

ACT

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dated 1st November, 2012*

SIGNED this 12th day of October, 2012.

DR. ERNEST BAI KOROMA,
President.



No. 13



2012

THE SIERRA LEONE NATIONAL CARRIER AGREEMENT Short title.
RATIFICATION ACT, 2012

Being an Act to ratify the joint Venture Agreement relating to the setting up and operations of Sierra Leone National Carrier Limited; to grant to Sierra Leone National Carrier Limited the status of the sole National Carrier of the Republic of Sierra Leone, to reserve to Sierra Leone National Carrier Limited the right to perform at its discretion the maritime transportation of forty per cent of the total value of cargo exported out of, and imported into, Sierra Leone, whether they be unitised or in bulk, dry or liquid, including the provision of FPSOs and FSOs.

[] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

PART 1—PRELIMINARY

Interpretation. 1. In this Act, unless the context otherwise requires—

“cargo” means any cargo, freight or goods of any kind whether unitised or in bulk, dry or liquid that is loaded into a ship or vessel;

“continental shelf” means continental shelf as defined by the United Nation’s Convention on the Law of the Sea;

“Exclusive Economic Zone” means the Exclusive Economic Zone as defined by the United Nations Conventions on the Law of the Sea;

“FPSO” means a Floating Production Storage and Offloading unit or any other unit that performs a similar activity;

“FSO” means a Floating Storage Offloading unit or any other unit that performs a similar activity;

“Joint Venture Agreement” means the Joint Venture Agreement signed on the 24th of May 2012 between Sierra Leone National Shipping Company Limited and Four Handy Limited and Premuda Sierra Leone Limited relating to the setting up and operations of Sierra Leone National Carrier Limited, as set out in the Schedule;

“shipper” means any entity which requires the seaborne transportation of cargo into or out of Sierra Leone, including shippers, receivers and suppliers of cargo imported into and exported out of Sierra Leone or an entity which requires the provision of any FPSO or FSO operating in the territorial waters, Exclusive Economic Zone or continental shelf, of Sierra Leone;

“SLNC” means the Sierra Leone National Carrier Limited;

“territorial waters” means the territorial waters as defined by the United Nations Convention on the Law of the Sea.

2. The Joint Venture Agreement is ratified and confirmed in all respects and shall remain in full force and effect in accordance with its terms and conditions. Ratification of Joint Venture Agreement.

3. (1) The SLNC is the sole National Carrier of Sierra Leone. SLNC to be sole national carrier.

(2) The SLNC shall have the right to carry out at its discretion the seaborne transportation of at least forty per cent of the total volume of cargoes exported out of and imported into Sierra Leone, whether they be unitised or in bulk, dry or liquid.

4. (1) The SLNC shall have the right to participate at its discretion with an interest of forty per cent, in the provision, operation, ownership of any FPSO or FSO operating in the territorial waters, Exclusive Economic Zone or continental shelf of Sierra Leone. SLNC to set out terms.

(2) For the purpose of subsection (1) SLNC may enforce the right by requesting that it is offered the forty per cent shareholding of the equity of any company providing or operating any FPSO or FSO or by requesting that it is paid a commission by that company equal to four per cent of the estimated total consideration paid to that company for the provision and operation of any FPSO or FSO in the territorial waters, Exclusive Economic Zone or continental shelf of Sierra Leone.

5. (1) For the services referred to in sections 3 and 4, SLNC shall charge rates based on the prevailing market rates together with a surcharge of ten per cent. SLNC to charges fees.

(2) The SLNC shall determine the prevailing rates as benchmarked by it against market rates provided by independent sources of freight data, such as self-regulated shipping institutions, reputable unrelated freight market analysts or valuers providing sworn expertise.

(3) Subject to subsection (2), SLNC shall take into account any specific condition or contingency that may affect seaborne transportation into and out of Sierra Leone.

Shippers to register with SLNC.

6. (1) Every shipper shall register with SLNC within twenty-one days after the coming into operation of this Act and subsequently by the 15th of January of each year and in any event before the shipment of any cargo into or out of Sierra Leone.

(2) Registration shall be renewed every year.

(3) A shipper who contravenes subsection (1) or (2) commits an offence and the court may on conviction—

(a) order the seizure and auction of the cargo of the shipper; or

(b) order the shipper to pay a fine equivalent to the value of the cargo.

7. (1) The SLNC shall establish the terms and conditions for the provision of its services and all shippers shall comply with them.

(2) The SLNC shall cancel the registration of a shipper which fails to comply with subsection (1).

(3) Before the cancellation of the registration of a shipper, the SLNC shall write to the shipper notifying the shipper of the obligation to comply with the terms of conditions and specify the time within which the shipper must comply with the terms and conditions.

SCHEDULE

THIS JOINT VENTURE AGREEMENT is made this 24th of May in the Year of Our Lord Two Thousand and Twelve

Between

Sierra Leone National Shipping Company Limited, incorporated under the Company Laws of Sierra Leone, having its registered office at 45 Cline Street Freetown Sierra Leone (which expression shall where the context so requires include its successors) of the one part hereinafter referred to as SLNSC

And

Four Handy Limited, incorporated in England and having its registered office at Devonshire House, 60 Goswell Road, London, EC1M 7AD, United Kingdom and Premuda Sierra Leone Limited, incorporated in the Republic of Sierra Leone and having its registered office at 17 Wallace Johnson Street, Bicentenary House, Freetown, Republic of Sierra Leone (which expression shall where the context so requires include its successors) of the second and third part hereinafter jointly referred to as Premuda

Hereinafter SLNSC and Premuda will be also jointly referred to as the Parties, in their capacity as parties to this Agreement and / or shareholders of the Joint Venture Company

The Government of Sierra Leone is the confirming party to this Agreement.

Recitals

1. WHEREAS the Government of Sierra Leone (hereinafter referred to as the Government) is desirous of promoting local content and local participation in all activities relating to the exploitation of its natural resources, including maritime transportation of cargo by Ocean Going Vessels (OGVs) and provision of specific services and assets to the offshore oil and gas industry;

2. AND WHEREAS the Government is desirous to favour the development of its National Shipping Company by means of entering into a Joint Venture Agreement with Premuda, which will be the National Carrier of Sierra Leone, developing into a major player of the international seaborne transportation industry;
3. AND WHEREAS the Government intends to introduce a Bill in Parliament to have a Law(Statutory Instrument) enacted including the following provisions
 - (a) Granting the Joint Venture the status of the National Carrier of Sierra Leone (“NCSL”);
 - (b) Reserving to the NCSL the right to perform at its discretion 40/% (forty percent) of the total volume of cargoes exported out of, and imported into, the Republic of Sierra Leone, whether they be unitised or in bulk, dry or liquid, including Floating Production Storage and Offloading units (FPSOs) and Floating Storage Offloading units (FSOs);
 - (c) Providing that the NCSL shall charge for such services prices based on the prevailing market rates together with a surcharge of 10% (ten percent) benchmarked against rates provided by independent sources of freight market data, such as self-regulated shipping institutions (e.g. the Baltic Exchange and the Worldscale Association) or reputable unrelated freight market analysts or valuers providing sworn expertise.
4. AND WHEREAS (a) the Parties intend to work closely with the Government with regard to the above,
 - (b) The Parties wish to form a Joint Venture by incorporating and operating a Joint venture company limited by shares to promote and foster the intentions of the Government of Sierra Leone and the achievement of economic benefit satisfactory to the Parties;
 - (c) Four Handy Limited hereby irrevocably nominates Premuda Sierra Leone Limited as the shareholder of the incorporating Joint Venture Company.

- (d) to give effect to the intention of the parties as hereinbefore recited, and to regulate their relationship inter se as shareholders in the Joint Venture Company in the conduct of the business and affairs of the Joint Venture Company the parties have agreed to enter into this Agreement on the terms and conditions hereinafter set out.

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

Article 1 Contractual definitions

The following terms shall have the meanings set out below:

Affiliate

In relation to a Party, a corporation in which that Party (directly or indirectly) owns more than 50 % per cent of the issued share capital or controls more than 50 per cent of the voting rights.

Auditors

The external auditors of the Joint Venture Company.

Commercial Manager

The Commercial Manager is the corporate entity charged with the responsibilities of the shipping commercial activities of the Joint Venture Company.

Contributions

The contributions to be made by the Parties to the Joint Venture Company pursuant to Article 4.

Deadlock

The inability of two successive meetings {either of the Meeting of the Shareholders or of the Board of Directors) to reach a decision by reason of the non-attendance of a Party or its appointed representatives (when there is a requirement of minimum attendance) or lack of agreement on a matter material to the strategic or continuing operations of the Joint Venture Company.

Fiscal and Accounting Year

The fiscal and accounting year of the Joint Venture Company as defined in Article 13

Force Majeure

An impediment to performance beyond a Party's control as defined in Article 23.

Independent Expert

An expert appointed, in connection with a determination or dispute relating to valuation, pursuant to the terms of this Agreement.

Joint Venture Company

The company limited by shares which the Parties intend to incorporate and operate to conduct their joint business enterprise.

Joint Venture Intellectual Property

Intellectual property or know-how relating to technical developments acquired or developed by the Joint Venture Company in the course of its activities.

Party

Each of the parties (SLNSC, Four Handy Limited, Premuda Sierra Leone Limited) being signatories to this Agreement and those adhering to it subsequently.

Regulatory Approvals

Governmental or regulatory approvals required by the Parties for the establishment of the Joint Venture Company in Sierra Leone.

Share

A share in the capital of the Joint Venture Company.

Shareholder

SLNSC or Premuda Sierra Leone Limited in its capacity as a holder of shares in the Joint Venture Company.

Transfer of Shares

Transfer of Shares includes transfer, sale, assignment, donation, pledge, charge, or other disposition of such shares or any interest therein whether directly or indirectly by assignment, merger, consolidation or sale or other conveyance.

Article 2 Object of the Joint Venture

- 2.1** The Parties hereby agree to establish jointly a company to be known as Sierra Leone National Carrier Limited (SLNC), referred to as the Joint Venture Company.
- 2.2.** The object of the Joint Venture Company shall be to engage in all shipping activities including, shipping activities relating to dry bulk, unitised cargo, liquid and the provision of FPSOs and FSOs.
- 2.3** All activities of the Joint Venture Company must comply with the law, decrees and applicable regulations of the Republic of Sierra Leone.

Article 3 Social and environmental responsibilities of the Joint Venture Company, anti-corruption covenant, tax exemptions

- 3.1** The Joint Venture Company, while enhancing value for its shareholders, will create jobs and employment and provide professional training to Sierra Leoneans who satisfy the requirements for such positions in accordance with applicable laws.
- 3.2** The Joint Venture Company will endeavour to develop know-how, including technical skills for Sierra Leoneans, in the field of international seaborne transportation.
- 3.3** The Joint Venture Company shall comply with all national and international environmental standards and laws concerning the protection of the environment. The Joint Venture Company shall ensure it takes adequate steps to prevent and control pollution of the air, land, water and sea and shall cooperate with all Government authorities in taking such steps.
- 3.4** The Joint Venture Company shall donate 1% of its audited net profits per annum after taxation to charitable institutions as determined by the Parties.
- 3.5** Each Party undertakes that, so long as this Agreement remains in force and effect:

- (a) it shall, and it shall procure that its directors, officers, employees, subsidiaries, agents, and the directors, officers, employees, subsidiaries, agents of the Joint Venture Company, comply with all applicable anti-bribery and anti-corruption laws in the Republic of Sierra Leone, the applicable provisions of the UK Bribery Act 2010 and any other regulations and codes of practice specifically applicable to the Parties in their domiciles (the “Anti-Corruption Laws”);
- (b) It shall implement and maintain appropriate policies and procedures designed to ensure compliance by it and the Joint Venture Company and each of their directors, officers, employees, subsidiaries and business intermediaries with all Anti-Corruption Laws;
- (c) From time to time, at the reasonable request of another Party, it shall confirm in writing that it has complied with its covenants under this Article and shall provide any information reasonably requested by the other Party in support of such compliance.

3.6 The Government of the Republic of Sierra Leone intends to grant to the Joint Venture Company and its shareholders all tax exemptions typically issued to newly incorporated ventures of a similar nature, either for a limited or unlimited period of time, including but not limited to an escalation of corporate tax rates and a withholding tax exemption on all transactions between the Joint Venture Company and Four Handy Limited and between Premuda Sierra Leone Limited and Four Handy Limited, to the extent that they relate to the activities of the Joint Venture Company.

Article 4 Establishment, capital and offices of the Joint Venture Company

- 4.1** The Joint Venture Company shall be established pursuant to the laws of Sierra Leone.
- 4.2** The Joint Venture Company shall be registered with the Registrar of the Corporate Affairs Commission of Sierra Leone.

- 4.3** The Joint Venture Company will have its management offices in Sierra Leone and in any other premises within the Premuda Group. Commercial activities will be conducted initially in Premuda’s premises in the UK by appointment of Four Handy Limited as Commercial Manager. It is intended that these activities will be conducted by a branch/subsidiary of the Joint Venture Company in UK as soon as practically possible.
- 4.4** The duration of the Joint Venture Company is unlimited in time.
- 4.5** The Joint Venture Company shall be endowed with an initial capital of 100,000 (one hundred thousand) USD (or equivalent denominated in a freely convertible international currency including the Leone as envisaged by this Agreement). The initial shares shall be issued to the Parties in accordance with Article 5.
- 4.6** The Parties agree to act with diligence and care to establish the Joint Venture Company as promptly as practicable in accordance with this Agreement and all regulatory approvals required for its establishment.

Article 5 Contributions to the Joint Venture Company upon its establishment

- 5** The Parties intend that the Shares of the Joint Venture Company shall be owned in the following proportions:

SLNSC	51%
Premuda Sierra Leone	49%

Article 6 Additional funding of the Joint Venture Company, new issues of Shares and guarantees

- 6.1** The issued share capital of the Joint Venture Company may be increased from time to time by such amount as the Parties may agree.
- 6.2** The Joint Venture Company will be financially self-sustained. It will acquire in due course its assets (vessels, barges, etc.) through the utilization of reserves generated and / or by facilities granted by the international banking market.

6.3 Four Handy Limited will, directly or indirectly, facilitate funding through loan facilities and / or other suitable means to the Joint Venture Company for the initial establishment of its operations. The request of funding will be submitted by the CEO of the Joint Venture Company and will refer to:

- (a) funding for provision and refurbishment of offices, including computers and technological equipment required;
- (b) funding required in order to enable the Joint Venture Company's chartering in of vessels from the open market for the carriage of cargos envisaged within this Joint Venture Agreement.

This funding will be repaid by the Joint Venture Company as soon as practicable and in any case before distribution of any dividend.

6.4 The Parties shall not be obliged to provide guarantees for any borrowings of the Joint Venture Company.

Article 7 Administrative steps and pre-incorporation undertakings

7.1 The administrative steps required for the establishment and registration of the Joint Venture Company shall be carried out by the Parties jointly.

7.2 Unless otherwise agreed between the Parties, neither Party shall assume any undertaking in the name of the Joint Venture Company at any time before its creation.

Article 8 Operational services to the Joint Venture Company

8. For an initial period to be determined by the CEO of the Joint Venture Company, Four Handy Limited, acting in its capacity as Commercial Manager, shall conduct the commercial, operational and administrative services of the Joint Venture Company. These services shall include but not be restricted to:

- (a) the acceptance of cargo enquiries from cargo shippers;
- (b) the negotiation of seaborne transportation contracts ("Charter Parties") with the cargo shippers (providing the cargoes) and with other third parties (providing the vessels);

- (c) the commercial and operational management of the Charter Parties;
- (d) the management of the financial resources necessary for, and generated by, the performance of the Charter Parties.

These services shall be provided on an arm's length basis in line with the international open market practices and on terms and conditions that are not unfairly prejudicial to the interests of the other Party or the Joint Venture Company. A management agreement between Four Handy Limited and the Joint Venture Company will be drawn up accordingly.

It is intended that these activities will be conducted by the Joint Venture Company in the UK as soon as practically possible.

Article 9 Memorandum and Articles of Association of the Joint Venture Company

9.1 The Parties agree to adopt the Memorandum and Articles of Association of the Joint Venture Company. These shall provide for, but not be limited to, the following:

- * Meeting of the Shareholders;
- * Board of Directors;
- * Auditors;
- * Company Secretary

9.2 The Memorandum and Articles of Association shall be in a form agreed by both Parties and shall conform in substance with the provisions of Articles 10 to 13.

9.3 The Memorandum and Articles of Association will regulate the rights and obligations of the Parties in the Joint Venture Company. Nevertheless, the Parties' rights and obligations remain governed by the present Agreement, which shall take precedence over the Memorandum and Articles of Association. If there is any conflict between this Agreement and the Memorandum and Articles of Association, the Parties shall take all steps necessary to amend the Memorandum and Articles of Association.

Article 10 Meeting of the Shareholders

10.1 Decisions on the following matters shall require unanimity at a Meeting of the Shareholders and the prior approval of both Parties either at a Meeting of the Shareholders or by written agreement between the Parties:

- Adopt and modify the Memorandum and Articles of Association;
- Approve any change in the name or object of the Joint Venture Company;
- Appoint and remove the Directors and the Auditors;
- Approve the issue of any new Shares (or any options or securities convertible into new Shares) of the Joint Venture Company;
- Approving the listing of all or part of the Shares of the Joint Venture Company on one of the international Stocks Markets;
- Approve the annual accounts and the payment of any dividends;
- Grant any release of liability of the Directors;
- Appoint a Remuneration Committee that shall consist of the Chairman, the CEO, and one representative from each Party, which Committee shall establish the remuneration of the members of the Board of Directors;
- Decide on the dissolution of the Joint Venture Company;
- Acquisition or disposal of a material business or asset, such as vessels or real estate, likely to involve expenditure in excess of 3 (three) million USD;
- Any capital expenditure or investment project likely to involve expenditure in excess of 5 (five) million USD;
- Any material contract likely to involve expenditure in excess of 10 (ten) million USD with the exclusion of time charters (IN/ OUT), COAs and voyage relet, which regularly in the normal course of business exceed this sum;

- Any financing resulting in aggregate borrowings in excess of 10 (ten) million USD and /or the charging of any of the Joint Venture assets or issue of guarantee to support such financing;
- Any major partnership or alliance;
- Any charitable donations;
- Insolvency related issues; and
- Commencing or making any significant decision relating to litigation, administrative or investigative proceeding, if not in ordinary course of business.

10.2 An Ordinary Meeting of the Shareholders is to be held once a year within the period of six months following the end of the Fiscal Year.

An Extraordinary Meeting of the Shareholders may be called at any time the Board of Directors deem it useful or necessary or at the request of either of the Shareholders.

10.3 A Notice of the Meeting of the Shareholders must be sent not less than 30 days before the date fixed for the Meeting of the Shareholders. The Notice must contain the Agenda of the Meeting and any proposals of the Board of Directors and, if applicable, any proposals of the Shareholders who have requested the Meeting or that a particular item be placed on the Agenda.

No decision may be taken on items that are not on the Agenda, except in the circumstances of Article 10.4.

10.4 If all Shareholders are present or represented and if there is no objection, a Meeting of the Shareholders may be held without observing the formalities set forth in the previous Article 10.3.

For as long as the Shareholders are all present, and if there is no objection, the Meeting of the Shareholders may deliberate and decide on all items within its competence.

10.5 The Chairperson of the Board of Directors or, if that person is not present, a Director approved by the Meeting of the Shareholders, shall preside over the Meeting of the Shareholders (such person being referred to herein as the Chairperson).

10.6 A Shareholder may be represented at the Meeting of the Shareholders by nomination of a proxy to be submitted to the Chairperson of the Meeting before the start of the Meeting.

Evidence of the authority of the nominated proxy at any Meeting of the Shareholders shall be provided at the request of the Chairperson.

10.7 The Meeting of the Shareholders is legally constituted if at least one authorised representative of each Party is present and/or represented and the notice requirements established by this Article 10 have been met.

10.8 Each Share gives the owner the right to one vote at the Meeting of the Shareholders.

10.9 The Parties shall consult via the Chief Executive Officer (CEO) of the Joint Venture Company before a Meeting of the Shareholders with a view to establishing a common voting position on each Agenda item.

10.10 The Company Secretary shall take the Minutes of the Meeting of the Shareholders. The Minutes shall record the Shareholders present or represented and a reasonable summary of the discussions and any decisions taken at the Meeting. The Chairperson and the Company Secretary shall sign the Minutes of the Meeting.

Article 11 Board of Directors

11.1 The Board of Directors of the Joint Venture Company will consist of eight Directors.

11.2 Each Party shall be entitled to nominate the following number of Directors (and to replace any Director so nominated):

SLNSC 4
Premuda 4

Each Party shall, at the Meeting of the Shareholders, vote to support the appointment (or replacement) by the other Party of any Director which that Party nominates.

11.3 A Director shall begin his/her term at the Meeting of the Shareholders at which he/she is appointed, and shall continue in office until the end of any agreed term, or until removed at a Meeting of the Shareholders, or until resignation or death. A Director may be re-elected.

11.4 SLNSC shall be entitled to nominate the Director to be Chairperson, and Premuda shall be entitled to nominate the Director to be Chief Executive Officer (CEO). Each nomination must be approved by the other Party.

11.5 The CEO shall have the following powers / functions delegated by the Board of Directors:

- Responsibility for the management of the Joint Venture Company;
- Establishment of the structure of the accounting systems and financial controls of the Joint Venture Company;
- Preparation of the annual report and accounts;
- Acquisition or disposal of a material business or asset up to the value of 1 (one) million USD;
- Any capital expenditure or investment project likely to involve expenditure not in excess of 3 (three) million USD;
- Enter into time charter parties or voyage relets (IN/OUT) for vessels and/or contracts of affreightment with a duration not exceeding 36 (thirty-six) months;
- Any material contract likely to involve expenditure not in excess of 5 (five) million USD with the exception of charter parties or voyage relets (IN/OUT) for vessels and/or contracts of affreightment;
- Any financing resulting in aggregate borrowings not in excess of 5 (five) million USD;

- Appointment (or removal) of the general manager and of any other senior executive entrusted with the day-to-day management or representation of the Joint Venture Company and their terms of reference. The appointment of the general manager is to be approved by the Board of Directors. The CEO shall advise the Board of Directors of his intention to appoint or remove any senior executive. The CEO shall appoint a HR Officer /Consultant who shall be responsible for the formulation of the employment and labour guidelines of the Joint Venture Company. These guidelines shall be drafted in accordance with internationally accepted standards. The Board of Directors shall approve the terms and conditions of employment if different from the standard terms and conditions of employment as dictated by the laws of Sierra Leone;
- Appointment and retention of brokers and consultants;
- Any proposal to issue new Shares (or options or securities convertible into Shares).

With respect to the powers / functions above, the Board of Directors shall delegate the powers of representation of the Joint Venture Company in relation to third parties to the CEO to which it shall grant authority to bind the Joint Venture Company. For the avoidance of doubt the CEO shall seek the approval of the Board on all matters which exceed the authority so delegated to him / her by the Board.

11.6 The CEO may delegate some or all of the management of daily business to one or several of the executives employed by the Joint Venture Company.

11.7 The CEO shall ensure that the Board of Directors and the Parties are kept adequately informed about the affairs of the Joint Venture Company and shall inform each Party, upon its request, in writing about the details of the Joint Venture Company's organization and management.

11.8 The Board of Directors shall approve (or revise) the business plan and associated budgets upon proposal of the CEO. Approval or revision of the business plan and associated budgets shall require approval of at least two Directors (including the CEO) nominated by each Party.

11.9 The Board of Directors shall meet as often as the Joint Venture Company's affairs require. A meeting of the Board of Directors may be called by its Chairperson or by any of its members. Notice of the meeting must be sent by email, fax or registered post at least 15 days before the meeting; this deadline can be shortened with the approval of at least two Directors nominated by each Shareholder.

The notice must contain the agenda of the meeting including reasonable details of the matters to be discussed. No decision may be taken on items that are not on the agenda, except in the circumstances of Article 11.11.

11.10 The Directors may participate in a meeting of the Directors by means of a conference telephone or a video conference telephone or similar communications equipment by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a Director to be in the physical presence of another Director(s) and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or a video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting was at that place for the duration of the meeting. In the case of a meeting which is not held in person, the fact that a Director is taking part in the meeting must be made known to all the other Directors taking part, and no Director may intentionally disconnect or cease to take part in the meeting unless he makes known to all other Directors taking part that he is ceasing to take part in the meeting.

11.11 If at least two Directors nominated by each Party are present and if there is no objection, the Board of Directors may hold a meeting without observing the formalities set forth in the previous Article 11.9.

11.12 A meeting of the Board of Directors is legally constituted if at least two Directors nominated by each Party are attending the meeting.

11.13 At any meeting of the Board of the Directors, each Director shall be entitled to one vote.

11.14 Decisions of the Board of Directors are taken by a majority of the votes cast by its members. In case of a tie, the Chairperson shall not have a second or casting vote. In case of a Deadlock the provisions of Article 31 of this Agreement shall apply.

11.15 The decisions of the Board of Directors shall be recorded in the minutes of the meeting, signed by the Chairperson and by the Company Secretary. If the Chairperson is not present the remaining Directors shall appoint a Chairperson of the meeting who shall sign the minutes of the meeting together with the Company Secretary. The minutes shall be signed after the Company Secretary has circulated a copy of the draft minutes to each Director who attended the meeting and has obtained his or her written confirmation that the minutes accurately reflect the discussion and decisions of the meeting.

11.16 Subject to applicable law, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors, then in Sierra Leone or outside Sierra Leone, and has been signed by the required majority of the Directors. Such resolutions may be signed by the Directors as a single document or in counterparts. A resolution in writing of the Directors shall be as valid and effective as if it had been a resolution passed at a meeting of the Board duly convened. The Company Secretary shall notify all the Directors in writing of the effective date on which such resolution is passed.

11.17 The Company Secretary shall be appointed (and removed) by the Board of Directors.

Article 12 Auditors

12.1 The Meeting of the Shareholders shall appoint Auditors to serve for a one-year period. The Auditors must be one of the big four international audit companies (KPMG, PriceWaterhouseCoopers, Ernst & Young, Deloitte Touche). The Auditors must be independent of the Board of Directors and the Parties. The Auditors may be re-elected. In the event that the appointed Auditor does not have a representative office in Sierra Leone, the accounts are to be signed by an overseas office of the appointed Auditor in addition to a Sierra Leone domiciled Auditor appointed by the Shareholders.

12.2 The Auditors shall, after the end of each Fiscal Year., present to a Meeting of the Shareholders a written report with the results of an audit of the accounts undertaken in accordance with International Accounting Standards (IFRS/IAS) and they shall be denominated in international freely convertible currencies, including the Leone.

Article 13 Accounts and dividends

13.1 Accounts of the Joint Venture Company shall be prepared and maintained, under the supervision of the CEO, in accordance with International Accounting Standards (IFRS/IAS).

13.2 The Fiscal and Accounting Year of the Joint Venture Company shall (unless otherwise decided by a Meeting of the Shareholders) commence on the first day of January and end on the thirty-first of December of each year.

The first accounting period of the Joint Venture Company shall (unless otherwise decided by a Meeting of the Shareholders) commence on the date on which the Joint Venture Company is created and end on the thirty-first of December of the same year.

13.3 The Meeting of the Shareholders shall decide on the payment of any dividends after the audit of the accounts and upon the proposal of the Board of Directors. A dividend may be distributed only from profits legally available for distribution (including any retained profits).

13.4 It is the intention of the Parties that (unless otherwise agreed in relation to a specific Fiscal Year) the Joint Venture Company must distribute by way of dividend at least 50% (fifty percent) of the audited after-tax profit in relation to each Fiscal Year.

13.5 Each Party (and its authorised representatives) shall be allowed access at all reasonable times to examine the books and records of the Joint Venture Company.

Article 14 Intangible assets and intellectual property rights

14.1 The contribution by each Party of intangible assets and/or intellectual property rights relating to technical developments, patents, software or know-how to the Joint Venture Company shall be made in accordance with such agreements as may be entered into between that Party (or its Affiliates) and the Joint Venture Company on such terms and conditions as all Parties may agree.

14.2 Intellectual property rights which are developed by the Joint Venture Company during the course of the Joint Venture (referred to as Joint Venture Intellectual Property) belong to the Joint Venture Company and shall be used exclusively for the purposes of the Joint Venture. No private use or exploitation by either Party is allowed unless agreed by all Parties (and subject to such terms and conditions as may be approved by the Board of Directors).

Each Party is entitled to use Joint Venture Intellectual Property for its own business purposes free of charge (subject to its confidentiality obligations under Article 20 and to the restraints of Article 21.6).

Article 15 Transfer of Shares

15.1 A Party shall not transfer, sell, donate, pledge, charge or otherwise dispose of all or any of its Shares (or any interest therein) without the prior approval in writing of the other Party. The other Party does not need to justify any refusal.

15.2 A Party is entitled to transfer, sell or donate part or all of its Shares to an Affiliate, provided that

- (a) The transferor Party procures that such transferee re-transfers the Shares to that Party if at any time the transferee ceases to be an Affiliate of that Party;
- (b) The Affiliate unconditionally agrees in writing to all the terms and conditions of the present Agreement (as modified or supplemented by such other terms and conditions as may be agreed by all Parties);
- (c) The transferor Shareholder remains jointly and severally liable together with the transferee for all obligations arising from the present Agreement.

15.3 A Party (the Selling Party) is entitled to transfer, sell or donate part or all of its Shares in the Joint Venture Company to a third party provided that:

- (a) The other Party (the Non Selling Party) approves the transfer or sale of the Shares;
- (b) The Selling Party offers the Shares, on the same terms and conditions agreed with the third party, to the other Party (the Non Selling Party), who has a right of first refusal;

- (c) The other Party (the Non Selling Party) is offered the option to sell its Shares to the third party in the same proportion, at the same time and on the same terms and conditions offered by the third party to the Selling Party;
- (d) The third party unconditionally agrees in writing to all the terms and conditions of the present Agreement (as modified or supplemented by such other terms and conditions as may be agreed by all Parties); and
- (e) SLNSC remains entitled to nominate the Director to be Chairman and Premuda remains entitled to nominate the Director to be CEO and the CEO retains all of the authority granted within the present Agreement.

If only some of the Shares are acquired by the third party, the transferor maintain and enjoys all corporate and financial rights related to the remaining Shares and remains full Party with all of the rights and duties provided in this Agreement.

15.4 The Parties may jointly explore the possibility of offering all or some of the Shares in the Joint Venture Company on one of the established international stock markets by means of an Initial Public Offering.

Article 16 Entry of new Parties into the Joint Venture

16. The entry of a new Party into the Joint Venture requires the joint approval of all Parties including agreement on the number of Shares that the new Party must purchase or acquire in the Joint Venture Company (and the price). The entry of a new Party is subject to its unconditional agreement in writing to **all** the terms and conditions of this Agreement (as modified or supplemented by such other terms and conditions as the existing Parties may agree).

Article 17 Termination for breach, change of control, Force Majeure or insolvency of a party

17.1 A Party shall be entitled to terminate this Agreement by notice in writing to the other Party in the following cases:

- (a) if any Party or its Affiliate commits a material breach of this Agreement (or any agreement with the Joint Venture Company) which the other Party considers is likely to prejudice materially the business or success of the Joint Venture, provided that:

- (i) Notice of that breach has been given by the first Party to the defaulting Party including its intention to treat the breach as a terminating event if unremedied within sixty days unless otherwise mutually agreed; and
 - (ii) The defaulting Party has failed to remedy that breach (or establish steps to prevent any recurrence) to the satisfaction of the other Party within sixty days unless mutually agreed.
- (b) if one of the Parties has been excused for non-performance on grounds of Force Majeure for a period exceeding that specified in Article 23; or
- (c) if the other Party goes into liquidation whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the consent of the other Party such consent not to be unreasonably withheld) or if the other Party shall have an administrator appointed or if an administrative receiver or manager shall be appointed over any part of the assets or undertaking of the other Party.

17.2 Each Party undertakes to notify the other Party in writing of any change in control on such Party immediately it becomes aware of such a change in control. For the purpose of this paragraph change in control shall mean:

- (a) the acquisition of, or more than 50 percent (50%) of the issued voting shares of such Party) by any person or company or by any two or more persons or companies acting in concert other than by an Affiliate of such Party or by a parent company of such Party, or by an affiliate of such parent company, provided that the parent company owns 90 percent or more of the issued shares of that affiliate; or
- (b) any change in the ability to control the Board of Directors of such Party. The other Party shall have the right to terminate this Agreement forthwith if a change in control occurs. However, if the other Party does not exercise this right within 30 days of being so notified the right to terminate this Agreement shall be deemed to have been waived.

The other Party shall not have the right to terminate this Agreement if it has given its consent to that change in control.

17.3 In case of a Change in Law, the Parties shall decide together if the Change in Law is such as to prejudice materially the business or success of the Joint Venture Company. If it is mutually agreed that the Change in Law would have such an effect, each Party shall have the right to terminate this Agreement. If there is a dispute between the Parties with regard to this decision the provisions of Article 31 shall apply. Change in Law means the occurrence, after the date this Agreement has become effective, of any of the following:

- (a) Any amendment to the law granting the Joint Venture Company national carrier status and reserving to it 40% of all maritime transportation of cargo in and out of Sierra Leone, including FPSO and FSO, after it is enacted;
- (b) The enactment or issuance of any new law, regulation or policy;
- (c) The modification or repeal of any existing law, regulation or policy; or
- (d) The commencement of any law, regulation or policy that was not in existence on the Effective Date which occurrence was not reasonably foreseen by the Parties and which is such as to prejudice materially the business or success of the Joint Venture Company.

17.4 Termination does not relieve a Party in breach of its obligations under this Agreement from its liability to damages for such breach according to Article 25.

Article 18 Withdrawal of a Party

18.1 If a Party wishes to withdraw from the Joint Venture, it shall give written notice to the other Party at least six months before the decision to withdraw becomes effective.

No notice shall be given within an initial period of 10 years after the establishment of the Joint Venture Company.

8.2 The Parties shall discuss the situation in good faith and shall consider any or all of the following:

- (a) whether the Party wishing to withdraw should offer its Shares to the other Party in accordance with Article 15 prior to a possible sale of its Shares to a third party;

- (b) Whether it is feasible or desirable for the Shares of that Party to be acquired by the Joint Venture Company;
- (c) Whether the withdrawal of that Party is prejudicial to the affairs of the Joint Venture and should be refused or deferred for consideration until a later time;
- (d) Whether the Joint Venture should be terminated and the Joint Venture Company wound up;
- (e) Whether there is any other solution for dealing with the situation.

If no solution is agreed within 60 days, the Party wishing to withdraw may require the Joint Venture Company to be dissolved and the Joint Venture to terminate.

18.3 For the avoidance of doubt, the Joint Venture shall continue and the Party wishing to withdraw shall remain a Party to the Joint Venture unless either:

- (a) A transfer of all of its Shares takes place under Article 15; or
- (b) The Parties agree another solution for that Party's withdrawal pursuant to discussions under this Article 18; or
- (c) The Joint Venture Company is dissolved.

Article 19 End of the Joint Venture

19.1 The Joint Venture will come to an end if:

- (a) All Parties agree that it is appropriate to terminate the Joint Venture; or
- (b) A Party terminates this Agreement by notice under Article 17.1, 17.2, or 17.3; or
- (c) An Arbitral Tribunal (or other competent authority to which a dispute is referred to under Article 31) decides that the Joint Venture should be terminated.

- 19.2** Upon termination of the Joint Venture under Article 19.1, the Parties shall take all steps necessary to dissolve the Joint Venture Company and to distribute or sell its assets. To this effect, the Parties shall proceed in particular by taking the following steps:
- (a) Terminating all legal relationships of the Joint Venture Company with third parties;
 - (b) Selling the assets of the Joint Venture Company at the best possible price; a Party having a justified interest in the return of a Contribution it has made in a form other than cash shall have a right of first refusal to re-acquire this Contribution at market value;
 - (c) Settling the debts of the Joint Venture Company;
 - (d) Where applicable, refunding any loans made by the Parties;
 - (e) At the end of the liquidation, distributing any remaining cash surplus to the Parties according to their Shares.

If both Parties wish to take over the assets and activities of the Joint Venture Company, they shall seek in good faith to agree a reasonable allocation of assets; failing agreement, an Arbitral Tribunal (established under Article 31) shall decide.

19.3 Upon termination of the Joint Venture under Article 19.1, the Parties agree (subject to any contrary arrangements agreed or established under that Article) that:

- (a) Each Party shall be free to carry on business in the same products, services and market as the business previously carried on by the Joint Venture Company prior to termination;
- (b) Each Party shall have a non-exclusive right (free of charge) to use any Joint Venture Intellectual Property;
- (c) Any commercial exploitation of Joint Venture Intellectual Property by licence or assignment to a third party shall, nevertheless, require the prior approval of both Parties.

19.4 The Joint Venture will also come to an end:

- (a) if a Party (or its Affiliate) transfers all its Shares to the other Party (or its Affiliate) under Article 15 (Transfer of Shares) and there is no new Party;
- (b) if a Party gives notice of withdrawal under Article 18.

19.5 Upon termination of the Joint Venture, this Agreement shall automatically terminate except for:

- (a) any rights or obligations of either Party in respect of any breach of this Agreement prior to termination; and
- (b) the provisions of this Article 19 and Article 20 (Confidentiality).

Article 20 Confidentiality

20.1 Each Party agrees to keep confidential all business and technical information relating to the Joint Venture Company or the other Party and acquired in the course of its activities in connection with the Joint Venture. This obligation is not limited in time, and shall continue after a Party has left the Joint Venture or the Joint Venture has been terminated. The only exceptions to this confidentiality obligation are:

- (a) If the information is or becomes public knowledge (without the fault of the Party concerned);

or

- (b) If and to the extent that information is required to be disclosed by a Party to a regulatory or governmental authority or otherwise by law (in which case that Party shall keep the other Party informed of such disclosure).

20.2 Each Party shall ensure that its employees, agents and representatives (and those of its Affiliates) comply with these confidentiality obligations.

Article 21 Good faith, consultation, non-compete and duty to promote interests of the Joint Venture

21.1 Each Party shall promote the best interests of the Joint Venture Company and consult fully on all matters materially affecting the development of the business of the Joint Venture Company. Each Party shall act in good faith towards the other Party and the Joint Venture Company in order to give effect to the spirit of this Agreement and to promote the success of the Joint Venture.

21.2 When consent or approval is required of a Party under this Agreement or in the course of the activities of the Joint Venture Company, such consent or approval shall not unreasonably be withheld.

21.3 Each Party undertakes to ensure that its representative(s) attend Meetings of the Shareholders and/or meetings of the Board of Directors and do not create a Deadlock by non-attendance.

21.4 A Party (or any Director nominated by it) is not entitled to vote on any matter that relates to any claim or dispute between the Joint Venture Company and that Party or any of its Affiliates. This is without prejudice to any right of the relevant Party itself to dispute the claim.

21.5 Each Party shall ensure that any contracts between the Joint Venture Company and that Party (or any of its Affiliates) are made on an arm's length commercial basis and on terms and conditions that are not unfairly prejudicial to the interests of the other Party or the Joint Venture Company.

21.6 The Parties, while pursuing their own respective rights and interests, shall further their common interest in the Joint Venture and its activities. In particular, each Party undertakes that during the term of this Agreement it (and each of its Affiliates) will:

- (a) Not carry on, either individually or by entering into any joint venture with any third party, any business or activity which competes with the business of the Joint Venture Company, with the following exceptions:

1. SLNSC shall be free to engage in all activities relating to seaborne transportation and services including port agency services, clearing and

forwarding and all other services not directly competing with the business of the Joint Venture Company;

2. Premuda shall be free to engage in all activities relating to seaborne transportation and services not directly competing with the business of the Joint Venture Company;

(b) Refrain from any other activity, behaviour or steps which would be detrimental to the interests of the Joint Venture Company.

21.7 Each Party undertakes with the other Party that it will (so far as it is legally able) exercise all voting rights and powers available to it in relation to any person (including the Joint Venture Company, any Affiliate and any Director of the Joint Venture Company nominated by it) to ensure that the provisions of this Agreement and any relevant Ancillary Agreement are fulfilled and performed and generally that full effect is given to the principles set out in this Agreement.

Article 22 Hardship and review

22. The Parties recognise that business circumstances change and that factors may arise which cause hardship to one Party by fundamentally affecting the equilibrium of the present Agreement or which make it desirable to review the structure and objectives of the Joint Venture. Each Party will in good faith consider any proposals seriously put forward by the other Party in the interests of the relationship between the Parties and/or the business of the Joint Venture Company. Neither Party shall be under any obligation to agree to any revision. No amendment shall be effective unless agreed by both Parties in accordance with Article 27.

Article 23 Relief from performance and liability in case of Force Majeure

23.1 Non-performance by a Party under this Agreement is excused if that Party proves that the non-performance was due to an impediment beyond its control and that it could not reasonably be expected to have taken the impediment into account at the time of the signing of the Agreement or to have avoided or overcome it or its consequences (such circumstances being referred to herein as 'Force Majeure').

23.2 Force Majeure within the meaning of Article 23.1 does not include the lack of any authorisation, licence, permit or approval necessary for the performance of this Agreement and required to be issued by a public authority of any kind whatsoever in the country of the Party seeking excuse for non-performance. Force Majeure shall include, but shall not be limited, to the following:

- (a) acts of God, including but not limited to fire, flood, earthquake, windstorm or other natural disaster;
- (b) war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, breaking off of diplomatic relations, governmental action, revolution, blockade, or similar actions;
- (c) act of terrorism, hijacking, civil war, civil commotion or riots;
- (d) nuclear, chemical or biological contamination or sonic boom; or
- (e) any labour dispute, including but not limited to strikes, industrial action or lockouts that is not due to the breach of any labour agreement by the Party claiming Force Majeure.

23.3 When the Force Majeure is only temporary, the excuse for non-performance shall have effect for such period as is reasonable, having regard to the effect of the Force Majeure on the performance of this Agreement by that Party. The excuse for non-performance takes effect from the time of the impediment.

23.4 The Party which suffers any such Force Majeure must give notice to the other Party of the circumstances of the Force Majeure and its effect on that Party's ability to perform. The notice must be given as soon as practically possible after Force Majeure has occurred given its circumstances.

23.5 As soon as notice according to Article 23.4 has been given, the Parties shall consult about the consequences of the Force Majeure for the operations of the Joint Venture. All Parties shall endeavour to overcome any obstacles to the activities of the Joint Venture that may result from Force Majeure.

23.6 If the circumstances of Force Majeure continue to affect the Party for a period exceeding 180 days, the other Party shall be entitled to give notice to terminate this Agreement.

Article 24 Consequences of partial invalidity

24.1 If any of the provisions of this Agreement are found to be null and void, the remaining provisions of this Agreement shall remain valid and shall continue to bind the Parties unless it is clear from the circumstances that, in the absence of the provision(s) found to be null and void, the Parties would not have concluded the present Agreement.

24.2 The Parties, if necessary with the assistance of an Arbitral Tribunal pursuant to Article 31, shall replace all provisions found to be null and void by provisions that are valid under the applicable law and come closest to their original intention.

Article 25 Liquidated damages in case of breach

25. In the event of a material breach that has led to the termination of the Joint Venture, the Party responsible for the breach shall be liable to pay damages to the other Party equal and limited to the audited net profit of the Joint Venture Company for the Fiscal and Accounting Year preceding the breach or to 5.000.000,00 USD (Five Million United States Dollar) whichever is greater.

Article 26 Notices

26.1 The addresses for formal notices and service of process under this Agreement are the following:

SLNSC: Sierra Leone National Shipping Company Ltd
45 Cline Street, PO Box 935, Freetown Sierra Leone
Tel: +232 22- 229883/220562
Fax: +232 22- 229513
Email: nsc@sierratel.sl

ATT:

Premuda: Four House, Copthorne Common Road,
Copthorne, RH10 3LF, West Sussex,
UK Fax: +44 1342 711 625
Email: fourhandy@premuda.net ATT:
Mr. Massimo Benzo

Unless and until a new address has been notified to the Board of Directors and the other Parties, all communications to a Party are validly made when sent to its address as specified above.

26.2 Notices under this Agreement shall be sent by registered mail or by fax with confirmation by mail. They may also be validly sent by electronic mail provided the sender takes precautions necessary to ensure that the notice has been received.

Article 27 Amendments and entire agreement

27.1 This Agreement may be varied or modified only by a written amendment signed by all Parties.

27.2 This Agreement, including the Recitals constitutes the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements relating to the same matter.

Article 28 No assignment

28. Neither Party can assign its rights or obligations under this Agreement without a corresponding transfer of the Shares of that Party and the approval of the other Party.

Article 29 Condition precedents

29. No Party shall be obligated or become legally bound by this Joint Venture Agreement until all Condition Precedents in this Agreement shall have been satisfied or waived in writing by the Parties. The Parties undertake to take all reasonable efforts to satisfy or waive all Conditions Precedents on or not later than 60 days following the signing of this Agreement except extended in writing by mutual agreement, whereupon this Agreement shall become effective and inure to the benefit of the Parties.

The following condition precedents must be met before this Joint Venture Agreement has effect:

- (a) satisfactory completion of due diligence required by SLNSC and Four Handy Limited upon delivery of the following documentation:

- Certificate of incorporation
 - Memorandum and articles of association
 - Certificate of good standing
 - Audited accounts of the last 3 years
- (b) Receipt of such legal opinions required by the Parties confirming the effectiveness and enforceability of the Joint Venture Agreement;
- (c) Enactment of a Law by the Parliament of Sierra Leone with the following provisions:
- (i) Granting the JV Company the status of National Carrier of Sierra Leone (“NCSL”).
 - (ii) Reserving to the NCSL the right to perform at its discretion 40 (forty) percent of the total volume of cargoes exported out of, and imported into, the Republic of Sierra Leone, whether they be unitised or in bulk, dry or liquid, including Floating Production Storage and Offloading units (FPSOs) and Floating Storage Offloading units (FSOs);
 - (iii) Providing for that NCSL shall charge for such services prices based on the prevailing market rates together with a surcharge of 10% (ten percent), benchmarked against rates provided by independent sources of freight market data, such as self-regulated shipping institutions (e.g. the Baltic Exchange and the Worldscale Association) and/or reputable unrelated freight market analysts or valuers providing sworn expertise;
- (d) The passing of all necessary board resolution by all Parties of the Joint Venture Agreement
- (e) Granting of a withholding tax exemption on all transactions between the Joint Venture Company and Four Handy Limited and between Premuda Sierra Leone Limited and Four Handy Limited, to the extent that they relate to the activities of the Joint Venture Company

- (f) Receipt of opinion from a recognized international accounting firm with regard to the tax status of the Joint Venture and the Parties to the Joint Venture
- (g) Submission by Premuda of a strategic plan of the Joint Venture Company

Article 30 Governing Law

30. This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of Sierra Leone and by such rules of international law as may be applicable.

Article 31 Resolution of disputes

31.1 If a dispute (including a Deadlock) arises between the Parties in relation to this Agreement or any Ancillary Agreement or in the course of the activities of the Joint Venture, all Parties shall seek to resolve it amicably.

31.2 In the course of their attempts at amicable settlement of any dispute that seriously affect the Joint Venture, either Party may request (in writing to the other Party) that the dispute be brought before the most senior decision-making persons in their respective organisations. If such a request is made, the decision-makers in the organizations concerned shall meet at least once to consider the dispute and possible ways to resolve it.

31.3 If the dispute has not been resolved within one month after the request under Article 31.2, either Party may request that it be brought to mediation or any other form of alternative dispute resolution (ADR). The other Party shall give constructive consideration to such request but, with the exception of the meeting of senior decision-makers pursuant to Article 31.2 above, neither Party shall be obliged to engage in ADR procedures unless (and then only for so long as) it agrees to it.

31.4 If a Party has come to the conclusion that the attempts at amicable resolution are to no avail, it may give notice to the other Party of this failure and, thereupon, may commence arbitration pursuant to Article 31.5 et seq. Except to the extent that urgent interim measures of protection are required which the Arbitral Tribunal cannot provide effectively and for the enforcement of an arbitral award, the Parties exclude recourse to the courts.

31.5 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules. The number of arbitrators shall be three. SLNSC shall appoint one arbitrator. Premuda shall appoint one arbitrator. The two arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the Arbitral Tribunal. The place of arbitration shall be in London. The language of the arbitration proceedings shall be English. The decision of the Arbitral Tribunal will be final and binding upon the Parties.

31.6 In the resolution of the dispute, the arbitrators shall give effect to the letter and the spirit of this Agreement and, where necessary, reconcile conflicting provisions of this Agreement in this spirit. In the event of any conflict between this Agreement and the applicable law, the arbitrators shall act as amiable compositeurs and, subject to public policy, shall give effect to this Agreement and the reasonable intentions and expectations of the Parties.

31.7 If any such dispute relates to a question of valuation not otherwise determined under this Agreement, SLNSC shall appoint one Independent Expert and Premuda shall appoint one Independent Expert. The two Independent Experts so appointed shall mutually agree on the appointment of a third Independent Expert, who's valuation shall be final and binding on all Parties.

Passed in Parliament this *21st* day of *September*, in the year of our Lord two thousand and twelve.

IBRAHIM S. SESAY,
Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

IBRAHIM S. SESAY,
Clerk of Parliament.

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ACT

Supplement to the Sierra Leone Gazette Vol. CXLIII, No. 60
dated 1st November, 2012

SIGNED this *12th* day of *October*, 2012.

DR. ERNEST BAI KOROMA,
President.



No. 13

2012



THE SIERRA LEONE NATIONAL CARRIER AGREEMENT RATIFICATION ACT, 2012

Short title.

Being an Act to ratify the joint Venture Agreement relating to the setting up and operations of Sierra Leone National Carrier Limited; to grant to Sierra Leone National Carrier Limited the status of the sole National Carrier of the Republic of Sierra Leone, to reserve to Sierra Leone National Carrier Limited the right to perform at its discretion the maritime transportation of forty per cent of the total value of cargo exported out of, and imported into, Sierra Leone, whether they be unitised or in bulk, dry or liquid, including the provision of FPSOs and FSOs.

[

] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

PART 1—PRELIMINARY

Interpretation.

1. In this Act, unless the context otherwise requires—

“cargo” means any cargo, freight or goods of any kind whether unitised or in bulk, dry or liquid that is loaded into a ship or vessel;

“continental shelf” means continental shelf as defined by the United Nation’s Convention on the Law of the Sea;

“Exclusive Economic Zone” means the Exclusive Economic Zone as defined by the United Nations Conventions on the Law of the Sea;

“FPSO” means a Floating Production Storage and Offloading unit or any other unit that performs a similar activity;

“FSO” means a Floating Storage Offloading unit or any other unit that performs a similar activity;

“Joint Venture Agreement” means the Joint Venture Agreement signed on the 24th of May 2012 between Sierra Leone National Shipping Company Limited and Four Handy Limited and Premuda Sierra Leone Limited relating to the setting up and operations of Sierra Leone National Carrier Limited, as set out in the Schedule;

“shipper” means any entity which requires the seaborne transportation of cargo into or out of Sierra Leone, including shippers, receivers and suppliers of cargo imported into and exported out of Sierra Leone or an entity which requires the provision of any FPSO or FSO operating in the territorial waters, Exclusive Economic Zone or continental shelf, of Sierra Leone;

- (f) Receipt of opinion from a recognized international accounting firm with regard to the tax status of the Joint Venture and the Parties to the Joint Venture
- (g) Submission by Premuda of a strategic plan of the Joint Venture Company

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31.3 If the dispute has not been resolved within one month after the request under Article 31.2, either Party may request that it be brought to mediation or any other form of alternative dispute resolution (ADR). The other Party shall give constructive consideration to such request but, with the exception of the meeting of senior decision-makers pursuant to Article 31.2 above, neither Party shall be obliged to engage in ADR procedures unless (and then only for so long as) it agrees to it.

31.4 If a Party has come to the conclusion that the attempts at amicable resolution are to no avail, it may give notice to the other Party of this failure and, thereupon, may commence arbitration pursuant to Article 31.5 et seq. Except to the extent that urgent interim measures of protection are required which the Arbitral Tribunal cannot provide effectively and for the enforcement of an arbitral award, the Parties exclude recourse to the courts.