



SIERRA LEONE GOVERNMENT

REF: CONF/JA.160/271/01

FROM: *The Permanent Secretary, Ministry of Agriculture, Forestry & Food Security*

TO : (See Below).

DATE: *26th August, 2010*

Copy: Hon. Minister, MAFFS
Adviser, Private Sector, State House
Representative Gold Tree (SL) Ltd, Musterphar Turay

DRAFT MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE AND GOLD TREE (SL) LTD

I am directed by the Hon. Minister of Agriculture, Forestry and Food Security on the above subject and to re-submit to you the Final Draft Copies of the above Memorandum of Understanding (MOU) and the Sub-Lease for your approval of the issues relating to your Ministry.

These Drafts have incorporated your earlier comments that were made upon submission to you last months.

These final Agreements are expected to be signed on Friday the 3rd September, 2010 and expect that if no comments or reaction is received by Thursday the 2nd September, 2010, your approval will be deemed to have been given and therefore we will proceed to sign.

I count on your usual co-operation.

Edward M. Kargbo,
PERMANENT SECRETARY


ADDRESSED TO:

The Minister of Finance & Economic Development
The Minister of Trade and Industry

Memorandum of Understanding and Agreement

between

The Government of the Republic of Sierra Leone

and

Goldtree (S.L.) Limited

and

Goldtree Holdings

2010

Memorandum of Understanding and Agreement
Dated xxxx 2010

Between

- (1) **The Government of the Republic of Sierra Leone (GOSL)** acting by each of the Ministries of Agriculture, Forestry and Food Security, Finance and Economic Development and Trade and Industry;
- (2) **Goldtree (S.L.) Limited**, a limited liability company established and registered under the laws of Sierra Leone with company Certificate of Incorporation number C/1/373/2007 and with its registered office at 164 Circular Road, Freetown, Sierra Leone; and
- (3) **Goldtree Holdings** a limited liability company established and registered under the laws of Mauritius with a Category 1 Global Business Licence of number C107004791 and with its registered office at 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius (**Goldtree Holdings**).

Recitals

- A Goldtree, which is a subsidiary of Goldtree Holdings, proposes to set up a large scale palm oil plantation, oil extraction mill, refinery and packing plant in and around Daru in Kailahun district (the **Project**);
- B Goldtree intends to distribute the bulk of its future palm oil production to the local Sierra Leone market with a minor proportion for the export market;
- C It is intended by Goldtree that the Project is implemented over ten years period 2010 to 2020 and in two phases, as follows:

	<u>Phase 1:2010 to 2015</u>	<u>Phase 2:2016 to 2020</u>
Smallholder plantings supported	70,000 acres	70,000 acres
Cultivated plantation size:	5,000 acres	12,500 acres
Oil mill capacity:	21 tonnes fruit per hour	21 tonnes fruit per hour
Packaging plant capacity:	2,000 litres oil per hour	2,000 litres oil per hour
Oil refinery capacity		100 tonnes oil per day
Estimated new investment:	25 million US Dollars	40 million US Dollars
Estimated labour and contractors:	2,000	3,000
Estimated contract smallholders	8,000	8,000

- D Goldtree will seek to improve the livelihoods of the local population by establishing a smallholder and outgrower support scheme for the existing 8,000 oil palm farmers and additional new farmers, providing transport for the movement of fruit, building and improving social infrastructure, employing and/or contracting staff and training its workforce;
- E Goldtree has elected to set up its Project in Sierra Leone because of its favourable climatic conditions, the opportunity to improve the efficiency of production, local and regional market demand, and GOSL's commitment to improve the investment climate, the track record of the Goldtree Holdings' shareholders and directors and their experience of doing business in Sierra Leone and in the palm oil sector worldwide;

F Goldtree has finalised the technical and environmental studies which confirmed the feasibility of the Project from the perspective of soil quality, climate and environmental conditions, and transport logistics;

G Goldtree has negotiated land lease agreements covering the project area with GOSL, Chiefdom Councils and landowners of Jawie Chiefdom;

H The European Development Finance Institutions; the Finnish Fund for Industrial Cooperation (Finnfund, Finland) and the Emerging Africa Infrastructure Fund (EAIF), United Kingdom have declared their support for the Project and their intention to participate in its financing; It is anticipated that other European Development Finance Institutions will also provide finance for the Project.

and whereas,

I It is the policy objective of Goldtree to attract large-scale foreign investments to the agricultural sector of Sierra Leone;

J GOSL seeks to promote the expansion of local agricultural production for local and export markets;

K GOSL supports the development of small farmer production and nucleus/outgrower schemes;

L GOSL welcomes labour-intensive industries which provide stable income and training to its workforce;

M GOSL promotes the establishment of sustainable economic centres in rural areas;

Considering:

N GOSL has agreed the Project meets the policy objectives of GOSL;

O GOSL recognizes the expected benefits of the Project in terms of job creation, education, stable income, and infrastructure, as well as the positive indirect effects of a large economic centre in Kailahun district;

P GOSL wants to improve the livelihood of an impoverished rural population which still suffers from the consequences of the civil war and recognizes that the Project will contribute to this;

Q GOSL recognizes the Project will be based on

(i) the provisional business plan attached to this Memorandum; and

(ii) the Environmental and Social Impact Assessment (ESIA) attached to this Memorandum;

R GOSL recognizes the benefits of additional agricultural production and processing capacity;

S GOSL recognizes the contribution the Project is intended to make to the agricultural and other economic sectors in Sierra Leone and that it will indirectly help attract other foreign investments into the agricultural and other economic sectors;

T GOSL recognises a readiness to grant investment incentives in the form of tax holidays and exemption of duties to Goldtree in connection with the Project.

U GOSL and Goldtree have agreed to enter into this Memorandum of Understanding and Agreement, which is intended to have legal effect.

It is agreed as follows:

1

Goldtree in regarding the Project as a pioneer and priority investment in the agricultural sector in Sierra Leone and taking into account its investment promotion policy, GOSL supports Goldtree's development of the Project by:

(i) Recognising the requirement of Goldtree to secure additional funding from investors and lenders; and

(ii) in view of that status, to support the Project by hereby agreeing to the main incentives, exemptions and rights as set out in the Appendix below.

2

Goldtree in consideration of the representations and agreements in this Memorandum agrees, subject to achieving financial close and final investment approval by Goldtree Holdings, to implement the Project according to its Business Plan and to meet all project-related infrastructure capital costs anticipated in that Business Plan, including but not limited to land clearance, earth moving, road construction and improvement, installation of processing plants and a nursery irrigation network and systems, factory installation and fit-out and related civil works, residential and social infrastructure.

3

Goldtree agrees to permit tendering by local suppliers of relevant ancillary services, such as transportation, input supplies, warehousing, engineering and shipping, from time to time on such terms and conditions as Goldtree shall reasonably specify.

4

GOSL agrees that Goldtree's whole business is recognised as an agricultural enterprise and that Goldtree will be granted benefits and incentives at least equivalent to those enjoyed by any other business operating in the agriculture, forestry or bio-energy sectors.

5

Insofar as Goldtree considers it necessary, GOSL agrees this Memorandum will be given further effect to or implemented in further detail by GOSL entering into such further agreements and taking such further action as Goldtree may reasonably request.

6

Those shareholders, their affiliates and others referred to in the Appendix as having the benefit of a right, entitlement, discretion or the benefit of an obligation by GOSL shall have direct benefit of such right, entitlement or, as the case may be, discretion and to enforce such obligation under this Memorandum.

7

This Memorandum is governed and shall be construed in accordance with the laws of the Republic of Sierra Leone and is intended to be legally binding on the parties.

8

This Clause applies to any claim, dispute or difference of any kind between the parties arising out of or in connection with this Memorandum (a Dispute). That includes, without limitation, any question about the Memorandum's existence, validity or termination.

(i) All Disputes shall be referred to and finally resolved by arbitration in London before three arbitrators under the Rules of Arbitration of the International Chamber of Commerce from time to time in force. This Clause incorporates those Rules except where they conflict with its express terms.

(ii) Each party shall nominate an arbitrator in the Request for Arbitration or Answer as the case may be not later than 14 days after service of a written request by either party to do so. The parties must then seek to agree on and nominate a third arbitrator to act as Chairman within 14 days after confirmation of the second arbitrator's appointment. Failing agreement between the parties the two arbitrators already appointed must within 14 days nominate the

third arbitrator. If any of the parties fail to nominate an arbitrator or the two arbitrators already appointed fail to nominate the Chairman, the appointments shall be made by the ICC Court of Arbitration.

- (iii) The proceedings shall be conducted in the English language. All documents submitted in the arbitration shall be in the English language or, if in another language, be accompanied by a certified English translation.
- (iv) None of the parties may appeal to any court on a question of law arising out of an award made in the arbitration. The parties irrevocably waive any rights of appeal they might otherwise have had.
- (v) The award shall be final and binding on the parties or anyone claiming through or under them and judgment rendered on the award may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement as the case may be.
- (vi) GOSL irrevocably and unconditionally:

- (a) acknowledges that the execution, performance and delivery by each Party of this Memorandum shall constitute a private commercial transaction entered into entirely in its commercial capacity;

- (b) agrees that should any other party bring legal proceedings against it or its assets in relation to this Memorandum, no immunity from such legal proceedings (which shall be deemed to include without limitation, suit, attachment prior to judgement, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of itself other than in respect of government buildings located in Sierra Leone or buildings forming part of a diplomatic or consular mission (except to the extent necessary to effect service of legal process); and

- (c) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with such proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings,

and Goldtree irrevocably and unconditionally agrees it shall not be entitled to, and shall not, take any action to enforce a judgement or arbitral award against any bank account held by GOSL (including of any of its diplomatic or consular missions) within a period of 45 days from the date of such judgment or award or such longer period granted to GOSL in the judgment or award to meet the same.

9. Goldtree shall establish a 'Goldtree Foundation' that would be capitalised at \$50,000.00 (Fifty Thousand United States dollars) of Private Donation on the day Goldtree receives the first disbursement also commit 5% of the after Tax profit of Goldtree (SL) Limited.

The Trustees of the "Goldtree Foundation" shall constitute two nominees from Goldtree (SL) Ltd and 3 (Three) by the Government of the Republic of Sierra Leone. The Trustees would have sole responsibility for the grants of the foundation but would respond to proposals and requests from individuals, communities, and companies within the area where Goldtree (SL) is operating. The disbursement will be agreed with Local Committee Representing the area from which the application comes from.

It is expected that the \$50,000.00 plus 5% of after tax profits will be supplemented by third party donations to increase the pool of funds available.

The funds will be applied to promote Corporate Social Responsibilities which would include but not limited to:

- (a) **Out-grower Scheme:** Support to farmers in the form of improved inputs, agric machinery, irrigation and processing facilities, marketing opportunities;
- (b) **Social Infrastructure:** Construction/rehabilitation of educational, health, water and sanitation, recreational facilities, etc;
- (c) **Employment Opportunities:** Management, middle cadre and junior staff levels.

Appendix

- 1 Government support of the Project
GOSL supports the Project and agrees to provide such assistance and enter into such agreements to ensure the successful implementation of the Project and its funding as Goldtree, its shareholders or the funders may reasonably require from time to time.
- 2 Permits
GOSL confirms that Goldtree will be granted all the required permits and other authorisations in connection with the Project and its funding provided that Goldtree complies with all published requirements of the Laws of the Republic of Sierra Leone in relation to such permits or authorisations, the details of which are generally available to the public in Sierra Leone.
- 3 Further Permits
GOSL undertakes that should Goldtree (or any other person taking part or participating in the Project or its funding), at any time, be required to obtain any further permit or other authorisation in connection with itself, its activities or the Project (or any part of the Project) or its funding, it shall take all necessary steps to ensure such permit or other authorisation is issued forthwith provided that Goldtree or, as the case may be, such other person complies with all published requirements of the laws of the Republic of Sierra Leone in relation to such permits or authorisations, the details of which are generally available to the public in Sierra Leone.
- 4 Revocation of Permits
GOSL agrees that any permit or other authorisation will only be cancelled, terminated or revoked, or amended or changed, in accordance with its terms and conditions only (which include the laws and published regulations, the details of which are generally available to the public in Sierra Leone, pursuant to which it was issued).
- 5 Breach of Permits
If Goldtree or other person to whom it was issued fails to abide by any terms of any permit or authorisation, GOSL (or any relevant official or public authority) may exercise any power pursuant to the laws of the Republic of Sierra Leone in respect of such failure. However, GOSL agrees it will not (and will procure that no official or public authority will) exercise any such power unless Goldtree and such other person(s) it shall specify for this purpose have first been given longer of two weeks' and any minimum statutory period of notice (**the Notice**) of such failure and given the opportunity, and failed within a reasonable period of time after receipt of such notice, to rectify, remedy or cure such failure unless, in the opinion of GOSL acting reasonably, there is a significant risk to life or the environment. If there is a significant risk to life or the environment, GOSL shall be entitled to suspend the relevant permit or authorisation for the minimum period of time which could be anticipated as being reasonably necessary for an organisation which is competent, experienced and efficient to prevent such risk occurring.

For the purposes of this paragraph, "reasonable period" means at a minimum period of six weeks from date of delivery of the Notice.

6 Environmental and Social Assessment

The Environmental Licence for the Project will be granted to Goldtree, subject to conditions only which are typical for an Environmental Licence, no later than 6 weeks after the application is lodged unless (a) withheld for one or more lawful reasons which are objectively reasonable for withholding such Environmental Licence under the relevant laws of the Republic of Sierra Leone or (b) Goldtree's environmental management plan (including the ESIA) is not being implemented to a material extent.

7 Expatriates

GOSL agrees that the directors, consultants and employees (including their immediate families) of Goldtree and its contractors and sub-contractors, shall be entitled to:

(a) enter into, leave and reside in Sierra Leone for the purposes of the Project;

(b) work in Sierra Leone (excluding immediate families who are only entitled to apply to work in relation to the same conditions that apply to other expatriates);

(c) opt out of NASSIT pension contributions subject to proof of alternative pension arrangements by the expatriates.

(d) be exempt from personal income tax, subject to the general rules on expatriate taxation as defined in the general benefits laid down in National Investment Incentive legislation for agricultural businesses..

(e) bring into or import, and to export following or in anticipation of the ending of their period of residence or work, such personal and household effects (including one vehicle per family), free of all taxes and all customs duties (other than any prevailing ECOWAS tax which is currently set at 0.5% of the value of the 'applicable goods) but otherwise subject to GOSL's usual terms and conditions being applied and without any discrimination and for the same to be processed through the port of entry or exit, including any customs procedures, without delay, and

(f) subject to the applicable sales duties/tax, sell within Sierra Leone any such effects brought into or imported into Sierra Leone.

GOSL agrees that it shall procure that all relevant officials or public authorities shall deliver without delay all documents, permits and licences required to give effect to the foregoing.

Goldtree agrees that it will comply with all labour laws in Sierra Leone including the General Law (Business Start-Up) (Amendment) Act 2007.

8 Import and export of equipment and materials

GOSL agrees to procure that at all times Goldtree, its contractors, and sub-contractors are entitled to import into and export from Sierra Leone without restriction all seeds, plants, fertilizers, agricultural materials relevant to crop cultivation, plant, equipment, machinery, vehicles, spare parts, materials and supplies required for the construction, completion, operation and maintenance of the Project (or any part thereof), and that each of the same will be processed through the port of entry, including any customs procedures, without delay, unless GOSL considers, acting reasonably, that there is material danger to life, property or the environment arising there from and any restriction

imposed applies equally to all persons in Sierra Leone. GOSL agrees that it shall, and that it shall procure that all relevant officials or public authorities shall deliver without delay all documents, permits and licences required to give effect to the foregoing.

GOSL agrees that the import of any agricultural inputs shall not be subject to any tax or duty whatsoever.

GOSL agrees that all plant, machinery, vehicles and equipment which are not agricultural inputs are eligible for duty free imports for 5 years of operations and Goldtree is allowed to elect the applicable 5 years which must be continuous.

GOSL agrees that all duty waivers to be granted at the time of import and not as a duty claw-back

9

Tax

GOSL shall procure that the following tax treatment will apply to and in respect of Goldtree and the other entities referred to below (but only in relation to an activity connected with the Project):

(a) Goldtree shall be entitled to claim tax deductions in respect of depreciation of its capital assets of the Project from the date of commencement of commercial operations of the Project.

(b) GOSL will exempt from withholding tax interest payments made by Goldtree to other lenders, or indirectly by Goldtree to Goldtree Holdings which is then paid to other lenders, which are at least 20 per cent directly or indirectly owned by a foreign government and which has as one of its primary objectives the provision of development finance in emerging markets (**Qualifying Lender**).

Subject to paragraph 9(d), Goldtree shall otherwise deduct withholding tax at a reduced rate of 5% from interest payments.

(c) Goldtree shall be entitled to an exemption from deduction of withholding tax on 50% of any dividend paid until 2020 provided that Goldtree maintains records of its financial transactions and records relevant to the sale during this period of palm oil and other agricultural products (such records to be retained by Goldtree for 6 years). The remaining 50% of any dividend shall be subject to the withholding tax deduction of 10%. From 1st January 2021 all dividends shall be subject to a withholding tax of 10%.

(d) Payments of rent by Goldtree in connection with any land lease or rights shall be allowable deductions for corporate tax purposes and not subject to any withholding tax. Other bona fide business payments and expenses of Goldtree shall be allowable deductions for corporate tax purposes and not subject to any withholding tax only as explicitly provided in this paragraph 9(d).

GOSL and Goldtree agree that until 31st December 2015, direct head-office costs and management fees, which for the avoidance of doubt excludes payment for goods or services provided by a third party that is not an affiliate of Goldtree or Goldtree Holdings (the "Overhead Allocation") that can be demonstrated to be properly incurred for the specific purpose or benefit of Goldtree's business and reimbursed by Goldtree will be treated as a bona fide business payment and expense representing an allowable deduction for corporate tax purposes and not subject to any withholding tax, subject to (i) the

submission of invoices, and as laid out in a detailed schedule of expenses verified by independent auditors, and (ii) the approval of the board of the directors of Goldtree. After 1 January 2015 any Overhead Allocation over the Overhead Cap will be subject to corporate tax and withholding tax at the applicable rate. The Overhead Cap for each applicable fiscal period will be 6% of Goldtree's revenues (as stated in the audited income statement) provided that it can be demonstrated by Goldtree that each reimbursement up to the Overhead Cap was properly incurred for the specific purpose or benefit of Goldtree's business, and is subject to (i) the submission of invoices, and as laid out in a detailed schedule of expenses verified by independent auditors, and (ii) the approval of the board of the directors of Goldtree.

(e) No company doing business with Goldtree or Goldtree's funders or any affiliate company of Goldtree will be, or be deemed to be, resident, domiciled, carrying on business or otherwise subject to taxation in Sierra Leone solely due to the entering into, delivery, performance or enforcement of any document in connection with any part of the Project of its funding.

(f) Employees of Goldtree, employees of its contractors and employees of their respective sub-contractors shall be subject to tax on their locally received income only and shall be taxed on that income and at a rate no higher than the same rate applied to employees with the same tax status in Sierra Leone of other local companies or, if lower, the rate applied to employees with the same tax status in Sierra Leone of international companies, and for such purpose only shall be treated as tax resident.

(g) Goldtree shall be entitled to an exemption from corporate tax on income received or accrued prior to 31 December 2020. For the avoidance of doubt, any losses accrued during this period will not be entitled to be carried forward beyond 2020.

(h) No amount payable or receivable by Goldtree, its shareholders and their affiliated companies and the funders shall be subject to a transfer pricing adjustment or otherwise which is not consistent with the principles set out in Article 9 of the OECD Model Tax Convention and the OECD Transfer Pricing Guidelines as amended from time to time.

(i) GOSL will not withhold or reject any clearances or consents applied for by Goldtree in respect of tax or duties so long as such clearances or consents are consistent with what is agreed in this Memorandum.

(j) Determination of the taxable basis of Goldtree, which is agreed to by Goldtree and GOSL, will be issued by GOSL before 30 June 2010.

(k) Each of Goldtree's shareholders shall (subject to the provisions of any double tax treaty to which that shareholder may benefit from) be subject to tax in Sierra Leone on any capital gain realised by that shareholder in relation to the Project, including the sale of all or part of the business or the shares of Goldtree. For the avoidance of doubt, a transfer of shares by any person or company (for these purposes, a Seller) of any of shares in any company which owns any shares of Goldtree (for these purposes, an Intermediate Company) will not be subject to capital gains tax in Sierra Leone on any capital gain realised by that Seller by reason of such transfer, provided neither the Seller or the Intermediate Company is resident in Sierra Leone for tax purposes other than solely by reason of the Seller or, as the case may be, the Intermediate Company owning shares of Goldtree,

For the purpose of this Appendix references to "tax" includes all present and future taxes, charges, imposts, duties, levies, customs duties, excise, deductions or withholdings of any kind whatsoever, or any other tax or charge having the effect of a tax, or any amount payable on account of or as security for any of the foregoing, by whomsoever on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto.

- 10 Exchange control GOSL agrees to procure that the Central Bank shall agree at all times (whether by reason of such actions being compliant with the Exchange Control Regulations or otherwise) that Goldtree, its shareholders, the funders to any documents relevant to the development, operation and funding of the Project shall be entitled to:
- (a) receive and make payment in accordance with the relevant document, including outside of Sierra Leone in foreign currency;
 - (b) convert Leones to foreign currency and remit foreign currency outside of Sierra Leone as permitted under the Exchange Control Regulations in force and in respect of the relevant regulations referred to in those Regulations at the date of this Memorandum;
 - (c) maintain Leones and foreign currency bank accounts inside and outside of Sierra Leone and deposit, retain and deal with Leones and foreign currency utilising such accounts; and
 - (d) comply with their respective obligations under the documents relevant to the development, operation and funding of the Project, and GOSL agrees that it shall, and that it shall procure that all relevant officials or public authorities shall deliver without delay all documents, permits and licences required to give effect to the foregoing. GOSL shall procure that the Central Bank shall make available to Goldtree such amounts of foreign currency as are necessary for Goldtree to comply with its obligations under the documents relevant to the development, operation and funding of the Project at the official rate of exchange or, if no such rate exists, the rate at which transactions are legally and customarily effected in accordance with any laws or regulations currently in force in Sierra Leone.
- 11 Water and utilities GOSL agrees to enter into a water rights agreement with Goldtree and Goldtree shall be charged at a fixed rate of 3 Leone per cubic metre of water extracted from rivers and other watercourses. There will be no restriction on the volume of water extracted by Goldtree from rivers, other watercourses, wells and boreholes.
- 12 Change in law If any law applied in Sierra Leone comes into effect or is amended, modified, repealed, withdrawn or replaced (a Change in Law) which has a material adverse effect on the ability of Goldtree, its contractors, sub-contractors, any shareholder or funder to perform their respective obligations under any document relevant to the development, operation or funding of the Project or the cost of or return from so doing, after taking into account the benefits associated directly and expressly with any such Change in Law, then GOSL undertakes to grant to the Project, Goldtree, its contractors, sub-contractors, the shareholders and the funders any exemption or licence or other authorisation necessary or desirable to ensure that such interests, rights, obligations and economic return are not materially adversely affected.

If there is a dispute between the Parties in relation to whether the Change in Law has the effect described above, it shall be referred to the arbitration procedure as agreed and set out in this Memorandum or PPA, once the PPA is in full force and force and prior to the date as set out in this Agreement.

13 Nationalisation or Expropriation GOSL agrees that it will not, nor attempt to, nationalise, expropriate or confiscate all or any part of the assets or rights of Goldtree, its sub-contractors or their respective contractors or any other party to the documents relevant to the development, operation and funding of the Project or the share capital of Goldtree other than on the basis of full compensation (including loss of profit) to the affected parties, including an amount not less than that required to repay all principal, interest, fees, costs and expenses amounts outstanding to the funders under or pursuant to the funding documents.

14 Compliance with Laws Each Party confirms that it does not intend and will not engage in any illegal activity and Goldtree agrees to take reasonable steps that its shareholders, affiliates and its expatriate employees also do not do so.

Being a pioneer project in Sierra Leone, Goldtree agrees that it will comply with all national standards in relation to environmental protection and health and safety as required for the type of activities carried out under the Project and/or by Goldtree in general. Goldtree agrees that it will take reasonable steps to ensure that none of its group companies will enter into without the prior written consent of GOSL (which shall not be unreasonably withheld) the business activity of the production in Sierra Leone of palm oil and other agricultural products outside of that outlined in this Memorandum or the Business Plan in force at the relevant time. In the event that Goldtree or any of its shareholders, contractors, sub-contractors or funders are in breach of this Memorandum such breach shall not be grounds for suspending or terminating this Memorandum, or any obligation or provision binding on GOSL under this Memorandum. The penalty for any such breach shall be, insofar such breach is a criminal or civil offence in Sierra Leone the penalty imposed following the application of the applicable criminal or civil procedure, and applicable damages for breach of contract.

In the event that GOSL is in breach of this Memorandum such breach shall not be grounds for suspending or terminating this Memorandum, or any obligation or provision binding on Goldtree under this Memorandum. The penalty for any such breach shall be, insofar such breach is a criminal or civil offence in Sierra Leone the penalty imposed following the application of the applicable criminal or civil procedure, and applicable damages for breach of contract.

Signed on, 2010 at Freetown, Sierra Leone

For the Government of Sierra Leone
Minister of Agriculture, Forestry and Food Security

For Goldtree (S.L.) Ltd

Minister of Finance and Economic Resources

For Goldtree Holdings

Minister of Trade and Industry