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LICENCE AGREEMENT
BULK & BREAK-BULK TERMINAL AT QUEEN ELIZABETH II QUAY
By and Among

SIERRA LEONE PORTS AUTHORITY
(SLPA)

AND

THE GOVERNMENT OF SIERRA LEONE : REPRESENTED BY THE MINISTRY OF TRANSPORT AND AVIATION
(GOSL)

AND

NATIONAL COMMISSION FOR PRIVATISATION
(NCP)

AND

NECTAR GROUP LIMITED
(NGL)

NECTAR SIERRA LEONE BULK TERMINAL LTD
(NSBT)

DATED 24th JUNE **2015**

AGREEMENT RELATING TO BULK & BREAK-BULK TERMINAL AT QUEEN ELIZABETH II QUAY
Delta Anchorage
Nitti Harbour

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LIST OF ANNEXES

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This Agreement is made on the day of 2015 between;

Sierra Leone Ports Authority (SLPA), a public authority constituted under the Ports Act, 1964 of the Republic of Sierra Leone whose principal place of business is situated at Queen Elizabeth II Quay, P.M.B. 386, Cline Town, Freetown, Sierra Leone represented by Mr. Abu B. Banguraacting as General Manager;

The Government of Sierra Leone (GOSL), represented by the Honourable Minister of Transport & Aviation of Youyi Building, Brookfields, Freetown, Sierra Leone;

National Commission for Privatisation (NCP), an agency of the Government of Sierra Leone established under the National Commission for Privatisation Act, 2002, whose registered office is situate at Lotto House, OAU Drive, Tower Hill, Sierra Leone represented by Dr. Michael Kargbo acting as Chairman;

Nectar Group Ltd (NGL), registered at 150 Aldersgate Street, London, UK, represented by Mr Guy Wilkes acting as proxy; and

Nectar Sierra Leone Bulk Terminal Ltd. (NSBT) registered at 45 Cline Street, Cline Town, P.O. Box 935, Freetown, Sierra Leone, a private company incorporated under the laws of Sierra Leone, represented by Han Ozturk acting as Director.

Background:

(A) NCP and SLPA are in the process of issuing licences for the bulk and break bulk terminal at Queen Elizabeth II Quay, Freetown including Cargo handling services at Delta Anchorage and Nitti Harbour (Sherbro River).

(B) SLPA is the owner and operator of the Port. SLPA manages and administers the ports of Sierra Leone and is permitted to appoint any other party to carry out these responsibilities on its behalf.

(C) NCP, is an agency established by GOSL in accordance with the NCP Act 2002, which commenced an international competitive bidding process in July 2014. Through a competitive bidding process, in December 2014 NGL emerged as the preferred bidder and has been awarded the second licence of the bulk and break-bulk terminal. NCP and SLPA have agreed with NGL, that NGL will manage and operate the bulk and break bulk terminal located at Queen Elizabeth II Quay (Freetown) Berths 1 and 2 and associated areas at the Queen Elizabeth II Quay, as well as related Cargo handling services at Delta 1 Anchorage and Nitti Harbour (Sherbro River).

(D) Services to Users include but are not limited to, loading, unloading and storage of commodities. NGL will operate the bulk and break-bulk terminal as a common user terminal.

(E) NGL, NCP and SLPA have agreed that in accordance with the technical bid proposal submitted by NGL, NGL have incorporated a new company (as a special purpose

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vehicle) (SPV) in accordance with the laws of Sierra Leone to carry out its obligations in accordance with this Agreement.

(F) The new company incorporated by NGL is called Nectar Sierra Leone Bulk Terminal Ltd. (NSBT)

(G) NSBT is a joint venture between NGL and Sierra Leone National Shipping Company (SLNSC). However, NGL will remain the majority shareholder with at least 51% of the voting shares in NSBT at all times.

1. DEFINITIONS AND INTERPRETATION

The following capitalised words and phrases shall have the respective meanings set out below:-

"Act", means the Ports Act, 1964, as amended from time to time, 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.

"Additional Berth" has the meaning described to it in Clause 16.

"Additional Traffic" means the new traffic handled at the Additional Berth and which was not previously handled by NSBT or the Existing Licensee at the Port.

"Affiliates" means in relation to any Person, any other Person that directly or indirectly Controls or is Controlled by or is in under common Control with such Person or is a director or officer of such.

"Agreement" means this Licence Agreement (including all Annexes attached hereto), as amended or supplemented from time to time.

"Applicable Law" means any law including any law, statute, order, decree, injunction, licence, permit, consent, approval, agreement or regulation of any Governmental Authority having jurisdiction over the matter in question, or other legislative or administrative action of a Governmental Authority, or a final decree, judgment or order of a court which relates to the Port, the Operations or the interpretation or application of this Agreement, as the case may be.

"Area of Operations" means the area upon which NSBT shall provide the Operations comprising (1) the Exclusive Area, and (2) the Non Exclusive Area.

"Authorisation" means any approval, consent, exemption, licence, order or permit of or from any Governmental Authority required for the due performance by any Party of any covenant or obligation reserved hereunder.

"Berths" means Berth 1 with a length of 255.8 meters and a depth of not less than 8.0 meters and Berth 2 with a length of 141.9 meters and a depth of not less than 9.0 meters at Queen Elizabeth II Quay at the Port of Freetown, Sierra Leone as outlined in ~~Error! Reference source not found.~~ ANNEX A.

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"Business Day" means a day on which commercial banks are not permitted or required to close by law in either Sierra Leone or England (as the case may be).

"Cargo" means break-bulk, dry bulk, lift-on and lift-off cargo including Project Cargo.

"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 Effective Date and which has a material adverse effect on NSBT's performance of its obligations under this Agreement.

"Change in Law Notice" shall have the meaning assigned in Clause 19.1.

"Control" means the holding of power to direct or cause the direction of management, polices and decisions of a company, corporation, partnership or other entity including, without limitation, through control by direct or indirect means of at least fifty-one per cent. (51%) of the voting rights in such company, corporation, partnership or other entity.

"Common Areas" means all areas and facilities inside or outside the Area of Operations and within the exterior land boundary lines of the Port (excluding the Berths) that are provided and designated by SLPA from time to time as "common areas" for general non-exclusive use.

"Confirming Party" means one of NGL, NCP and GOSL and "Confirming Parties" means all of NGL, NCP and GOSL.

"CPI" means Consumer Price Index

"Creditor" shall have the meaning assigned in Clause 24.2.

"Dangerous Cargo" means Cargo of any kind classified by the International Maritime Organisation as dangerous cargo pursuant to the IMDG Code (International Maritime Dangerous Goods Code) at the time in force.

"Debtor" shall have the meaning assigned in Clause 24.2.

"Dollar" or "USD" or "US$" means the legal currency of the United States of America.

"Effective Date" means the date NSBT commences operations

"Emergency" means a crisis, incident or threat to the economy, security, public health, safety or the environment of Sierra Leone.

"Exclusive Area" means the area in which NSBT shall provide Operations on an exclusive basis including the Berths together with the Facilities and the warehouses as further delineated and outlined in Annex 1 and Clause 3.3.

"Execution Date" means the date this Agreement is signed by the Parties and the Confirming Parties and where this Agreement is not signed on the same day, it shall mean the date the last of either a Party or a Confirming Party signs this Agreement.

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"Existing Licensee" means [Bolloré Africa Logistics] licensed by SLPA pursuant to a licence agreement to provide stevedoring, shore handling as well as short term storage of Cargo and any other ancillary services at the Port.

"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 SLPA and NSBT.

"Facilities" means the open storage, sheds, workshop and warehousing facilities and any superstructure that is located within the Area of Operations as further delineated and outlined in Annex 1, which SLPA shall allocate on an exclusive basis to NSBT pursuant to this Agreement.

"Force Majeure" shall have the meaning assigned in Clause 18.

"Freight Ton" means a Tonne or cubic metre, whichever is the biggest where measuring cargo quantity.

"Governmental Authority" means any Sierra Leonean governmental ministry, bureau, authority, council, office, agency or other instrumentality having jurisdiction over a Party, the Port, the property of SLPA or the Operations, as the case may be, including without limitation, SLPA, the Regulator and any Affiliate of any of the foregoing.

"Index" shall have the meaning assigned in Clause 6.6

"Initial Term" shall have the meaning assigned in Clause 2.2.

"Interruption" means a disruption to the performance of the Operations as a consequence of:

(a) any act or omission by SLPA, including but not limited to, the failure by SLPA to fulfil its obligations in accordance with this Agreement;

(b) maintenance, repair or development activities carried out by SLPA in accordance with the requirements of this Agreement that exceeds the time period for such activity as previously agreed between the Parties;

(c) any act or omission by a Government Authority not due to the fault or negligence of NSBT;

(d) an event of Force Majeure; or

(e) an Emergency.

"KPI's" means Key Performance Indicators

"Latent Defects" means those defects not readily identifiable by NSBT before the Effective Date, and which could not reasonably be identified by NSBT's exercise of due diligence.

"Licensee" means any one of the Existing Licensee, NSBT and the New Licensee.

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"Month" or "month" means a calendar month.

"New Licence" has the meaning ascribed to it in Clause 17.

"New Licence Fee" has the meaning assigned in Clause 17.

"New Licensee" has the meaning ascribed to it in Clause 17.

"Non Exclusive Area" means the area in which NSBT shall provide Operations on a non-exclusive basis, which includes Nitti Harbour (Sherbro River) and Delta 1 Anchorage as further delineated and outlined in Annex 1.

"NSBT Licence Fee" means the licence fee payable by NSBT to NCP in accordance with the provisions contained in Clause5.3.

"NSBT Licence Fee Due Date" has the meaning assigned in Clause5.3.

"NSBT Market Share" means the market share of NSBT in relation to all Cargoes handled (loaded and discharged) by NSBT at the Exclusive Area and the Non Exclusive Area during an operating period of twelve (12) months. The market share is calculated by dividing the total volume of Cargoes handled by NSBT in Tonnes by the total volume of Cargoes handled by the Existing Licensee and NSBT in Tonnes at all berths at Queen Elizabeth II Quay Berths 1 to 6 and at Nitti Harbour and Delta 1 Anchorage, expressed as a percentage.

"Operations" means stevedoring, shore handling as well as short-term storage of Cargo and any other ancillary services performed by NSBT, its servants or agents within the Area of Operations.

"Operations Rates" means the rates listed and described in Annex 2 and charged in respect of the Operations.

"Operating Year" means the period between the Effective Date and 31 December 2015 for the first Operating Year and thereafter a period of twelve (12) months commencing on 1 January and ending on 31 December for each subsequent Operating Year.

"Party" means either SLPA or NSBT and "Parties" means SLPA and NSBT.

"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.

"Port" means the Berths and all surrounding areas at Queen Elizabeth II Quay in Freetown, Sierra Leone.

"Project Cargo" means cargo which forms part of a shipment in excess of five hundred (500) Freight Tons destined to one location or one project and containing parcels or goods of non-standard shapes and / or dimensions.

"Prudent Industry Standards" means the generally accepted practices, methods, techniques and standards employed in handling bulk and break-bulk cargoes in terminals in Africa.

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"Regulator" means SLPA or, if there is a change in Applicable Law such that SLPA no longer regulates or controls the development and/or conduct of the Sierra Leone ports industry, then the Government Authority established, assigned or commissioned to regulate and control the development and/or conduct of the Sierra Leone port industry.

"Right" shall have the meaning assigned in Clause 24.8.

"SLPA's By-Laws" means any By-Laws of SLPA that exist or that may come into existence during the Term.

"Storage Fees" means the storage fees payable by NSBT to SLPA in accordance with the provisions contained in Clause 5.5.

"Term" shall have the meaning assigned in Clause 2.2.

"Throughput Fee" means the throughput fee payable by NSBT to SLPA in accordance with the provisions contained in Clause5.4.

"Tonnes" means a metric tonne of 1000kgs and the term "Tonnage" shall be construed accordingly.

"Total Licence Fee" means the total licence fee payable by the Existing Licensee and NSBT to NCP in accordance with the table contained in Annex 3.

"Users" means the customers utilising the Area of Operations for the provision of Operations, such as receivers (consignees or their agents or freight forwarders taking delivery of any Cargo), and Vessels owners, and shippers.

"Vessel" means any ship carrying bulk and/or break-bulk cargoes in accordance with the scope of this Agreement.

"Vessel Call" means the continuous occupancy at a berth that commences from the time the first line is made fast to the berth until the last line is cast off.

1.1 **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; and

(iii) words importing any gender include all genders,

(e) Unless otherwise indicated, all reference in this Agreement to Recitals, Clauses, and Annexes refer to the corresponding Recitals, Clauses and Annexes of or to this Agreement.

(f) The Annexes to this Agreement shall form an integral part of this Agreement and will be effective as though they were expressly set out in the body of this Agreement.

(g) Any reference at any time to any agreement, deed, instrument, licence or document of any description shall be construed as reference to that agreement, deed, instrument, licence or other document as amended, varied, supplemented, modified or novated at the time of such reference;

2. EFFECTIVE DATE, TERM, OPERATIONAL REVIEW AND MONITORING

2.1 Effective Date

(a) The provisions of this Clause, along with the provisions of Clauses 10 (Representations, Warranties and Covenants), 20 (Confidentiality) and 21 (Applicable Law and Dispute Resolution) shall be in full force and effect, binding upon the Parties hereto, and enforceable in accordance with their terms, on the Execution Date upon the written approval from Parliament and the fulfilment of the following conditions listed hereunder.

(i) *Execution and Delivery of the Agreement* – participate in the drafting, signing and delivery of this Agreement;

(ii) *Corporate Proceedings* – deliver to SLPA a secretary's certificate certifying to:

(A) resolutions adopted by NSBT evidencing the authorisations to execute this Agreement;

(B) details of shareholders of NSBT;

(C) the constitutional documents (Memorandum and Articles of Association) of NSBT;

(D) certificate of incorporation of NSBT; and

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(E) letter of authorisation, authorising the officers of NSBT to execute this Agreement and documents required hereunder;

(iii) *Officer's Certificate* - deliver a certificate in a form and substance to the reasonable satisfaction of to SLPA, dated the Effective Date and signed by a duly authorised officer, as to the facts that:

(A) the representations and warranties of NSBT in this Agreement are true and correct in all material respects when made at the Execution Date and the Effective Date with the same effect as though made at such time; and

(B) NSBT 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 on or before the Effective Date.

(iv) *Insurance Policies* – provide copies of all necessary insurance policies in accordance with Clause 14;

(v) *Local Bank Account* – provide SLPA details of its main bank account located in Sierra Leone for the purpose of the Agreement.

(vi) *Evidence of Funds* – provide NCP an official bank statement or an official bank confirmation letter (in the form attached as ***Annex 8)*** evidencing available funds to finance the project.

2.2 **Term**

(a) This Agreement will have a term of ten (10) years ("**Initial Term**") commencing on the Effective Date. The Parties agree that there will be a transition period of ninety (90) days starting from the Execution Date in order to allow for proper handover of activities. NSBT will assume responsibility under this Agreement fully at the end of the transition period.

(b) SLPA/GoSL may extend this Agreement for a further period of five (5) years subject to the satisfactory performance of this Agreement and mutual agreement by both parties.

2.3 **Review of the Agreement**

(a) This Agreement shall be reviewed after every five (5) years from the Effective Date.

(b) The Parties undertake to appoint a review committee ("**RC**") comprising nine (9) members to review the rights and obligations of the Parties under this Agreement. NSBT shall appoint four (4) members and GoSL shall appoint five (5) to include the Chairman of the RC.

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(c) Notice of the RC meeting shall be communicated by GoSL/NCP three (3) months in advance of the RC meeting.

(d) The place of the RC meeting shall be in Freetown and the process shall not last for more than three (3) consecutive days. Each Party shall notify the other Party with the names of the members so designated and the agenda of the meeting (including details of committee's members, venue, etc) will be prepared by GoSL/NCP and shall be circulated at least fifteen (15) Business Days in advance of the meeting.

(e) Sitting fees attached to RC shall be borne 50/50 between SLPA and NSBT.

(f) Any recommendation for amendment to this Agreement by the RC shall be agreed between the Parties in writing and recorded in an addendum in accordance with Clause 24.7 of this Agreement.

2.4 **Monitoring**

(a) GoSL shall semi-annually inspect and monitor the Operations of NSBT to ensure compliance of this Agreement.

(b) The monitoring committee shall not interfere with NSBT's internal management.

(c) The monitoring committee shall send its session reports to SLPA's General Manager, the NCP and NSBT's Management.

3. GRANTING OF RIGHTS FOR NSBT TO OPERATE

3.1 SLPA hereby grant NSBT in accordance with this Agreement all such powers and authority that it possesses in accordance with the Act and as are necessary for NSBT to perform the Operations at the Area of Operations throughout the Term. NSBT in accordance with this Agreement shall be entitled to use any equipment or material in accordance with Prudent Industry Standards for the purpose of carrying out the Operations within the Area of Operations.

3.2 NSBT shall perform the Operations at the Area of Operations as a common user bulk and break-bulk terminal open to all Users.

3.3 NSBT will have the exclusive right to operate at the Berths throughout the Term. The Exclusive Area will also include the following areas and premises allocated to NSBT in accordance with this Agreement as outlined by the boundaries in ANNEX 1 ~~Error! Reference source not found.~~:

(a) the Berths;

(b) No 1 and No 1A warehouses;

(c) warehouse presently known as the Paint Shed located towards Leocem.

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(d) the Cement Shed shall be negotiated with SLPA separately.

(e) all other existing premises including any existing buildings and structures within the Area of Operations as demarcated in ANNEX 1 ~~Error! Reference source not found.~~, excluding the State warehouse and administrative offices above No 1A warehouse;

(f) the three (3) buildings behind shed 1 as outlined in Annex 1. NSBT will negotiate a rental agreement with SLPA for use of these three (3) buildings. Such rental arrangement shall allow NSBT to offset any expenses incurred in renovating these buildings against any rent payable by NSBT to SLPA under such agreement;

(g) use of all open areas within the Area of Operations; and

(h) any other area that may be allocated to NSBT by SLPA from time to time.

3.4 NSBT will handle all Cargoes allocated by SLPA to be handled within the Exclusive Area. These Cargoes will include:

(a) all grain and cereals (e.g.:- rice, grains, soya etc);

(b) all break-bulk, general cargo (e.g.:- steel, Project Cargo, pipes etc);

(c) cement;

(d) coal;

(e) clinker;

(f) ores; and

(g) any Cargoes that may develop as a result of change in trade conditions.

3.5 It is hereby agreed between NSBT and SLPA that specific commodities of rice, wheat, sugar and flour, clinker, lime and cement are classified as "staple commodities" all other commodities to be handled within the Area of Operations are classified as "non-staple commodities".

3.6 Any vessel(s)using the ship unloader operating under Berths 1 and 2 shall be handled by NSBT exclusively.

3.7 No third party cargo handling equipment will be allowed to operate in the Area of Operations and that NSBT has free pratique in this regard to operate its own equipment on the quay apron and associated storage and warehouse areas within the Area of Operations.

3.8 NSBT will provide Operations to handle bulk and break-bulk commodities at Nitti Harbour (Sherbro River) and Delta 1 Anchorage on a non-exclusive basis.

3.9 NSBT shall be allowed to operate twenty four (24) hours a day three hundred and sixty five (365) days a year and SLPA will provide all necessary access and assistance to enable NSBT to operate on this basis.

4. STANDARDS OF PERFORMANCE & COOPERATION

4.1 NSBT will carry out the Operations in a safe, efficient and effective manner always with due care and diligence in accordance with Applicable Law and Prudent Industry Standards. In performing the Operations, NSBT shall cooperate with the Regulator so as to enable the Regulator to perform their monitoring, supervisory and other activities relating to the Port.

5. FEES AND PAYMENT TERMS

5.1 In consideration with the rights granted in accordance with this Agreement NSBT will pay NCP the fees outlined below. SLPA warrants that NSBT will not be liable for any other fees relating to Operations throughout the Term other than those agreed in this Clause 5. All fees will be payable in USD directly to bank account(s) designated in writing by NCP.

5.2 **Commencement Fee**:

(a) NSBT will pay NCP/GoSL a commencement fee of USD 100,000 before the Effective Date.

5.3 **Licence Fee**:

(a) NSBT will pay NCP or GOSL the NSBT Licence Fee.

(b) The first NSBT Licence Fee will be paid within thirty (30) days of the Effective Date ("**NSBT Licence Fee Due Date**"). Subsequent payments of the NSBT Licence Fee shall be made on or before each anniversary of the NSBT Licence Fee Due Date.

(c) NSBT acknowledges that the Existing Licensee will be handling bulk and break-bulk cargoes outside the Exclusive Area. Taking this into consideration, NSBT will only pay NCP or GOSL fifty per cent (50%) of the Total Licence Fee ("**NSBT Licence Fee**") for each Operating Year.

(d) SLPA guarantees that NSBT will receive 50% of all vessels bringing bulk and breakbulk cargoes into the Port and any shortfall of tonnage for the year will be identified in the last month of the operating year and rectified in the first quarter of the following operating year.

5.4 **Throughput Fees**:

(a) NSBT will pay SLPA two categories of Throughput Fees, one in respect of stevedoring and one in respect of shorehandling.

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(b) The stevedoring category of the Throughput Fee will be calculated as ten per cent (10%) of the stevedoring charges actually paid by Users for services provided by NSBT, in accordance with the Operations Rates in Annex 2 net of any deductions and commercial rebates.

(c) The shorehandling category of the Throughput Fee will be calculated as ten per cent (10%) of shorehandling charges actually paid by Users for services provided by NSBT, in accordance with the Operations Rates in Annex 2 net of any deductions and commercial rebates.

(d) The Throughput Fees will be payable in respect of the actual Tonnage of Cargo handled and charges actually paid to NSBT in arrears at the end of each month, beginning on the first day of the month following the Effective Date.

(e) NSBT will provide SLPA with a statement of the actual volume of Cargo handled in Tonnes for each Vessel Call during the month, within seven (7) Business Days after the end of each month. SLPA will issue an invoice to NSBT for payment of Throughput Fees within seven (7) days of receipt of the monthly statement of throughput. The Throughput Fees will be paid to SLPA not later than fifteen (15) days from the date of receipt of the invoice.

(f) SLPA shall inform NSBT about any discrepancies between their figures and statements issued by NSBT and they shall reconcile any differences between them prior to SLPA issuing an invoice. Any undisputed amounts will be settled in accordance with Clause 5.4(e).

5.5 **Storage Fees**:

(a) NSBT will pay SLPA a storage fee of forty per cent (40%) of the storage fees charged to Users at the Operations Rates in Annex 2 (the "**Storage Fees**"). The Storage Fees payable to SLPA shall be calculated on the basis of actual fees paid by the Users net of all deductions and commercial rebates.

(b) NSBT will provide SLPA with a statement of actual storage fees collected during each month, within seven (7) Business Days after the end of each month. SLPA will issue an invoice to NSBT for payment of Storage Fees within seven (7) days of receipt of the monthly statement. The Storage Fees will be paid to SLPA not later than fifteen (15) days from the date of receipt of the invoice.

(c) SLPA shall inform NSBT of any discrepancies between their figures and statements issued by NSBT and they shall reconcile any differences between them prior to issuing an invoice.

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6. OPERATIONS RATES

6.1 NSBT shall ensure that the Operations Rates shall be in accordance with Applicable Law and competitive within the Port and with other competing Ports having similar facilities in the Guinea-Liberia range.

6.2 In the event of an Emergency, NSBT will maintain a dialogue with SLPA in relation to the Operations Rates applicable to 'staple commodities' and may adjust the level of such for the duration of any Emergency provided always that the Operations Rates (are no less than the minimum levels contained in Annex 2) or cover all of NSBT's costs including a profit margin.

6.3 NSBT shall charge the Operations Rates for the Operations in accordance with Annex 2 with effect from the Execution Date.

6.4 NSBT will not increase the Operations Rates for the first three Operating Years. However, NSBT may request for a review of tariff if annual inflation exceeds 10% based on CPI.

6.5 Following the first three Operating Years, NSBT may change its tariff or adjust the Operations Rates it charges in consultation with SLPA and NCP and such request/approval shall not be unreasonably delayed and withheld.

6.6 The adjustment for the Operations Rates will be calculated in accordance with the following formulae to reflect the percentage change in the Consumer Price Index for Sierra Leone ("**Index**"):

$$\mathrm{NR} = \left[1 + \left(\frac{\mathrm{NI} - \mathrm{OI}}{100}\right)\right] \times \mathrm{IR}$$

where -

NR is the new rate to be effective from 1 January of the new Operating Year;

NI is the Index published for the December immediately preceding the new Operating Year.

OI is the Index published for the previous December; and

IR is the initial rate for the current Operating Year.

6.7 Sales tax and other taxes shall be added to the Operation Rates as required in accordance with Applicable Laws. It is understood that there is no GST levied upon the Operations Rates for rice.

6.8 Income from the Operations Rates shall accrue directly to NSBT without any collection, deduction or set-off by SLPA or any other body in a local bank account.

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6.9 NSBT shall at all times publish the Operation Rates and any other charges and conditions of the Operations as directed by the Regulator, and shall promptly make such information available upon request by any Person.

7. HARBOUR DUES – TONNAGE CHARGES

7.1 It is hereby agreed between NSBT and SLPA that, NSBT will be entitled to collect and retain ninety per cent. (90%) of all harbour dues/tonnage charges for all the Vessels and Cargoes handled by NSBT within the Area of Operations with the remaining ten per cent. (10%) of all harbourdues/tonnage charges to be paid to SLPA.

8. OPERATIONS

8.1 Interruption to NSBT Operation

The Parties shall ensure that NSBT's performance of the Operations shall be as continuous and without Interruptions as is reasonably practical. NSBT shall maintain records of the number, duration, location and extent of all Interruptions. If the performance of the Operations is adversely affected by Interruptions during an Operating Year, the KPI's shall be reduced by a pro-rata percentage of the number of days that an Interruption prevented Operations over three hundred and sixty five (365) days, provided that for the purposes of this Clause, any Interruption for less than twenty four (24) consecutive hours shall not be taken into account when assessing whether an Interruption has occurred unless there have been Interruptions for a period of seventy two (72) cumulative hours in an Operating Year, in which case all time amounting to an Interruption shall be taken into account when assessing the KPIs. Any of the events described as an 'Interruption' caused by the negligence or wilful misconduct of NSBT shall not amount to an Interruption for the purposes of this Agreement.

8.2 Evaluation of NSBT Performance

NSBT will provide monthly reports to SLPA based on the KPIs to be agreed between the Parties.

8.3 Peaceful and Quiet Enjoyment

SLPA covenants that NSBT shall, subject to its compliance with the terms and conditions of this Agreement, peacefully and quietly hold, occupy and enjoy the Area of Operations. In the event that any third party, Party or Affiliate of a Party other than Affiliates of NSBT, conducts activities or presents claims which interfere with NSBT's peaceful and quiet possession and enjoyment of the Area of Operations or NSBT suffers any claims, causes of action, damages, or losses which may accrue and arise from the acts or omissions of any other third party, Party or Affiliate of a Party having a right of use over the Area of Operations prior to the Effective Date, SLPA shall indemnify, defend, and hold harmless NSBT from and against any such claims.

8.4 **Common Areas**

SLPA shall grant to NSBT for the benefit of NSBT and its employees, contractors, Users and invitees during the Term, the non-exclusive right to use, in common with others entitled to such use (including SLPA), the Common Areas as they exist from time to time, subject to all rights reserved by SLPA hereunder and in accordance with the terms of all rules and regulations promulgated from time to time with respect thereto. NSBT shall not use the Common Areas in any manner that is inconsistent with NSBT's permitted use of the Area of Operations nor in any manner that unreasonably interferes with the use of the Port by other occupants or Users of the Port.

8.5 **Access to Other Property**

Subject to Applicable Law and SLPA's prior written approval, such approval not to be unreasonably conditioned, delayed or withheld; NSBT 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 Area of Operations other than those granted to NSBT in order to perform its obligations hereunder, including without limitation the performance of the Operations.

8.6 **Latent Defects**

SLPA shall remedy any Latent Defects which fall under SLPA's responsibilities under this agreement and impair NSBT's use of the Area of Operations and the performance of its Operations within thirty (30) days of NSBT advising such defect to SLPA in writing. If SLPA fails to remedy such Latent Defects within such thirty (30) day period NSBT will have the option to carry out required repairs and deduct any costs incurred from payments due to SLPA.

The areas under SLPA's responsibility will include:

- All Common Areas;
- The Berths and aprons; and
- Other structures as agreed between the Parties.

9. **GENERAL OBLIGATIONS OF NSBT**

9.1 **Proper Conduct of Operations**

NSBT shall conduct the Operations in a proper, efficient and workmanlike manner and shall not do, cause or willingly permit any act or omission that may materially adversely affect such Operations. It shall observe all reasonable directions it may receive from SLPA regarding its method of Operations and the equipment used, if SLPA reasonably considers such directions to be necessary for the safe performance of the Operations.

9.2 **Prevention of Nuisance and Pollution**

NSBT shall comply with Applicable Law in order to minimise any nuisance, waste and/or pollution by equipment operated by NSBT. It shall not do, cause or willingly permit any act or omission that may damage or contaminate the Area of Operations, the Facilities, workshop or the environment. NSBT shall in all respects comply with Applicable Laws with respect to the environment. NSBT shall be responsible for any violation of Applicable Law and damage or contamination of the Area of Operations directly caused by the Operations after expiry of the handover period referred to in Clause 2.2.

9.3 **Inspection and Access**

NSBT shall permit SLPA and its designated representatives and agents during NSBT's working hours to enter and inspect the Area of Operations, the Facilities and the workshop for the purpose of verifying NSBT's compliance with this Agreement and any other requirements in accordance with Applicable Law provided that any such visit shall not unreasonably interfere with NSBT's performance of the Operations.

9.4 **Prevention of Damage Caused by Cargoes**

NSBT will not allow any Cargo that may cause damage to the Area of Operations and/or Facilities or other property of SLPA to be handled or stored at the Area of Operations without proper precautions and the prior consent of SLPA, such consent not to be unreasonably conditioned, delayed or withheld.

9.5 **Maintenance of Cargo Handling Equipment**

NSBT shall maintain all cargo handling equipment and machinery in accordance with Prudent Industry Standards and ensure it is maintained in good working condition. SLPA reserves the right to require NSBT to repair or remove from the Area of Operations any such machinery or equipment which SLPA reasonably considers unsafe for the Operations, or hazardous to its property. Written notice for repair or removal shall be delivered to the authorised representative of NSBT and such notice shall be effective upon delivery.

9.6 **Labour**

NSBT is at liberty to select its own permanent employees and casual labour, such selection may include employees from a pool currently employed by SLPA, in accordance with Applicable Law.

9.7 **Reporting**

NSBT will provide SLPA with monthly reports in relation to agreed KPI's. Such reports will include:

(a) type and volume of Cargo handled;

(b) average Vessel Call time;

(c) number and types of Vessels handled; and

(d) accidents and Injuries (if any).

9.8 **Taxes**

(a) NSBT shall pay all taxes, levies, duties, withholdings, and any other sums required to be paid by it in accordance with Applicable Law.

(b) NSBT may be entitled to apply to the relevant Authority for exemption of any tax, duties, and/or levies on importation of its bagging equipment, handling equipment, operational vehicles, tools, spare parts, and materials necessary for the performance of the Operation. SLPA may give all necessary support for any such application under Applicable Laws.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 SLPA's Representations

SLPA represents, warrants and undertakes that:

(a) it is a public authority duly constituted and validly existing in accordance with the laws of Sierra Leone;

(b) it has obtained all Authorisations that are required in accordance with Applicable Law to enter into this Agreement and therefore has all necessary power and authority to execute, deliver and perform its obligations under this Agreement;

(c) it is free to enter into this Agreement and grant NSBT the rights granted under it and is not subject to any disability, restriction or prohibition which might prevent it from performing or observing any of its obligations in accordance with this Agreement;

(d) it shall, at all times, keep the Port open to berthing and un-berthing of Vessels so that the Area of Operations may be accessible by sea and by land for use by the Users and by NSBT for the performance of the Operations; SLPA shall maintain a minimum depth of 8 meters at Berth 1 and 9 meters at Berth 2 at all times in order to ensure that maximum utilisation can be achieved;

(e) throughout the Term , the Area of Operations is fit for the purpose of the Operations in accordance with this Agreement; that throughout the Term. NSBT shall have and enjoy peaceful and quiet use of the Area of Operations:

(f) throughout the Term, there are no third party rights directly or indirectly affecting Operations and that any third party liabilities shall be SLPA's sole

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responsibility and SLPA shall hold NSBT harmless for reason thereof and NSBT shall not incur any liabilities for these;

(g) it shall allocate the total volumes Cargoes in accordance with Clauses 3.4and 5.3 and maintain and enforce the exclusive nature of the Exclusive Area throughout the Term;

(h) it shall ensure that their personnel shall not unreasonably delay or interfere with the Operations of NSBT or its personnel in carrying out their duties;

(i) it shall ensure the timely and efficient provision of pilotage, towage, navigational aids, mooring and unmooring of vessels, vessel traffic management systems and such other marine services as required by Vessels calling at the Port are provided throughout the Term;

(j) throughout the Term, (i) it shall provide reasonable assistance to NSBT in its efforts to obtain and keep in force any relevant Authorisations required to be obtained or maintained by NSBT, and (ii) provide NSBT with any Authorisation it deems necessary for the performance of the Operations;

(k) it will grant NSBT full access to all covered and open storage areas and buildings allocated within the Area of Operations from the Effective Date as identified in Annex 1. Such areas will be handed over to NSBT in vacant, clean and uncluttered condition. NSBT will have no responsibility in relation to any arrangements that may have been in place for all storage areas prior to NSBT taking over the Operations.

(l) it warrants that the ship unloader which is located at Berth 2 will be stored away from the quayside when it is not in operation and will not impede access or operations of NSBT; and

(m) it will remain responsible for the maintenance of all Common Areas, the Berths and aprons, and any other structures as agreed between the Parties.

10.2 **NGL/NSBT'S REPRESENTATIONS**

NGL represents and warrants that:

(a) it has formed a special purpose vehicle (SPV) by shares incorporated and existing in accordance with the laws of Sierra Leone in order to perform its duties in accordance with this Agreement;

(b) it is not aware as at the Effective Date of anything within its reasonable control which might or will materially adversely affect NSBT's ability to fulfil its obligations in accordance with this Agreement;

(c) it has all necessary power and authority to execute, deliver and perform its obligations in accordance with this Agreement and that it has obtained all necessary authorisation to execute, deliver and perform this Agreement,

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including but not limited to any Authorisations to be obtained from any third party or Governmental Authority; and

(d) it is financially solvent, able to pay its debts as they fall due and possesses sufficient working capital to perform its obligations hereunder.

11. FIRE AND SAFETY

11.1 Precautions

The following shall be kept clear and unobstructed at all times:

(a) the initial three (3) metres from the face of any Berth, except for immediate lifting or landing of Cargo during normal Operations and;

(b) life-saving and fire fighting equipment.

11.2 Location of Safety Equipment

NSBT shall ensure that its servants or agents are familiar with the location of emergency telephones, fire-alarm boxes and fire-fighting equipment and that they can operate them efficiently. NSBT shall procure that its staff comply with this provision.

11.3 Restriction on Flammable Substances

(a) NSBT shall obtain prior written permission from SLPA for the handling of any flammable substances other than those required for the operation or maintenance of such mechanical equipment as NSBT may require for the proper and safe performance of its Operations.

(b) SLPA shall not grant permission until arrangements, satisfactory to SLPA, have been put in place for the safe handling, housing and storage of such substances, however such permission shall not be unreasonably conditioned, delayed or withheld.

(c) Notwithstanding the above, NSBT shall be entitled to deal with or hold flammable substances in buildings that are specifically designed for the handling, housing and storage of such substances (e.g. flammable liquids or liquefied petroleum gases).

11.4 Exception to Restrictions

This obligation upon NSBT contained in Clause 11.3 above shall not apply to any flammable substance that is:

(a) included in any inbound or outbound Cargo, the handling of which is dealt with by an applicable SLPA By-Law;

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(b) within the fuel tank of a vehicle used to haul Cargo to and from the Berths and other part of the Area of Operations; and

(c) within an underground tank which has been installed on SLPA's property to the satisfaction of SLPA.

11.5 **Dangerous Cargoes**

NSBT shall not handle Dangerous Cargo at the Facilities without the prior written consent of SLPA.

11.6 **Compliance with SLPA's Requirements**

NSBT shall comply with all requirements of SLPA with respect to fire protection and safety.

12. LOSS, DAMAGE AND REPAIRS TO AREA OF OPERATIONS AND FACILITIES

12.1 **NSBT's Responsibility**

(a) Subject to Clause 2.2, SLPA shall hold NSBT responsible for all direct losses of, or damages caused to, the Area of Operations by the negligence or wilful misconduct of NSBT, its employees or authorized agents or equipment under its control while occupying or using the Area of Operations for the performance of the Operations.

(b) NSBT shall not be responsible for any indirect or consequential damages such as loss of revenue, loss of profit, loss of business.

(c) NSBT shall report any losses or damages to the Area of Operations as soon as it becomes aware of such to SLPA during the Term.

12.2 **NSBT's Responsibility for Repairs**

(a) In the event of loss or damage to the Area of Operations, arising as a direct result of NSBT's, its agent's or subcontractor's negligence or wilful misconduct during the performance of the Operations, NSBT shall make good the loss or the damage at its own cost either with its own resources or by a third party. Repairs shall be carried out to the reasonable satisfaction of SLPA and within reasonable time limits.

(b) NSBT will provide routine maintenance allowing for normal wear and tear during the Term to warehouses No 1 and No 1A, the Paint Shed located towards Leocem and three (3) buildings behind shed 1 as outlined in Annex 1, except major structural repairs which shall be undertaken by SLPA.

12.3 **SLPA's Responsibility for Repairs and Maintenance**

(a) SLPA shall maintain the Area of Operations in good working condition and repair and shall remedy defects which impair NSBT's use of the Area of

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Operations or the performance of the Operations within thirty (30) days of NSBT advising such defects to SLPA or as agreed between the Parties.

(b) SLPA shall remain responsible for maintenance of all Common Areas, the Berths, aprons, and other structures agreed between the Parties to ensure that these areas are kept in good condition which at all times will allow NSBT to carry out Operations in accordance with this Agreement.

(c) If SLPA fails to remedy any defects which impair NSBT's ability to carry out Operations in accordance with Clause 12.3(a), NSBT in writing within thirty (30) days from the date of such advice, NSBT will have the option to carry out such repairs at a reasonable cost and deduct such cost from payments due to SLPA. Prior to carrying out such repairs NSBT to get prior approval from SLPA for cost of repairs, such approval not to be unreasonably conditioned, delayed or withheld.

(d) Should SLPA consider it necessary that replacement of, reconstruction of, or repairs to all or any portion of the Area of Operations or of any adjoining property be carried out, NSBT shall cooperate in allowing such repairs to take place to the extent that it does not interfere with the performance of the Operations. In the event of restrictions on use of the Area of Operations that interfere with the performance of the Operations, the Parties shall agree a time period for such activity and it is agreed that such may be considered as an Interruption and there will be an appropriate reduction in fees payable to SLPA for the period that the restriction is in place.

13. SECURITY

13.1 NSBT shall be responsible for the security and safety of the Operations, its servants, agents, and invitees, as well as for the Cargo it handles and stores while within its custody in the Exclusive Area.

13.2 NSBT shall implement appropriate Health and Safety (H&S) procedures within the Area of Operations. NSBT shall be free to refuse to provide any Operation to Users if it reasonably considers that such Operation cannot be performed in accordance with the established H&S requirements.

13.3 NSBT shall allow SLPA security officers and their representatives to inspect the Facilities and the workshop.

13.4 NSBT shall at all times throughout the term take measures in accordance with Prudent Industry Standards so as to prevent fire hazards and ensure the safety of the Cargo. NSBT shall engage the services of a security guard company at the Facilities having due regard to the security and safety of the Facilities.

13.5 SLPA shall remain responsible and overall in charge of security and safety at the Port and the Area of Operations including but not limited to compliance with the International Ship and Port Facility Security Code (ISPS Code).

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14. INSURANCE

14.1 Liability Insurance

NSBT shall provide copies of certificates of insurance to SLPA prior to the Effective Date, from a reputable insurance company evidencing it carries stevedores' liability insurance, third party and public liability insurance.

14.2 Indemnity

NSBT shall indemnify and hold harmless SLPA against and from all actions, claims, demands, proceedings, costs, expenses or fines of any nature by third parties arising against SLPA at any time that are directly connected with the negligence or wilful misconduct of NBST in performance of the Operations under this Agreement. It is nevertheless agreed that NSBT shall have no such liability, or none to the extent that, such results from the contributory negligence or wilful misconduct of an officer or servant of SLPA while acting within the scope of his duties of employment.

15. UTILITIES

Notwithstanding any other conditions contained in this Agreement if while carrying out Operations in accordance with this Agreement NSBT uses electrical power or water or any combination of these utilities or any other utility supplied through SLPA's equipment, systems or subsystems, NSBT acknowledges and agrees that SLPA shall not be liable for any loss or damage that may occur in the event there is an interruption or cessation in the provision of these utilities. NSBT shall pay for those quantities of utilities consumed with the Exclusive Area in accordance with the prevailing utility supply tariff.

16. CONSTRUCTION OF AN ADDITIONAL BERTH

In the event that additional berthing facilities (the "**Additional Berth**") are to be constructed in the Port, the following shall occur;

(a) the Exclusive Area shall not be amended; and

(b) No adjustments to the License fees will be applicable.

17. LICENCE TO OPERATE AND ISSUE OF OTHER LICENCE

17.1 Threshold for Additional Berth

SLPA hereby irrevocably undertakes that it shall not issue a third licence to another party to perform the operations similar to Operations handled by NSBT during the Term unless the Tonnage handled by NSBT at the Berths exceeds nine hundred thousand (900,000) Tonnes per annum for a period of two consecutive Operating Years.

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17.2 **New Licence**

(a) On or after NSBT handling in excess of nine hundred thousand (900,000) Tonnes per annum for a period of two consecutive Operating Years, SLPA shall have the right to grant another licence (the "**New Licence**") to another party, (the "**New Licensee**") to perform operations similar to the Operations handled by NSBT at the Additional Berth and additional area of operations in addition to the licences granted to the Existing Licensee and to NSBT. The terms and conditions of the New Licence shall be no more favourable than those contained in this Agreement.

(b) In the event SLPA grants a New Licence to a third party:

(i) SLPA shall inform NSBT in writing of the New Licence no later than three (3) months before the New Licensee is authorised to start its own operations.

(ii) The New Licensee shall as a minimum have the same obligations as those of NSBT pursuant to this Agreement, including but not limited to:

(A) the obligation to pay a throughput fee at a rate which shall not be less than the rate applicable to NSBT;

(B) the obligation to pay an annual fee (the "**New License Fee**") at a rate which shall be no less than the licence fee paid by NSBT; and

(C) the obligation to pay a storage fee at a rate which shall be no less than the storage fee paid by NSBT.

(c) Upon execution of the New Licence, the New Licensee shall pay the New Licence Fee for the period starting on the Effective Date of the New Licence and ending on the expiration of the New Licence Agreement.[•]

18. **FORCE MAJEURE**

18.1 **Definition**

For the purpose of this Agreement, Force Majeure means any act that:

(a) either renders it impossible for, or has a material adverse effect on, the affected Party's ability to comply with its obligations in accordance with this Agreement;

(b) is beyond such Party's reasonable control and not due to its fault or negligence; and

(c) could not have been prevented or avoided by such Party through the exercise of due diligence.

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18.2 **Scope**

Subject to the satisfaction of the foregoing conditions, Force Majeure will include without limitation:

(a) severe, adverse weather conditions including but not limited to storms or floods;

(b) natural disaster including but not limited to earthquakes, drought or landslides

(c) epidemics;

(d) wars (declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, rebellion, military action, civil disturbances, revolts, insurrections, civil commotion, public disorder, riots, sabotage or terrorism

(e) strikes, labour disputes, industrial action, boycotts, labour disruptions or industrial disturbances in Sierra Leone that are not due to the breach of any labour agreement by the Party claiming Force Majeure;

(f) fires or explosions, chemical or radioactive contamination or ionizing radiation;

(g) other Acts of God;

(h) actions or omissions by a Governmental Authority that were not induced or promoted voluntarily by the affected Party or were not caused by a non-compliance with its obligations in accordance with this Agreement or Applicable Law;

(i) the inability of the affected Party despite its reasonable efforts to timely and correctly obtain any permit that enables such Party to meet its obligations in accordance with this Agreement,

(j) pollution that was not caused by the non-compliance of the Party claiming Force Majeure with its obligations in accordance with this Agreement or Applicable Law;

(k) Judgment or order of a court of competent jurisdiction or statutory authority in Sierra Leone having a material adverse effect on the affected Party; or

(l) expropriation, compulsory acquisition, takeover, nationalisation, requisition or confiscation of the whole or any part of, the Area of Operations or NSBT's cargo handling equipment or machinery, by any Governmental Authority or sanctions imposed on NSBT by GOSL or other Governmental Authority under any Applicable Law.

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18.3 In the event that a Party cannot perform its obligations in accordance with this Agreement due to an event of Force Majeure, such Party shall be excused from the performance of such obligations and shall not be considered to be in breach of this Agreement, from the date on which such event of Force Majeure has commenced and until a reasonable period of time after cessation thereof. The Parties shall consult with each other in the event of Force Majeure and shall take all reasonable steps to minimise any losses resulting there from. The affected Party shall resume the performance of its obligations as soon as practicable after such event of Force Majeure has ceased.

18.4 The Party affected by the event of Force Majeure shall as soon as practicable provide written notice to the other Party of the occurrence of such event of Force Majeure, an estimate of the duration of such event, the reasons for which such Party is unable to perform its obligations hereunder due to such event and a plan to mitigate and remedy such event, if possible. Such Party shall provide the other Party with regular updates of the foregoing information.

18.5 If an event of Force Majeure continues for longer than three (3) consecutive months NSBT and SLPA shall enter into discussions in order to agree on a mutually satisfactory solution. If the Parties fail to reach a mutually satisfactory solution within thirty (30) days of the commencement of discussions the provisions of Clause 25 shall apply.

19. CHANGE IN LAW

19.1 Notification

(a) If a Change in Law occurs, NSBT shall, within thirty (30) days of the occurrence, or NSBT becoming aware of a Change in Law if later, serve a notice (a "**Change in Law Notice**") on SLPA giving details of the Change in Law and details (whether actual or anticipated) of the consequences of the Change in Law on NSBT.

(b) Within ninety (90) days of the date of the Change in Law Notice, NSBT shall provide a further notice to SLPA:

(i) substantiating the Change in Law; and

(ii) providing reasonable evidence of the impact of the Change in Law on NSBT, including details of any increased costs or reduced revenues suffered as a result of the Change in Law.

19.2 Remedy and Compensation

(a) Upon receipt of a Change in Law Notice or a notice under Clause 19.1(b), SLPA shall respond to NSBT by written notice in which it shall confirm either:

(i) that it accepts the contents of the Change in Law Notice, in which case Clause 19.2(d) shall apply; or

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(ii) that it disputes the contents of the Change in Law Notice, in which case Clause 19.2(b) shall apply,

provided that if SLPA has not responded to NSBT within twenty-one (21) days of receipt of the Change in Law Notice or a notice under Clause 19.1shall apply.

(b) If SLPA serves notice under Clause 19.2(a), then either SLPA or NSBT may refer the matters in dispute to an Expert. The Expert shall issue a determination in respect of the matters in dispute in accordance with the terms of appointment agreed upon by both Parties.

(c) Following the issuance by the Expert of a determination:

(i) if the Parties accept the Expert's determination, Clauses 19.2(d) to 19.2(f) shall apply;

(ii) if SLPA notifies NSBT that it rejects the Expert's determination, NSBT, at its sole discretion, shall be entitled to deal with the matter in accordance with the provisions set out in Clause 21 (Applicable Law & Dispute Resolution).

(d) Following either:

(i) service by SLPA of a notice under Clause 19.2(a); or

(ii) a determination by the Expert that a Change in Law has occurred or confirming the impact of such Change in Law on NSBT (as applicable) following a referral under Clause 19.1(b),

SLPA shall effect a remedy in respect of the Change in Law which restores the financial position of the NSBT (by reference to Clause 19.1(b) above) to the position it would have been if such Change in Law had not occurr including, at the request of NSBT, providing all assistance and support to NSBT to liaise with the relevant Governmental Authority to request such Governmental Authority to reverse, grant an exemption in respect of, or otherwise resolve the Change in Law.

(e) If SLPA is unable to effect a remedy in accordance with Clause 19.2(d) within thirty (30) Days, SLPA shall, within ten (10) days of the expiry of such period, propose a mechanism to restore the position of NSBT to the position it would have been if such Change in Law had not occurr (by reference to Clause 19.1(b) above), taking account of all relevant circumstances so as to put NSBT into a neutral financial position deriving neither financial gain nor financial loss as a direct result of the Change in Law, which may include:

(i) without prejudice to Clause 24.2, a right of set off against NSBT's obligation to pay future instalments of the Throughput Fee; or

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(ii) an extension of the Term free of any payments by NSBT to SLPA in respect of the Throughput Fee; or

(iii) a reduction of other amounts (if any) payable by NSBT to SLPA under this Agreement.

(f) NSBT and SLPA shall consult and discuss in good faith and shall use their best endeavours to agree on the appropriate adjustment or reimbursement mechanism within thirty (30) days of receipt by NSBT of a proposal under Clause 19.2(e), failing which NSBT may terminate this Agreement by prior written notice with immediate effect.

20. CONFIDENTIALITY

20.1 Each Party will keep and procure to be kept secret and confidential all confidential information belonging to the other Party disclosed or obtained as a result of the relationship of the Parties in accordance with this Agreement and will not use nor disclose the same save for the purposes of the proper performance of this Agreement or with the prior written consent of the other Party Where disclosure is made to any employee, consultant, sub-contractor, professional advisor or agent, it will be done subject to obligations equivalent to those set out in this Agreement and each Party will use its best endeavours to procure that any such employee, consultant, sub-contractor, professional advisors or agent complies with such obligations. Each Party will be responsible to the other Party in respect of any disclosure or use of any such confidential information by a Person to whom disclosure is made.

20.2 The obligation of confidentiality in accordance with this Clause 20 will not apply to any confidential information which:

(a) is, or becomes (otherwise than as a result of an unlawful disclosure by the Party receiving such information), in the public domain;

(b) the Party receiving such information can demonstrate was already lawfully in its possession at the time of disclosure;

(c) is disclosed to the Party receiving such information by a third party otherwise than in breach of any confidentiality obligation owed to the Party whose confidential information it is; or

(d) must be disclosed pursuant to any law, regulation or court or arbitral order.

21. APPLICABLE LAW & DISPUTE RESOLUTION

21.1 The Parties will use their best endeavours to achieve an amicable settlement of all and any disputes arising out of this Agreement. In case the Parties either fail to appoint an Expert or reach an amicable settlement within sixty (60) days, such disputes shall be referred to arbitration.

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21.2 The Parties may, in appropriate cases agree to refer the matter to an Expert. The Parties shall agree on the period within which the Expert shall conclude the assignment. The cost of using the Expert shall be shared equally and the law governing the amicable settlement is the Laws of Sierra Leone. Where either Party disagrees with the opinion of the Expert, the dispute may be referred to arbitration.

21.3 This Agreement shall be governed by and construed in accordance with Sierra Leonean law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

21.4 The Arbitration shall be conducted in accordance with the rules of arbitration of the London Court of International Arbitration current at the time when the arbitration proceedings are commenced, which rules are deemed incorporated by reference to this Clause.

21.5 **Arbitrators**

The arbitration tribunal shall consist of three (3) arbitrators. Each Party shall nominate one arbitrator in accordance with the UNCITRAL rules and the UNICTRAL shall appoint the chairman of the arbitration tribunal. If a Party has not nominated an arbitrator within thirty (30) Days of service of a request for arbitration in accordance with Clause 1 of the UNICTRAL rules such arbitrator shall be appointed by the LCIA.

21.6 **Place of Arbitration**

The place of arbitration shall be in London or any other place mutually agreed by the Parties.

21.7 **English Language**

The arbitration proceeding, both written and oral shall be held in English.

21.8 **Performance**

During arbitration pending the submission of, or a 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.

22. **NO ASSIGNMENT**

This Agreement is personal to the Parties. Neither Party will assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights or responsibilities in accordance with this Agreement without the prior written consent of the other Party.

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23. NOTICES

All notices or other communications required in connection with this Agreement shall be in English and in writing and addressed for the attention of the persons indicated below and shall be delivered to the address or number provided below:

For SLPA:
Sierra Leone Ports Authority
Queen Elizabeth II Quay,
Cline Town
Freetown, Sierra Leone
Attention: The General Manager
Telephone:
Email:

For GoSL:
Ministry Of Transport and Aviation
Youyi Building, Brookfields
Freetown, Sierra Leone
Attention: The Honorable Minister
Telephone:
Email:

For NCP:
National Commission for Privatisation
Lotto House
OAU Drive, Tower Hill
Freetown, Sierra Leone
Attention: The Chairman
Telephone:
Email:

For the Sponsor (NGL):
Nectar Group Limited
1 Ashton Gate, Ashton Road
Harold Wood, Romford
Essex, RM3 8UF
Telephone: +441708386555
Email: marketing@nectar.co.uk

For the SPV (NSBT):
Nectar Sierra Leone Bulk Terminal
45 Cline Street,Cline Town
Freetown
Telephone: +232-76805253
Email: marketing@nectar.co.uk

23.1 Except as otherwise expressly provided in this Agreement, all notices shall be deemed to be delivered:

(a) if in writing and delivered in person or by courier, on the date it is delivered;

(b) if sent or facsimile transmission, on the date that the sender receives written confirmation of such receipt by the recipient; 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 received or delivered, as applicable, after business hours on a Business Day or on a day that is not a Business Day for the receiving Party on the receiving Party's first Business Day following the date of such delivery or receipt.

23.2 Any Party may by notice change the address, addressee and/ or facsimile number to which such notices and communications are to delivered or emailed.

24. GENERAL

24.1 The Parties will bear their own costs and expenses incurred in connection with the negotiation and preparation of this Agreement.

24.2 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 the Debtor against any future payments that the Creditor is required to make to the Debtor pursuant to the terms of this Agreement.

24.3 Nothing in this Agreement will create, or be deemed to create any tenancy or any other proprietary interest whatsoever in the Area of Operations or any part thereof or create or be deemed to create any partnership or joint venture or relationship of employer/employee between the Parties.

24.4 This Agreement supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement and constitutes the whole agreement between the Parties relating to the subject matter of this Agreement at the Effective Date to the exclusion of any terms implied by law which may be excluded from this Agreement.

24.5 Each of the Parties represents that it has not entered into this Agreement in reliance on any representation, warranty, undertaking or other statement, expressed or implied, oral or in writing, given or made by or on behalf of any Party except in so far as contained in or referred to in this Agreement. This Clause will not apply to any representation, undertaking, warranty or statement made fraudulently or which was induced by fraud.

24.6 Each Party irrevocably and unconditionally waives any right it may have to claim damages for, and/or rescind this Agreement because of breach of any warranty not contained in this Agreement.

24.7 No purported alteration or variation of this Agreement will be effective unless it is in writing and it refers specifically to this Agreement and is signed by a duly authorised representative of each of the Parties to this Agreement.

24.8 No failure of any Party to exercise, and no delay by it in exercising any right, power or remedy in connection with this Agreement (each a "**Right**"), will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other further exercise of such Right or the exercise of any other Right. Any express waiver of any breach of this Agreement may only be given in writing by the waiving Party and will not be deemed to be a waiver of any subsequent breach.

24.9 No Person who is not a party to this Agreement (including any employee, officer, representative or sub-contractor of either Party) will have the right, to enforce any term of this Agreement which expressly or by implication confers benefit to that Person without the express prior agreement in writing of the Parties which agreement must refer to this Clause.

24.10 If any provision in this Agreement or any document to be entered into pursuant to or in connection with it will be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part will to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement or the provision will not be affected so long as the material purposes of this Agreement can be determined.

24.11 During the Term, NSBT will erect lights, signs, placards and advertisements at the Area of Operations, such to be pre-approved by SLPA in writing (such approval not to be unreasonably conditioned, delayed or withheld).

24.12 All rights accrued prior to the termination of this Agreement shall survive its termination.

24.13 The Parties agree to cooperate and act in good faith with each other and provide such information, execute and deliver any such instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party from time to time that are not inconsistent with the provisions of this Agreement and that do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

24.14 NSBT shall comply with all laws applicable to its performance under this Agreement including those dealing with improper or illegal payment, gifts or gratuities. In any event, NSBT represents and warrants that it has not paid, promised to pay or authorized the payment of, and agrees that it shall not pay, promise to pay or authorize the payment of, any money or anything of value, directly or indirectly to any

person (whether a government official or private individual) for the purpose of or where there is a likelihood of illegally or improperly inducing any official or political party or official thereof in obtaining or retaining business, or to take any other action favourable to the Area of Operations, the Operations, SLPA, NSBT, or any third party thereto.

24.15 SLPA shall comply with all laws applicable to its performance under this Agreement including those dealing with improper or illegal payment, gifts or gratuities. In any event, SLPA represents and warrants that it has not received, arranged or agreed to receive, and agrees that it shall not receive, arrange to receive or agree to receive payment of any money or anything of value, directly or indirectly by any person for the purpose of or where there is a likelihood of illegally or improperly inducing any official or political party or official thereof in obtaining or retaining business, or to take any other action favourable to the Area of Operations, the Operations, SLPA, NSBT, or third party thereto.

25. EARLY TERMINATION

25.1 This Agreement may be terminated by either Party prior to the expiry of the Term in any of the following ways:

(a) upon a Force Majeure event continuing for more than three (3) consecutive months and following the failure to reach a mutually satisfactory solution in accordance with Clause 18.5;

(b) immediately upon written notice from NSBT to SLPA in the case of a Change in Law in accordance with Clause 19.2(f);

(c) by either Party with immediate effect by serving a written notice of termination to the other Party, if one Party is in material breach of this Agreement and fails to remedy such breach within thirty (30) days of receiving notice from the first Party in writing specifying the breach and requiring that it be remedied. If the Parties fail to reach an agreement on either whether a breach is a material breach or whether such has been effectively remedied, such dispute shall be dealt with in accordance with Clause 21 prior to either Party being able to serve a written notice of termination.

26. INDEMNITIES & LIABILITIES

26.1 NSBT shall indemnify, defend, and hold harmless SLPA, from and against any and all liabilities, losses, expenses, and claims for personal injury or property damage or any penalties or fines imposed on SLPA that arise from or out of NSBT's negligent acts or omissions in the performance of its obligations in accordance with this Agreement. Without limitation to the foregoing, NSBT shall indemnify and keep indemnified SLPA for any breach by NSBT of any of the terms, representations and warranties contained in this Agreement.

26.2 SLPA shall indemnify, defend, and hold harmless NSBT, from and against any and all liabilities, losses, expenses, and claims for personal injury or property damage or any penalties or fines imposed on NSBT that arise from or out of SLPA's negligent acts or omissions in the performance of its obligations in accordance with this Agreement. Without limitation to the foregoing, SLPA shall indemnify and keep indemnified NSBT for a breach of any of the terms, representations and warranties contained in this Agreement.

26.3 Neither Party or Confirming Party shall be liable to the other Party or Confirming Parties in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages.

27. WAIVER OF SOVEREIGN IMMUNITY

BOTH parties hereby irrevocably and unconditionally agrees that the execution, performance and delivery by each Party of this Agreement shall constitute a private commercial transaction entered into entirely in its commercial capacity, and to the extent that it, or any of its assets has or may hereafter acquire any right of immunity, whether characterised as sovereign immunity or otherwise, from any legal proceedings, whether in Sierra Leone or elsewhere, to enforce any liability or obligation related to or arising from this Agreement, including, without limitation, immunity from service of process, immunity from jurisdiction or judgement of any court or tribunal, immunity from execution of a judgement, or from attachment in aid of execution upon a judgement, it is hereby expressly and irrevocably waives any such immunity and agrees not to assert any such right or claim in any proceedings, whether in Sierra Leone or elsewhere.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF THE DULY AUTHORISED REPRESENTATIVES OF THE PARTIES HAVE HEREUNTO SET THEIR HANDS AND SEALS THE DAY AND YEAR FIRST ABOVE WRITTEN.

SIGNED SEALED AND DELIVERED for and on behalf of the within named **SIERRA LEONE PORTS AUTHORITY** ***("SLPA")***

By Its General Manager – MR. ABU B. BANGURA

SIGNATURE:

DATE: 24/6/15

In The Presence Of:

NAME: Eustace Carrol-Garrick

ADDRESS: 24 Aberdeen Rd Wilberforce

OCCUPATION: Divisional Manager Operations

SIGNAURE: 24/6/15

SIGNED SEALED AND DELIVERED for and on behalf of the within named **MINISTRYOF TRANSPORT AND AVIATION** ***("GoSL")***

By Its Minister – HONOURABLE LEONARD BALOGUN KOROMA

SIGNATURE:

DATE: 24/6/15

In The Presence Of:

NAME: Abu Bakarr Gracw

ADDRESS: Ministry of Transport & Aviation

OCCUPATION: Permanent Secretary

SIGNAURE: 24/06/15

SIGNED SEALED AND DELIVERED for and on behalf of the within named **NATIONAL COMMISSION FOR PRIVATISATION** ***("NCP")***

By Its Chairman – DR. MICHAEL S. KARGBO

SIGNATURE:

DATE: 24/6/15

IN THE PRESENCE OF:

NAME: Mohamed Alie Sesay

ADDRESS: 2 Bontuma Drive

OCCUPATION: Business Analyst

SIGNAURE: 24/6/15

SIGNED SEALED AND DELIVERED for and on behalf of the within named **NECTAR GROUP LIMITED*("SPONSOR")***

BY ITS DIRECTOR – MR. HAN OZTURK

SIGNATURE:

DATE: 24/6/15

IN THE PRESENCE OF:

NAME: Patrick Kanteh

ADDRESS: 19 Woodland EST, Congo Cross, Freetown

OCCUPATION: Consultant

SIGNAURE: 24/6/2015

SIGNED SEALED AND DELIVERED for and on behalf of the within named **NECTAR SIERRA LEONE BULK TERMINAL***("SPV")*

BY ITS DIRECTOR – MR. GUY WILKES

SIGNATURE: Guy Wilkes

DATE: 24/06/15

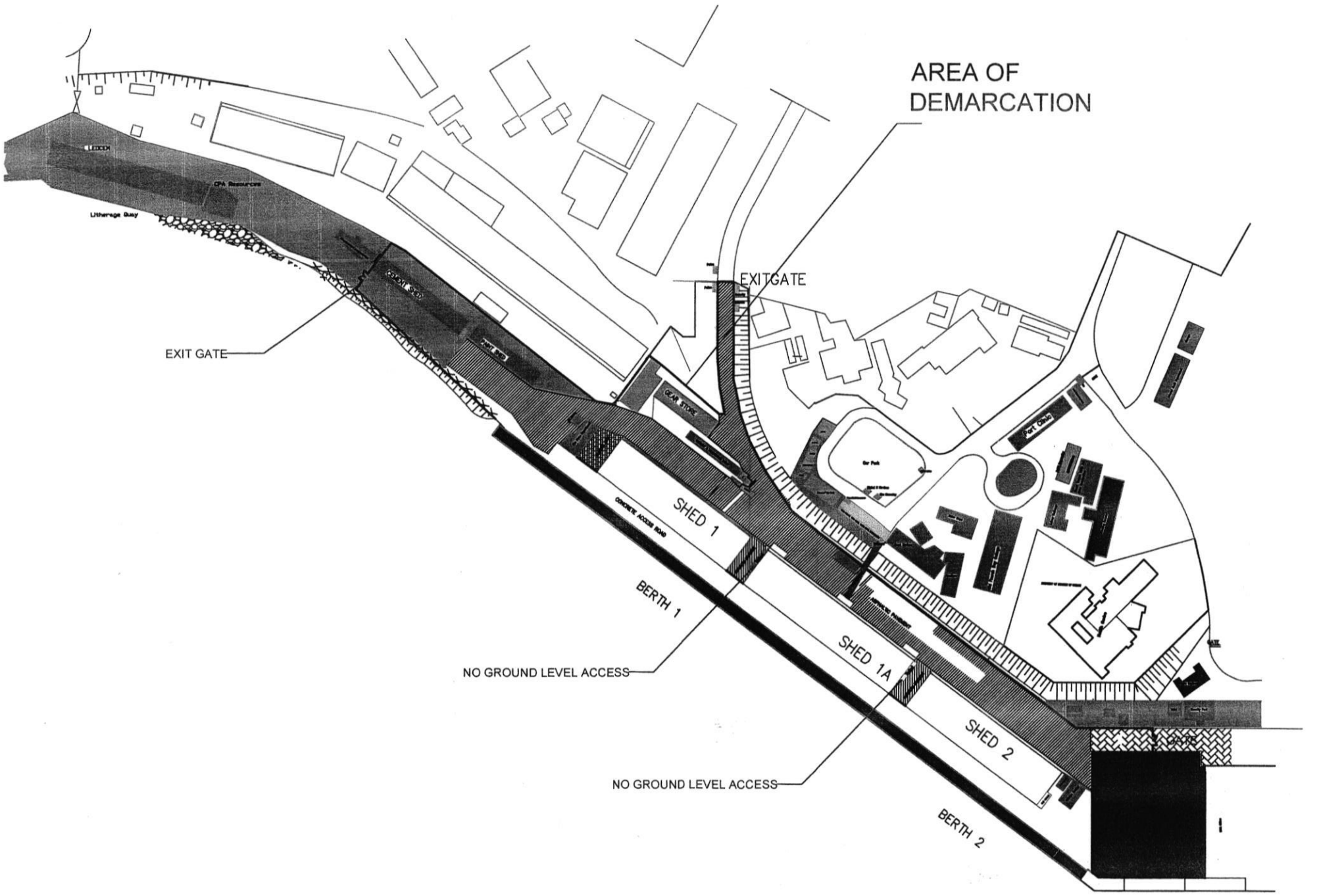
IN THE PRESENCE OF:

NAME: JAMES S. JOHN

ADDRESS: 45 CLINE ST, CLINE TOWN

OCCUPATION: MANAGING DIRECTOR

SIGNAURE: J. S. J


AREA OF
DEMARCATION
EXITGATE
EXIT GATE
SHED 1
SHED 1A
SHED 2
BERTH 1
BERTH 2
NO GROUND LEVEL ACCESS
NO GROUND LEVEL ACCESS

ANNEX 2 – OPERATIONS RATES

STEVEDORING CHARGES (Freetown)

Stevedoring charges in accordance with the table below apply to all Cargo handled at the Area of Operations.

Cargo Category	US$ pmt/m3
Non Unitised – staple commodities (Rice, Sugar, Wheat, Flour Clinker, Cement, Lime)	US$ 3.50
Non Unitised – non-staple commodities (, all other cargoes, etc.)	US$ 9.00
Unitised – staple commodities (Rice, Sugar, Wheat, Flour Clinker, Cement, Lime)*	US$ 3.50
Unitised – non-staple commodities(, all other cargoes .)*	US$ 9.00
Hazardous Cargo	US$ 17.00
Heavy Lift > 5 Tonnes or m3 ≤ 10 Tonnes or m^3	US$ 22.00
Heavy Lift > 10 Tonnes or m3 ≤ 40 Tonnes or m3	US$ 35.00
Project Cargo	US$ 17.00
Quayside bagging (Rice)	US$ 5.50
Quayside bagging (Fertiliser)	US$ 7.00
Mechanical trimming (JCB) per hour	US$ 75.00
Mechanical trimming (bobcat) per hour	US$ 50.00
Passengers Disembarked and embarked	US$ 10.00
Animals and Birds	US$ 2.00

*Unitised = bagged, palletised, pre-slung, bundled rods, wood, steel etc.

1. Above rates include the provision of relevant grabs, wheel loaders, spreaders, slings, and use of ships gear
2. Rates do not include provision of over-weight / over-size lifting equipment
3. For parcels over 40 Tonnes, special quotation shall apply
4. All above rates excludes GST
5. Rates apply per mt or m3 whichever is bigger
6. Bagging charges are applicable for all Cargoes that need to be bagged

SHORE HANDLING CHARGES (Freetown)

Shorehandling and storage charges in accordance with the table below apply to all Cargo discharged from or loaded onto Vessels and stored at the Area of Operations.

Cargo Category	US$ pmt/m3
Non Unitised – staple commodities (Rice, Sugar, Wheat, Flour Clinker, Cement, Lime)	US$ 2.00
Non Unitised - non-staple commodities (, all other cargoes.)	US$ 10.50
Unitised – staple commodities (Rice, Sugar, Wheat, Flour Clinker, Cement, Lime)	US$ 2.00
Unitised – non-staple commodities (, all other cargoes .)	US$ 10.50
Hazardous Cargo	US$ 23.00
Heavy Lift > 5 Tonnes or m3 ≤ 10 Tonnes or m3	US$ 21.50
Heavy Lift > 10 Tonnes or m3 ≤ 40 Tonnes or m3	US$ 33.50
Project Cargo	US$ 20.00

*Unitised = bagged, palletised, pre-slung, bundled rods, wood, steel etc.

All above rates exclude GST

HARBOUR DUES (TONNAGE CHARGES)

*10% on all Harbour Dues (Tonnage Charges) collected must be paid to SLPA

Cargo Category	US$ pmt/m3
Food Items (Break-Bulk)	US$ 1.00
Non Food Items (Break-Bulk)	US$ 2.50
General Cargo	US$ 5.00
Dry Bulk Cargo	US$ 1.25
Heavy Lifts <2.5 Tonnes Per Unit	US$ 20.00
Heavy Lifts >2.5<5.0 Tonnes Per Unit	US$ 40.00
Heavy Lifts >5.0<10.0 Tonnes Per Unit	US$ 80.00
Heavy Lifts >10.0 Tonnes Per Tonne	US$ 20.00
Tonnage Charge per Tonne	US$ 4.00
Hazardous Cargo	US$7.50
Animals and Birds	US$ 0.50
Logs/Timbers (Export)	US$ 1.50

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OTHER CHARGES (Freetown)

Closed Storage & Weighbridge

Charge Category	US$
Temporary Storage (Unitised) (per Tonne per day) up to 3 days	Free
Temporary Storage (Non Unitised) (per Tonne per day) up to 3 days	Free
Temporary Storage (unitised) per tonne per day 4-5 days	US$ 1.00
Temporary Storage (non unitised) per tonne per day 4-5 days	US$ 1.00
Temporary Storage (Unitised) (per Tonne per day) 6-10 days	US$ 2.50
Temporary Storage (Non Unitised) (per Tonne per day) 6-10 days	US$ 2.50
Temporary Storage (Unitised) (per Tonne per day) 11- 15 days	US$ 5.00
Temporary Storage (Non Unitised) (per Tonne per day) 11-15 days	US$ 5.00
Temporary Storage (Unitised) (per Tonne per day) ≥ 16 days	US$ 8.00
Temporary Storage (Non Unitised) (per Tonne per day) ≥ 16 days	US$ 8.00
Weighbridge (per Tonne)*	US$ 0.25

Open Storage & Weighbridge

Charge Category	US$
Temporary Storage (Unitised) (per Tonne per day) up to 3 days	Free
Temporary Storage (Non Unitised) (per Tonne per day) up to 3 days	Free
Temporary Storage (Unitised) (per tonne per day) 4-5 days	US$ 0.60
Temporary storage (non unitised) (per tonne per day) 4-5 days	US$ 0.60
Temporary Storage (Unitised) (per Tonne per day) 6-10 days	US$ 1.20
Temporary Storage (Non Unitised) (per Tonne per day) 6-10 days	US$ 1.20
Temporary Storage (Unitised) (per Tonne per day) 11- 15 days	US$ 3.00
Temporary Storage (Non Unitised) (per Tonne per day) 11-15 days	US$ 3.00
Temporary Storage (Unitised) (per Tonne per day) ≥ 16 days	US$ 5.00
Temporary Storage (Non Unitised) (per Tonne per day) ≥ 16 days	US$ 5.00
Weighbridge (per Tonne)*	US$ 0.25
Forklift Hire (5mt) per hour	US$ 120
Forklift Hire (12mt) per hour	US$130
Heavy Duty Forklift Hire per hour	US$150

All above rates exclude GST.

* Weighbridge charges are applicable for all cargoes handled at the licence area either for direct delivery or indirectly via closed or open storage.

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Delta 1 Anchorage Labour Rates

Charge Category	US$
Gearless Vessels per gang per hour	US$ 50.00
Geared Vessels barge man per gang per hour	US$ 50.00
Geared Vessels crane operators per gang per hour	US$ 140,00

Nitti Harbour Labour Rates

Charge Category	US$
Per gang per hour	US$ 140.00

All above rates exclude GST.

ANNEX 3 – LICENCE FEE TABLE

YEAR	Annual Total Licence Fee in USD
1	80,000
2	112,000
3	156,800
4	203,840
5	244,608
6	293,530
7	337,559
8	388,193
9	427,012
10	469,714

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ANNEX 4 – SCOPE OF SERVICES TO BE PROVIDED BY NSBT

The majority of break bulk cargoes, particularly rice has been handled / imported in pre-bagged form which is both expensive and cumbersome to handle. It also requires a large amount of labour which results in inefficiencies and increased costs for the importers and final users.

Under the development of the terminal, Nectar will introduce more mechanised forms of handling both pre-bagged cargoes and bulk cargoes.

For pre-bagged cargoes Nectar will use a combination of modern spreaders and sling techniques. This will increase the speed and performance for these types of cargoes and reduce damage through dropped or split slings.

For bulk cargoes (such as clinker / Fertilizers / Gypsum) and other free flowing products, Nectar has pioneered a new design of mobile bulk hopper which it has introduced into its operations in Ghana in West Africa. The bulk hopper incorporates many new design features such as a protected working platform for the operator, safety rails for working at height and a protected ladder frame. By placing the operator on a raised platform, not only is he then out of the way of moving trucks, but he can also see when the truck is full and therefore shut off the loading control valve, avoiding spillage and over filling the trailers.

Nectar takes safety very seriously and this equipment is much safer to operate than conventional hoppers. The equipment is also designed to be portable and can be packed as 2 x 20'ft standard containers and 1 x 40' container – allowing the same equipment to be transported on trucks or barges to be utilised at multiple locations thus providing equipment for other facilities in Sierra Leone as and when needed.

Nectar has a variety of other bulk handling equipment such as conveyors both for the quayside and also for warehouse operations allowing the quick transfer of cargo from vessel to shore or from shore to warehouse. Again subject to demand, Nectar will provide sufficient equipment to meet the terminals needs in the years to come.

Nectar regularly builds grabs to its own design and has a fleet of over 100 grabs (3cbm, 5cbm and 8cbm) in operation around the world. Its ability to position extra capacity, replace equipment and also maintain the equipment to a high standard will benefit the terminal at Freetown. Nectar already has such equipment positioned in Freetown. Well maintained grabs increase productivity and discharge speeds.

The Group has invested heavily in recent years in additional handling equipment to improve its discharge and speeds in key markets. In Ghana, Nectar has invested in JCB excavators to assist with trimming hatches and handling the cargo in the vessel where it is walled or difficult to access.

Nectar's JCB equipment is modified with Filtered Air Conditioning so as to protect the worker from any dust or fumes when working in the hold. The equipment has its own re-fuelling system allowing re-fuelling to take place on site and while in operation. Further the JCB has an articulated chassis allowing movement in tight places or hard to access spaces.

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Nectar operates this equipment in conjunction with bobcats (smaller trimming equipment) which results in the ships being trimmed more efficiently and without the need for manual labour. It is safer to use mechanical trimming equipment and is more efficient. By not having lots of labour in the hold, we have reduced the risks of accidents, falls.

All our operators are trained to international standards on how to both use and maintain the equipment. We have sent staff on specific courses for example: Hydraulics, Diesel Engines and general maintenance.

The majority of break bulk cargoes, particularly rice is currently handled / imported in pre bagged form which is both expensive and cumbersome to handle.

The concept of destination bagging has been pioneered by Nectar in many locations around the world for the last 25 years including many countries in West Africa such as Dakar (Senegal), Banjul (Gambia), Abidjan (Cote d'Ivoire), Tema (Ghana), Lagos (Nigeria) as well as Sierra Leone. Nectar first introduced the mobile bagging concept to Freetown over 20 years ago, handling USAID and World Food Programme Shipments at the port under PL480 / Title II aid programs. In more recent times the Group has established a more permanent presence in the port of Freetown through its successful collaboration with Sierra Leone National Shipping Company.

Since 2010, Nectar has successfully handled over 250,000 metric tons of Bulk Rice in Freetown with its machines, providing local employment, training of local staffs and providing receivers with a quality service which has reduced losses, damages and increased efficiencies in the port.

In this time Nectar has invested in both bagging equipment, trimming equipment and other ancillary equipment to ensure that its operation remains the most efficient in terms of discharge speed (Nectar has increased discharge speeds of rice vessels from 600mts per day for pre-bagged cargoes to over 1,500mts per day (daylight working only). In addition Nectar prides itself on the accuracy of the bagged product with an accuracy bag weight guarantee of 0.5%.

If we were to install lighting in the terminal and offer 24hr discharge facilities it is possible to double this discharge to over 3,000mts per day.

Worldwide, Nectar handles millions of tons of cargoes including rice, soya beans, fertilizers, soda ash, and other granulated products in this way.

It is important that the port handling technology operated by the licensee coupled with training and standardised operating procedures will provide significant benefits and savings as outlined above, and will positively affect the volume of rice imported through Freetown in the years ahead.

Nectar will provide and introduce other facilities such as a weigh bridge so that cargo landed can be weighed and recorded properly and all trucks leaving the bulk terminal will pass the weigh bridge enabling customs to accurately collect dues and fees.

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For exports Nectar has relationships with a number of specialist equipment suppliers that can provide mechanised equipment to increase the efficiency and productivity in the terminal. As above bulk exports can be loaded through conveyors and mobile ground hoppers avoiding cargo having to be unloaded on the quay apron.

Although exports form a very small part of the operation presently, it is envisaged that the export terminal should be capable of handling bulk export materials as well as imports.

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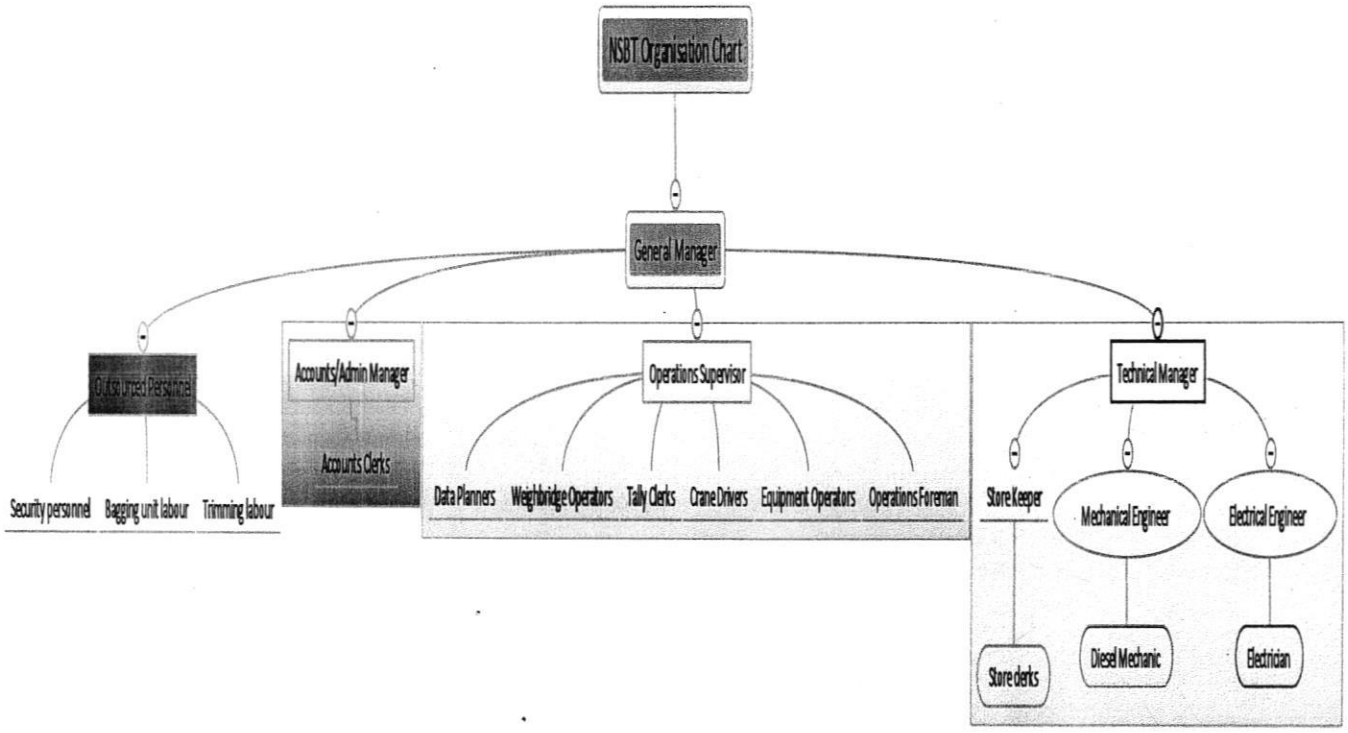
ANNEX 5 – NSBT ORGANISATION CHART



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ANNEX 6 – NSBT DEVELOPMENT / INVESTMENT PLAN

Investments in additional discharge and handling equipment

We propose a phased investment of cargo handling equipment in order to handle cargoes efficiently. A proposed schedule of equipment is outlined below:

Year 1 (2015):

- Upgrade/investment in existing equipment such as slings/pallets etc.
- 2 x bulk hoppers
- 6 x 5 cbm grabs for handling high density cargoes
- 2 x bobcats for trimming purposes (already purchased and in Freetown)
- 3 x Compac Bagging machines (already purchased and in Freetown).
- 2 x JCB diggers
- 5 x 3 ton forklift
- 1 x 28T forklift
- Flood lights
- Upgrade/investment in tools/equipment for Workshop facilities
- 1 x weighbridge
- IT Upgrades

Investments in equipment and facilities including upgrading IT capacity and Workshop facilities amount to US$1.8 million dollars.

As the only manufacturer and operator of Mobile Bulk Handling Equipment, we are in the unique position of being able to build, deliver and operate bulk handling equipment and also bring in extra equipment from our worldwide fleet as and when demand dictates.

In addition to above, we expect to carry out further investment in below areas:

- Training of personnel
- Investment in measures to improve safe working conditions and environment

A tentative investment schedule outlined below for the subsequent years, the level of final requirement will depend on volume and mix of cargo handled. However should the demand and market require further services from the terminal, the Group will look at investing in inland logistics capabilities with local partners and also look at how warehouse and storage facilities can be improved in and around the port. In our proposal we have described some of the recent projects (both logistics and storage) where we have expertise which can be bought and replicated at the terminal in Freetown.

Year of Acquisition	Type of Equipment	Capacity	Number to be Acquired	Unit Cost (US$)	Total Cost (US$)
1	Bagging Units	1,000mts per day	3	281,551.00	844,653.00
1	Bulk Hoppers	1,000mts per day	3	72,000.00	216,000.00
1	Grabs	5cbm	6	12,500.00	75,000.00
1	Bobcats	n/a	2	12,500.00	25,000.00
1	JCB's	n/a	2	50,000.00	100,000.00
1	28mt Forklift	28mt	1	200,000.00	200,000.00
1	5mt Forklift	5mt	5	25,000.00	125,000.00
1	Weighbridge	Not Applicable	1	147,550.00	147,550.00
1	Flood Lighting	Not Applicable	10	20,000.00	200,000.00
1	Slings, Spreaders etc.	Not Applicable	Multiple	50,000.00	50,000.00
1	Mobile Workshop	Not Applicable	1	50,000.00	50,000.00
1	IT and Office Equipment	Not Applicable	Not Applicable	40,000.00	40,000.00

It should be noted that Nectar already has positioned some equipment in Freetown in the form of bagging units and Grabs which are stored at SLNSC compound in Cline Town when not being used in the port. This equipment is used for the present operations in Freetown that Nectar has undertaken in recent years.

The above Investment plan listed is the initial plan and does not include the following equipment which subject to market acceptance and demand along with discussions with SLNSC and SLPA would be considered for further investment through the licence period.

If further investment is needed that requires funding from outside the companies own resources (which can be confirmed by looking at our annual accounts), we have a line of credit with HSBC who we already have a track record with for providing funding for our projects in West Africa.

Year 2 (2016):

- Upgrade/investment in existing equipment such as slings/pallets etc.
- 3 x tractor/mafi units
- 2 x conveyor for stacking bags

Year 3 (2017):

- 1 x Mobile Crane 40 ton capacity (subject to market conditions)

ANNEX 7 – NECTAR HEALTH AND SAFETY POLICY

1. **General Statement**

We as Nectar Group, place a paramount importance on the safety of our operations in the field. We also place a great emphasis on the potential environmental impact of our operations. This policy outlines our commitment to these issues as management.

It is the duty of the NGL management, under this policy, to see that everything reasonably practical is done to provide a safe working environment for the field personnel and minimise any impact to the local environment. We aim to prevent any personal injury to our personnel during the course of operations. We acknowledge that this policy needs the full co-operation of the field personnel, together with the management, for it to be successful.

The field personnel are expected to act responsibly to prevent any injuries to themselves or fellow workers at all times.

The Company Directors and the Projects Team have the main responsibility for implementation of this policy.

The policy will be reviewed at least once a year to reflect the changing circumstances of our business portfolio.

The policy will be monitored by the Projects Team and the field personnel. The field personnel are expected to contribute to the monitoring of this policy by means of operational risk assessments as well as observation of relevant Safety Codes, Practices and Safety Memorandums as issued by the company.

2. **Systems, Procedures and Control**

Safety Training:

<u>The objective:</u>

The main objectives of safety training are as follows:

- To provide field personnel with safe working environment.
- To ensure that the field personnel are aware of safe working practices with tools and appliances.
- To ensure that field personnel are aware of the impact of safe working practices on third parties.
- To guide field personnel in carrying out risk assessments
- If a need arises to dispose of items during the projects, to ensure that environmental impact is taken into consideration in doing so.
- To train personnel involved in our operations, in locations where we operate together and share responsibilities with local authorities, to ensure that safety related

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problems are brought up and followed through until a satisfactory solution is provided to the problem.

Coverage:

Safety training will cover following areas:

- General precautions and safe working practices with the units and machinery.
- Safe operation of units and machinery.
- Safe working practices during repairs and maintenance activities
- Choice and use of appropriate protective equipment/material for work.
- Explanation and implementation of safe working practices issued by the company for different work activities.

Guidance to Safe Working Practices in contained within the following documentation:

1. Code of Conduct for Permanent Personnel
2. Safe Working Practices for Vac Operations
3. Safe Working Practises for Bagging Operations
4. Safe Working Practices for Terminal Operations
5. Operational and Technical Project Briefings
6. Safety Memorandums
7. Task specific safety procedures

Implementation:

Senior Technicians should use the Safety Instructions for Bagging / Vac Ops, as well as their experience, in training junior technicians on Safety related issues.

In permanent locations where terminal operation, equipment maintenance contracts are in place, company representatives and appointed H&S Managers are responsible for implementing specific Safety and Environmental Procedures related to their operation.

The projects Team are responsible for continuous monitoring to ensure that the safety training is administered and adhered to in the field and safe working practises are followed.

Senior technicians are responsible for implementing the practices explained in training sessions thereafter.

Monitoring:

- Field personnel are also responsible for ensuring that the relevant aspects of the safety training are explained to the local or temporary personnel working with them to ensure that they work in an equally safe environment.
- All personnel are required to follow the relevant sections of the Code of Conduct.
- It is important that a representative of our team is present during each stage of an operation from the start to the finish to observe and control all safety related aspects of the operation.
- The results of the Safety Training and Risk Assessment exercises will be continuously reviewed and additions to safe working practices will be announced to the field in the form of 'Toolbox Talks' when necessary.

3. Personnel Protective Equipment

All field personnel are issued with individual PPE kits, which they are responsible for keeping in good condition. Field personnel are instructed to wear the appropriate protective equipment during operations and maintenance activities.

3.1 Head Protection:

(a) Work situations which require head protection to be worn include, but are not limited to:

(i) Working near, or operating, ship's crane or derrick during discharge, whether on board the vessel or on the quayside.

(ii) Head protection should be discarded in the event that the shell is cracked or suspension system is damaged.

3.2 Eye Protection:

(a) Eye protection should be worn whenever there is the potential for eyes to be struck by flying particles, dust etc. Depending on the nature of the task, safety glasses or safety goggles should be used.

(b) Welding or cutting requires use of specific filter shades to protect eyes from injurious light radiation.

3.3 Hearing Protection:

(a) Hearing protection should be worn when working in high noise engine/generator type locations for prolonged periods of time.

3.4 Hand Protection:

(a) Suitable gloves should be worn to protect the hand, depending on the nature of the task carried out.

3.5 Foot Protection:

(a) All technicians are required to wear proper safety shoes/boots during the operations.

3.6 Dust Protection:

(a) All technicians should wear suitable dust protection (dust masks) where there is a risk of inhalation.

4. Accident Reporting and Investigation

All accidents are to be reported immediately to the Projects Team in London.

The field personnel are issued with 24 hour contact numbers of the Projects Team personnel.

Initial reporting should be followed by a written accident report form within the next 12 hours. Pictures should also be taken and forwarded to head office where possible.

Each accident is to be investigated by the Projects Team and safety committee.

In cases where there is injury to the personnel and/or damage to the equipment a surveyor (in consultation with the head office) should be appointed to assess the damage and determine the reasons for the accident. The same procedure applies where an accident happened due to faulty use of cranes, derricks or equipment.

In cases where there is personal injury, the initial reporting should be followed up with an initial and final doctor's report where hospital treatment is involved.

Measures which need to be implemented across the field will be communicated without delay in the form of Safety Memorandums.

5. Emergency Procedures

Before commencing each operation every team is required to establish emergency procedures as follows:

- Establish link of communication with local personnel (agents, contractors, and the ship) in case of an emergency.

- Locate the nearest hospital and/or medical centre; establish how to get there, contact numbers.

Cw MAB

- Establish how to contact other emergency services at the location if required.

6. First Aid

All NGL equipment will contain the following:

- First Aid Kit
- Eyewash Station

7. Environmental Control

A - Design/construction and material:

- Our units are manufactured in such a way that there are not any parts or substances which will deteriorate and cause environmental impact during the lifetime of the machines. Our units are 98 % recyclable.
- Disposable items such as oil, filters and consumables such as paint, brushes etc. should always be disposed of in an environmentally acceptable way.
- Field Technicians are responsible for ensuring that this practice is followed.

B - Dust and Noise Control:

- We endeavour to encourage all personnel to wear protective clothing and/or apparatus provided for the operation to minimise the effects of dust or noise as far as the local practices permit.
- Maintenance of items such as grabs is monitored closely to minimise potential dust problems.
- Teams are expected to ensure that any product spillages with potential for environmental impact are dealt with swiftly, and measures are taken to prevent such spillages from happening.
- The units are to be maintained in accordance with manufacturer's guidelines to minimise any potential noise pollution.

C - Control of spillages

- Any potential spillages of diesel or any other substances which are harmful to the environment to be cleaned immediately using the appropriate means for the task.
- Good house-keeping is a priority for every operation. The emphasis should be placed on the prevention of any potential spillage happening.
- If the need arises, the disposal of environmentally sensitive spares/parts or used items should be done by using a suitable disposal site/service.

8. Monitoring of Safe working Practices

Field personnel are required to conduct regular risk assessment exercises to highlight any shortfalls or problems related to this policy. A generic Risk Assessment (RA) form for NSPW Bagging and Vac Operations is attached to this Policy and will be issued for each operation. Additional local hazards should be assessed, entered on the RA, and controls implemented to minimise the risk of injury, equipment damage and environmental impact. Risk assessments are also in place for task specific operations such as vessel trimming, crane maintenance etc.

(Nectar Mozambique operations (NSPM) are subject to a separate, site specific risk assessment policy.)

Risk assessment forms will be processed and monitored by the members of the Safety Committee and relevant action with regard to any specific risk will be communicated back to the field personnel. The prime responsibility on this issue lies with the Projects Team.

The progress of the safety and environmental policy will be monitored by a Safety Committee. The members of the committee are:

Han Ozturk	Bill Clapp
Jane Conlon	Ian Watts

The committee will normally meet every 6 months. The committee may meet more often if it deemed necessary.

9. Comments

Should personnel have constructive comments or observations, which may be suitable for inclusion into this document, you are invited to provide information back to head office for review through the safety committee. These comments will be reviewed and respective issues resolved accordingly. The projects team and the safety committee will continually monitor operational safety, and update the relevant procedures as required.

ANNEX 8 – EVIDENCE OF FUNDS

HSBC

For the attention of the National Commission for Privatisation

Sierra Leone National Commission for Privatisation

13 April 2015

Dear Sirs,

Re: Nectar Group Ltd

Further to a request from our above mentioned customer, which we are informed has been successful in its bid to win a contract to operate and manage a bulk and break-bulk terminal in Freetown, Sierra Leone, we are able to confirm that:-

1. Nectar Group has been a customer of HSBC Bank PLC since 2010;
2. From our understanding of the investment required to undertake this contract, Nectar Group Ltd has the resources at its disposal to carry out this operation;
3. HSBC Bank PLC has supported Nectar Group Ltd in other projects in West Africa, for example with the purchase of equipment in Ghana;

Yours faithfully,

Rachel L Brown

Rachel L Brown
Relationship Director
For and on behalf of HSBC Bank PLC

HSBC Bank plc
Essex Commercial Centre, Fenton House, 85-89 New London Road, Chelmsford, Essex CM2 0PP
Tel: 08457 60 60 60 Fax: 08455 878156 www.hsbc.co.uk

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