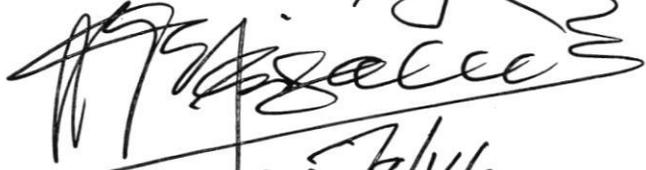
**BY ITS MINISTER – Hon. Leonard Balogun Koroma**

Signature: 

Date: 25/9/14

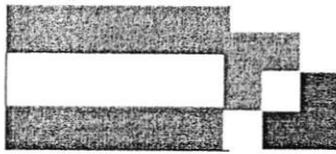
**IN THE PRESENCE OF:**

Name: Abdul R. Tejan - Jalloh 

Signature: 

Date: 25/7/14





## HOLLAND SHIPYARDS

### NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioning

Decorating	2		2		2
Machine bank Workers	3	3			3
Electricians	2	2		2	
Plumbers	2	2		2	
Unskilledstaff	1		1		1
Security staff	4	4			4
Store man	2		2		2
Cleaning lady	2		2		2
Crane driver	2	2		2	
Truck driver	1	1			1
Driver	1	1			1
25% CEO	0,25	0,25		0,25	
Secretary	2		2		2
QHSE worker	1		1		1
<b>Total</b>	<b>58,25</b>	<b>45,25</b>	<b>13</b>	<b>2,25</b>	<b>38</b>

In total, 58 new staff will be employed under fixed contracts with salaries set higher than minimum wage. Staff includes 22 High/Medium-level staff and 38 basic level staff.

22% of the staff employed will be women of which 3 H/M level will be women, admitted this is a low percentage. Holland Shipyards prefers female staff to male staff but realises that in heavy technical work this is a real challenge. The applicants will do whatever there is in their power to stimulate the amount of female employees to be hired by the Holland Shipyards. The management hopes that 13 female workers will be hired within the first three years. However this will be a really challenging number since in general the amount of female workers in the EU is around 10%.

The staff will be contracted under very decent contracts with good fringe benefits, social securities and fair living wages. All international and national rules as well as certification regulations for staff are intended to be implemented, and many of them will also be externally controlled by NASSIT.

We are convinced that the experience, expertise, training and regular working life habits will strengthen the staff position on the general job market.



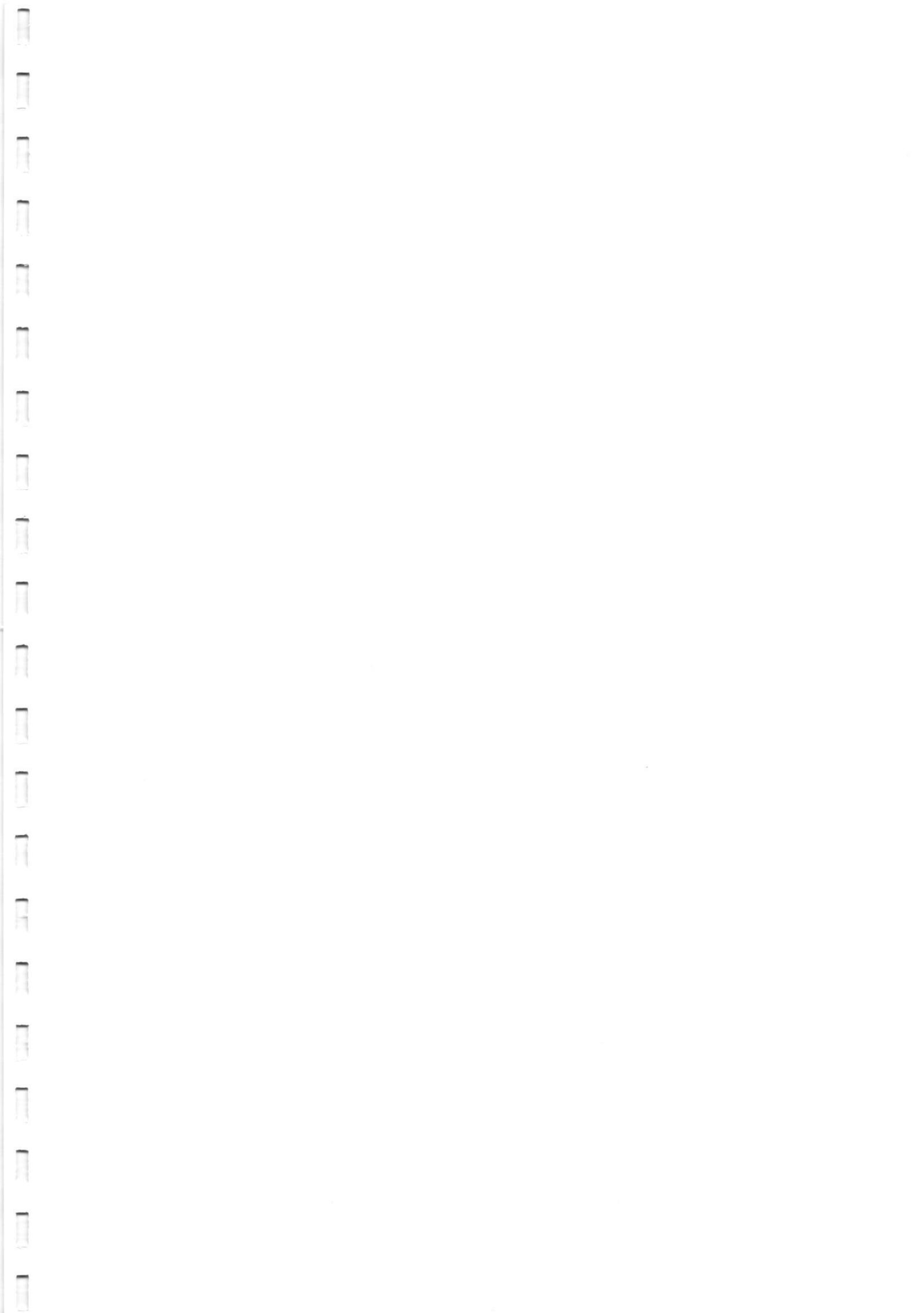
# Holland Shipyard Sierra Leone Operation Rates – Appendix B

## Slipping/ Un-slipping and Lay day Charges

Up to 20 Metres L.O.A. USD 2000,00 for Slipping/ Un-slipping and USD 100,00 per day

1. Up to 20 metres L.O.A.		USD 1700	USD 100 per day
Between	21-25 Metres L.O.A.	USD 2000	USD 115 per day
	26-30 " "	USD 2300	USD 130 " "
	31-35 " "	USD 2600	USD 145 " "
	36-40 " "	USD 2900	USD 160 " "
	41-45 " "	USD 3200	USD 175 " "
	46-50 " "	USD 3500	USD 190 " "
	51-55 " "	USD 3800	USD 205 " "
	56-60 " "	USD 4000	USD 220 " "
	61-70 " "	USD 5000	USD 350 " "
2. Preparation of cradle with a assistance of divers			USD 700,00 per vessel
3. Scraping and sand washing			USD 5,00 per sq. metre
4. Painting			USD 4,00 per sq. metre
5. Replacing of zinc anodes			USD 10,00 per unit of 5 – 10 kg
6. Electrical and shore connection			USD 10,00 per kwh
7. Removal and cleaning of sea chests up to 300 mm diameter			USD 80,00
	From 301 – 600 mm		USD 120,00 each
	Above 600 mm		USD 200,00 each
<b>Mondays – Fridays</b>	<b>08:00 – 17:00 hours</b>		<b>Normal overtime</b>
<b>Lunch</b>	<b>12:00 – 13:00 hours</b>		<b>Extra overtime</b>
<b>Public Holidays and Sundays</b>			<b>Extra overtime</b>





# Sierra Leone Shipyards

## Appendix C - Key Performance Indicators

Estimation made 1-5-2014

	starting up					
	3 mnths	1st year	2nd year	3rd year	4th year	5th year
	2014	2015	2016	2017	2018	2019
Dockings and repairs	3	10	15	20	24	26
several small sales (apart from dockings)	5	10	20	30	40	50
newbuilt	0	0.5	1	1.5	2	2.5
Estimated number of employees	40	45	50	55	60	65
estimate turn over - US Dollars (\$)	250,000	1,000,000	2,000,000	2,500,000	3,000,000	3,500,000

### Investment Proposal

Year 1 to 2

2 Million US Dollars (\$2,000,000.00)

Year 3 to 5

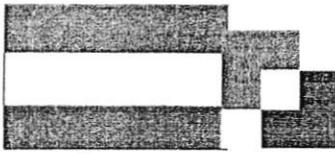
3 Million US Dollars (\$3,000,000.00)

Investment should cover construction of a Floating Dock, Dredging of the approach to the Slipway and upgrade of the hardware machinery, cranes, etc.







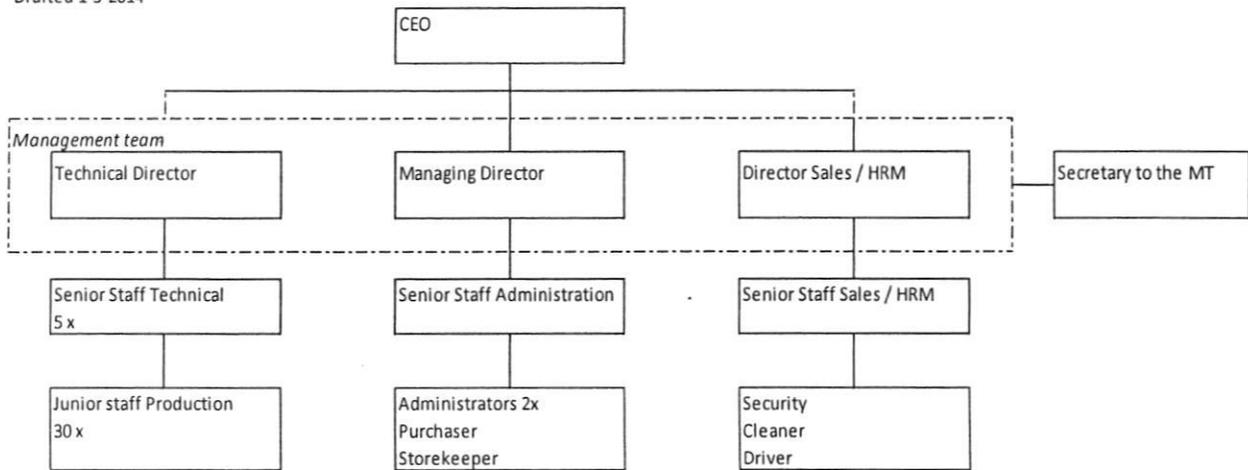


**Appendix E – Staffing and Succession Plan**

Party responsible for preparation of the Staffing and Succession Plan, Health and Safety plan Organogram

Organogram Sierra Leone Shipyards Freetown

Drafted 1-5-2014



Corporate Social Responsibility

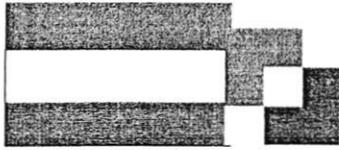
**Planet & profit** - Our goal is to leave no ecological footprint behind. CSR is an iterative process where we apply the principle of ‘plan-do-check-act’ within a number of linked work groups. We also digitalize as many processes a possible and color printing is limited.

**Energy** - We are focused on energy efficiency and actively steer the company toward decreasing our electricity and gas consumption. Additionally, all of our computer monitors are energy efficient. The electricity consumption of the office building is generated by solar panels. Transport and logistical resources are arranged on demand.

**Recycling** - Reducing waste by recycling and/or reusing materials is our priority. As much as possible, we work with certified products and where applicable, paint systems on location are water-based.

**People** - A company cannot be successful without great team members. Without the professionalism, dedication and commitment from our employees, we would not exist. Luckily, 9 times out of 10, good employees are happy employees – and vice versa. We aim to keep it that way.





## **NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioning**

**Development** - 'To stand still is to go backwards,' it is popular to say and there is certainly a bit of truth to this expression. Everyone wants to report growth. We believe in the importance of career development and give our employees opportunities for continued learning within their discipline.

**Development and training** - The workplace is a perfect place to learn, but it's not always possible to master all skills on the job – therefore we have budget for external training. Therefore the health of our employees is of great importance.

**Safety** - We invest in a safe work environment for all of our employees. Our office environment is air conditioned. Noise reduction, ear and eye protection are standard practices. Safety shoes, helmets and working clothing are obliged on the yard. An emergency first response team will train on a regular base.

**Safety Training** - All draftsmen will have safety trainings on a regular base to avoid accidents.

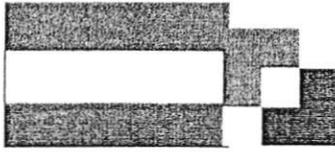
**Apprenticeships and graduate projects** - Many students find that a shipyard is a great opportunity for an apprenticeship. We are quite proud of that fact. Therefore we offer apprenticeship opportunities and graduation projects for national and international students interested in learning our industry.

**Social Responsibility** - We know that as an industry leader, we can help make a lasting and positive impact on the community where we live and work. We do that in a number of ways, such as sponsoring. As a company we are involved in initiatives which have a positive impact on our environment.

### **Staffing and Succession Plan**

**Personnel and training** - A detailed training programme has been developed to assure all existing employed staff will reach the acquired level. A total of 452 training days have been planned. The number of training days will be 4.640 in total with 1.612 training days for High/Medium level staff and 3.028 training days for basic level. Training will be given by Dutch trainers.





**NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing**

**Training schedule -**

Title	Number of people trained		Days per person	Total training days	H/M	B
Financial & operational management	Basic	-	-	-		-
	Medium	22	5	110	110	
	High	2	10	20	20	
Office skills, basic & financial administration	Basic	-	-	-		-
	Medium	3	10	30	30	
	High	2	15	30	30	
Basic skills & tools (read/write, calculate, use pc)	Basic	34	15	510		510
	Medium	-	-	-	-	
	High	-	-	-	-	
Metal handling skills: welding, cutting, etc	Basic	30	30	900		900
	Medium	19	10	190	190	
	High	2	2	4	4	
Dock, shipyard hardware use advanced	Basic	30	30	900		900
	Medium	19	30	570	570	
	High	2	5	10	10	
Certification	Basic	34	1	34		34
	Medium	22	5	110	110	
	High	2	2	5	5	
Mechanics - Operations & Maintenance	Basic	32	15	480		480
	Medium	20	15	300	300	
	High	2	3	7	7	
Safety procedures	Basic	34	4	136		136
	Medium	22	8	176	176	
	High	2	2	5	5	
Health & HIV/Aids	Basic	34	2	68		68
	Medium	22	2	44	44	
	High	2	1	2	2	
total		452		4.640	1.612	3.028





National Commission for Privatisation  
Lotto House, OAU Drive, Tower Hill, Freetown, Sierra Leone.  
Website: [www.ncp-sl.org](http://www.ncp-sl.org) P.O. Box 56

## APPENDIX F – SCHEDULE OF FEES

### CONCESSION FEES PAYABLE

1. **The Concessionaire Fees** – This comprise the Commencement Fee, Annual Rental Fee and Throughput Fee and the Concessionaire shall pay in the following manner:
  - a) **Commencement Fee** – the commencement fee as stated in the Agreement is Twenty Five Thousand United States Dollars (\$25,000.00) which is a condition precedent to this Agreement and payable to NCP on behalf of the Government of Sierra Leone to be transferred to the Consolidated Revenue Fund (CRF), before the Effective Date.
  - b) **Lease Rental Fee** – the Annual Rental Fee as stated in the Agreement is three Dollars (\$3) per square meter for the first five (5) years and thereafter to be indexed according to the Consumer Price Index (CPI), payable to SLPA in advance within thirty (30) days of commencement.
  - c) **Throughput Fee** – the Throughput Fee is 3% on Gross Turnover of up to Two Million United States Dollars (\$2,000,000.00) and 4% on Gross Turnover of more than Two Million United States Dollars (\$2,000,000.00) payable to SLPA on arrears within thirty (30) days following the end of each quarter.
2. **Penalty for Delay Payment** – any amount due but not paid thereunder shall bear interest at LIBOR plus five percent (5%) annually compounded.
3. **Bank Account Details** – All Concession Fees and Penalty (if any) shall be payable to GoSL and SLPA through such Bank Accounts designated in writing by NCP to the Concessionaire.



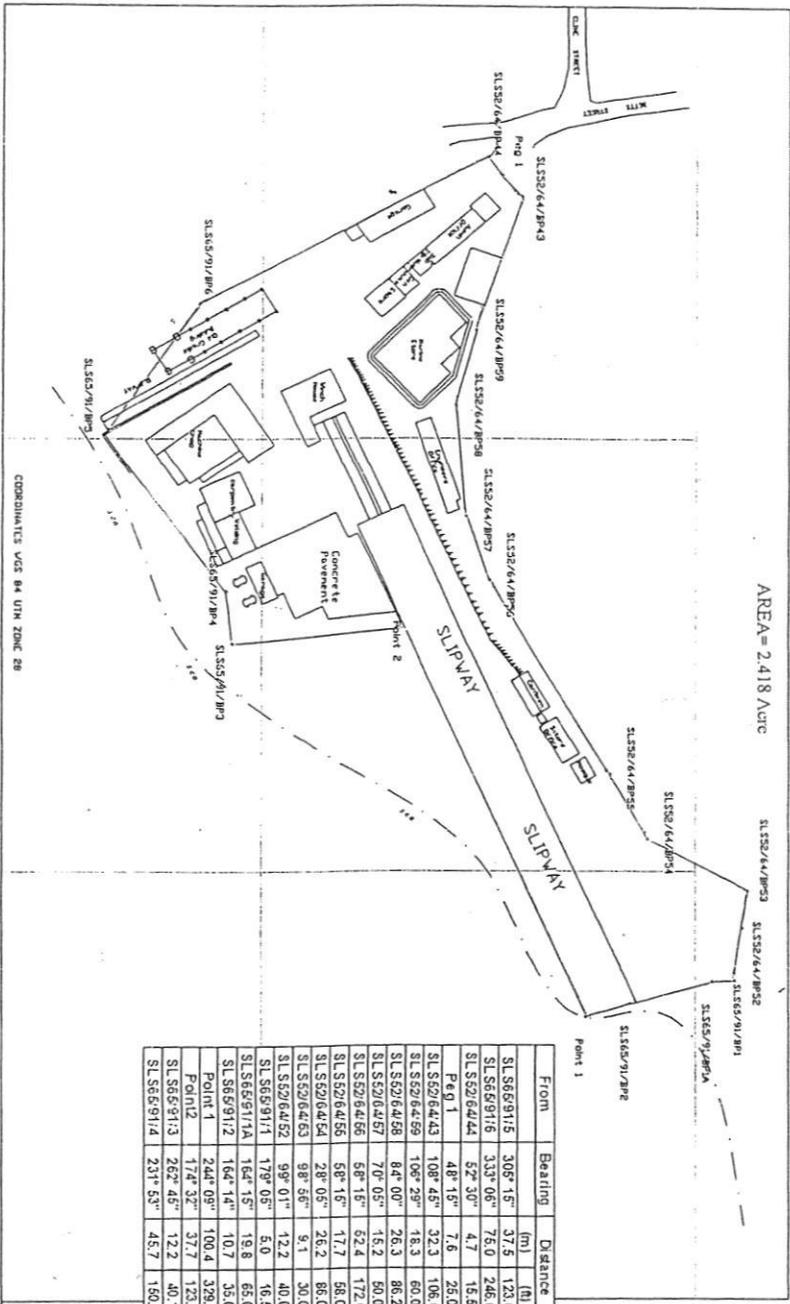
CLINE TOWN

BETTS STREET

PROPERTY LEASED TO HOLLAND SHIPPING (SL) LTD

SHOWN EDGED RED

AREA= 2.418 Acre



From	Bearing	Distance	To
SL566/91/5	305° 15'	37.5	SL566/91/6
SL566/91/6	333° 06'	76.0	SL552/44/44
SL552/44/44	52° 30'	4.7	Point 1
Point 1	48° 15'	7.6	SL552/44/43
SL552/44/43	108° 45'	32.3	SL552/44/59
SL552/44/59	108° 29'	18.3	SL552/44/58
SL552/44/58	84° 00'	26.3	SL552/44/57
SL552/44/57	70° 05'	16.2	SL552/44/56
SL552/44/56	58° 15'	52.4	SL552/44/55
SL552/44/55	58° 15'	17.7	SL552/44/54
SL552/44/54	28° 05'	26.2	SL552/44/53
SL552/44/53	98° 56'	9.1	SL552/44/52
SL552/44/52	99° 01'	12.2	SL566/91/11
SL566/91/11	179° 05'	5.0	SL566/91/10
SL566/91/10	164° 15'	19.8	SL566/91/9
SL566/91/9	164° 14'	10.7	SL566/91/8
SL566/91/8	244° 09'	100.4	Point 2
Point 2	174° 32'	37.7	SL566/91/3
SL566/91/3	262° 45'	12.2	SL566/91/4
SL566/91/4	231° 53'	45.7	SL566/91/5

LOB	10331
SURVEY No.	SLS 65/91
CORRESP FILE	
COMPS FILE	SLS 65/91
SURVEYED BY	VICTOR A. MONDEH
DRAWN BY	MILANSANA
PWG OFF NO.	528/25-12
CHECKED BY	
DATE	18/09/12



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*William K. B.*  
 DIRECTOR  
 SURVEYS AND LANDS DIVISION  
 20 TH DECEMBER, 2014



APPENDIX G CONCESSION PROPERTIES (LIST OF ASSETS)

SIERRA LEONE PORTS AUTHORITY – MARINE DIVISION

MECHANICAL WORKSHOP

NO.	DESCRIPTION	PERFORMANCE	VALUE
1.	Lathe Machine - 1904	Operational - Poor performance	Le15m
2.	Lathe Machine – 1953	Non-Operational	Le8m
3.	Lathe Machine – 1946	Non-Operational	Le8m
4.	Radial Drilling Machine – 1953	Operational - Satisfactory	Le14m
5.	High Pressure Sand - Washing Machine – 2002	Operational - Good	Le50m
6.	Hydraulic Pressing Machine	Operational - Satisfactory	Le4m
1.	<b>Not available</b> Shaping Machine		
2.	Milling Machine		

SHIPWRIGHT (WELDING SHOP)

NO.	DESCRIPTION	PERFORMANCE	VALUE
1.	Oil Patent Welding Plant (Transformer)	Operational Satisfactory	Le20m
2.	Forge	Operational Satisfactory	Le1.5m
3.	One Small Guillotine machine	Non-Operational	Le4m
4.	Grinding Machine	Non-Operational	Le2m
5.	Rolling Machine	Operational	Le10m
6.	Table Vice	Non-Operational	Le2m
7.	Anvil	Operational	Le3m
8.	Portable Welding Machine	Non Operational	Le16m



NO.	DESCRIPTION	PERFORMANCE	VALUE
1.	Generator Volvo Penta - 1985 Generator - 175 KVA 380 / 440 Volts	Satisfactory	Le30m

**CARPENTRY WORKSHOP**

NO.	DESCRIPTION	PERFORMANCE	VALUE
1.	Band Saw Machine - 1953	Operational - Satisfactory	Le10m
2.	Ripping Machine - 1952	Operational - Satisfactory	Le12m
3.	Planing Machine - 1953	Operational - Satisfactory	Le15m
4.	Power Saw Machine	Good	Le7.5m
5.	Cradle and Winch House	Operational, Satisfactory	Le3.5Billion
6.	Water Tank	OK	Le8m
7.	Battery Charger	Operational, Satisfactory	Le15m



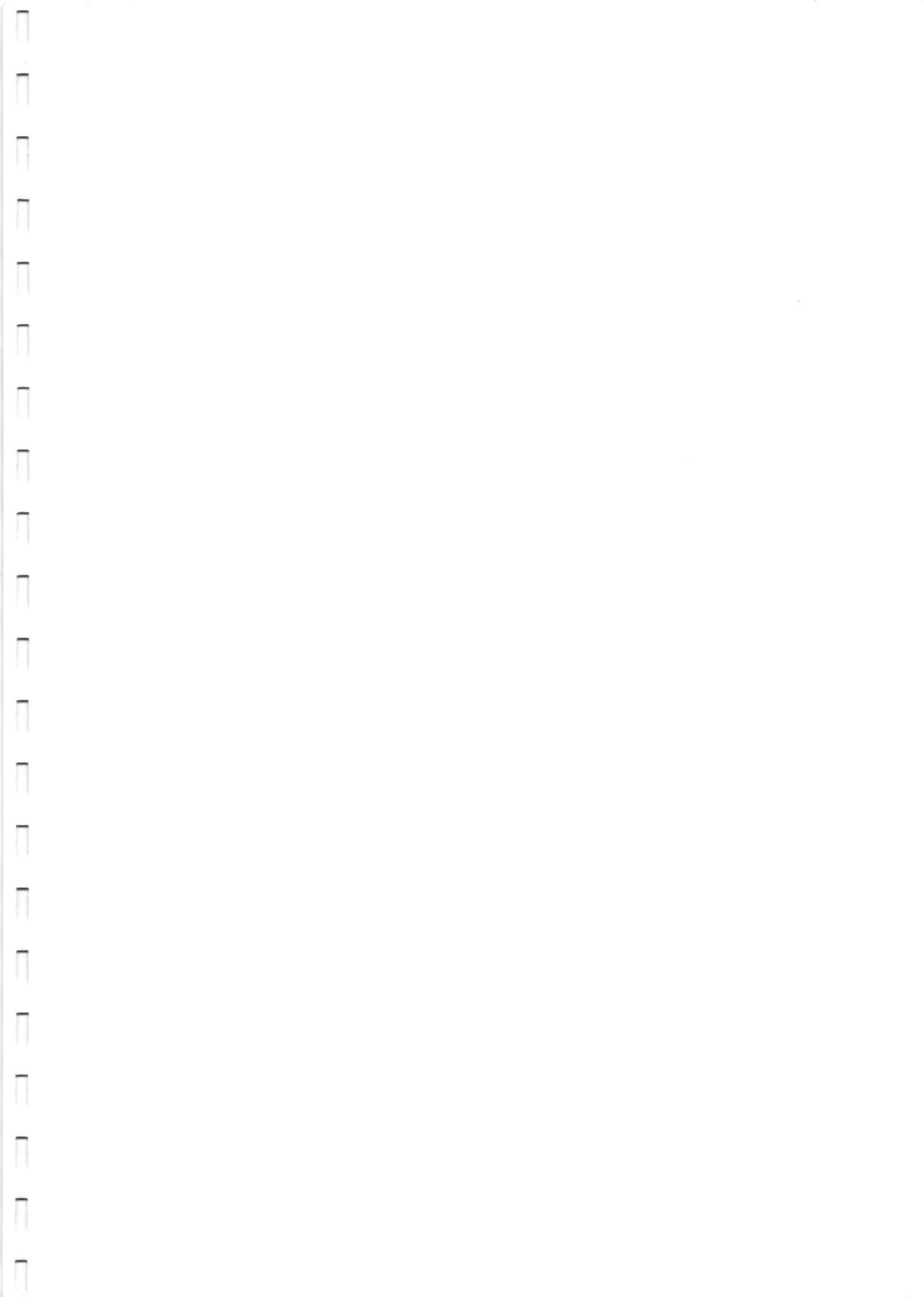
**MARINE CHARGES  
VESSEL AND BARGES**

**Between LENGTH OVERALL (LOA)**

1. 10 – 49Metres = US\$420
2. 50-90 Metres = US\$25
3. 100 –above Metres = US\$55

E.g. LOA x USD = Amount

Laydays = LOA X 10 US\$ X No of days = Amount



**MARINE DIVISION – S.L.P.A**  
**ITEMS MOVEABLE AND NON – MOVEABLE**

**1. MAIN CRADLE**

Longevity of the present cradle Built 2001 by CHEC (Chinese Harbour Engineering Company).  
 To last 10 – 12 years.

**2. LONGEVITY OF THE WINCH MECHANISM AND WINCH HOUSE**

Last rehabilitated 2001 by Chinese Harbour Engineering Company (CHEC)  
 Has been in existence since 1950

**3. MECHANICAL WORKSHOP DILAPILATED NO ACCURATE OR AVAILABLE**

- |                                   |  |
|-----------------------------------|--|
| a. Lathe Machine (Big) Built in   | 1904 – Operational poor performance        |
| b. Lathe Machine (Medium)         | 1952 – Non operational                     |
| c. Lathe machine (small)          | 1946 – Non Operational                     |
| d. Radial Drilling Machine        | 1953 – Opera rated no accurate Operational |
| e. High Press and Washing Machine |  |

Not available: Shaping Machine  
 Milling Machine  
 Boring Machine

**4. ELECTRICAL WORKSHOP** - No equipment

**5. CARPENTRY WORKSHOP** - (Machines from pre independence time)

- |                                   |   |                    |
|-----------------------------------|---|--------------------|
| (a) Ripping Machine               | - | 1952 – Operational |
| (b) Band Saw Machine              | - | 1953 – Operational |
| (c) Planing and Surfacing Machine | - | 1952 – Operational |

All need spare parts and repairs

**6. SHIPWRIGHT (WELDING SHOP) – Insufficient welding plants and appliances**

Present two(2) welding plants - satisfactory

Forgs - operational

Needs replacement or repair

Two transformer machine (welding) - Operational

One small gilotine - Non Operational

One standing grinder - Non Operational

One rolling machine (manual) - Operational

One vices - Non operational



Anvile - Operational

7. **RIGGING AND LABOUR POOL** – Regimes massive overhauling. No better equipment
8. Shipwrecks blacking entrances to slipway cradle
9. Massive dredging land
10. Small Cradle no longer in use no rails and massive dredging.
11. No utility vehicle
  - a. Portable Welding Plant - Non operational due to lack of parts

**12. GENERATOR (VOLVO PENTA – 1985)**

175Kva. Power output 380/440 volts

Performance – satisfactory

**13. OFFICES**

- Desks, Chairs - poor conditions
  - Photo Copier - Good
  - Air Conditioner (2) - Need replacement or repairs. Poor cooling system
  - Computer and Printer - Operational satisfactory
- No Internet Facilities and the system need to be upgraded.



# APPENDIX H – TRANSITION AND HANDBACK PLAN

## 1. DEFINITIONS

1.1 The following additional terms shall have the meanings specified in this Sub Section when capitalized and used in this Appendix:

"**Authority Operations**" means the operations performed by the Authority at the Premises utilizing the Fixed Assets and the Movable Assets prior to the Execution Date;

"**Condemned Assets**" means the assets, buildings and infrastructure on the Premises at the Execution Date not being Fixed Assets which shall not be used by the Concessionaire during the Term of the Concession in accordance with the Development Plan;

"**Demolition Works**" means the demolition of the Condemned Assets;

"**Development Plan Equipment**" means the equipment to be purchased and installed on the Premises by the Concessionaire in accordance with the provisions of the Development Plan;

"**ISPS Code**" means the International Ship and Port Facility Security Code;

"**MS**" means the Marine Slipway as particularly delineated on the Survey Plan;

"**Redundant Assets**" means any and all assets (if any), equipment and other materials on the Premises not forming part of

- (a) the Fixed Assets;
- (b) the Movable Assets;
- (c) the Assets going to be used by the Concessionaire in accordance with the provisions of the Agreement; or
- (d) the Condemned Assets;

## 2. INTRODUCTION

2.1 This Transition Plan sets out the rights and obligations of the Authority and the Concessionaire during the Transition Period.

2.2 The Transition Period is critical for a successful transfer of the Premises and the subsequent commencement of Operations. The Transition Committee shall ensure that during the Transition Period, the Parties shall follow and comply with the provisions of this Appendix.

2.3 It is important that the Authority and Concessionaire work closely together towards the common goal of a successful transfer of the Premises from the Authority to



Concessionaire in accordance with the provisions of this Agreement and the commencement of the Operations by the Concessionaire on the Effective Date.

### 3. **TRANSITION COMMITTEE**

- 3.1 The Authority and the Concessionaire shall each appoint four (4) representatives to form a Transition Committee which shall be responsible for overseeing the implementation of the provisions of the Transition Plan during the Transition Period. The Transition Committee shall consult with the relevant Government Authorities where necessary in order to comply with Applicable Laws and the provisions set out in the Agreement.

### 4. **THE AUTHORITY'S OPERATIONS**

#### 4.1 Throughout the Transition Period:

- (a) the Authority shall continue the Authority's Operations subject to the provisions of this Transition Plan;
- (b) the Parties shall ensure smooth continuation and performance of the Authority's Operations provided by the Authority to its customers; and
- (c) the Parties also agree to minimize disruption of the Authority's Operations.

### 5. **USER RIGHT**

- 5.1 From the Execution Date and throughout the Transition Period in consideration of the payment of the Commencement Fee, the Authority shall grant to the Concessionaire and its employees, contractors, customer and invitees:

- (a) the non exclusive right to use, in common with others entitled to use (including the Authority), the Premises, subject to all rights reserved by the Authority under the terms of all rules and regulations promulgated from time to time with respect thereto. The Concessionaire shall not use the Premises in any manner which is inconsistent with the Agreement or in any manner that unreasonably interferes with the use of the Premises by other occupants or users of the Premises.
- (b) subject to the requirements of the Authority in respect of the performance of the Authority's Operations, the Concessionaire shall have the right of use of the Movable Assets (if necessary) during the Transition Period. Title and risk in the Movable Assets shall remain with the Authority during the Transition Period but shall transfer to the Concessionaire on the Effective Date;

### 6. **INSURANCE**

- 6.1 The Authority shall maintain, at its expense, during the Transition Period insurance cover against the following:

- (a) the Authority's general liability



- (b) loss, damage or destruction of all commodities moving through the Premises under the responsibility of the Authority;
- (c) accidents injury or death occasioned to persons lawfully within the Premises arising out of the Authority's Operations or any such other liabilities that may be occasioned to such persons as a result of the Authority carrying out and/or performing the Authority's Operations;
- (d) liability to all parties making lawful use of the Premises, and their properties;
- (e) risks arising from deficiencies or failure to dispose of waste materials, other property or hazards;
- (f) loss, damage or destruction to the permanent structures, buildings, equipment, improvements and other such fixtures owned by the Authority and found within the Premises; and
- (g) any other risks compulsorily provided for by the Laws of Sierra Leone or the rules and regulations governing the Authority.

6.2 Notwithstanding the provisions of Sub Section 6.1 above, the Concessionaire shall maintain, at its expense, during the Transition Period insurance cover against the following:

- (a) the Concessionaire's general liability;
- (b) accidents, injury or death occasioned to persons lawfully within the Premises arising out of its acts or omissions or such other liabilities that may be occasioned to such persons as a result of the Concessionaire carrying out and/or performing in accordance with the provisions of this Transition Plan;
- (c) loss, damage or destruction to the Development Plan Equipment and any Improvements found within the Premises; and
- (d) all other risks compulsorily provided for by the Laws of Sierra Leone or the rules and regulations governing the Concessionaire .

6.3 The Parties shall provide each other with copies of all such insurance policies and shall have the right to review and approve the same, such approval not to be unreasonably withheld.

## 7. SURVEYS

7.1 As soon as possible following the Execution Date, the Parties shall appoint an Expert to conduct a condition survey of the Premises (paying particular attention to the condition of the quay and approach bridges), the Fixed Assets, the Movable Assets and the spare parts and consumables. If, as a result of such condition survey, the Expert reports that the Premises, the Fixed Assets and/or the Movable Assets or any part thereof either do not



comply with the provisions of the Agreement or are not present upon the Premises notwithstanding the provisions of the Agreement then, in respect of:

- (a) the Premises and the Fixed Assets, the Authority shall, at its own cost, charge and expense, take all necessary steps to put the same to good working condition before the Effective Date; and
- (b) the Movable Assets then the Movable Asset Purchase Price shall be reduced by the actual cost of the Movable Asset that does not comply with the provisions of the Agreement or is not present upon the Premises, the purchase price.

7.2 The Authority shall also perform the following investigations during the Transition Period so as to ascertain the condition of the Premises:

- (a) a geotechnical investigation;
- (b) a topographical survey;
- (c) a survey of existing infrastructure;
- (d) a survey of the existing electrical equipment.

7.3 As soon as possible after the Execution Date the Concessionaire shall undertake the environmental impact assessments required for the purposes of Applicable Law in order to allow the Concessionaire to progress with Improvements in accordance with the Development Plan. The Authority shall provide the Concessionaire with all assistance possible in order to allow the Concessionaire to obtain the environmental impact permits required in order to develop the Premises in accordance with the Development Plan and to perform the Operations.

## 8. **CONDITIONS PRECEDENTS**

8.1 Each Party shall use its best efforts to effectuate the satisfaction of the conditions precedent requiring action by such Party as set out in Article IV of the Agreement during the Transition Period.

8.2 In respect of the conditions precedent to be fulfilled by the Concessionaire, the Concessionaire shall ensure that:

- (a) the condition survey referred to in Sub Section 8.1 above is completed diligently and punctually so as to ensure that the Transition Committee are able to agree to any adjustment to the Movable Asset Purchase Price (if necessary) to be paid by the Concessionaire to the Authority on the Effective Date; and
- (b) in addition to the insurance cover required pursuant to the provisions of Sub Section 6.2 above, it shall also provide the insurance cover required pursuant to the provisions of Article IV of the Agreement in place by the Effective Date.



8.3 In respect of the conditions precedent to be fulfilled by the Authority, the Authority shall ensure that:

- (a) it has dealt with any and all matters arising from the termination of the stevedoring contracts arising and that it has used its existing security system and personnel operating at the Premises to remove all stevedores from the Premises;
- (b) all existing concessionaire (if any) having rights over any part of the Premises are removed and have been made aware that the Concessionaire is in no way responsible for the termination of the existing concessions and shall not be held responsible by an existing concessionaire for the termination of their relevant right to use the Premises.

## 9. CONDEMNED ASSETS

9.1 The Concessionaire shall be entitled to commence the Improvements contemplated in the Development Plan. As part of the Improvements, the Authority and the Concessionaire shall cooperate so that the Concessionaire may commence the Demolition Works of condemned assets (if any).

## 10. PREMISES

10.1 From the Effective Date, the Concessionaire shall, with the cooperation of the Authority, establish an arrival and departure gate (if necessary) operation at the Premises for the purposes of implementing control and security of the Premises.

10.2 The Concessionaire shall commence the Improvements together with the construction of the new buildings and infrastructure on the Premises as contemplated in the Development Plan as soon as is reasonable practicable.

10.3 From the Effective Date, the Concessionaire shall implement the security provisions in compliance with the ISPS code.

## 11. CONTRACTS AND AGREEMENTS AFFECTING THE PREMISES

11.1 Within sixty (60) days of the Effective Date, the Authority shall identify and provide the Concessionaire with copies of all existing and current agreements (if any) affecting the Premises and/or the Fixed Assets including, but not limited to, maintenance and service agreements affecting the Premises.

## 12. SPARE PARTS, CONSUMABLES AND MOVABLE ASSETS

12.1 Thirty (30) days prior to the Effective Date, the Authority shall provide the Concessionaire with a list of its inventory of spare parts and consumable items related to the Concession Property. The Concessionaire shall have the option to purchase from the Authority any or all such spare parts and consumable items at a price mutually agreeable to the Transition Committee.



12.2 Pursuant to the right granted in Sub Section 5.1(b) of this Appendix and the condition survey conducted in accordance with Sub Section 7.1, the Concessionaire shall commence the Improvements upon the Movable Assets in accordance with the Development Plan so that it is able to commence Operations on the Effective Date.

13. **REDUNDANT ASSETS.**

13.1 The Authority shall, at its own cost and expense, remove any Redundant Assets on the Premises at the Effective Date.

14. **DEVELOPMENT PLAN EQUIPMENT**

14.1 The Authority shall allow the Concessionaire to take delivery of and install an operating system that will be implemented in order to allow the Concessionaire to control planning and optimize equipment utilization from the Effective Date.

14.2 The Concessionaire to receive and store without cost equipment that will be ordered. The Concessionaire shall provide adequate security and assume all risks associated with such equipment.

15. **VESSELS/EQUIPMENT AT THE PREMISES ON THE EFFECTIVE DATE**

15.1 Any equipment belonging to customers of the Authority on the Premises at the Effective Date shall become the responsibility of the Concessionaire. The Transition Committee shall prepare a final list of equipment at the Premises three (3) days prior to the Effective Date. Any Operation provided by the Authority to those customers in respect of the Slipway referred to by this list before the Effective Date will be invoiced by the Authority to the Concessionaire. The Concessionaire shall invoice the customer for the Operations provided by the Concessionaire and for any services provided by the Authority.

15.2 The Parties agree that the Authority shall place an advertisement at its own costs and expenses in the local media as soon as possible after the Execution Date to inform customers of the Authority, of the transition of the Premises to the Concessionaire and requesting the customers of the Authority to take delivery of their vessels/equipment within thirty (30) days (in the first instance) after which an extension may be granted so as to ensure that as many vessels/equipment are removed from the Premises as is possible prior to the Effective Date.

16. **CUSTOMER CONTRACTS**

16.1 The Authority shall terminate any and all existing customer contracts and agreements relating to the performance of the Operations by the Concessionaire for and on behalf of their customers at the Premises.



## 17. OPERATIONS

17.1 The Parties shall work to ensure that the transition between the Authority's Operations and the Operations is such so as to minimize disruption at the end of the Transition Period.

17.2 The Parties agree that the Transition Committee shall be responsible for the manning of the Premises for the period ninety (90) days prior to the Effective Date. Notwithstanding the provisions of this Sub Section, the Authority shall ensure that all of its employees relevant to the Concessionaire shall have been employed by the Concessionaire before or on the Effective Date.

17.3 Further to the completion of the condition survey referred to in Section 7.1 of this Appendix, the Concessionaire shall commence a full overall review of the Premises and the Operations and the Authority shall cooperate with the Concessionaire in respect of the provision of information and assistance in relation to such review, which shall include a review in the following areas:

- (a) Personnel organization;
- (b) planning and operations on the Premises;
- (c) gate procedures and operations;
- (d) IT hardware and systems;
- (e) Documentation produced as part of the Operations;
- (f) billing and finance functions;
- (g) Customs procedures;
- (h) statistics;
- (i) safety procedures;
- (j) security procedures;
- (k) future and anticipated processes;

17.4 The Concessionaire shall commence the implementation of the Staffing and Succession Plan as set out in Appendix E of the Agreement and shall develop a comprehensive training program for employees in order for full takeover readiness.

## 18. CONTRACTORS

18.1 The Concessionaire may engage any contractor possessing the requisite skill, expertise and capability to perform some, but it core activities, of its obligations under this Transition Plan and the Agreement provided that the Concessionaire shall, at all times, be solely responsible for the actions and omissions of that contractor.



19. **THE EFFECTIVE DATE**

19.1 On the Effective Date the Authority shall:

**Premises and Transferring Fixed Assets**

- (a) vacate the Premises which shall include the redeployment of relevant Authority's employees and contractors not needed by the concessionaire;
- (b) surrender peaceful possession of the Fixed Assets in a good working condition in accordance with the Agreement and Prudent Industry Standards (excluding reasonable wear and tear) to the Concessionaire ;
- (c) cease Authority's Operations on the concession property;
- (d) hand over to the Concessionaire all documents including as built drawings, manuals and records relating to operation and maintenance of the Premises and the Fixed Assets;

**Movable Assets**

- (e) subject to receipt of the Movable Asset Purchase Price by the Concessionaire convey, transfer, assign and deliver to the Authority free and clear of liens and encumbrances, the Authority's right, title and interest in and to the Movable Assets, spare parts and consumables that the Authority has agreed to sell and transfer to the Concessionaire, accompanied by any necessary bills of sale, assignment agreements, notation agreements or other instruments of transfer reasonably requested by the Concessionaire;

**Customer Contracts and Agreements**

- (f) terminate any and all existing customer contracts and agreements relating to the performance of the current operations by the Authority for and on behalf of their customers at the Premises; and

19.2 On the Effective Date, the Concessionaire shall:

- (a) pay to the Authority the Movable Asset Purchase Price (if any) as adjusted in accordance with the provisions of this Transition Plan;
- (b) pay the amount agreed between the Authority and the Concessionaire for the purchase of spare parts and consumables (if any); and
- (c) commence Operations.



## HANDBACK PLAN

### 1.01 Handback Expert

- (a) **Selection:** Not later than 6 (six) Months prior to expiry of the Term of the Concession Agreement or as soon as reasonably possible after issuance of the Termination Notice in case of early termination of this Agreement, the Parties shall, in compliance with Applicable Laws, including those relating to procurement, which are applicable to either Party, jointly retain a suitably qualified and experienced consultant to act as the Handback Expert for the purposes of this Agreement.
- (b) **Appointment:** The Handback Expert selected pursuant to the aforesaid process shall be appointed for a period commencing from the selection of the Handback Expert until the issuance of the Handback Certificate or the Handback Deficiency Notice, whichever applies. The scope of work of the Handback Expert shall be substantially determined by both parties not less than six (6) months before the end of the Concession Agreement.
- (c) **Costs:** The costs and expenses of the Handback Expert shall be borne by the Authority and Concessionaire, equally.
- (d) **Replacement of the Handback Expert:** Neither the Concession Entity nor the Concessionaire shall replace the Handback Expert without the other's prior written approval (not to be unreasonably withheld or delayed), provided that such replacement may only occur in any of the following circumstances:
  - (i) if the Parties, or either Party, have reason to believe that the Handback Expert has not discharged its duties in a fair, appropriate or diligent manner;



- (ii) if the Parties, or either Party, decide not to renew the term of the Handback Expert contract;
- (iii) if, in accordance with the terms of its appointment, the Handback Expert resigns or notifies its intention not to continue as the Handback Expert;
- (iv) any other circumstance which in the opinion of the Parties warrants replacement of the Handback Expert.

Subject to the attendant circumstances and unless the Parties otherwise agree, the procedure laid down in Section (a) of this clause shall as far as possible be adhered to for replacement of the Handback Expert.

- (e) **Dispute:** If either Party disputes any advice, instruction or decision of the Handback Expert, the dispute shall be resolved in accordance with the Dispute provisions set out in Article XIII of the Concession Agreement

#### 1.02 Handback Inspection

- (a) The Concessionaire shall guarantee that at termination of the Concession Agreement the Concessionaire shall comply with the Handback Requirements.
- (b) The Concessionaire agrees that upon selection of the Handback Expert, the Handback Expert shall, with full cooperation and assistance of the Concessionaire, conduct an inspection on the conformity of the Concession Area with the Handback Requirements.
- (c) Within 15 (fifteen) Days after the completion of the Handback Initial Inspection, the Handback Expert shall provide the Concessionaire and the Authority with a notice (the “**Handback Proposals**”) setting out:
  - (i) The condition of the Concession Area;



- (ii) A determination as to whether and what works are required to be carried out to make the Concession Area compliant with the Handback Requirements (the “**Handback Renewal Works**”);
  - (iii) The program (the “**Handback Renewal Program**”) for carrying out the Handback Renewal Works; and
  - (iv) An estimation of the cost of carrying out the Handback Renewal Works (the “**Handback Renewal Amount**”).
- (d) The Handback Proposals shall assume that the Concession Area is maintained by the Concessionaire until the Termination Date.
- (e) Unless in case of early termination of this Agreement, the Concessionaire shall upon receipt of the Handback Proposal ensure that the Handback Renewal Works are carried out in accordance with the Handback Renewal Program.
- (f) For avoidance of doubt, the Concessionaire shall bear the cost of the Handback Renewal Works, irrespective of whether the actual cost of the Handback Renewal Works may be higher than the Handback Renewal Amount.
- (g) In case of termination of this Agreement due to expiry of the Term, on the Termination Date, the Handback Expert shall conduct a further inspection of the Concession Area to assess if the Concessionaire has fulfilled its obligations according to the Handback Renewal Program (the “**Handback Final Inspection**”).
- (h) Within 10 (ten) Days after the completion of the Handback Final Inspection, the Handback Expert shall either:



- (i) Issue a document certifying that the Concessionaire has fulfilled the Handback Requirements (the “**Handback Certificate**”) to the Concessionaire with copies to the Authority; or
- (ii) Notify the Parties of its decision not to issue a Handback Certificate and state the reasons for that decision (a “**Handback Deficiency Notice**”). The Handback Expert shall not issue a Handback Certificate if:
  - A) the Concessionaire failed to complete all of the Handback Renewal Works;
  - B) the Concession Area for any other reason does not comply with any material aspect of the Handback Requirements;
- (iii) Any Handback Deficiency Notice shall describe:
  - A) the manner in which the Handback Renewal Works have not been completed; and
  - B) the cost of completing those Handback Renewal Works and/or of procuring that the Concession Area fully complies with the Handback Requirements (the “**Handback Deficiency Amount**”); and
  - C) A fair estimate of the number of Days the Operations will be disturbed as a result of the execution or completion of the Handback Renewal Works after the Termination Date by the Authority.

**1.03 Handback Performance Guarantee**

- (a) *Handback Performance Guarantee*: Not less than ninety (90) days prior to the twentieth (20<sup>th</sup>) anniversary of the Effective Date (if the five (5) year



option period in Article IV is given) and not less than ninety (90) days prior to the fifteenth (15<sup>th</sup>) anniversary of the initial Term, the Concessionaire shall deliver to the Authority a Performance Guarantee in favor of the Authority in an amount not less than Five Hundred Thousand United States Dollars (US\$ 500,000) or in other form and substance reasonably acceptable to the Authority. Such Handback Performance Guarantee shall remain in full force and effect until sixty (60) Days after the Termination Date and shall cover

- (i) the Handback Deficiency Amount in case of termination due to expiry of the Term, or
  - (ii) the Handback Renewal Amount in case of early termination of this Agreement by the Concessionaire,
- (b) plus any liquidated damages payable by the Concessionaire for delays in completing the Handback Renewal Works. The Concession Entity shall also be entitled to deduct the Handback Renewal Amount or the Handback Deficiency Amount, whichever applies, and the estimated liquidated damages, if any, from the Handback Performance Guarantee. All premiums associated with obtaining and maintaining the Performance Guarantee shall be paid by the Concessionaire.
- (c) **No Limitation:** For avoidance of doubt, any amounts paid to the Authority shall be exclusive of any other amounts to which the Concession Entity is entitled under this Agreement and shall not limit the Concession Entity's rights to such additional amounts.

PARLIAMENT LIBRARY  
TOWER HILL FREETO

SIGNED AND SEALED AND DELIVERED FOR AND ON BEHALF OF THE WITHIN-NAMED NATIONAL COMMISSION FOR PRIVATISATION ("NCP-CONFIRMING PARTY")

BY ITS CHAIRMAN – Dr. Michael S. Kargbo

Signature: 

Date: 25/9/14

IN THE PRESENCE OF:

Name: Abdul Mansaray

Signature: 

Date: 25/9/2014

SIGNED AND SEALED AND DELIVERED FOR AND ON BEHALF OF THE WITHIN-NAMED HOLLAND SHIPYARDS ("THE SPONSOR")

BY ITS CHIEF EXECUTIVE OFFICER – Mr. Klaas Cornelis Hoogendoorn

Signature: 

Date: 25/09/14

In the presence of:

Name: LEN BURDOW-KARRELS ONIL

Signature: 

Date: 25-09-14



SIGNED AND SEALED AND DELIVERED FOR AND ON BEHALF OF THE WITHIN-NAMED HOLLAND SHIPYARDS, SIERRA LEONE LTD ("THE CONCESSIONAIRE")

BY ITS MANAGING DIRECTOR – Mr. Alim Max Ganga

Signature: *Alim Max Ganga*

Date: *25/09/24*

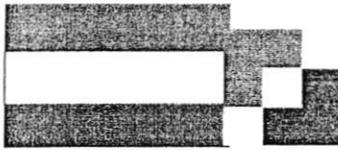
In the presence of:

Name: *Vincent F. Sosey*  
*Secretary / Foundation Help Sierra Leone*

Signature: *[Signature]*

Date: *25/9/24*





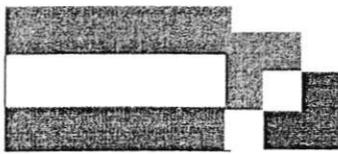
## **Appendix A – Investment Schedule**

<b>Investment</b>			
<b>In USD</b>	<b>2015</b>	<b>2016/2017</b>	
<b>Hardware( Machinery, cranesetc)</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>
Yard refurbishment and land reclamation	200.000	200.000	400.000
Tools	150.000	150.000	300.000
Mobility	50.000	100.000	150.000
1st Costsrebuildingshipyard	190.000	60.000	250.000
Hardware for floatingdock	50.000	550.000	600.000
Education (training and personnel Development	200.000	100.000	300.000
<b>Total</b>	<b>830.000</b>	<b>1.133.333</b>	<b>2.000.000</b>

The new business to be established will focus on ship repair and maintenance activities in Cline Town, Sierra Leone in the first year, in the second year, after re-structuring and new facilities install, we will focus on ship building. This will includes primarily refurbishments of ferries, tug boats, supply-vessels, fishing boats, offshore barges and naval repairs after collision, fire, other calamities and maintenance work for ship owners. In the longer term also design and construction activities are possible of a wide range of standard vessels such as tugboats of ASD, tractor and VSP-type propulsion systems, platform supply vessels, anchor handling supply vessels, ocean going tugs, harbour tugs, RO/RO-pax ferries up to: - 80 m. overall length; - 21 m. breadth; - 7 m. depth.

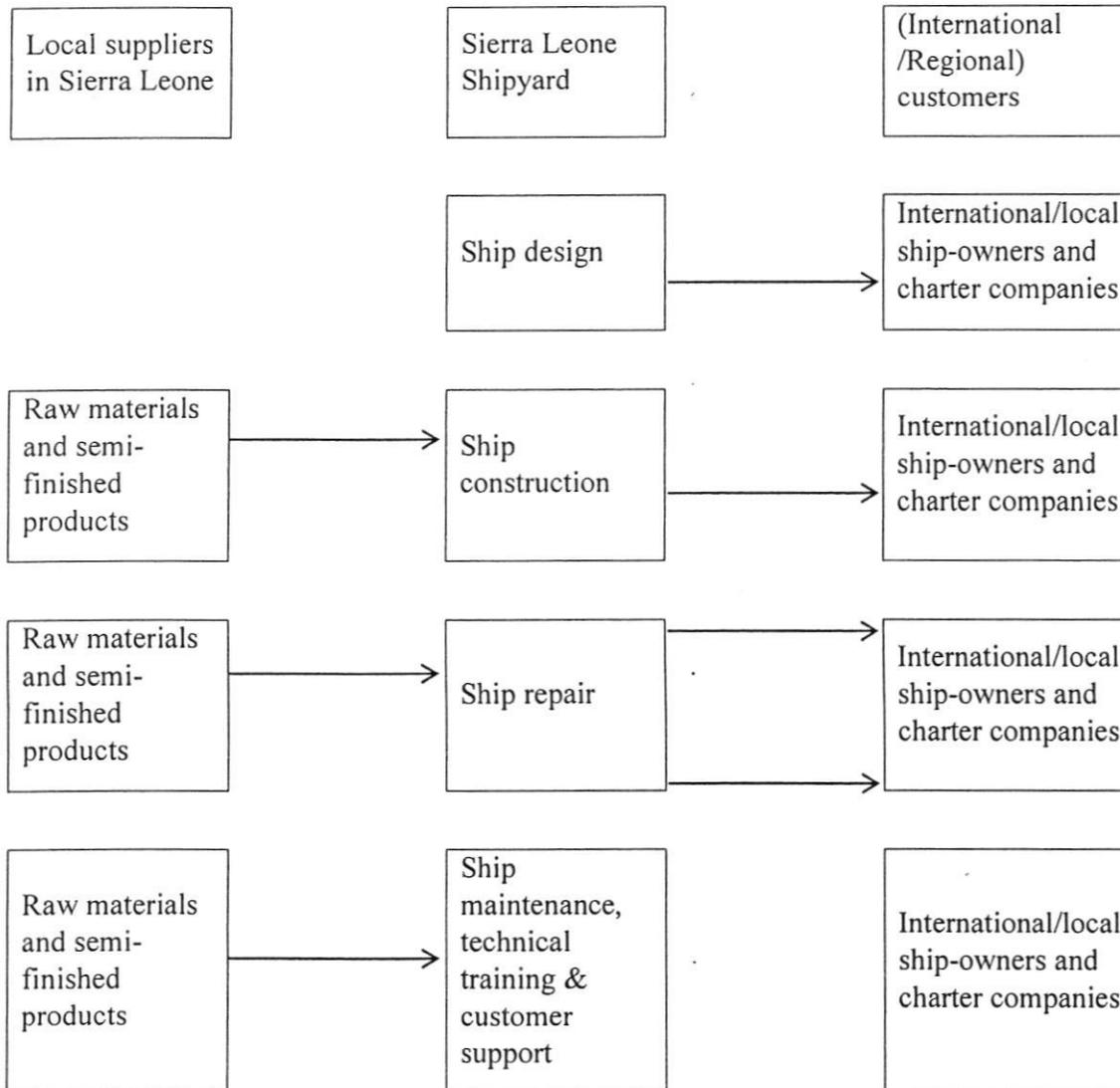
Holland Shipyards, SL LTD will initially focus on the repair of small ships, seagoing and inland vessels. The main activities for this will include, preparation of technical specifications and tenders, floating of tenders, techno-commercial evaluation of offers and finalization, obtaining approvals, preparation of ship building contract, plan approval, ship building construction, ship repair, supervision at yard, monitoring of finances during construction, tests & trials supervision, delivery protocols and related documents, delivery and acceptance of vessels, post-delivery and guarantee issues.





## NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing

### Position of the project in the business chain

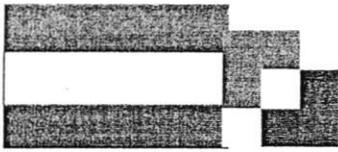


Flowchart illustrating the position of the project in the business chain and the production process.

**Suppliers and Customers** - Indispensable suppliers that offer necessary raw materials, semi-finished products and additional services in the field of interior decorating materials, electrical equipment, sockets, cables, piping, fishing gear, etc. are local SME's in Freetown and regional surroundings of Sierra Leone.

High tech semi-finished and end products such as diesel engines, propulsion, propeller, bearings, navigation equipment cranes, etc. cannot be obtained locally and need to be shipped in from overseas.





## **NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing**

Customers are local fishing companies, ferry companies, mining companies, harbour authorities, coast guards, person & goods/freight transport carriers, patrol & surveillance organisations, tourism organisations, but also regional & international ship-owners and charter companies.

Holland Shipyard is the main investing partner with essential expertise in the field of ship building, repair and maintenance activities. They have strong international contacts to support this project and will carry the most important responsibilities. In additional, ordering of material and invoicing will go through HS as not all suppliers are willing to send out materials to SL.

Prima Investment will assist in organising local activities, especially regarding legal affairs, licences related to construction changes of the shipyard facilities, selecting, hiring and training of staff, contacts with public bodies, local SME/suppliers, hiring/contracting and solving problems. They will also support the business case in developing (new) business opportunities and helping to exploit them.

**Product, Price, Place, Promotion** - The Product will be ship building, repair and maintenance activities in Cline Town, Freetown, Sierra Leone.

The Price will be according to contract agreements and conform the market.

The Place to sell in West Africa, specifically in the Sierra Leone region.

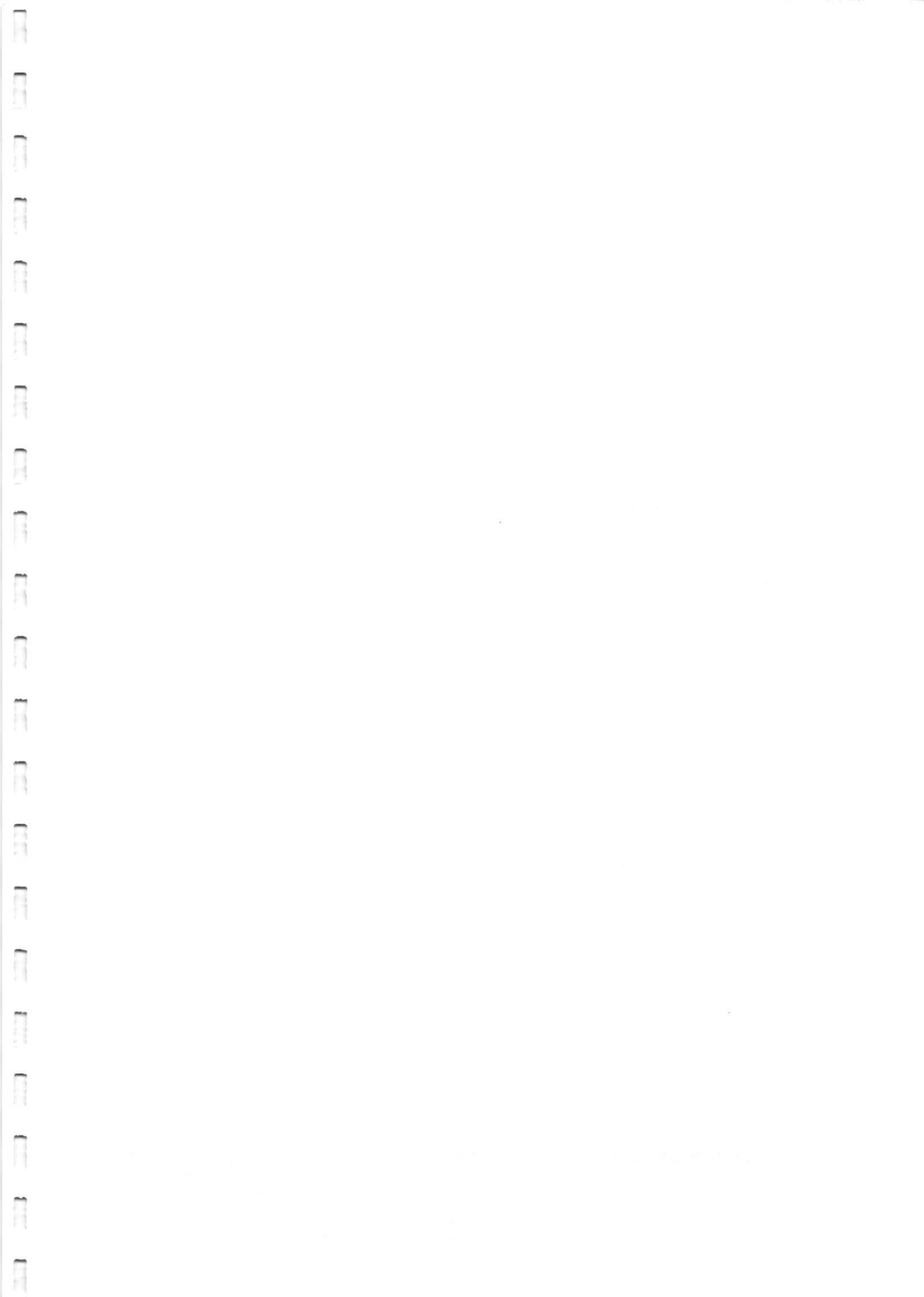
The Promotion will focus on developing the Sierra Leone and the regional market for ship building, repair and maintenance. HS has good international reputation to support this process.

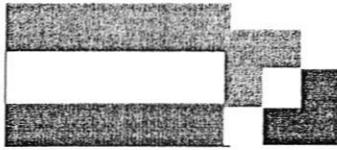
The production method and technology used is marine technology and specifically the knowledge and skills that are needed to handle the entire process of design, construction, production and operation of ships and marine systems. The Holland Shipyards will provide all of this is commercially proven technology.

If more turnover is expected the available facilities and personnel may not be sufficient. It is expected that nearly 100% of the installed capacity will be used within three years.

The expected bottleneck in the production process is expected during the design process and the preparation of the yard construction process. This is a job for very skilled personnel only. These employees will not be available locally and needs to be highly trained from the Dutch organisation. The Holland Shipyards will embark on intensive training for the existing staff for the first year.

**Business to Business** - Our company initiative will have many SME's profiting from the company's new activities. A total of 11 SME local suppliers are already identified to become operationally involved in this project. Products supply are electrical equipment, mechanical equipment, sanitary equipment, but also on wood, timber and furniture, paints, fabrics, etc. Services supplies are related to finance, insurances, human resources/contracting workers and local transport of goods and workers.



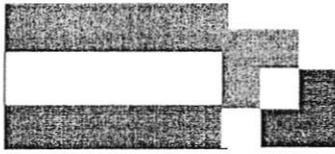


**NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing**

Supplier	Product	Location
-Caterpillar & tractors. -E A Bamin Limited	Mechanical equipment	Sierra Leone
RajusElectrincs Limited	Electrical equipment	Sierra Leone
Dahigroup, Sierra Leone	Small and specific metal tools	Sierra Leone
Sony Kaytee	Airco equipment	Sierra Leone
Savenmon Limited	Sanitary equipment	Sierra Leone
-Décor Funiture. -Hassan Jaffer& Sons	Internaldecoratingmaterials	Sierra Leone
-Woodpecker -Infiniti Trading Co. SL Ltd	Wood, timber	Sierra Leone
Lizmon International	Hiring/contractingworkers	Sierra Leone
KadriksLogistics	Local transport of goods and workers	Sierra Leone
Standard Chartered Bank& NIC Insurance. -Auroel Insurance Company	Financial services, insurances	Sierra Leone
FITZGRAHAM & ASSOCIATES	Legal Service	Sierra Leone
SamshiAfrica Limited	Steel and steel products	Soon in Sierra Leone

Now the difficulty is that not all services can be sourced locally. Holland Shipyards requires experienced SME that conduct these services. Holland Shipyards will only source the best suppliers and is willing to pay premium prices provided quality is delivered. Having said that, Holland Shipyards does realise that hiring the best is often not good enough. As such training by Holland Shipyards of the SME is crucial to the success of this adventure.





## HOLLAND SHIPYARDS

### NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing

The quantity of sourced locally cannot be estimated, this differs too much from contract to contract. For instance, when building a new ship for 20 people it can be calculated that it requires a number of bathrooms with subsequent costs. However, for repair and upgrading this cannot be quantified.

Holland Shipyards will also regularly source services regarding tax issues, legal affairs, ICT, promotional activities, etc.

#### Sector level

**Involvement of local commercial entities** - Important suppliers are local small medium enterprises (SME's) in Freetown and regional surroundings that offer additional technical raw materials, semi-finished products and additional services in the field of interior decorating materials, diesel engines, propulsion, propeller, electrical equipment, bearings, sockets, cables, piping, navigation equipment, fishing gear, cranes, etc. These will be hired on a case by case basis dependent on the content of the portfolio of Holland Shipyards. Local commercial entities will be informed as soon as possible. For some fixed activities the same local entities will be hired and where possible long term contacts will be pursued.

Holland Shipyards will actively collaborate with other sector entities. For instance financial services, insurances, ship chartering, contracting/hiring workers and suppliers, employment agencies, legal services, transportation of goods and workers, do exist in SL. However, Shipbuilding and -repair has not been present in SL so an active involvement of other entities does require considerable efforts.

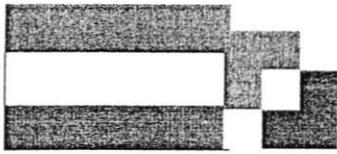
#### National level

**Society** - Sierra Leone is a post war country with visible scars and a moving and inspiring spirit of reconciliation. Economic development and giving people a job is the best way to assure long term peace; particularly those people living in areas that have been in the centre of conflict.

**Environment** - The current ship building facilities will be thoroughly inspected and resulting environmental problems will be identified by Holland Shipyards in cooperation with the former administration of the shipyard and GoSL. For concrete measures see the CSR policy.

**Gender** - The amount of women employed by Holland Shipyards is modest. Increasing the number of women in job positions in the ship yard business is difficult. Holland Shipyards has been and will be devoting time and energy to find a better gender balance. The consortium partners have the objective to positively affect the position of women, but this will be a challenge. Women can be made responsible for administrative tasks. You can be assured that as soon as one female technician asks for a job she will be hired.





**NCP/Holland Shipyards (HS) – SLPA Marine Slipway Concessioneing**

**Local/national authorities** - The Sierra Leone Ports Authority (SLPA) long-term goal for the Port of Sierra Leone is to position the harbour as a leading regional port. For this purpose it needs to increase the depth of the channel to allow bigger ships to come in. The investment of our Holland Shipyards will be the first step to position SL as a suitable harbour that will contributively to the national economy. Other beneficiary local/national related activities are to improve the reliability of the local/national coast guard, harbour facilities, transportation lines and facilities for stimulating private investors such as in the oil and gas sector, which our Holland Shipyards intends to benefit.

**Growth** - Depending on the success of the small yard, our Holland Shipyards would off course strive to become a major shipyard in West Africa with state-of-the-art facilities to accommodate larger ships. This would require a larger floating dock. This would have a large impact on the SL economy as it will become a hub for larger ships.

**Business opportunity to be explored – the potential** - Through its natural advantages - its strategic location and deep natural harbour - Freetown has considerable potential to become a major regional shipping centre, including industrial and business services for fish processing, trans-shipment and maritime activities. Sierra Leone is the only country in the world which is equidistant from South America, the Cape of Good Hope, North America and Europe. The Sierra Leone Ports Authority (SLPA) long-term goal for the Port of Sierra Leone is to position it as a leading regional port. For this purpose it needs to increase the depth of the channel to allow bigger ships to come in; enhance safety; and ensure that there is adequate investment in terms of equipment, infrastructure and warehousing. Equipment is most important because efficiency and performance indicators can only be achieved with modern equipment. There is also a need to address the human capacity gaps and employ the latest information technologies in order to catch up with other ports, both regionally and globally. SLPA anticipates strong growth for the port as West Africa increasingly serves as the preferred route for shipments between Asia and the Americas, given rising costs at the Suez Canal.

**Organisation, Management and Human Resource**

**Staffing plan**

Staff	no	gender			level	
		M	F	H	M	L
Local manager	1	1		1		
Bookkeeper	1		1		1	
Technical manager	1	1		1		
Supervisor	3	3			3	
Construction worker	19	19			5	14
Welders	8	6	2			8

