

**JOINT VENTURE AGREEMENT**

**PENINSULA CITY**

**A FLAGSHIP TOURISM CITY**

**JOINT VENTURE AGREEMENT**

**GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE**

**PENINSULA GROUP LIMITED**

**PENINSULA CITY LIMITED**

**FOR A FLAGSHIP TOURISM CITY**

**“PENINSULA CITY”**

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The \_\_\_\_\_ day of \_\_\_\_\_, 2023

## **Parties**

- (A) **The Government of the Republic of Sierra Leone (“GoSL”)** represented by the **Ministry of Tourism and Cultural Affairs (“MTCA”)** of 28B King Harman Road, Freetown, Republic of Sierra Leone.
  - (B) **Peninsula Group Limited (“PGL”)**, company number 1938455, whose registered office is Trident Chambers, PO Box 146, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, a company incorporated under the laws of the British Virgin Islands.
  - (C) **Peninsula City Limited (“PCL”)**, company number SLE080917PENIN1701091, of 1 Lakka Beach Road, Goderich, Freetown, Republic of Sierra Leone, a company incorporated under the laws of the Republic of Sierra Leone.
- (“the Parties”)**

## **Recitals**

**Whereas** the Parties are desirous of enhancing the generation of investment and revenue in Sierra Leone from local and international sources as applied to the sector of Tourism, and thereby contributing to the diversification of the economy;

**Whereas** the Parties are desirous of stimulating and nurturing Tourism-oriented enterprise creation in Sierra Leone, with the objective of creating widespread employment and financial advancement for Sierra Leoneans;

**Whereas** the Parties are desirous of adding value in-country to Sierra Leone’s vast heritage of natural resources, including, through the advancement Tourism, opening up to the broader world the manifold beauties of the nation’s beaches, mountains and landscapes;

**Whereas** the Parties are desirous of providing employment, on-the-job training and affordable accommodation for Sierra Leoneans, particularly those who are in possession, through the construction, operation and maintenance of a new Tourism City;

**Whereas**, to the above effect, on 24 June 2021 a tract of 355.828 acres of State Land at Big Water along the Western Area Peninsula was duly and properly registered on behalf of GoSL by the Director, Surveys and Lands Division, Ministry of Lands, Housing and Country Planning under the heading “*State Land acquired by the Government of Sierra Leone now allocated to the Ministry of Tourism and Cultural Affairs and leased to Peninsula City Limited.*” as shown at Schedule 1 (“**the Site**”);

**Whereas** it is the intention of the Parties to develop the Site as a flagship new, smart tourism city for Sierra Leone and its people in accordance with the development criteria set out at Schedule 2 (“**the Master Plan**”);

**Whereas** it has been agreed by the Parties that they will enter into a Joint Venture (“**the JV**”) for the development of the Site in furtherance of the aforesaid recitals (“**the Peninsula City Project**”);

**Whereas** GoSL and PGL have determined that the best and most efficient way of implementing the JV is to set up a single-purpose company, registered in Sierra Leone, being Peninsula City Limited (“**PCL**”) with GoSL and PGL having shares in it;

**Whereas** GoSL has agreed, in return for its equity stake in PCL, to lease the Site to PCL for an agreed rent (“**the Lease**”) and to take all necessary steps to establish vacant possession of the Site for PCL;

**Whereas** PGL shall be responsible for raising the necessary monies to develop the Site in accordance with the Peninsula City Project including providing financial investment into PCL;

**Whereas** it is also anticipated and expected that PCL itself will raise monies through debt financing and through entering into contracts with third parties to part fund the construction of certain amenities in the Peninsula City Project;

**Whereas** the Parties are desirous that the development of the Site is harmonious in that in fulfilling the Peninsula City Project it is environmentally sensitive and mindful, while being respectful of the inhabitants within the Big Water community, including the provision of sustainable housing, employment and other services for Big Water village;

**Whereas** by a letter signed by the elders, stakeholders and community leaders of Big Water, Black Johnson and York villages, shown at Schedule 6, the inhabitants of the region have expressed their support of the Peninsula City Project and the leasing of the Site to PCL;

**Whereas** the Parties intend that this be a long term project and that the principal return to investors will be by way of annual dividend payments from profit made by PCL rather than a sale of the developed Site;

**Whereas** GoSL recognises that in order for investment to be made into PCL from PGL, PCL must be structured to be a profitable company;

**Whereas** PGL has commissioned, at its own cost, a Feasibility Study from W Hospitality Group (London and Lagos) and a Financial Performance Analysis from Moore Stephens (Freetown) to determine the viability of Peninsula City;

**Whereas** GoSL recognises that in addition to receiving dividend returns as a stakeholder in the Peninsula City Project, GoSL will benefit from the generation of tax receipts—both directly and arising from the enterprises facilitated and stimulated by Peninsula City—and the inflow of foreign revenues to Sierra Leone through Tourism;

**Whereas** the intention is that this Agreement, incorporating the Lease, shall be approved by GoSL and then ratified by Parliament;

**Whereas** in order to achieve the above aims, the Parties have agreed to enter into this Agreement:

**It is hereby agreed between the Parties:**

### **Definitions and Interpretation**

1. In this Agreement, unless the context otherwise requires, the following expressions have the following meanings.

Added Development Value	The increase in the value of the Site that PGL, its officers, servants or agents (including Geoffrey Simon) or PCL have added to the Site by their acts and input which will save any developer of the Site time, money, labour, effort and risk.
Agreement	Means this agreement which is contractually binding on the Parties.
Articles of Association	The articles of association of PCL.

Business Day	Any day other than a Saturday, Sunday or public holiday in Sierra Leone.
Certificate of Vacant Possession	A certificate issued in accordance with Clauses 9-10 whereby GoSL confirms that PCL has the right to Vacant Possession of the Site.
Chinese Fish Harbour	An industrial, Chinese-funded facility potentially to be installed to the southwest of the Site.
Community Centre	A meeting place for the occupants of Big Water and for the inhabitants of the communities in and around the Site, to be built by PCL facing the bridge over Whale River on the Peninsula Highway.
Commencement Date	The date that this Agreement is executed.
Critical Milestones	The milestones set out in the Master Plan that are designated as critical milestones that if not reached, GoSL or PGL may invoke the Investment and Critical Milestones Mechanism.
Disposal	The sale, transfer, assignment or alienation, whether in whole or part, of the equitable or legal title of land or property.
Dispute Resolution Mechanism	The mechanism set out at Clauses 130 to 131.
Effective Start Date	The date whereby PCL can realistically start to build on and develop the Site, deemed to be the latest of the following three dates: <ul style="list-style-type: none"> <li>(1) Ratification of the JV by Parliament;</li> <li>(2) The grant of the Certificate of Vacant Possession to PCL;</li> <li>(3) The opening of the Peninsula Highway.</li> </ul>



Eligible to Vote	A director who has no conflict between the interests of PCL and his own personal (whether direct or indirect) interests in a resolution or arrangement being proposed in a board meeting. For the avoidance of doubt, no PGL Director shall be deemed to have a conflict of interest merely because he is a shareholder or otherwise interested in PGL and no GoSL Director shall be deemed to have a conflict of interest merely because he is a governmental minister, representative or otherwise employed by or connected with GoSL.
Encumbrance	Any mortgage, charge (fixed or floating), pledge, lien, guarantee, trust, right of set-off or other third party rights or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind or any other arrangement having similar effect.
Environmental Guidelines	The environmental guidelines set out at Schedule 5 that shall be taken into account of and consideration by PCL when developing the Site.
Executive Developer	A qualified, brand-name developer engaged to build out all or part of the Peninsula City Project as set out in Clauses 108 to 112.
Expert	An accountant who is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) who is independent of the Parties, has no connection with the Parties and has sufficient expertise to be able to provide valuations of the type required in this Agreement.
Fair Value	The method of valuation set out in Clause 149.

Feasibility Study	The feasibility study carried out by W Hospitality Group in September 2017, of which an executive summary is at Annexe 2 to this Agreement.
Financial Performance Analysis	The financial analysis carried out by Moore Stephens in May 2019, of which an executive summary is at Annexe 3 to this Agreement.
Financial Year	The financial year of PCL as determined in accordance with Clause 41.3.
Fiscal Incentive Schedule	The schedule of fiscal incentives at Schedule 8 offered to PCL by GoSL.
GGDO	Government Gold and Diamond Office.
GoSL	The Government of Sierra Leone.
GoSL Director	A director appointed by GoSL.
Green Belt Land	Land adjacent to the Site protected by GoSL as set out in Clauses 103-105.
Handback Condition	A Condition whereby this Agreement is nullified, set out in Clauses 113 to 114.
Intellectual Property Rights	Patents, patent applications, copyright, registered designs, unregistered designs, trademarks or applications thereto, confidential information, know how or other similar rights held by PGL.
Investment Schedule	The schedule at Schedule 3 attached to this Agreement which sets out the sums that it is expected that PGL will invest into PCL and which if not done, entitles GoSL to invoke the Investment and Critical Milestones Mechanism.

Investment and Critical Milestone Mechanism	The mechanism at Clause 141 which GoSL may invoke if (i) PGL does not make the payments set out in the Investment Schedule by the dates stipulated or (ii) PCL does not achieve the Critical Milestones.
Lease	The lease by GoSL to PCL of the Site, included as Annexe 1 to this Agreement.
LCIA	London Court of International Arbitration.
Local Content Act	The Local Content Agency Act 2016, referred to at Clause 97.
MAFFS	Ministry of Agriculture, Forestry and Food Security.
Map Schedule	The map of the Site at Schedule 1.
Master Plan	The master plan for the Peninsula City Project as set out in Schedule 2.
MDAs	Sierra Leone Ministries including MAFFS, MEST, MF, MFA, MIC, MJ, MLHCP, MMMR, MPED, MTCA, MTI and any other Ministries Departments or Agencies of GoSL.
MEST	Ministry of Education, Science and Technology.
MF	Ministry of Finance.
MFA	Ministry of Foreign Affairs.
MIC	Ministry of Information and Communications.
MLHCP	Ministry of Lands, Housing and Country Planning.
MMMR	Ministry of Mines and Mineral Resources.
MPED	Ministry of Planning and Economic Development.
MTCA	Ministry of Tourism and Cultural Affairs.
MTI	Ministry of Trade and Industry.

NTB	The National Tourist Board of Sierra Leone, an agency of MTCA which has the authority to identify an area as a Tourism Development Area.
PCL Aims	The aims set out in Clause 4 for which PCL has been set up by the Parties to achieve.
Peninsula City Project	The flagship Tourism project for the Site, as set out substantially in the Master Plan at Schedule 2.
Peninsula Highway	A new road running down the coast from Freetown to the Site which is due to be completed in 2022 and which will reduce travel time from Freetown to the Site to about 35 minutes.
Peninsula Tourism Hospitality Training Facility	A school for hotel, restaurant, catering and entertainment management within the Tourism Sector, together with hospitality marketing, logistics and accounting.
PCCAB	An advisory board called the Peninsula City Community Advisory Board that shall comprise representatives from local villages in and around the Site, and from PCL, PGL and GoSL.
PGL Director	A director appointed by PGL.
Reserved Matters	The matters on which the Shareholders must vote in accordance with Clauses 74 to 76.
Shareholders	GoSL and PGL.
Share Sale Mechanism	The mechanism for the compulsory sale of the shares of PGL in PCL as set out in Clauses 143-150.
Site	The subject land area of this Agreement: 355.828 acres on the coastline south of Freetown in the Western Area Peninsula whose boundaries are delineated in the Map Schedule.

SLIEPA	Sierra Leone Investment and Export Promotion Agency.
Social Impact Guidelines	The social impact and local community guidelines set out at Schedule 4 which are intended to ensure that the needs of the local community are properly taken into consideration when developing the Site.
TDA	Tourism Development Area within the meaning of s.40 Tourism Act 1990.
Utilities	Electricity, water, waste water treatment and the ability of buildings to access the Internet.
Vacant Possession	The Site and every part of it free and clear of any claims, rights and Encumbrances, whether by or in the name of natural or legal persons, community associations, local government, national government or international government so that PCL may develop the Site in accordance with the Master Plan without any form of actual or legal hindrance or impediment and as further clarified in Clauses 9 to 10.
Vacation Possession Schedule	The steps that GoSL must take in Schedule 7 to facilitate the grant of Vacant Possession to PCL.
Valuation Resolution Mechanism	The mechanism set out at Clauses 134 to 140.

2. In this Agreement, unless the context otherwise requires, any reference to:
  - 2.1. “writing” or any cognate expression is a reference to any communication effected by post, email, facsimile transmission or similar means;
  - 2.2. a Clause is a reference to a Clause of this Agreement and, unless otherwise indicated, includes all the sub-clauses of that clause; and
  - 2.3. a Schedule is a reference to a Schedule to this Agreement, and a reference to this Agreement includes each Schedule.

## **The Joint Venture and its Aims**

3. GoSI and PGL shall use and promote PCL as the exclusive company
  - 3.1. to develop the Site;
  - 3.2. to realise the Peninsula City Project;in accordance with the PCL Aims.
4. The PCL Aims are as follows:
  - 4.1. To develop the Site substantially in accordance with the Master Plan as set out at Schedule 2, which takes proper account of and pays heed to
    - 4.1.1. the Environmental Guidelines;
    - 4.1.2. the Social Impact Guidelines.
  - 4.2. PCL to be a profitable undertaking for the Shareholders.

## **Commencement Date**

5. This Agreement shall be legally binding upon the Parties from the Commencement Date.

## **Parliamentary Ratification**

6. GoSI shall use its best endeavours to ensure that this Agreement (or a modified version) is ratified by the Parliament of Sierra Leone in a timely manner.
7. If this Agreement (or its modifications as agreed above) is not ratified by the Parliament of Sierra Leone within two (2) years of the Commencement Date, then
  - 7.1. The Parties shall be released and discharged from their obligations under this Agreement;
  - 7.2. The Intellectual Property Rights in the Peninsula City Project shall remain vested in PGL.

## Initial Steps

8. Upon execution of this Agreement, the Parties shall take the following steps in a timely and expeditious manner in order that PCL may start development of the Site in accordance with the PCL Aims.

### Vacant Possession of the Site

9. GoSL shall with the assistance of MTCA, MLHCP and other MDAs, grant Vacant Possession of the Site to PCL in timely fashion using the following procedures:
  - 9.1. in the event that all or any part of the Site is private land, compulsorily purchase said private land pursuant to Section 21 of the Constitution of Sierra Leone 1991; and
  - 9.2. Consistent with Clause 10, GoSL shall provide a Certificate of Vacant Possession to PCL confirming the same.
10. For the avoidance of doubt, and by reason of the intended phased and zonal development of the Site over a substantial period of time, particularly but not exclusively in relation to the occupants of Big Water, the Parties recognise that it may not be appropriate to clear part or all of the Site, or to relocate village occupants and provide them with rehousing, until a substantial period has lapsed. Accordingly, the term Vacant Possession does not mean that the Site necessarily has no structures or buildings on it or persons resident on or occupying it but rather that PCL has the *right* in a manner that it sees fit, and at a time it considers appropriate (taking account of the Social Impact Guidelines and Environmental Guidelines), to compel whether acting through itself, the NTB or other MDAs the removal of buildings and structures on the Site and the relocation of persons resident or in occupation on the Site.
11. In order to implement and facilitate the grant of Vacant Possession, GoSL with the help of all MDAs shall, after the Effective Date, take all the steps set out in the Vacant Possession Schedule, Schedule 7, in a timely manner.
12. In order further to implement and facilitate the grant of Vacant Possession:
  - 12.1. PGL shall subsidise GoSL with the costs of any compulsory acquisition by GoSL of legal title to parcels of land on the Site in strict adherence to

- existing statutes, practices and payment rates. The subsidy shall apply only to land legally titled prior to 8 June 2021 at rates then enforceable.
- 12.2. PGL shall pay the costs of any demolition of structures on the Site in accordance with this Agreement at Clauses 9 to 11 and Schedule 7.
  - 12.3. The above payments shall be taken into account when determining whether PCL has complied with the Social Impact Obligations and Guidelines and the Environmental Guidelines as set out in this Agreement and its Schedules.
  - 12.4. The rehousing of the occupants of Big Water shall follow the procedures set out in this Agreement at Clause 99. The obligations of Clause 99 shall only apply to occupants who have been resident in Big Water since prior to April 2018, or since birth.
  - 12.5. Subclauses 12.1 and 12.2 above shall not apply to Clause 1 of Schedule 7 of this Agreement.
13. GoSI indemnifies and holds harmless PCL against any claims (whether of a legal nature or otherwise) to any part of the Site by any third party including but not limited to:
    - 13.1. any freehold, leasehold, tenancy or other claims to any part of the land of the Site;
    - 13.2. claims to possession of any part of the land of the Site arising from longstanding occupancy;
    - 13.3. any other claims to rights over, on or below the Site including but not limited to mining rights, farming or fishing rights, rights of tillage, rights to waste extraction, rights of way, easements and wayleaves;
    - 13.4. claims based on a third party being the beneficiary of an Encumbrance over any part of the Site.

### **Planning Approval and Building Permissions**

14. This Agreement confers upon PCL the right to proceed with the development of the Site in its entirety in accordance with the development options set out in the Master Plan at Schedule 2, subject to the Environmental Guidelines and Social Impact Guidelines.



15. For the avoidance of doubt, the Parties agree that this Agreement embodies the granting of planning permission to PCL by GoSL to proceed at its sole discretion with the planning, design and development of the Site as set out in Clause 14 and the Master Plan at Schedule 2.
16. GoSL shall procure in a manner that is legal and has due and proper regard for the laws of Sierra Leone, that all building permits, operational licences, import and export clearances and any and all other forms of governmental authorisations required for PCL
  - 16.1. to achieve the PCL Aims; and
  - 16.2. to realise the Peninsula City Project in accordance with the Master Plan;are granted and issued immediately upon application by PCL, without hindrance.

### **Construction, Employment and Export of Goods produced**

17. GoSL shall take all necessary steps provided such are consistent with the Sierra Leone Local Content Agency Act 2016
  - 17.1. to allow PCL to import directly all materials necessary for the clearance of the Site, the preparation of the Site for construction, the construction of buildings and the realisation of the PCL Aims in circumstances where local companies, firms, persons, intermediaries or agencies do not possess the skillsets or experience to efficiently handle such imports;
  - 17.2. to allow PCL and any subsidiary companies of PCL, and insofar as it extends beyond tourism, such to be subject to applicable laws, to export from Sierra Leone any goods produced by companies, firms or persons located within the Site with no requirement to export through any third party local company, firm, person, intermediary or agency other than established governmental agencies.
  - 17.3. to allow PCL to contract or employ persons who are not nationals or residents of Sierra Leone for the purpose of realising the PCL Aims on the following conditions:
    - 17.3.1. PCL will first seek to contract or employ nationals or residents of Sierra Leone;

- 17.3.2. if PCL, acting reasonably, is of the opinion that there are not, or not sufficient number of, nationals or residents of Sierra Leone with the necessary qualifications or skillsets to provide the work and skills necessary to realise the PCL Aims, it may contract or employ persons who are not nationals or residents of Sierra Leone;
- 17.3.3. for the avoidance of doubt, when determining whether PCL has acted reasonably in accordance with the previous subclause, it shall not need to take into account the ratio of local to foreign workers.

### **Fiscal Incentives**

18. GoSL shall ratify the passing of any primary or secondary legislation, or exercise any powers that it has, to confer on PCL all fiscal and tax incentives and assurances as are set out in the Investment Promotion Act 2004 and any act of a similar nature as pledged to PCL as more particularly set out in the Fiscal Incentive Schedule at Schedule 8.

### **Peninsula Highway**

19. GoSL shall facilitate the construction and completion of the Peninsula Highway in such a manner as to allow motor vehicles including construction vehicles to access the Site.

### **Facilitation of Provision of Infrastructure**

20. GoSL shall facilitate the provision of Utilities in the form of electricity, clean water and connection to the internet to the outer perimeter of the Site using best endeavours to do so within 12 months of the Commencement Date.

### **Licensing and Assignment of the Intellectual Property Rights of PGL in the Project**

21. As from the Commencement Date, PGL shall license its Intellectual Property Rights in the Peninsula City Project to PCL for the purpose of it achieving the PCL Aims.
22. This licence shall be irrevocable unless any of the following conditions occur:
- 22.1. the Lease of the Site is forfeited back to GoSL in accordance with Clause 34;
- 22.2. this Agreement is contravened or terminated in accordance with the provisions of this Agreement.

23. After ten (10) years from the Commencement Date, PCL may request by the service of written notice on PGL that PGL assign the Intellectual Property Rights in the Peninsula City Project into PCL. If such a request is made, then PGL shall execute all documents necessary or requested by PCL to assign the said Intellectual Property Rights into PCL.

## **Financing of PCL**

24. It shall be the sole responsibility of PGL to ensure that PCL has the financial wherewithal to realise the Peninsula City Project.
25. GoSI shall have no obligation to provide any monies to PCL.
26. The financial requirements of PCL to achieve the PCL Aims shall be achieved in one or more of the following ways:
  - 26.1. the advancement of monies by PGL into PCL as set out in the Investment Schedule;
  - 26.2. the entering into agreements (including joint venture agreements) between PCL and third parties such as developers and hotel companies whereby a third party assumes specific financial obligations of PCL or, in return for concessions and other grants, a third party pays monies into PCL (whether by way of one off payments or recurring income);
  - 26.3. the obtaining of loans or investment from third parties directly into PCL;
  - 26.4. any other means that is approved by resolution by the board of PCL or at a shareholders' meeting in accordance with this Agreement.
27. Where PGL advances monies into PCL that exceed the amounts set out in the Investment Schedule, it shall be entitled at the election of PGL to
  - 27.1. treat such monies as a loan to PCL on such terms as PGL and PCL see fit to agree including as a convertible loan; or
  - 27.2. to the allocation of further shares at the then open market value of PCL to be agreed between the Shareholders or otherwise determined in accordance with the Valuation Resolution Mechanism;

28. Where PGL does not advance the sums set out in the Investment Schedule by the dates set out in that schedule, such shall not be a breach of this Agreement but GoSL may by the service of written notice on PGL and PCL invoke the Dispute Resolution Mechanism and if such is not successful, invoke the Investment and Critical Milestone Mechanism.

## **Lease and Freehold of the Site**

### **Grant of Lease**

29. Within two (2) working days of the Commencement Date (if it has not already been signed) GoSL and PCL shall execute a lease of the Site in favour of PCL (“**the Lease**”). A copy of the Lease document is included as Annexe 1 to this Agreement.
30. The principal terms of the Lease are:
  - 30.1. the initial term is 21 years from the date of execution of the Lease;
  - 30.2. the rent is Ten Thousand United States Dollars (US\$10,000) per annum, to be paid in the equivalent Sierra Leone Leones at the prevailing bank rate.

### **Extension of Lease**

31. Upon the submission of proof by PCL to GoSL that it has fulfilled the requirement set out in Clause 33, and in conformance with Clause 3.3 of the Lease agreement, GoSL shall convene a meeting of the Board created under the Non-Citizens (Interest in Land) Act 1966 for the granting of a licence for a leasehold to PCL in excess of 21 years (“**the Licence**”), specifically taking the form of options to PCL for a second and third Lease term of 49 years each as set out in Clauses 4.2 and 4.3 of the Lease agreement.
32. GoSL shall procure the granting of the Licence within two (2) weeks of the submission of the aforementioned proof by PCL to GoSL.
33. If any five (5) of the conditions set out below in this Clause (“**the Trigger Conditions**”) are achieved within one (1) year from the Effective Start Date, PCL may put into effect the provision of Clause 31. The Trigger Conditions are:
  - 33.1. demarcating the Site by means of suitable signage and/or boundaries;
  - 33.2. deploying and maintaining entry barriers and security personnel;

- 33.3. commissioning detailed topographical mapping of the Site;
- 33.4. commissioning a geological survey of the Site;
- 33.5. undertaking an Environmental Impact Assessment of the Site;
- 33.6. commencing the intra-Site provision of infrastructure (electricity, Internet, water, waste water treatment, internal roads and other facilities);
- 33.7. rehousing a minimum of ten (10) of the families who are in possession in the village of Big Water in new sustainable accommodation directly across the Peninsula Highway from their present location;
- 33.8. inviting those who are in possession to join the workforce pool for developing the Site;
- 33.9. building and opening a Community Centre for the occupants of Big Water and those who are in possession on and around the Site;
- 33.10. building and opening a Modern Market for the occupants of Big Water and those who are in possession on and around the Site.

### **Forfeiture of Lease**

34. If fewer than five of the Trigger Conditions are achieved within one (1) year from the Effective Start Date and in the absence of any agreement in writing between GoSL and PGL to extend the said time period, the following shall happen:
  - 34.1. the Lease shall be declared void and the Site shall revert to GoSL;
  - 34.2. GoSL and PGL shall be released from any obligations that they respectively have under this Agreement;
  - 34.3. PCL shall be wound up in a timely and expeditious manner;
  - 34.4. any investment monies in the possession or control of PCL shall be transferred to PGL following PCL discharging any financial obligations that it owes to third parties.
35. The Lease shall not be capable of being forfeited from PCL unless and only if GoSL invokes the mechanism in Clause 34. Otherwise, any remedy for breach of the terms of the Lease or this Agreement shall lie either in damages or by way of injunctive

relief requiring specific performance to ensure that PCL complies with this Agreement or the Lease and not by way of forfeiture.

### **Conversion to Freehold**

36. In the event that Sierra Leone law allows for the grant of a freehold to the Site, and upon service of a written notice by PGL, GoSL may in the exercise of its discretion grant a freehold to PCL for the site in consideration for payment equivalent to five years' annual market rental of the Site, with the valuation of the annual rental to be determined as of the date of service of written notice )as determined in accordance with the Valuation Resolution Mechanism.

## **Shareholdings and Corporate Governance of PCL**

### **Initial Steps**

37. Within 3 months from the Commencement Date, PGL shall call a shareholders meeting of PCL in accordance with the Articles of Association to which representatives of both GoSL and PGL shall attend.
38. At the meeting, shares in PCL shall be allocated, issued and subsequently duly registered to GoSL and PGL including where necessary the transfer of shares from one Party to the other so that
  - 38.1. PGL has 85% of all issued shares in PCL;
  - 38.2. GoSL has 15% of all issued shares in PCL.
39. The shares allocated in Clause 38 shall be ordinary voting shares.
40. After carrying out the steps in Clause 38, the Shareholders shall appoint their directors to the board of PCL in accordance with the provisions of Clause 44.
41. The Shareholders shall then
  - 41.1. appoint an auditor to PCL;
  - 41.2. appoint the principal bankers to PCL;
  - 41.3. resolve that the financial year of PCL shall end on a particular date;
  - 41.4. adopt a Business Plan for the period up to the end of the first Financial Year;

41.5. authorise the board of PCL to prepare amended draft Articles of Association that are compliant with and appropriate to this Agreement.

and insofar as the Shareholders may be unable to agree, the matter shall be decided in accordance with the voting rights of the Shareholders.

42. The Shareholders shall take all necessary steps, including waiving or agreeing to waive any rights or restrictions which may exist in the Articles of Association, this Agreement or which might otherwise prevent the allotment, issue or transfer of the shares above, in order to carry out the above steps.

43. The board of PCL shall take all steps necessary to implement the above, including the issuing of share certificates, filing of transfers and making of the necessary filings with the relevant authorities, and to that end, shall instruct the Secretary to carry out such acts.

### **Directors and Management**

44. For the lifetime of PCL, the board of PCL ("**the Board**") shall consist of

44.1. Two (2) Directors appointed by GoSL;

44.2. Seven (7) Directors appointed by PGL.

45. Upon appointment of the directors per Clause 44, and exercising their powers that they have under this Agreement and Articles of Association, the Board shall appoint

45.1. a Chairman who shall be a director of PCL;

45.2. a Deputy Chairman who shall be a director of PCL and a Sierra Leonean and shall act as Chairman if the Chairman is unable to attend a meeting of the Board;

45.3. a Chief Executive Officer who may or may not be a director of PCL;

45.4. a Financial Director who shall be a director of PCL;

45.5. a Secretary who shall not be a director.

46. The Chairman, Deputy Chairman and Financial Director shall be PGL Directors. If the Chief Executive Officer is a director, he shall be a PGL Director.

47. Directors shall be nominated or removed in accordance with the provisions of the Companies Act 2009.

## Board Meetings

48. Any director may, and at the request of a director the Secretary shall, call a meeting of directors. Meetings may be attended by a director in a manner that allows a director in an effective manner to observe, talk and listen to other directors e.g. in person or by video conference calling. A director who does not satisfy the above criterion of attendance shall not be taken into account for the purpose of determining whether the meeting has a quorum of directors.
49. At least five Business Days' notice of a meeting of directors shall be given to all directors accompanied by:
  - 49.1. an agenda setting out in reasonable detail the matters to be raised at the meeting;
  - 49.2. copies of any papers to be discussed at the meeting.
50. A shorter period of notice may be given if at least one PGL Director and one GoSL Director agrees in writing.
51. Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless at least one PGL Director and one GoSL Director present at the meeting agree in writing.
52. The quorum at any meeting of directors shall be 5 with at least 2 directors being Eligible to Vote and either the Chairman or Deputy Chairman being present. At least 1 director from GoSL must be present within the quorum. If within 15 minutes of the time fixed for a board meeting, there is no quorum, then the meeting shall stand adjourned to the same time and place on the seventh day after the original date of the meeting and at the adjourned meeting, the quorum shall be any two directors Eligible to Vote but must include either the Chairman or Deputy Chairman.
53. Decisions of the Board shall be made by passing resolutions. A resolution is passed if more votes are cast for it than against it.
54. Each director shall have one vote. The Chairman shall have a casting vote. If the Chairman is not present, the Deputy Chairman shall have a casting vote.
55. Any director who has a personal interest in a proposed resolution shall disclose that interest.



56. A director may only vote on any resolution if he is Eligible to Vote, unless a PGL Director and a GoSL Director present at the hearing who are both Eligible to Vote both agree that the director may vote.

#### Chief Executive

57. The Chief Executive shall
- 57.1. be responsible for the day to day management of the business of PCL;
  - 57.2. report to the Board with frequency and in such manner as may be required by the Board;
  - 57.3. comply with all decisions and directions of the Board.

#### Management Committee

58. The Board shall appoint a Management Committee to assist the Chief Executive Officer and/or to carry out duties delegated to it by the Board.
- 58.1. Amongst its duties the Management Committee will consult periodically but at least quarterly with MTCA and communicate to the Board for consideration any recommendations that arise from such consultation.

### **Shareholders Meetings**

59. There shall be at least one shareholder meeting each year which shall be held within a period expiring 3 months from the end of the previous Financial Year.
60. 21 clear days' notice shall be given of any shareholder meeting to all Shareholders.
61. The meeting shall be attended by Shareholders and shall be held in Sierra Leone at the registered office or business premises of PCL. Shareholders may attend by video conference.
62. Persons present holding or representing by proxy a minimum of 60% of the issued shares of PCL shall be a quorum.
63. Voting shall be on the basis of one vote per issued share. No person other than a Shareholder or Shareholder's proxy shall be entitled to vote on any resolution at the shareholder meeting.
64. Decisions shall be made save for Reserved Matters (in which case the procedure set out in Clauses 74 to 76 shall apply) in accordance with a simple majority.

65. The Board shall put forward an agenda for the shareholder meeting which shall be circulated in good time prior to the meeting. It shall include:
  - 65.1. a proposal that the Business Plan for the current Financial Year be adopted;
  - 65.2. any proposals for the payment of a dividend (if any);
  - 65.3. any other matters that a Shareholder gives notice of in good time for the meeting.
66. A resolution in writing signed by all Shareholders shall be valid and effective as if the same had been passed at a shareholder meeting.

### **Business Plan**

67. The Business Plan is an annual business plan for PCL prepared by the Board of PCL and it shall include in relation to the Financial Year to which it relates:
  - 67.1. a cash flow statement giving
    - 67.1.1. an estimate of the working capital requirements;
    - 67.1.2. an indication of the amount (if any) that it is considered prudent to retain, for the purpose of meeting those requirements, out of the profits of the previous Financial Year that are available for distribution to shareholders;
  - 67.2. a forecast of the profit and loss account for the current Financial Year;
  - 67.3. an operating budget (including capital expenditure requirements) and balance sheet forecast;
  - 67.4. a management report giving business objectives for the current Financial Year;
  - 67.5. a financial report on the previous Financial Year which shall include an analysis of the results of PCL for the previous Financial Year as against the Business Plan for that year identifying the reasons for any discrepancy or failure to achieve any goals or aims of that plan.
68. The Business Plan for the first Financial Year shall be that adopted by the Parties in accordance with Clause 41.4.
69. The Business Plan for the second and successive Financial Years shall be

- 69.1. prepared by the Board within 30 Business Days of the end of the previous Financial Year;
- 69.2. sent to Shareholders at least 5 Business Days prior to the annual shareholder meeting.

### **Accounting**

70. PCL shall at all times maintain accurate and complete accounting and other financial records.
71. The accounts of PCL shall be audited on an annual basis.
72. Any Party may access at all reasonable times the books and records of PCL.
73. PCL shall supply each Shareholder with
  - 73.1. a copy of the Business Plan approved for that Financial Year;
  - 73.2. a copy of any audited accounts of PCL;
  - 73.3. quarterly management accounts.

### **Reserved Matters**

74. For the purposes of this Agreement, the following are Reserved Matters:
  - 74.1. changing the nature of the business of PCL to one other than pursuing the PCL Aims;
  - 74.2. the assignment of any of the rights or obligations of PGL or GoSL under this Agreement;
  - 74.3. the assignment by GoSL or PGL of its shares in PCL to a third party;
  - 74.4. the transfer of a controlling interest in shares in PGL to a third party where such gives rise to reasonable concerns on behalf of GoSL about their commitment to the Peninsula City Project;
  - 74.5. the presentation of any petition or passing of any resolution for PCL to be put into administration or wound up;
  - 74.6. any decision which would adversely and materially impact on the well-being of the occupants of Big Water (other than the mere fact of rehousing).

75. Where a Party (including PCL itself) wishes PCL to take an action that is a Reserved Matter:
- 75.1. the Board shall provide a report including a recommendation (if they are able to agree on such) to the Shareholders for them to vote on a resolution concerning the Reserved Matter in an extraordinary general meeting of PCL;
  - 75.2. the Board shall put forward the resolution and summon a shareholders meeting of PCL;
  - 75.3. at the shareholders meeting, the resolution shall not be passed and shall be rejected unless both Shareholders agree to the resolution.
  - 75.4. in exercising their right to agree or reject the resolution relating to a Reserved Matter, each Party shall
    - 75.4.1. act in good faith towards each other;
    - 75.4.2. not act in a manner that is manifestly contrary to the achievement of the PCL Aims or the interests of PCL;but otherwise shall have full discretion to reject the resolution.
76. Where both Shareholders agree in writing to the proposed resolution acting through senior representatives of both, then the mechanism set out hereinabove need not be adopted and the Board shall implement the resolution.

### **Liaison and PCCAB**

- 77. GoSL shall assign a senior representative of GoSL to act as a liaison between GoSL and PCL and between GoSL and PGL.
- 78. The Parties shall take all necessary steps to establish the Peninsula City Community Advisory Board (“**the PCCAB**”) including identifying and inviting members of the local community to be representatives on the PCCAB.
- 79. GoSL, PGL and PCL shall also appoint representatives onto the PCCAB.
- 80. The Board and Parties shall take due account of the views of PCCAB in the management of PCL and in voting on any shareholder resolution.

## **Dividends**

81. PCL shall only distribute by way of dividend out of the distributable profits of PCL for each accounting period.
82. After the end of each accounting period, the Board shall recommend what the dividend should be having regard to and taking account of
  - 82.1. The PCL Aims;
  - 82.2. the distributable profits of PCL in that accounting period;
  - 82.3. the fact that such profits may be needed to be set aside as working capital for achieving the PCL Aims;
  - 82.4. other factors of which the Board considers it right and fitting to take account, including governmental regulations relating to the distribution of profits.

## **Relationship between Articles of Association and this Agreement**

83. Where the Articles of Association conflict with the provisions of this Agreement, the latter shall prevail. Where this Agreement is silent on matters, the Articles of Association shall apply.
84. The Parties shall when necessary exercise their powers of voting and any other rights and power they have to amend, waive or suspend a conflicting provision in the Articles of Association to the extent necessary to allow PCL and its business to be administered as provided for in this Agreement.
85. Within 6 months of the Effective Start Date, the Board shall prepare amended Articles of Association that
  - 85.1. are consistent and conform with this Agreement;
  - 85.2. allow PCL to be administered as provided in this Agreement;
  - 85.3. make any other amendments to the Articles of Association that it considers right and fitting to make;
  - 85.4. table a resolution for a shareholder meeting for the draft amended Articles of Association to be voted on in a shareholders meeting.

### Conduct of Parties in governing PCL

86. The Shareholders shall ensure that the directors appointed by them to the board of PCL conduct business at a Board level including voting on any resolution put to the Board in a manner that
  - 86.1. does not thwart or impede in any material manner the achievement of the PCL Aims;
  - 86.2. is in good faith;
  - 86.3. ensures that access to facilities and services to be provided to tourists and business and other persons are provided in a fair and non-discriminatory manner;
  - 86.4. ensures that any contracts with third parties to build buildings, provide facilities or provide services otherwise concluded in the course of business with PCL are awarded in a fair and non-discriminatory manner;
  - 86.5. complies in all respects with Sierra Leone law including, in particular, its bribery and anti-corruption laws.
87. At any shareholders' meeting, the Shareholders shall vote on any resolution in a manner that
  - 87.1. does not thwart or impede in any material manner the achievement of the PCL Aims;
  - 87.2. is in good faith.

### Option of GoSL to purchase further shares in PCL

88. At any period up to 10 years from the Commencement Date, by the giving of written notice to all shareholders, GoSL shall have the option (exercisable by giving written notice to PGL and any other Financial Shareholders and PCL) to have issued new shares and allotted to it up to a further 10% of all current allotted shares in PCL (the percentage to be determined as of the date of exercise) ("**the Further Shares**") at the Fair Value of the PCL shares (the value to be determined as of the date of exercise of the option).
89. Upon exercise of the option:

- 89.1. GoSL shall pay to PCL the Fair Value of the Further Shares;
- 89.2. PGL and GoSL shall issue and allot the Further Shares in the name of GoSL within 30 days of the date of payment under Clause 89.1;
- 89.3. If the Fair Value of the Further Shares cannot be agreed between PGL and GoSL, then the Parties shall use the mechanism for determining their Fair Value as set out in Clause 134 to 140 (Valuation Resolution Mechanism) and the valuation criteria as set out at Clause 143 to 150 of this Agreement (and the time periods in Clause 89.1 and 89.2 shall be extended accordingly).

## **Other Obligations of Parties,**

### **General Obligations of the Parties**

90. The Parties shall cooperate and act in good faith towards each other and work together and use reasonable endeavours to promote and develop the business of PCL so that it achieves the PCL Aims.
91. No Party shall take any steps or do any acts whether itself or through its directors, servants, agents or representatives or howsoever otherwise (including, but without limiting the generality of the foregoing, in the case of GoSL, the passing of legislation, governmental acts, ministerial directives and equivalent acts) whose aim, intent or objective is to (whether wholly or substantially) frustrate, impede, restrict, retard or prevent PCL from achieving the PCL aims and/or the Parties' obligations under this Agreement.
92. Each Party shall at all times use all reasonable endeavours to keep confidential any information which relates to the customers, suppliers, business, assets or affairs of any Party including PCL or which otherwise can be considered confidential information.
93. GoSL and PGL shall ensure that their directors appointed to the board of PCL attend board meetings and vote on resolutions at those meetings and they do so in a manner that is consistent with the PCL Aims and the best interests of PCL.
94. Where a Party has an obligation under this Agreement which requires the commitment of resources and manpower to achieve, it shall carry out that obligation

using reasonable endeavours and in a timely manner unless otherwise agreed between the Parties.

95. Where GoSL has an obligation, it shall direct that any MDA carries out all necessary steps in a timely and cooperative manner to comply with that obligation including where necessary issuing a ministerial order or passing legislation to compel an MDA to take such steps.

### **Obligations of PCL**

96. PCL shall ensure that the quality of the Peninsula City Project is consistent with its being a premier flagship project unless the Shareholders of PCL, by ordinary resolution, decide that, by reason of the conditions on the ground and the immediate environment of the Site, only a less aspirational project will be commercially feasible.
97. PCL shall further ensure that its operations comply with the Local Content Agency Act 2016. Within six (6) months of the Effective Start Date, PCL shall draw up a plan to ensure that its operations are compliant with this Act, in particular its Section 40.
98. PCL shall use reasonable endeavours to ensure that the development of the Peninsula City Project
- 98.1. is carried out diligently and expeditiously;
  - 98.2. achieves the PCL Aims;
  - 98.3. does not depart significantly from the Master Plan save by agreement between the Shareholders;
  - 98.4. develops the Site in accordance with the Master Plan;
  - 98.5. takes account of the Social Impact Guidelines and Environmental Guidelines and the views of PCCAB;
  - 98.6. is promoted, marketed and publicized energetically in Sierra Leone and internationally including by the Internet and social media.
99. PCL and GoSL shall ensure that land is made available and new sustainable housing provided for the occupants of Big Water on land on the eastern side of the Peninsula Highway which is immediately opposite to their present location on the Site, at such



appropriate time as the development of the Site warrants the rehousing of the village occupants. The provided housing will take account and conform with the Environmental Guidelines and Social Impact Guidelines and take the form of structures provided by PCL without charge to the occupants which the occupants shall be responsible for fit-out.

### Obligations of GoSL

100. With the consent of the relevant third parties and/or owners in fee simple, GoSL shall make available and assist PCL to enjoy the right to enter upon, transit through or do work or fix installations upon the property of said third parties insofar as such is necessary to ensure performance of this Agreement. Insofar as consent is required from said third parties to achieve the above purpose, GoSL shall use all reasonable endeavours to obtain such consent.

#### Tourism

101. GoSL shall prioritise tourism as a vital, renewable national resource and shall promote tourism including the Peninsula City Project domestically, internationally and on the Internet and social media.

#### Protection of the Site

102. From the Commencement Date until such time as PCL assumes full occupation and control of the Site, GoSL shall protect the Site and prevent any activities from happening on it including sand mining, tree felling, burn off, house or shack building, squatting, business operations or other activities that would damage the Site or that would impede the ability of PCL to realise the PCL Aims upon taking control of the Site save that subsistence farming may continue until PCL makes appropriate arrangements with the farmers.

#### Green Belt Land

103. GoSL shall designate through MTCA and NTB as a TDA all land extending 200 metres beyond the perimeters of the Site ("**the Green Belt Land**").
104. GoSL shall ensure that the Green Belt Land is not mined, trees felled, burnt, occupied, building allowed, business or farming operations take place or any other activities allowed to be carried on that would materially affect the amenity value

and scenic beauty of the Peninsula City Project or the enjoyment of tourists or residents in the Site unless GoSL and PGL consent in writing to such activities.

105. Subject to the concurrence of the Ministry of Energy, which concurrence shall not unreasonably be withheld, GoSL shall not

105.1. erect any overhead high tension power cables within 1,000 metres of the perimeter of the Site; or

105.2. install any other overground cables within 250 metres of the perimeter of the Site (even if such extends beyond the outer boundary of the Green Belt Land.)

#### Tax Free Zone

106. GoSL shall facilitate, in collaboration with the Ministry of Finance and the National Revenue Authority, the designation of the Site as a tax free zone for businesses and consumers, as more particularly set out in Schedule 8 of this Agreement.

#### Obligations of PGL

107. PGL shall use reasonable endeavours to raise investment monies to invest into PCL in accordance with the Investment Schedule.

#### Executive Developer

108. By no later than twelve (12) months after the Effective Start Date (**the “Longstop Date”**), PGL and PCL must have signed a Heads of Terms with a developer who satisfies the conditions below (**“the Executive Developer”**) to realise in whole or in part the Peninsula City Project.

109. The Executive Developer shall be:

109.1. an internationally recognised and respected brand name;

109.2. experienced and successful in operating in emerging economies, including, specifically, completing projects in African countries similar in scale to, or larger than, the Peninsula City Project;

109.3. supportive of the concept and structure of Peninsula City as articulated in and required by this Agreement and further set out in the Master Plan;

- 109.4. possessive of a balance sheet of sufficient capacity to carry out the development in an efficient and timely manner;
  - 109.5. committed to the “Quadruple Bottom Line” practice of contemporary, socially-responsible investment: *People, Planet, Profit, Progress*; and
  - 109.6. committed to operate at the high standards defined in this Agreement and expected by the Peninsula City Project’s founders and by MTCA and GoSL.
110. The Heads of Terms between PGL, PCL and the Executive Developer must include the following terms:
- 110.1. An undertaking to build out either the entire Peninsula City Project or:
  - 110.2. Phase 1 of the Master Plan: “Mobilisation and Site Preparation”, as detailed in Schedule 2; plus either
    - (i) Phase 2 of the Master Plan: “Northwest Sector”; or
    - (ii) A combination of the other Phases of the Master Plan amounting to a similar magnitude to Phase 2.
  - 110.3. The Executive Developer shall be bound contractually, by way of a “lock-in” requirement, to complete in full the commitments entered into.
111. The Executive Developer shall be selected by PGL after due consultation with MTCA.
112. A binding agreement broadly reflecting the Heads of Terms must be concluded within 60 Business Days of the Longstop Date between the Executive Developer and PCL.

Handback Condition

113. Should there not be concluded a Heads of Terms by the Longstop Date, and in the absence of any agreement in writing between GoSL and PGL to extend the Longstop Date, the following shall happen:
- 113.1. the Lease shall be declared void and the Site shall revert to GoSL;
  - 113.2. GoSL and PGL shall be released from any obligations that they respectively have under this Agreement, which shall be deemed terminated;
  - 113.3. PCL shall be wound up in a timely and expeditious manner; and

- 113.4. any investment monies in the possession or control of PCL shall be transferred to PGL following PCL discharging any financial obligations that it owes to third parties.
- 113.5. The Intellectual Property Rights in the Peninsula City Project shall remain vested in PGL.
114. Furthermore, in the absence of a Heads of Terms with an Executive Developer by the Longstop Date, GoSL will put all or part of the Site out to public competitive tender for development as a new project. The tender shall require the successful developer ("**the New Developer**") to pay the Added Development Value of the Site to PGL within thirty (30) Business Days of an agreement between PGL and the New Developer as to the Added Development Value. In the absence of agreement within thirty (30) Business Days of the New Developer being awarded the tender by GoSL, PGL may activate the Valuation Resolution Mechanism for an expert to determine the Added Development Value, save that Clause 138, whereby the President of the Institute of Chartered Accountants can select the Expert, shall not apply.
- 114.1. For the avoidance of doubt, only the New Developer shall be required to pay the Added Development Value to PGL. GoSL shall have no such obligation to PGL.

## **Breach of this Agreement**

115. Where a Party commits a breach of this Agreement, the following shall occur:
- 115.1. any other Party may serve a written notice on the breaching Party setting out full particulars of the breach and requiring it to remedy the breach within a reasonable period of time that shall not be less than twenty (20) Business Days, if the said breach is capable of remedy.
- 115.2. if the breach has not been remedied within the time period set out above or if the breach is incapable of remedy, then a Party may seek compensation for breach of this Agreement.
116. The Party that has breached this Agreement shall pay compensation to the other Parties or third parties affected by the breach.

117. The Dispute Resolution Mechanism shall apply to any claim for compensation for breach of this Agreement.

## **Duration and Termination**

### **Duration**

118. The Parties recognize that the period for the realization of the PCL Aims and the achievement of a reasonable return by PGL on its investment into PCL will be many years.
119. Accordingly, the period of this Agreement shall be thirty (30) years from the Effective Date, but the Parties shall, every ten (10) years, review in good faith whether or not to extend this period and if so, on what terms and conditions. .

### **Extension of Duration**

120. This Agreement shall be extended for a further thirty (30) years provided that
- 120.1. A Party serves written notice that it wishes to continue the Agreement for a further period of 30 years at least three months prior to the expiry of the initial period; and
- 120.2. The Parties do not object to the extension provided that no Party can object to the extension if PCL has substantially achieved the PCL Aims.
121. Otherwise, a Party may extend the duration of this Agreement prior to its expiry by the exercise of written notice where:
- 121.1. there is a delay in completion or interruption of the PCL Aims by reason of circumstances beyond the reasonable control of PCL;
- 121.2. this Agreement is suspended by reason of the acts of GoSL or any public authority of Sierra Leone;
- 121.3. there has been an increase in costs arising from the imposition of requirements of GoSL not foreseen in this Agreement such that PGL will not be able to recover the amounts invested without such extension;
- 121.4. both parties agree that an extension is necessary for the reasons of national or public interest or otherwise;

- 121.5. the gross development value of the Peninsula City Project is less than US\$200 million (to be determined in accordance with the Valuation Resolution Mechanism if not agreed).
122. Where the extension of the duration of the Agreement is pursuant to Clause 121, this Agreement shall be extended by a period sufficient to put PCL into a position as if the event relied upon by the Party giving notice in the previous clause had not happened. If the Parties cannot agree this period, the Dispute Resolution Mechanism shall apply. If such is unsuccessful, the Valuation Resolution Mechanism shall apply where the Expert shall determine the period of extension.

### **Termination by GoSL**

123. GoSL may terminate this Agreement if and only if
- 123.1. PCL is wound up or put into administration or analogous proceedings or otherwise becomes insolvent such that it is no longer a going concern;
- or
- 123.2. it can no longer reasonably be expected that PCL will be able or willing to perform its obligations under this Agreement by reason of lack of funds provided that prior to doing so,
- 123.2.1. GoSL shall give written notice that it intends to exercise its power under this section to PGL and PCL;
- 123.2.2. from the date of that notice, within a period of one hundred and twenty (120) Business Days, further monies are not made available to PCL whether through PGL investing further monies or PCL failing to raise further monies to the extent that it can reasonably be said that it is in a position to continue to perform its obligations under this Agreement;
- or
- 123.3. There are compelling reasons of national or public interest but that in such circumstances, GoSL shall pay compensation to PGL at the open market value of the PGL Shares in PCL, to be determined on the basis that this Agreement has not been terminated.

123.4. If the Parties cannot agree the above value, the Parties shall use the Dispute Resolution Mechanism and if such fails, the Valuation Resolution Mechanism shall apply.

### **Termination by PGL**

124. PGL may terminate this Agreement if and only if GoSL is in material breach of this Agreement and, if remediable, GoSL has not remedied the breach in accordance with Clause 115.
125. Prior to termination of this Agreement, PGL shall apply the Dispute Resolution Mechanism.

### **Termination by either PGL or GoSL**

126. Either GoSL or PGL may terminate if the relationship between GoSL and PGL has broken down so materially and irretrievably that it is reasonable to conclude that there is no reasonable expectation that PCL can work to achieving the PCL Aims. Such shall be without prejudice to any right of a Party to recover damages for breach of any term of this Agreement by another Party.
127. Prior to termination, the Parties shall apply the Dispute Resolution Mechanism.

### **No right to terminate for breach per se of this Agreement**

128. For the avoidance of doubt, where a breach of this Agreement has occurred, unless otherwise provided for in this Agreement, such breach shall not *per se* give the right of any Party to terminate this Agreement even though under English contract law, such a breach could be described as a repudiatory breach or otherwise entitle a Party to terminate the Agreement.
129. However, such is without prejudice to the right of any Party to seek damages for breach of the Agreement by any other Party.

## **Dispute Resolution Mechanism**

130. The mechanism set out in Clauses 132 to 133 shall apply in any of the following circumstances:
- 130.1. where a clause in this Agreement refers to the Dispute Resolution Mechanism;

- 130.2. where the conditions of Clause 126 apply (regardless whether any Party has committed a breach of this Agreement);
  - 130.3. prior to initiating any arbitration proceedings;
  - 130.4. where the Parties agree to do so;
131. Any Party may initiate the mechanism set out in this section of the Agreement by serving a written notice on all other Parties.

### **Meetings of senior representatives**

132. If such notice is served, the senior representative of each of the Parties shall for a period of forty (40) Business Days of the service of the written notice or such other period as the Parties agree, communicate with each other for the purpose of resolving in good faith the dispute including at least two face to face meetings between the representatives of the Parties.

### **Mediation**

133. If after the expiry of the period in the aforesaid clause, the Parties have not resolved their differences, then the Parties shall engage the services of an experienced mediator and forthwith seek to mediate the dispute with the assistance of the mediator. The costs of that mediation shall be borne equally by GoSL and PGL. Such mediation shall take place within a period of forty (40) Business Days of the expiry of the period set out in Clause 132.

### **Valuation Resolution Mechanism**

134. This mechanism shall apply wherever a clause invokes the Valuation Resolution Mechanism for the purpose of determining a valuation including the level of compensation and the Parties have been unable to agree the valuation or level of compensation or the extension of the duration of this Agreement under Clause 122.
135. This mechanism shall not apply to a claim for compensation for breach of this Agreement which shall be determined, after exhaustion of the Dispute Resolution Mechanism, solely in accordance with the arbitration provisions in Clause 158.
136. The Parties shall use the Dispute Resolution Mechanism prior to invoking the Valuation Resolution Mechanism set out below.



137. If the Dispute Resolution Mechanism is unsuccessful, the Parties shall refer the matter to an Expert.
138. The Parties shall use best endeavours to agree the Expert but in default of agreement, any Party may refer the matter to the President of the Institute of Chartered Accountants in England and Wales to select an Expert.
139. The decision of the Expert shall be final and binding on the Parties and shall not be capable of review whether through court or arbitration proceedings.
140. Where the decision of the Expert is that compensation or a sum of money should be paid to a Party by another Party, such shall be paid within forty (40) Business Days of the issuing of the decision.

## **Investment and Critical Milestone Mechanism**

141. This mechanism shall apply where
  - 141.1. PGL does not transfer by way of cleared funds monies into PCL in accordance with the Investment Schedule; or
  - 141.2. PCL does not achieve a Critical Milestone as set out in the Master Plan; and
  - 141.3. GoSL serves written notice on all other Parties that either event has happened.
142. Upon the service of written notice in accordance with Clause 141, the following shall happen:
  - 142.1. the Dispute Resolution Mechanism shall apply;
  - 142.2. if the aforesaid mechanism is unsuccessful, then GoSL may give written notice that it wishes to invoke the Share Sale Mechanism.

## **Share Sale Mechanism**

143. The provisions below shall apply where GoSL has given written notice on PCL and PGL that it wishes to invoke the Share Sale Mechanism in accordance with Clause 142.2. It provides for a mechanism whereby PGL's shareholding in PCL ("**the PGL Shares**") are compulsorily sold to a third party or GoSL.

144. For a period of one hundred (100) Business Days, the Shareholders shall together endeavour to find a buyer for the PGL Shares on the open market and who agrees to be bound by the terms and conditions of this Agreement as if it were PGL.
145. In the event that the Shareholders cannot find a buyer to buy the PGL Shares at a valuation that both Shareholders agree and who will accept the rights and obligations of this Agreement, GoSL shall buy the PGL Shares in PCL from PGL at a Fair Value.
146. The Fair Value of the PGL Shares shall be determined
  - 146.1. by agreement between the Shareholders;
  - 146.2. in default pursuant to the Valuation Resolution Mechanism as supplemented by the following clauses.
147. Within sixty (60) Business Days of his or her appointment, the Expert shall determine the Fair Value of the PGL Shares and notify the Shareholders of the same. PCL shall provide all information and documents to the Expert as requested by the Expert for the purpose of him or her making the valuation.
148. Within twenty (20) Business Days of receiving notification of the Fair Value of the shares of PGL in PCL, GoSL shall buy the shares at the Fair Value of the PGL Shares and pay monies representing the Fair Value of the PGL Shares as determined by the Expert to PGL.
149. The Fair Value of the PGL Shares shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:
  - 149.1. the sale is between a willing buyer and a willing seller on the open market;
  - 149.2. the sale is taking place on the date that written notice was given in accordance with Clause 142.2;
  - 149.3. if PCL is then carrying on its Business as a going concern, on the assumption that it shall continue to do so;
  - 149.4. the shares are sold free of all Encumbrances; and
  - 149.5. to take account of any other factors that the Expert reasonably believes should be taken into account.

150. If any problem arises in applying any of the assumptions set out in Clause 149, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

## **Takeover by GoSL**

151. Where

151.1. PGL is in material default of its obligations under this Agreement, and if that default is capable of remedy, GoSL has given PGL a written notice to rectify the breach within a reasonable period of time (taking account of the nature of the default) and which shall in any event be no less than thirty (30) Business Days and the nature of the unremedied default by PGL is such as to prevent PCL from achieving the effective and uninterrupted delivery or timely completion or operation of the Peninsula City Project as envisaged in the PCL Aims; or

151.2. There is a clear and present danger to life, liberty, public health, the regional environment or national security which materially jeopardises the Peninsula City Project, whether caused by war, epidemic, civil unrest or other catastrophic event of like nature which PCL does not have the ability and capability to deal with and GoSL has obtained written approval from the President of Sierra Leone or the cabinet of Sierra Leone,

then the following mechanism shall apply:

152. GoSL shall give written notice to PGL that it intends to take control of PCL for the purpose of ensuring the effective and uninterrupted delivery or timely completion of the Peninsula City Project in the manner set out in the Master Plan and elsewhere in this Agreement;

153. The duration of the said takeover shall be temporary and for the minimum period necessary.

154. During the period of the takeover,

154.1. GoSL shall have control of PCL and any voting rights that PGL have at either a board level or shareholder level shall be considered null and void;

- 154.2. GoSL shall use such control only for the purposes of the effective and uninterrupted delivery or timely completion of the Peninsula City Project by PCL in accordance with the PCL Aims.
155. At any time during the takeover period, PGL may serve written notice on GoSL that the takeover period should cease on the grounds that
- 155.1. Where the takeover results from the operation of Clause 151.1,
- 155.1.1. PCL has remedied its material default; or
- 155.1.2. although unremedied, circumstances have changed so that it can be reasonably said that the default no longer prevents the effective and uninterrupted delivery or timely completion of the Peninsula City Project in the manner set out in the Master Plan and elsewhere in this Agreement;
- 155.2. Where the takeover results from the operation of Clause 151.2, the conditions set out in that clause no longer apply.
156. The takeover provisions shall be without prejudice to any other right that GoSL may have under this Agreement to seek compensation for breach of this Agreement. Furthermore, in the event that the takeover arises by reason of Clause 151.2, GoSL shall use best endeavours to ensure that PCL is eligible for any international or national reparations that are available.

## **Winding Up or Administration of PCL**

157. Where PCL is wound up by order of the court or is put into administration or an analogous order is made or the Shareholders agree in writing that PCL should be wound up, then
- 157.1. The liquidator or administrator or person appointed by the Shareholders shall use best endeavours to find a buyer for the assets of PCL (including the benefit of the Lease of the Site) and who is willing to continue the development of the Peninsula City Project and be bound by the terms of this Agreement and sell the same to that buyer. Any sums of money from the proceeds of sale shall be paid to PCL;

- 157.2. In the event that no sale can be achieved in accordance with the previous subclause in a reasonable period by the liquidator, administrator or other person in charge of PCL, GoSL shall pay a sum of money to PCL (or its liquidators, as the case may be) representing the Fair Value of the assets of PCL (taking account of any development of the Site that has been achieved) to be agreed with the liquidator of PCL or in default, determined in accordance with the Valuation Resolution Mechanism;
- 157.3. PCL shall distribute any monies that it has including the proceeds of any sale to a third party of the Site or that are paid pursuant to the previous clause by GoSL to PCL to the Shareholders in accordance with their shareholdings after payment of any debts to third parties and/or compensation that it considers right and fitting to make to third parties;
- 157.4. If the Intellectual Property Rights in the Peninsula City Project are owned by PCL, they shall be assigned back to PGL. Insofar as it is intended that GoSL or a third party should continue development of the Site after reversion of it to GoSL which requires a licence of the Intellectual Property Rights in the Peninsula City Project, GoSL or the third party shall pay a reasonable royalty to PGL to be agreed between the Parties or if not agreed, pursuant to the Valuation Resolution Mechanism. Any development of the Site that has already occurred shall be deemed to have been licensed in perpetuity but without prejudice to the right of PGL to be paid a reasonable royalty for the same.
- 157.5. Where it is intended to hand over the Site to a third party or GoSL intends to run it as national asset, the Parties shall use reasonable endeavours to train up and inform any personnel taking over roles from personnel or employees of PCL so that they are able to operate and maintain the Site and provide continuing support and resources for a reasonable period after the transfer of the Site.

## **Arbitration**

158. Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to LCIA

for arbitration to be and finally resolved by arbitration under the LCIA Rules, which rules are deemed to be incorporated by reference into this clause.

159. The number of arbitrators shall be three.
160. The seat, or legal place, of arbitration shall be London.
161. The language to be used in the arbitral proceedings shall be English.
162. No Party shall refer any matter to arbitration unless and until they have used and exhausted the Dispute Resolution Mechanism.
163. No Party shall refer to arbitration any dispute that this Agreement states shall be determined in accordance with the Valuation Resolution Mechanism.

## **Miscellaneous**

### **Direct Investment of US\$20million or more**

164. Where an investor is desirous of investing US\$20million or more for the purpose of realising the PCL Aims through PCL, and the investor states that it would prefer to invest directly into PCL and not PGL, then if PGL decides to agree to such a request, PGL and GoSL shall take all steps to allot and issue shares to the aforesaid investor directly in PCL. The price for the shares in PCL shall be the same in value as if the investor invested into PGL. Where the investor is a shareholder in PCL alongside PGL and GoSL, any reference to "Shareholders" or "shareholders" in this Agreement shall include all shareholders in PCL *mutatis mutandis*. Such an investment in PCL directly will not in any way dilute the shareholding of GoSL.

### **Stabilisation**

165. Where a change in economic, financial, environmental, medical, political or other conditions worldwide or in Sierra Leone materially impacts, or is deemed inevitably to materially impact, the achievement of the PCL aims, the Parties shall agree to modify the PCL aims in such a way or ways as to preserve the viability of the Peninsula City Project and to maximise its benefits to its shareholders and the nation of Sierra Leone to the greatest degree possible in light of the changed circumstances.

## **Nature of Agreement**

166. Save as otherwise set out in this Agreement, this Agreement is personal to the Parties and none of them may assign it except with the written consent of the other Parties.
167. Nothing in this Agreement shall create, or be deemed to create, a partnership, or the relationship of principal and agent, between the Parties or any of them.
168. This Agreement contains the entire agreement between the Parties with respect to its subject matter and may not be modified except by an instrument in writing signed by the duly authorised representatives of the Parties save that nothing in this Agreement shall prevent the implication of any term on the grounds of commercial efficacy or which is reasonable and necessary provided that such is not contrary to any express term of this Agreement.
169. Each Shareholder acknowledges that, in entering into this Agreement, it does not do so in consideration of or in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
170. If any provision of this Agreement is held by any court or other competent authority to be invalid or unenforceable in whole or in part, this Agreement shall continue to be valid as to its other provisions and the remainder of the affected provision.
171. No failure or delay by any Party in exercising any of its rights under this Agreement shall be deemed to be a waiver thereof and no waiver of a breach of any provision of this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other provision.
172. Where any provision of this Agreement applies expressly or by implication to PCL, the Parties shall ensure that PCL complies with that provision.

## **Notices and Service**

173. Any notice or other information required or authorised by this Agreement is to be given by:

- 173.1. delivering it by hand or sending it by registered post or any form of post which guarantees delivery to the addresses given below;
- 173.2. sending it by email to the email address given below (or as otherwise stipulated in writing by any Party) provided that the recipient acknowledges receipt of the notice in writing or acts in a manner that is only consistent with it having received the written notice.
- 173.3. Notice may not be sent solely by electronic transmission. If notice is sent electronically it must also be delivered in hard copy by hand or registered post.

GoSL	PGL	PCL
<i>Address</i> Ministry of Tourism and Cultural Affairs 28B Kingharman Road Brookfields, Freetown Sierra Leone	<i>Address</i> Suite 750 2 Old Brompton Road London SW7 3DQ United Kingdom	<i>Address</i> 1 Lakka Beach Road Goderich Freetown Sierra Leone
<i>Email</i> pratt.memunatu@gmail.com	<i>Email</i> geoffreysimon@peninsulacity.com	<i>Email</i> geoffreysimon@peninsulacity.com

174. Any notice or information given in the manner provided by Clause 178 shall be deemed to have been given on the day that the recipient receives it. In the case of notice given in accordance with Clause 178.1, the sender shall evidence such by proof of receipt. In the event that a Party refuses to accept a notice or obstructs service, it shall be deemed to have been received on the day that such occurred.
175. Service of any document for the purposes of any legal proceedings concerning or arising out of this Agreement shall be effected by any Party by causing it to be delivered to any other Party at its registered or principal office, or to such other address as may be notified to it by that Party in writing from time to time.

### **Giving Effect to this Agreement**

176. Each Party shall from time to time (both during the continuance of this Agreement and after its termination) do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.



177. Each Party shall at all times act in good faith towards the other Parties.
178. The Parties shall bear their own costs of and incidental to the preparation, execution and implementation of this Agreement.
179. Except as required by law or the requirements of any public authority, no Party shall make any press or other public announcement concerning any of the terms of this Agreement without first obtaining the agreement of the other Parties to the text of that announcement.

### **Review of this Agreement**

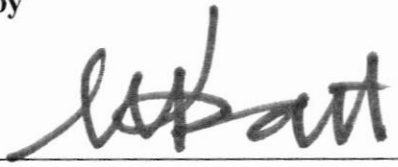
180. Any Party may request of the other Parties, in timely manner, a review of this Agreement ("**the Review**"), on the basis that the requesting Party has specific changes it wishes to have made.
181. The other Parties must accede to the Review, in timely manner.
182. If the Parties cannot agree on changes to be implemented arising from the Review, the Dispute Resolution Mechanism shall be applied.
183. At no time shall the orderly progression of the development of Peninsula City be interrupted or delayed by the Review process.

### **Governing Law**

184. English law shall only apply to the validity, interpretation and any dispute arising out of this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith).
185. If, in the course of applying English law, including its private international law rules, it is appropriate for a court or tribunal to consider Sierra Leone law (e.g. whether a lease is valid under Sierra Leone law), Sierra Leone law shall apply.

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first before written.

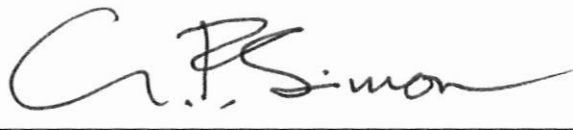
SIGNED by

 20/04/2023

Hon. Memunatu Baby Pratt, Minister of Tourism and Cultural Affairs,  
for and on behalf of the Government of Sierra Leone

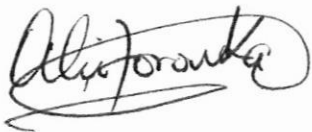
In the presence of

SIGNED by



Geoffrey Simon, Chairman,  
for and on behalf of Peninsula Group Limited

In the presence of

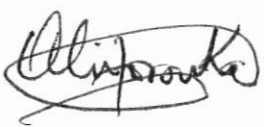
  
ALIE SAMUEL FORAY TORONKA

SIGNED by



Geoffrey Simon, Chairman,  
for and on behalf of Peninsula City Limited

In the presence of

  
ALIE SAMUEL FORAY TORONKA

# **SCHEDULES**

**JOINT VENTURE AGREEMENT**  
**GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE**  
**PENINSULA GROUP LIMITED**  
**PENINSULA CITY LIMITED**

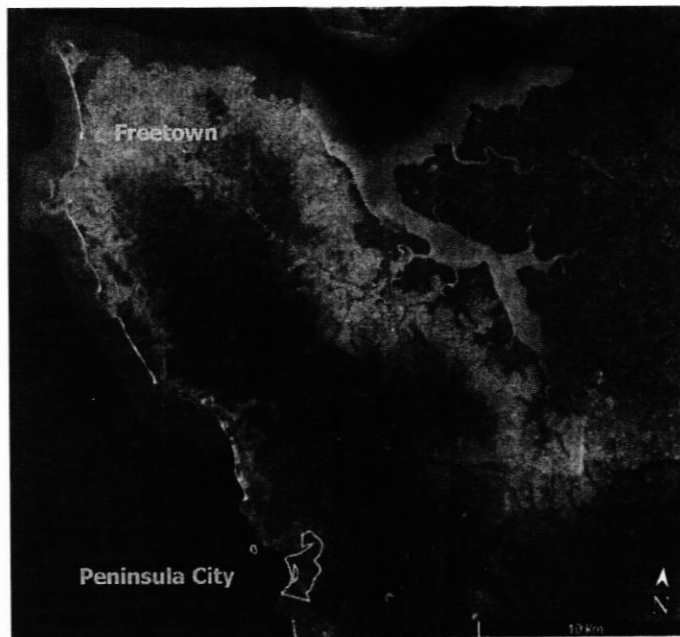
**SCHEDULES**

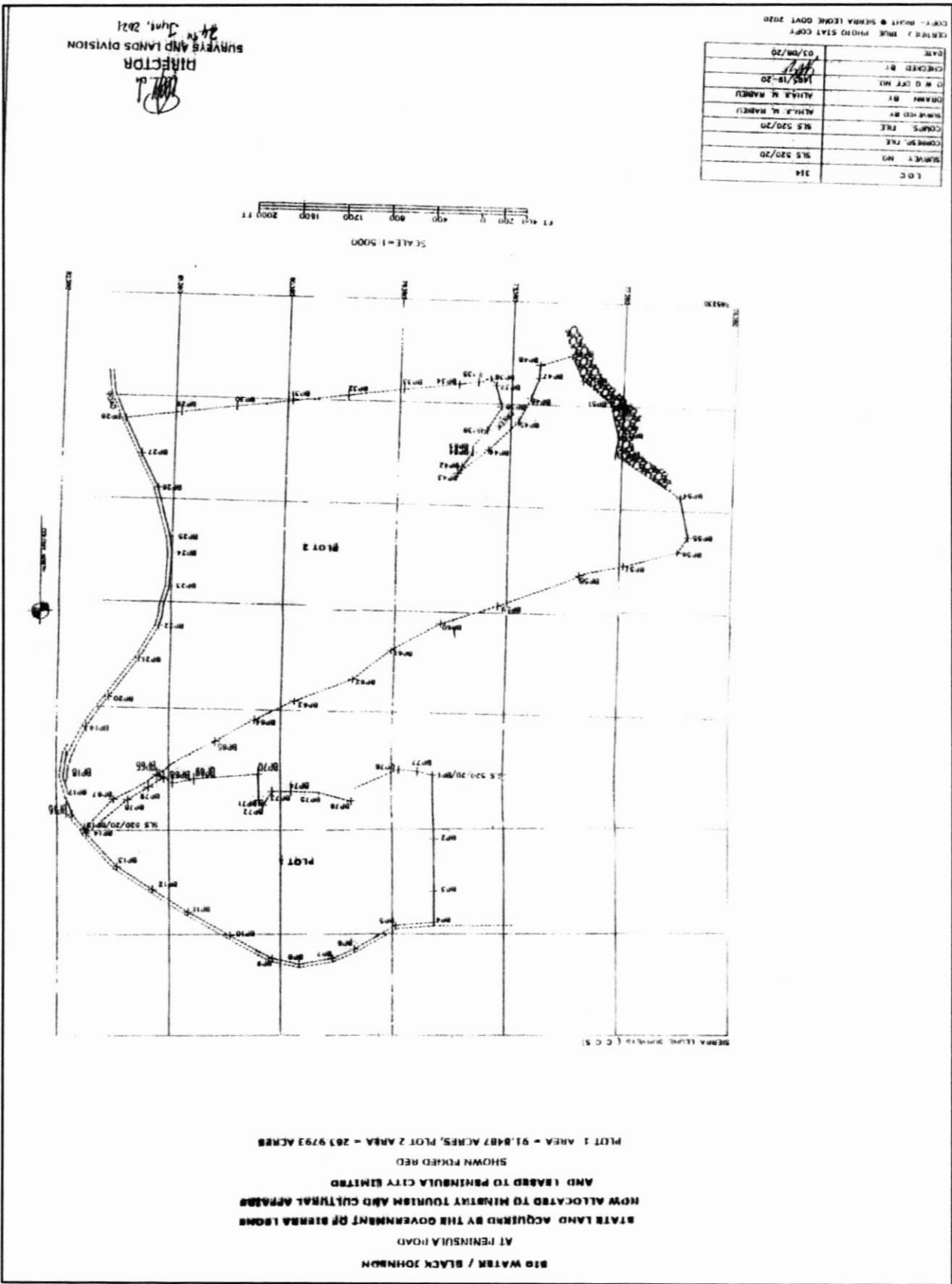
<b>SCHEDULE 1</b>	<b>MAPS</b>	<b>.....2</b>
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**SCHEDULE 1**

**MAPS**

# THE PENINSULA CITY SITE





<b>FROM STATION</b>	<b>COLONY BEARING</b>	<b>DISTANCE</b>	<b>TO STATION</b>
	<b>PLOT1</b>		
			<b>SLS 520/20/BP1</b>
<b>BP1</b>	<b>359°57'49"</b>	<b>500.00'</b>	<b>BP2</b>
<b>BP2</b>	<b>359°57'49"</b>	<b>500.00'</b>	<b>BP3</b>
<b>BP3</b>	<b>359°57'49"</b>	<b>301.59'</b>	<b>BP4</b>
<b>BP4</b>	<b>85°13'59"</b>	<b>343.67'</b>	<b>BP5</b>
<b>BP5</b>	<b>58°24'42"</b>	<b>432.50'</b>	<b>BP6</b>
<b>BP6</b>	<b>65°39'20"</b>	<b>217.69'</b>	<b>BP7</b>
<b>BP7</b>	<b>78°49'10"</b>	<b>302.54'</b>	<b>BP8</b>
<b>BP8</b>	<b>103°42'44"</b>	<b>245.47'</b>	<b>BP9</b>
<b>BP9</b>	<b>120°34'1"</b>	<b>440.44'</b>	<b>BP10</b>
<b>BP10</b>	<b>120°34'1"</b>	<b>440.44'</b>	<b>BP11</b>
<b>BP11</b>	<b>124°50'48"</b>	<b>387.02'</b>	<b>BP12</b>
<b>BP12</b>	<b>124°50'48"</b>	<b>387.02'</b>	<b>BP13</b>
<b>BP13</b>	<b>139°27'57"</b>	<b>417.39'</b>	<b>BP14</b>
<b>BP14</b>	<b>228°51'34"</b>	<b>492.40'</b>	<b>BP78</b>
<b>BP78</b>	<b>237°40'1"</b>	<b>219.72'</b>	<b>BP79</b>
<b>BP79</b>	<b>242d2'22"</b>	<b>156.18'</b>	<b>BP66</b>
<b>BP66</b>	<b>299°47'12"</b>	<b>88.60'</b>	<b>BP67</b>
<b>BP67</b>	<b>261°30'5"</b>	<b>193.78'</b>	<b>BP68</b>
<b>BP68</b>	<b>267°15'19"</b>	<b>577.59'</b>	<b>BP69</b>
<b>BP69</b>	<b>358°55'23"</b>	<b>214.49'</b>	<b>BP70</b>
<b>BP70</b>	<b>324°16'5"</b>	<b>61.51'</b>	<b>BP71</b>
<b>BP71</b>	<b>211°36'50"</b>	<b>155.60'</b>	<b>BP72</b>
<b>BP72</b>	<b>270°52'29"</b>	<b>168.78'</b>	<b>BP73</b>
<b>BP73</b>	<b>272°22'43"</b>	<b>251.18'</b>	<b>BP74</b>
<b>BP74</b>	<b>285°13'4"</b>	<b>300.52'</b>	<b>BP75</b>
<b>BP75</b>	<b>247°33'22"</b>	<b>469.02'</b>	<b>BP76</b>
<b>BP76</b>	<b>274°0'40"</b>	<b>166.36'</b>	<b>BP77</b>
<b>BP77</b>	<b>282°43'33"</b>	<b>141.58'</b>	<b>SLS 520/20/BP1</b>



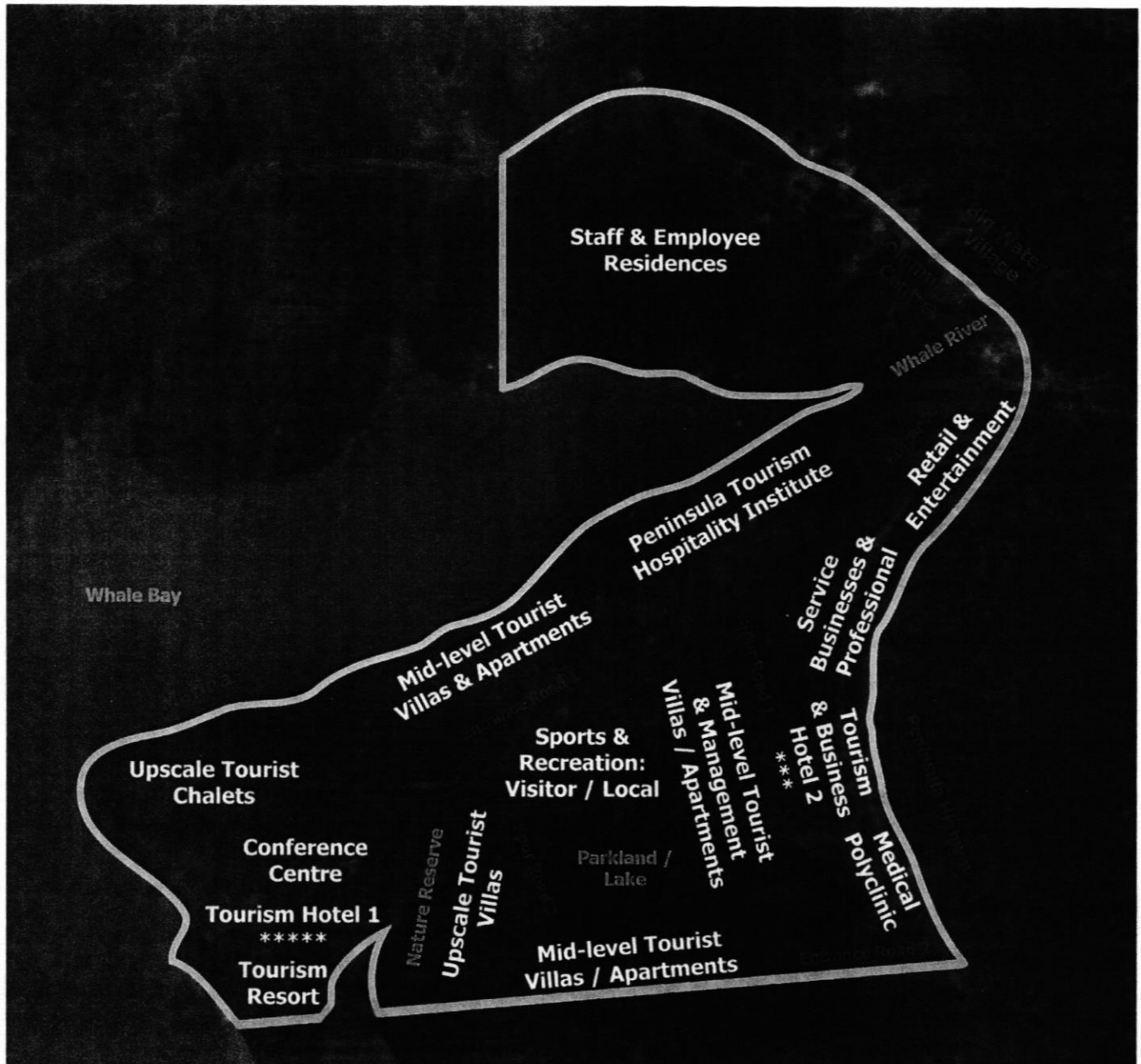
	PLOT2		SLS 520/20/BP15
BP15	142°16'38"	181.81'	BP16
BP16	160°41'16"	211.56'	BP17
BP17	188°33'54"	180.51'	BP18
BP18	210°56'42"	331.86'	BP19
BP19	215°4'32"	341.31'	BP20
BP20	214°39'1"	463.06'	BP21
BP21	207°42'41"	367.64'	BP22
BP22	194°28'14"	357.86'	BP23
BP23	182°13'30"	326.92'	BP24
BP24	174°54'25"	159.01'	BP25
BP25	165°39'36"	480.49'	BP26
BP26	155°37'55"	371.21'	BP27
BP27	155°37'55"	371.21'	BP28
BP28	262°13'59"	500.00'	BP29
BP29	262°13'59"	500.00'	BP30
BP30	262°13'59"	500.00'	BP31
BP31	262°13'59"	500.00'	BP32
BP32	262°13'59"	500.00'	BP33
BP33	262°13'59"	500.00'	BP34
BP34	262°13'59"	173.09'	BP35
BP35	251°46'28"	118.00'	BP36
BP36	324°29'29"	82.33'	BP37
BP37	345°3'31"	211.80'	BP38
BP38	28°30'26"	260.39'	BP39
BP39	38°10'53"	200.16'	BP40
BP40	0°26'5"	61.27'	BP41
BP41	33°10'14"	169.95'	BP42
BP42	28°44'5"	75.38'	BP43
BP43	228°52'7"	361.67'	BP44
BP44	223°13'55"	375.74'	BP45
BP45	204°58'21"	258.17'	BP46
BP46	198°52'28"	209.82	BP47
BP47	182°25'18"	127.12	BP48
BP48	251°46'31"	300.31	BP49
BP49	336°44'20"	260.71	BP50
BP50	309°44'21"	325.875	BP51

<b>BP51</b>	<b>346°23'55"</b>	<b>331.55'</b>	<b>BP52</b>
<b>BP52</b>	<b>7°33'35"</b>	<b>185.23'</b>	<b>BP53</b>
<b>BP53</b>	<b>304°22'42"</b>	<b>720.06'</b>	<b>BP54</b>
<b>BP54</b>	<b>348°27'31"</b>	<b>387.52'</b>	<b>BP55</b>
<b>BP55</b>	<b>32°2'32"</b>	<b>175.35'</b>	<b>BP56</b>
<b>BP56</b>	<b>73°14'10"</b>	<b>505.06'</b>	<b>BP57</b>
<b>BP57</b>	<b>77°11'39"</b>	<b>401.24'</b>	<b>BP58</b>
<b>BP58</b>	<b>68°0'32"</b>	<b>782.93'</b>	<b>BP59</b>
<b>BP59</b>	<b>70°27'5"</b>	<b>537.83'</b>	<b>BP60</b>
<b>BP60</b>	<b>58°9'33"</b>	<b>516.30'</b>	<b>BP61</b>
<b>BP61</b>	<b>48°33'24"</b>	<b>447.43'</b>	<b>BP62</b>
<b>BP62</b>	<b>66°28'20"</b>	<b>565.69'</b>	<b>BP63</b>
<b>BP63</b>	<b>62°1'19"</b>	<b>398.36'</b>	<b>BP64</b>
<b>BP64</b>	<b>62°1'19"</b>	<b>398.36'</b>	<b>BP65</b>
<b>BP65</b>	<b>67°32'39"</b>	<b>561.13'</b>	<b>BP66</b>
<b>BP66</b>	<b>62°32'15"</b>	<b>441.94'</b>	<b>BP67</b>
<b>BP67</b>	<b>42°5'1"</b>	<b>386.05'</b>	<b>SLS 520/20/BP15</b>

**SCHEDULE 2**

**MASTER PLAN**

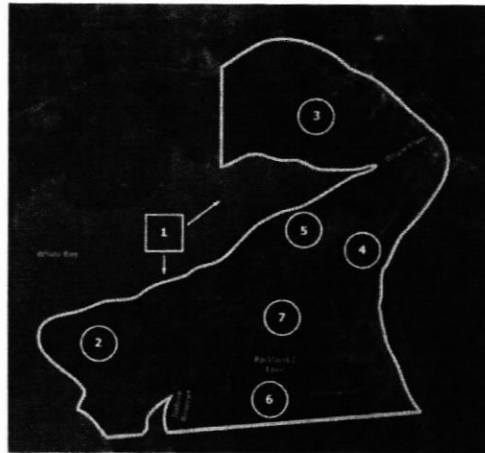
# MASTER PLAN



1. The Peninsula City Project (“**the Development**”) shall at all times and in all phases of its execution conform with the letter, spirit and broad vision of this Joint Venture Agreement (“**this JVA**”), including the Social Impact Guidelines and the Environmental Guidelines, in order to produce a flourishing, Tourism-oriented community.
2. The points of departure for the Development shall be the information and guidelines set forth in the Feasibility Study (“**the FS**”) and the Financial Performance Analysis (“**the FPA**”), referred to in this JVA but modified in scope so as to reflect the changes in the shape, dimensions and nature of the Peninsula City Site occurring since these documents were produced.

3. In conformance with Clauses 14-16 of this JVA, in which PCL is granted planning permission by GoSL to proceed at its sole discretion with the planning, design, implementation and development of the Site, the PCL Board shall implement the Urban Planning component of the Master Plan, consistent with the Social Impact Guidelines and the Environmental Guidelines, with regard to installing and maintaining the following elements of the Development:
  - 3.1. site layout, including roads, pathways and parking areas;
  - 3.2. intra-Site infrastructure and utilities provision: electricity, water, waste water and Internet;
  - 3.3. urban zoning: tourism hotels, visitor- and locally-oriented recreational and entertainment centres, tourism chalets, villas and apartments, staff and employee residences, tourism-supporting retail and commercial centres;
  - 3.4. public services provision;
  - 3.5. landscaping, parks and open spaces;
  - 3.6. phased development as set out at Clauses 6 and 7 below.
4. Likewise in conformance with Clauses 14-16 of this JVA, PCL shall implement the Amenities component of the Master Plan, consistent with the Social Impact Guidelines and the Environmental Guidelines and under which the PCL Board at its sole discretion and cognisance shall design, build, operate and maintain any or all of the following buildings, structures and amenities comprising the Master Plan per the schematic displayed above:
  - 4.1. hotels;
  - 4.2. conference centre;
  - 4.3. performing arts centre;
  - 4.4. tourism chalets, villas and management accommodation;
  - 4.5. staff and employee residences;
  - 4.6. restaurants, cafes, bars, night clubs, casinos, spas and children's care;
  - 4.7. tourism-focused shopping mall, other retail premises, banks, cinema and other entertainment;
  - 4.8. museum of artefacts and other rarities;
  - 4.9. professional buildings;
  - 4.10. free-trade diamond, gold and jewellery centres for Tourism clientele;

- 4.11. sports, recreation and leisure centres, geared for visitors and the inhabitants within the community;
  - 4.12. medical polyclinic serving the Tourist trade and the inhabitants within the community;
  - 4.13. holistic wellness centre;
  - 4.14. public service buildings (police, fire, administration, etc.)
  - 4.15. the Peninsula Tourism Hospitality Training Institute;
  - 4.16. community centre for those who are in possession at Big Water and employees on the Site;
  - 4.17. modern market for those who are in possession at Big Water and staff and employees on the Site;
  - 4.18. supplied accommodation for those who are in possession at Big Water;
  - 4.19. helipad and marina;
  - 4.20. any and all other buildings, structures and amenities such as are appropriate to the achievement of the PCL Aims.
5. For clarity, the Site as leased in this JVA cannot support:
    - 5.1. A third hotel as envisaged in the Feasibility Study for the original site of 640 acres, by reason of lessened demand in the smaller allocated Site. Two of the originally envisioned three hotels shall be constructed;
    - 5.2. A golf course and golf club as envisaged in the Feasibility Study. Such a facility requires approximately 126 acres, which is manageable within 640 acres but would take away too much accommodation and amenity space from the allocated Site for viability.
6. The various Phases of the Development as set out in Clause 7 below will be undertaken either consecutively or concurrently. They reflect a set of priorities for the emergence of Peninsula City as a functioning Tourism destination. In broad terms, but subject to alteration by the PCL Board, the Phases below represent the priorities of PCL:



## 7. The Phases of the Development

### 7.1. Phase 1: Mobilisation and Site Preparation

- 7.1.1. Site Demarcation and Security
- 7.1.2. Geological, Topographical and Environmental Surveys
- 7.1.3. Town Planning and Micro-Planning: International Architect / Local Architects
- 7.1.4. Infrastructure Installation

### 7.2. Phase 2: Northwest Sector

- 7.2.1. Hotel 1: \*\*\*\*\* — An Upscale Tourism Amenity
- 7.2.2. Conference Centre / Performing Arts Centre / Artefacts Museum
- 7.2.3. Upscale Tourism Chalets and Villas
- 7.2.4. Mid-level Tourism Villas and Apartments

### 7.3. Phase 3: North Sector

- 7.3.1. Staff and Employee Residences
- 7.3.2. Community Centre / Modern Market

### 7.4. Phase 4: East Sector

- 7.4.1. Shopping Mall / Entertainment Centre
- 7.4.2. Medical Polyclinic
- 7.4.3. Business / Professional / Civic Centre
- 7.4.4. Hotel 2: \*\*\* — A hybrid Amenity, catering for Tourism and Business Travellers

### 7.5. Phase 5: Northeast Sector

- 7.5.1. Peninsula Tourism Hospitality Training Institute

### 7.6. Phase 6: Southern Sector

- 7.6.1. Mid-level Tourism Villas and Apartments

### 7.7. Phase 7: Central Sector

- 7.7.1. Mid-level Tourism Villas, Apartments and Management Accommodation
- 7.7.2. Sports / Recreation

8. **Resettling of those who are in possession at Big Water**

- 8.1. Directly across the Peninsula Highway from their present location
- 8.2. Timing will dovetail with the flow of the Development

9. **Green Areas**

- 9.1. Nature Preserves
- 9.2. Parks and Woodlands within and between Sectors
- 9.3. Eco-farming near the Site Main Entrance
- 9.4. The Green Belt

10. **Development Objectives**

- 10.1. Initial Development: establish a presence and image for Peninsula City, and create demand
- 10.2. Expanded Development: demand driven
- 10.3. Sector by Sector Development Strategy: objective is to maintain tranquillity in built areas

11. **Critical Milestones**

The following are “Critical Milestones” as referred to in this Agreement. All periods start from the Effective Start Date.

<b>Period</b>	<b>Milestone</b>
18 months	Significant progress with Phase 1
3 years 6 months	Significant progress with Phase 2
6 years	Significant progress with any other phase

“Significant progress” shall mean that design, building and construction works for any given Phase are on average approximately 50% underway, that building works are ongoing, and that it is reasonable to conclude that the Phase will be fully completed within three years of the expiry of the relevant period.

- 12. Any modifications to Master Plan, the FS and the FPA effected by the PCL Board may take into account the input of architects, town planners, project managers, quantity surveyors, sub-developers, sub-JV partners, the Executive Developer and the conditions on the ground and in the immediate environment of the Site.
- 13. The above caveats notwithstanding, it is agreed between the Parties that PCL shall use best endeavours to maximise the potential of the Site to the greatest degree possible in conformance with Clause 1 above while retaining the right to adapt the Master Plan as necessary to preserve profitability for the Shareholders per the PCL Aims as set out at Clause 4.2 of this JVA.



**SCHEDULE 3**

**INVESTMENT**

## INVESTMENT

All periods are calculated from the Effective Start Date.

In broad terms, and subject to the provisions of this JV Agreement on financing the Peninsula City Project, the sums below to be directly invested by PGL approximate to one third of the build cost of Peninsula City Project whose total development cost is estimated to be \$135,000,000.

It is anticipated that PCL will finance a further 50% of the development costs through loans with banks such as African Development Bank and the final 20% through agreements with commercial third parties (e.g. hotel groups paying in part or full the construction costs of hotels).

This Schedule should be read in conjunction with the Master Plan which sets out, in broad terms, the phased zonal development of the Site.

<b>Period</b>	<b>Aggregate Overall Investment by the Investor Consortium</b>
12 months	\$10 million
24 months	\$20 million
36 months	\$30 million
48 months	\$38 million
60 months	\$45 million

For the avoidance of doubt, PGL may advance sums into PCL if so requested by PCL in excess of the above and in which case Clause 27 of this JV Agreement shall apply.

**SCHEDULE 4**

**SOCIAL IMPACT GUIDELINES**

## SOCIAL IMPACT GUIDELINES

1. The Parties to this Agreement mutually commit to ensuring that the reasonable needs and aspirations of the those who are in possession at Big Water (“the Occupants”) are taken into account and responsibly addressed.
2. The Peninsula City Community Advisory Board (“PCCAB”) as defined in Clauses 78-80 of the JV Agreement shall act as the body representing the interests of Lawful Occupiers when dealing with PCL and GoSL. It shall meet no less than twice per year.
3. The following principles shall apply when GoSL or PCL interacts with the Occupants:
  - 3.1. Sustainable new accommodation shall be provided to the Occupants which is better or equivalent to that of which they are presently in occupation, at no cost to such persons and directly across the Peninsula Highway to their current accommodation;
  - 3.2. The sustainable new accommodation shall take the form of structures provided by PCL without charge to the Occupants which the Occupants shall be responsible for fitting out;
  - 3.3. There shall be full and advance consultation with the Occupants as regards their resettlement and a plan shall be drawn up in consultation with PCL and PCCAB prior to implementation;
  - 3.4. Where an Occupant has the appropriate skills and experience, or demonstrates aptitude and appetite such that he or she is suitable for employment by PCL, such a person shall be given favourable consideration for employment by PCL provided such does not offend any laws of Sierra Leone as regards discrimination or employee selection;
  - 3.5. Occupants employed by PCL will receive on-the-job training at PCL’s cost.
  - 3.6. A grievance procedure for individual complaints shall be established which shall be overseen by PCCAB;
  - 3.7. PCL and GoSL shall pay proper and due regard to the views of PCCAB;
  - 3.8. Special provision and consideration shall be given to disadvantaged or vulnerable Occupants who may be more adversely affected by resettlement than others;

- 3.9. Subsistence farming shall be allowed on the Site in zones prior to their development in accordance with the Master Plan. Where the produce of such farming is of a suitable quality to be used by restaurants or other facilities on the Site, PCL shall give favourable treatment to purchasing such;
  - 3.10. For Occupants who have farmed for a substantial period of time on the Site, PCL and GoSL shall use all reasonable endeavours to find them equivalent land close to but outside the Site and Green Belt.
4. PCL shall take proper account of the Resettlement Guidance and Good Practice of the European Bank for Reconstruction and Development including in particular Performance Requirement 5.

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## **SCHEDULE 5**

# **ENVIRONMENTAL GUIDELINES**

## ENVIRONMENTAL GUIDELINES

1. The Parties to this Agreement mutually commit to ensuring that the built, landscaped and natural environment of the Site and the Green Belt is consistent with the standards and guidelines set out in the policy paper “African Development Bank Group’s Policy on the Environment” dated February 2004 and any other policy of the African Development Bank relating to environmental policy in capital development projects.
2. Energy provision to Peninsula City shall be as clean and sustainable as current technology permits, with the ultimate objective of being as close to 100% sustainable as possible.
3. All vehicles entering and moving about the Site shall be fully electric powered with the exception of
  - 3.1. vehicles required for supplying and managing the construction of buildings and amenities on the Site;
  - 3.2. vehicles required for making deliveries larger than those that can reasonably be collected from the entrance to the Site;
  - 3.3. hybrid vehicles, which may access the Site until such time as fully electric powered vehicles become reasonably affordable and commonplace.
4. Petrol and diesel powered vehicles coming to Peninsula City, apart from those exempted above, shall park in lots to be provided adjacent to the Site, and the occupants will transfer to electric powered shuttles and scooters covering the Site that shall be readily available for the purpose.
5. Water provision to Peninsula City, and waste water management, shall be as clean and sustainable as current technology permits.
6. All cabling within the Site shall be laid underground.
7. All buildings within the Site shall be as energy efficient and sustainable as current technology permits.
8. The town planning shall be such as to preserve as many of the existing trees on the Site as possible and to create landscaped and natural parklands as an integral feature of the Peninsula City design.
9. Planting programmes to effect reforestation will be undertaken where possible.
10. To the extent reasonably possible, all structures on the Site shall not rise significantly above tree height with the exception of the Performing Arts Centre and certain other “iconic” buildings to be decided between the Parties and the Project’s Architects.



11. Further Environmental Guidelines and Practices shall be adopted by the Board from time to time, whether in the course of normal business or as Reserved Matters following the requisite procedures.
12. PCL will at all times remain fully acquainted with the standards and regulations of the Sierra Leone Environmental Protection Agency (“EPA”) and will at all times be responsible either to meet or exceed them.
13. Where any substantial landscaping of the Site occurs, PCL shall consult with EPA to ensure that such landscaping is consistent with the policies, regulations and standards of EPA.

**SCHEDULE 6**

**COMMUNITY ENDORSEMENT  
OF THE RELEASE OF LAND**

# COMMUNITY ENDORSEMENT OF THE RELEASE OF LAND

## 1. Letter of 21 June 2013 (further signatories added 28 September 2015)

The Stakeholders  
Big Water Village  
York Rural District  
Constituency 93  
Freetown

21<sup>st</sup> June 2013

The Hon. Minister  
Ministry of Lands, Country Planning and the Environment  
Yoyyi Building  
Brookfields  
Freetown

Dear Sir:













**COMMUNITY ENDORSEMENT OF THE RELEASE OF LAND  
AT BIG WATER, WESTERN AREA RURAL DISTRICT,  
TO PENINSULA CITY LTD**













Following meetings with the Gemstone Group from 2010 to date with regard to the Proposal put forward by Peninsula City Ltd for our Community Development, it has pleased us, the Elders, Stakeholders and Community at Large, to lend our support to this important and historic Project.















In furtherance of our wholehearted support of the Project, we request that the Government of Sierra Leone, through the Ministry of Lands, oversees on our behalf the provision of the Benefits offered to our Community by Peninsula City Ltd and agreed by our representatives.




As a strong manifestation of our commitment to the Project, the undersigned have been authorized on our behalf to sign this document supporting the release of the land to Peninsula City Ltd.

<p> 1. <b>Gibril Bundu</b> Sub-Head Big Water Village</p>	<p> 2. <b>Kofi Atsako</b> Headman York Village</p>	<p> 3. <b>Lamin Kargbo</b> Sub-Head Black Johnson Village</p>
<p> 4. <b>Assanma Kargbo</b> Youth Leader Big Water Village</p>	<p> 5. <b>Brima Kallon</b> Youth Leader York Village</p>	<p> 6. <b>Youth Representative</b> Black Johnson Village</p>

<p> 7. <b>Margaret Yankon</b> Women's Leader Big Water Village</p>	<p> 8. <b>Nl Yanker</b> Women's Leader York Village</p>	<p> 9. <b>Women's Leader</b> Black Johnson Village</p>
<p> 10. <b>Imam/Pastor</b> Big Water Village</p>	<p> 11. <b>Imam/Pastor</b> York Village</p>	<p> 12. <b>Imam/Pastor</b> Black Johnson Village</p>
<p> 13. <b>Sylvanus B. Pratt</b> Community Elder Stakeholder Advocate</p>	<p> 14. <b>Santigle Samura</b> Former Sub-Head Big Water Village</p>	<p> 15. <b>Musa Mansaray</b> Women Representative Big Water</p>
<p> 16. <b>Hon. Dauda J.R. Kallon</b> Member of Parliament Constituency 93</p>	<p> 17. <b>Alhassat Cate</b> Chairman Western Area Rural District Council</p>	<p> 18. <b>Aaron Dumbuya</b> Councillor Ward 335</p>

 Samba Samura  
 Fatu Kargbo  
 I. Sinta Samura  
 I. Sinta Samura  
 S. K. Kallon  
 U. S. S. Contel  
 Amadu Babar Sane  
 T. J. S. K. M. M. M.  
 Sheila Bangura  
 James Collins  
 Mark R. Turay  
 Fatu Kany  
 Emman George  
 Rujiatu Jallal

 Kadiatu Koroma  
 Kadiatu Koroma  
 Kadiatu Koroma

2. **Text of the above Letter**

The Stakeholders  
Big Water Village  
York Rural District  
Constituency 93  
Freetown

21<sup>st</sup> June 2013

The Hon. Minister  
Ministry of Lands, Country Planning and the Environment  
Youyi Building  
Brookfields  
Freetown

Dear Sir,

**COMMUNITY ENDORSEMENT OF THE RELEASE OF LAND  
AT BIG WATER, WESTERN AREA RURAL DISTRICT,  
TO PENINSULA CITY LTD**

Following meetings with the Gemstone Group from 2010 to date with regard to the Proposal put forward by Peninsula City Ltd for our Community Development, it has pleased us, the Elders, Stakeholders and Community at Large, to lend our support to this important and historic Project.

In furtherance of our wholehearted support of the Project, we request that the Government of Sierra Leone, through the Ministry of Lands, oversees on our behalf the provision of the Benefits offered to our Community by Peninsula City Ltd and agreed by our representatives.

As a strong manifestation of our commitment to the Project, the undersigned have been authorized on our behalf to sign this document supporting the release of land to Peninsula City Ltd.

3. Subsequent to the signing of the above letter, in February 2017 it was confirmed by the then Ministry of Tourism and Cultural Affairs, and agreed with the Big Water, Black Johnson and York communities, that the local communities would henceforth liaise with the National Tourist Board of Sierra Leone.
4. Visits to the Site from 2018 to 2020 by Ministers and officials of the Ministries of Tourism and Lands—representing the Government of H.E. Julius Maada Bio—re-confirmed this Endorsement.
5. Further provision for community representation will be through the Peninsula City Community Advisory Board (“PCCAB”) as defined in Clauses 78-80 of this Agreement.

**SCHEDULE 7**

**VACANT POSSESSION**

# VACANT POSSESSION

## 1. Chinese Installations on the Site

- 1.1. MTCA, NTB and/or MLHCP shall require that the managers of the Chinese installations in the northwest quadrant of the Site shall, at no cost to PCL:
  - 1.1.1. demolish the factory buildings and all residences of management personnel, including excavating the foundations; and
  - 1.1.2. vacate the Site, removing all building materials, factory equipment and waste materials.

## 2. Examination of the Site

- 2.1. MTCA, NTB and/or MLHCP shall forthwith examine the Site, taking note of all buildings, structures, plots of land (whether cultivated or not) and persons in residence or occupation on the Site, for the purpose of determining which persons have any legal right or licence to the land or any part of it, or the buildings or structures on it, whether by reason of a grant of freehold, leasehold, tenancy or other right in the land or by reason of longstanding or continuous occupancy of land or buildings on the Site. This shall include investigating whether any natural or legal person has rights over, on or below the Site including but not limited to mining rights, farming or fishing rights, rights of tillage, rights to waste extraction, rights of way, easements and wayleaves.
- 2.2. Upon conclusion of the examination, MTCA, NTB and/or MLHCP shall produce a report for the PCL Board setting out the results of the above examination.

## 3. Steps to provide Vacant Possession to PCL

- 3.1. Upon carrying out the steps in Clauses 2.1 and 2.2 above, MTCA, NTB and/or MLHCP shall, using all lawful powers at their disposal including those conferred on them by reason of the designation of the Site as a TDA, and the Constitution 1991
  - 3.1.1. cause the demolition of all buildings, shacks, sheds or other structures on the Site as and when PCL require it (taking account of Clauses 3.3 and 4.1 below);
  - 3.1.2. take all steps necessary to remove persons from the Site who have no rights in land, structures or buildings on the Site;

# VACANT POSSESSION

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  - 3.1.2. take all steps necessary to remove persons from the Site who have no rights in land, structures or buildings on the Site;

- 3.1.3. ensure that any legal claims of natural or legal persons to any part of the Site are surrendered, cancelled, forfeited or otherwise annulled, consistent with the provisions of Clause 3.3 hereinbelow and save as set out in Clause 3.1.5 hereinbelow for those who are in possession at Big Water;
  - 3.1.4. for those persons who do have legal rights in land, buildings, structures or otherwise on the Site other than those who are in possession at Big Water, initiate and reach agreement with said occupiers over their relocation, or in default, the compulsory acquisition of their buildings, structures and plots of land (taking account of Clauses 3.3 and 4.1 below);
  - 3.1.5. reach agreement with those who are in possession at Big Water for their resettlement to new sustainable dwellings provided by PCL directly across the Peninsula Highway from their present location. Accommodation provided by PCL for said Occupants, without cost to them, will take the form of a structure which the Occupants shall be responsible for fitting out.
- 3.2. In taking the above steps, NTB shall take account of the Social Impact Guidelines (Schedule 4).
  - 3.3. As set out in this Agreement, PGL shall subsidise GoSL with the costs of any compulsory acquisition by GoSL of legal title to parcels of land on the Site in strict adherence to existing statutes, practices and payment rates.

#### **4. Miscellaneous**

- 4.1. As set out in Clause 10 of this Agreement, by reason of the intended phased and zonal development of the Site it is recognised, in particular in relation to the those who are in possession at Big Water, that it may not be necessary or indeed appropriate to resettle them until a certain period of time, possibly substantial, has lapsed. Accordingly, Vacant Possession does not mean that the Site has no structures or buildings on it or persons in occupation but rather that PCL has the legal *right* in a manner that it sees fit and at a time it considers appropriate to compel (whether acting through itself or through NTB or any other MDA) the physical demolition of buildings, structures and the removal and/or relocation of persons from the Site.



**SCHEDULE 8**

**FISCAL INCENTIVES & PROVISIONS**

## FISCAL INCENTIVES & PROVISIONS

### 1. **Corporate Income Tax**

PCL shall be entitled to corporate tax relief for a period of ten (10) years, commencing the Effective Start Date of this Agreement.

### 2. **Accumulated Losses / Loss Carry Forward**

Losses incurred by PCL in a given year shall be offset and carried forward for adjustment against any future income for a period not exceeding ten (10) years.

### 3. **Withholding Tax on Payments to Contractors (Service Providers and Goods)**

PCL shall withhold taxes from payments to its suppliers and other contractors in accordance with the Income Tax Act 2000.

However, upon written application to the Commissioner-General, PCL shall be granted a withholding tax exemption for the services of highly skilled experts whose services are not readily available in Sierra Leone subject to an approved scheme for skills transfer to Sierra Leoneans, consistent with the provision of Section 49 of Finance Act 2021.

### 4. **Withholding Tax on Dividend Payments**

PCL shall withhold tax on dividends paid to shareholders in accordance with the Income Tax Act 2000.

### 5. **Withholding Tax on Interest Payments**

PCL shall withhold taxes on interest payments at the rates prescribed in Part IV of the First Schedule or Part II of the Second Schedule of the Income Tax Act 2000 (as amended).

### 6. **Advance Withholding Tax on Imports**

PCL shall be entitled to exemption from the payment of five-and-a-half (5.5%) withholding tax (or at the otherwise prevailing rate) on the CIF value of their imports subject to Section 114 of the Income Tax Act 2000 (as amended).

### 7. **Capital Allowances**

PCL shall be entitled to capital allowance deductions for depreciation at a rate of forty percent (40%), twenty percent (20%), twenty percent (20%) and twenty percent (20%) for the first, second, third and fourth years respectively on all plant, machinery, and equipment, consistent with Section 39 of the Income Tax Act 2000 (as amended).

#### **8. Personal Income Tax for Sierra Leone Resident Employees**

All Sierra Leone resident employees of PCL shall be subject to Pay-As-You-Earn (PAYE) Tax consistent with Part I of the First Schedule of the Income Tax Act 2000 (as amended).

#### **9. Personal Income Tax for Foreign Employees**

Income earned from a source in Sierra Leone by expatriates and by other foreign employees shall be subject to tax at the rate specified under Part I of the Second Schedule of the Income Tax Act 2000 (as amended), provided that the foreign national is in employment for a period of 183 days or less, but in cases where the employment exceeds 183 days, the normal PAYE schedule shall be applied in computing the Personal Income Tax liability, consistent with Part I of the First Schedule of the Income Tax Act 2000 (as amended).

#### **10. Import Duty on Plant Machinery and Equipment**

PCL shall, for a period of five (5) years commencing the Effective Start Date of this Agreement, be exempt from import duty on plant, machinery, equipment and other high end construction materials required for set up and development of the project which are not available locally.

However, for the grant of the exemptions, PCL shall provide the Ministry of Finance in advance with details of the bill of quantities for the construction and development of the project, as well as importation plans for materials required for every six months.

#### **11. Goods and Services Tax**

PCL shall be subject to Goods and Services Tax (GST) in accordance with the Goods and Services Tax Act 2009. However, in the event that PCL pays GST on goods and services for which an exemption is provided in the law, it shall be entitled to claim refunds from the National Revenue Authority; otherwise PCL's refund claims may be used to offset its other tax liabilities.

#### **12. Investment Allowances**

PCL shall be entitled to a deduction as investment allowance in accordance with Section 40 of the Income Tax Act 2000 (as amended).

### 13. Other Allowable Deductions

PCL shall be entitled to claim deductions against chargeable income in amounts equivalent to the following percentage expenditure:

- 13.1. Actual expenses incurred in respect of environmental and social impact mitigation and/or environmental protection and restoration: one hundred percent (100%).
- 13.2. Cost of educating and/or training citizens of Sierra Leone who are full time employees of PCL and part time employees of PCL but bonded to PCL on completion of such training and/or education. Education or training shall not include primary or secondary school education and shall be relevant to the employment of the trainee concerned and include on-the-job training and shall include one hundred percent (100%) of the wages of an employee serving an apprenticeship course approved by GoSL.
- 13.3. Any expenses incurred on research and development by PCL up to the extent of profits of the same year the expenditure is made: one hundred percent (100%); but any unclaimed amount shall not be available for future deductions.
- 13.4. Any expenses incurred on the training of local staff in an approved training course conducted by PCL up to the extent of profits of the same year the expenditure is made: one hundred percent (100%); but any unclaimed amount shall not be available for future deductions.
- 13.5. Any expenses on social services, such as the building of schools and hospitals, and any investment that is outside the scope of the original investment and which would be also available to the general public for use free of charge, up to the extent of profits for the purposes of the Income Tax Act 2000: one hundred percent (100%).
- 13.6. The actual cost of the remuneration payable to any physically or mentally disabled employees, up to the extent of the profits of the year in which the expenditure is made: two hundred percent (200%); but any unclaimed amount shall not be available for future deductions.
- 13.7. Any expenses in relation to the following activities in respect of the costs incurred in the overseas promotion of Sierra Leone as a tourist destination, for the purposes of income tax, shall be eligible for deduction from profits of one hundred percent (100%) of the cost incurred up to the extent of profits of the same year the expenditure is made:
  - 13.7.1. Overseas advertising, publicity and public relations work;
  - 13.7.2. Supplying samples abroad, including delivery costs;

- 13.7.3. Undertaking export market research;
- 13.7.4. Preparing tenders for supply of goods overseas;
- 13.7.5. Supplying of technical information abroad; preparing exhibits and participation costs in trade or industrial exhibitions, virtual trade shows and trade portals; and fares for overseas travel by company employees for business;
- 13.7.6. Maintaining sales offices overseas for promotion;
- 13.7.7. Hiring professionals to design packaging for tourism purposes, subject to the company using local professional services; and
- 13.7.8. Participating in trade or industrial exhibitions in the country or overseas.

#### **14. Non-stabilisation**

PCL shall, from time to time, pay all other taxes not covered by this Agreement.

#### **15. ECOWAS Levy**

Commencing the Effective Start Date of this Agreement, PCL shall pay the ECOWAS levy on its imports, as applicable.

#### **16. Pension and Social Security Contributions**

All Sierra Leone resident employees of PCL shall be subject to pension contributions in accordance with the National Social Security and Insurance Trust Act, 2001.

**SCHEDULE 9**

**VOCATIONAL TRAINING**

## VOCATIONAL TRAINING

A complementary objective of the Peninsula City Project is to provide vocational and job training appropriate to the Tourism sector of the Sierra Leonean economy, with a view to stimulating enterprise development and creating widespread employment.

### **Peninsula Tourism Hospitality Training Institute (“the Institute”)**

The Institute will equip Sierra Leoneans to work in hotel management, resort development, culinary arts and catering, spas, recreation and marketing.

It is envisioned that the Institute will be operated as a satellite campus of one of the prestigious Swiss hospitality academies.

### **Additional Training: Peninsula City Employees on the Site**

Managing, operating and maintaining the Tourism resort, Tourism amenities and related Business entities on the Peninsula City Site will employ up to 2,500 Sierra Leoneans, including but not limited to the those who are in possession at Big Water.

These amenities and entities will provide on-the-job training to their employees, taking each to the highest level of his or her capacity.

For exceptionally talented employees, these amenities and entities will sponsor specialist college education and create tailored mentoring programmes, including the nurturing and encouragement of those exhibiting entrepreneurial drive and aptitude.

**ANNEXES**



**JOINT VENTURE AGREEMENT**  
**GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE**  
**PENINSULA GROUP LIMITED**  
**PENINSULA CITY LIMITED**

**ANNEXES**

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**ANNEXE 1**

**LEASE OF STATE LAND  
(Unsigned Copy)**

**NO** .....

**FILE REF** .....

**D.R.B.** .....

**DATED THE                      DAY OF APRIL 2023**

**THE GOVERNMENT OF SIERRA LEONE  
(THE LESSOR)**

**TO**

**PENINSULA CITY LIMITED  
(THE LESSEE)**

---

**LEASE AGREEMENT FOR TWO (2) PLOTS OF STATE LAND  
SITUATED OFF PENINSULA ROAD AT BIG WATER VILLAGE  
IN THE WESTERN AREA OF THE REPUBLIC OF SIERRA LEONE.**

---

**REGISTERED AT.....**

---

DIRECTOR OF SURVEYS AND LANDS  
MINISTRY OF LANDS, HOUSING  
AND COUNTRY PLANNING  
YOUYI BUILDING  
FREETOWN

**THIS LEASE AGREEMENT** is made on the \_\_\_\_\_ day of April, in the Year of Our Lord Two Thousand and Twenty Three (2023) in accordance with the **State Lands Act No.19 of 1960** as amended by the **State Lands (Amendment) Act No.37 of 1961** and further amended by the **State Lands (Amendment) Act No.18 of 1963** and the **Development of Tourism Act 1990 BETWEEN HON. TURAD SENESIE, Minister of Lands, Housing and Country Planning** and **HON. MEMUNATU BABY PRATT, Minister of Tourism and Cultural Affairs**, (administrator of the Lease herein) acting for and on behalf of the Government of the Republic of Sierra Leone (hereinafter referred to as "**the Lessor**" which expression where the context so admits shall include their successors-in-title and lawful assigns) of the One Part and **PENSINULA CITY LIMITED**, a Company incorporated under the Laws of Sierra Leone Companies Act No.5 of 2009 Company No. SLE080917PENIN1701091 of 1 Lakka Beach Road, Goderich, Freetown, Sierra Leone, represented by its Director, **GEOFFREY PHILIP SIMON** (hereinafter referred to as "**the Lessee**" which expression where the context so admits shall include its successors-in-title and lawful assigns) of the Other Part (together "**the Parties**").

**WHEREAS:**

- i. **THE MINISTRY OF TOURISM AND CULTURAL AFFAIRS** has been allocated two (2) Plots of State Land (per Schedule 1) acquired by the Government of the Republic of Sierra Leone and situated off Peninsula Road at Big Water Village in the Western Area of the Republic of Sierra Leone (together "**the Site**") to be used for touristic purposes;
- ii. **THE LESSEE IS DESIROUS** of being granted a Lease for the development of a state-of-the-art tourism-oriented new city on the Site ("**the Development**");
- iii. **THE LESSOR HAS ISSUED** a No Objection for the furtherance of the Development by the Lessee; and
- iv. **THE LESSOR AND LESSEE HAVE AGREED**, and are committed, to enter into a cooperative and profit-sharing agreement between themselves determining the nature, course and detail of the Development ("**the Joint Venture Agreement**"); then it

**WITNESSETH AS FOLLOWS:**

1. **THAT IN CONSIDERATION** of the rent reserved and conditions herein contained and on the part of the Lessee to be paid and performed and observed, the Lessor hereby demises unto the Lessee the Site belonging to the Lessor ("**this Lease Agreement**") for the term of twenty one (21) years commencing on the 1<sup>st</sup> day of June, 2022 and ending on the 31<sup>st</sup> day of May 2043 ("**the Lease Term**"), yielding and paying during the Lease Term the annual reserved rent ("**the Lease Rent**") of a notional Ten Thousand United States Dollars (US\$10,000)

paid in its equivalent in Sierra Leone Leones, reflective of the Lessor's 15% profit sharing participation in Peninsula City over the life of the Development, with an upfront payment of Twenty Thousand United States Dollars (US\$20,000) being the first two (2) years of the Lease Rent, (the receipt for which sum of money the Lessor hereby acknowledges and confirms) and with options to renew for two (2) further Lease Periods per Clauses 4.2 and 4.3 of this Lease Agreement.

**2. THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS FOLLOWS:**

- 2.1. **TO BUILD** environmentally friendly structures for the operation of tourism-related and urban amenities, consistent with and in accordance with the Joint Venture Agreement.
- 2.2. **TO RELOCATE** those who are in possession at Big Water in sustainable housing adjacent to the Site, and to offer them job training and employment, in accordance with the Joint Venture Agreement.
- 2.3. **TO PAY** the Lease Rent as stated above without any deduction or set off annually to the **NATIONAL REVENUE AUTHORITY** on a date as agreed by the Parties.
- 2.4. **TO REPAIR AND KEEP IN TENANTABLE REPAIR** any structure erected or placed upon the Site (damage by fire, flood, tempest or other unforeseeable occurrence per Clause 7 below, or fair wear and tear throughout the Lease Term, is excepted).
- 2.5. **TO PERMIT** the Lessor's duly authorised Agents at a reasonable and convenient time, on giving seven (7) days' prior notice in writing to the Lessee, to enter upon and examine the state and condition of the Site and to give or leave upon the Site for the Lessee notice in writing of all defects and want of reparation therein found for which the Lessee may be liable hereunder and the Lessee shall within fourteen (14) days thereafter make good or commence making good such defects and want of reparation. Within two (2) months of the execution of this Lease Agreement, the Lessee shall complete an aerial photographic survey of the Site exhibiting its condition at hand-over.
- 2.6. **NOT TO USE** the Site as security for any liability during the Lease Term unless otherwise agreed in writing between the Parties.
- 2.7. **TO INSURE AND KEEP INSURED** at all times during the Lease Term against loss or damage by fire, flood, special perils and other specified risks the Site and the amenities thereupon to the full value thereof and whenever required to produce to the Lessor the policy of such insurance and the receipt for the last-paid premium and cause all monies received by virtue of any such insurance to be forthwith laid out in rebuilding and reinstating the said Site and amenities thereupon as they were before the destruction or damage in respect of which such monies shall have been received.

- 2.8. **THAT THE LESSEE** shall not do or permit to be done or suffered within the Site anything which may be or become an inconvenience or nuisance to the Lessor or occupiers of adjoining properties and buildings.
- 2.9. **AT THE EXPIRATION OF THE LEASE TERM** to deliver up to the Lessor the Site and all of the Lessor's fixtures and additions thereto (except for the fixtures, structures and equipment erected or placed upon the Site by the Lessee) in such repair as shall be in accordance with the covenants hereinbefore contained and in compliance with the terms of the Joint Venture Agreement.
- 2.10. **TO FULLY IMPLEMENT** the Local Content Policy in the execution of the Development, in accordance with the Joint Venture Agreement.
- 2.11. **TO PAY** the legal costs of the preparation and registration of this Lease Agreement.
- 2.12. **TO CARRY OUT** the performance provisions set out in the Joint Venture Agreement that govern the continuance of this Lease Agreement and the Lease Term, including but not limited to those requiring fulfilment within one year of signing this Lease Agreement.
3. **THE LESSOR HEREBY COVENANTS WITH THE LESSEE AS FOLLOWS:**
- 3.1. **THAT, CONSISTENT WITH THE CROWN LANDS ORDINANCE 1960,** this Lease Agreement subject to applicable law, expressly confers upon and provides to the Lessee, for all such purposes as the Lessee shall at its sole discretion require for the Development:
- 3.1.1. The right to access and use the water of any spring, river, lake or stream either lying upon or under the Site or running onto or under the Site;
- 3.1.2. The right to access and use the foreshore of the Atlantic Ocean and the banks of the Whale River that abut the Site;
- 3.1.3. The right to access and use the waters of the Atlantic Ocean and Whale River extending out 300 metres from said foreshore and banks respectively; and
- 3.2. **THAT THE SITE IS LEASED BY THE LESSOR TO THE LESSEE WITH VACANT POSSESSION** consistent with the terms of the Joint Venture Agreement.
- 3.3. **THAT IMMEDIATELY UPON FULFILMENT BY THE LESSEE** of the performance provisions set out in the Joint Venture Agreement that require fulfilment within one year of signing this Lease Agreement, subject to the Lessee's application, the Lessor shall facilitate and implement for the Lessee the Licence applicable and required under The Non-citizens (Interests in Lands) Act 1961 for the lawful extension of the Lease Term beyond the initial Lease Term.

- 3.4. **THAT THE LESSEE PAYING THE LEASE RENT** and observing and performing these several conditions and covenants and stipulations herein contained shall peaceably hold and enjoy the Site during the Lease Term without any interruption by the Lessor and without any person(s) claiming under through or in trust for the Lessor.
4. **PROVIDED ALWAYS AND IT IS HEREBY EXPRESSLY AGREED AS FOLLOWS:**
- 4.1. **THAT IF THE LEASE RENT** or any part thereof shall be in arrears and become unpaid for Twenty One (21) days after becoming payable (whether formally demanded or not), or if and whether there shall be any breach of covenants on the part of the Lessee herein contained, it shall be lawful for the Lessor to commence Termination Proceedings in accordance with Clause 8 of this Lease Agreement. Such Termination Proceedings shall be without prejudice to any rights or remedies which may then have accrued by either Party in respect of any antecedent breach of the covenants herein contained.
- 4.2. **THAT THE LESSOR HEREBY GRANTS TO THE LESSEE AN OPTION ("the Option")** to extend the Lease Term, as set out in Clause 4.3 below.
- 4.3. **IF THE LESSEE SHALL BE DESIROUS** of exercising the Option upon the expiration of the Lease Term hereby granted, the Lessee shall, consistent with the terms of the Joint Venture Agreement, give the Lessor notice in writing not less than six (6) months prior to the expiration of the Lease Term hereby granted and the Lessor will, at or before the expiration of the Lease Term and if there shall be no subsisting breach of any of the Lessee's obligations under this present Lease Agreement and at the cost of the Lessee, grant to the Lessee an extended lease of the Site for a further term of forty nine (49) years ("**the Extended Lease Term**"), to commence upon the expiration of the Lease Term hereby granted, and to include an option for a third term of forty nine (49) years ("**the Third Lease Term**"). The Lease Rent for both the Extended Lease Term and the Third Lease Term shall be renegotiated to an increase of not more than 10%.
- 4.4. **ANY NOTICE TO BE GIVEN TO THE LESSEE BY THE LESSOR** shall be well and sufficiently given through a letter addressed to the Lessee and delivered by hand to the Site or to 1 Lakka Beach Road, Goderich, Freetown, or to such other address as is supplied by the Lessee to the Lessor. Any Notice to be given to the Lessor shall be deemed well and sufficiently given if sent by the Lessee through a letter addressed to the Lessor at its usual or last known place of business in Sierra Leone.

**5. APPLICABLE LAW:**

- 5.1. **SUBJECT TO ANY SPECIFIC PROVISION HEREIN**, this Lease Agreement and any dispute arising therefrom shall be governed by the laws of Sierra Leone.

**6. SETTLEMENT OF DISPUTE:**

- 6.1. **ANY DISPUTE BETWEEN THE PARTIES** concerning the interpretation and execution of this Lease Agreement ("**the Dispute**") shall be settled amicably by negotiation between the Parties. If the Dispute cannot be settled by negotiation between the Parties, it shall, at the request of either Party, be submitted to arbitration in accordance with the Arbitration Act Cap 25 or existing Arbitration Act of the Laws of Sierra Leone ("**the Arbitration**") by way of notice in writing on the other Party to the Dispute ("**the Notice of Arbitration**").

- 6.2. **IN THE EVENT** that the Dispute is referred to Arbitration pursuant to, and finally settled under, the Arbitration Act Cap 25 of the Laws of Sierra Leone, then the Parties further agree that:

The number of Arbitrators shall be three (3):

- 6.2.1. The Claimant shall nominate and pay for one (1) Arbitrator and the Respondent shall nominate and pay for one (1) Arbitrator;

- 6.2.2. The third and impartial Arbitrator shall be appointed by the Master and Registrar, High Court of Sierra Leone, at the written request of either Party to the Dispute, who shall select said third Arbitrator from a recognised international Firm of Arbitrators mutually acceptable to the Parties. The third Arbitrator shall preside as Chairman of the Arbitration panel and the cost and expenses of the third Arbitrator shall be shared equally between the Parties;

- 6.2.3. The seat or legal place of the Arbitration shall be in Freetown, Sierra Leone. The language of the Arbitration proceedings shall be English; and

- 6.2.4. The award of the Arbitration tribunal shall be final and binding upon the Parties from the date it is made. The Parties undertake to carry out any award immediately and without any delay and waive irrevocably their right to any form of appeal or review of the award by any state court in so far as such waiver may validly be made. Judgement on the award of the Arbitration tribunal may be entered and enforced by any court of competent jurisdiction.



## 7. **FORCE MAJEURE:**

- 7.1. **IT IS AGREED AND DECLARED** that any failure on the part of either the Lessor or Lessee to fulfil any of the terms and conditions of this Lease Agreement shall not give the Lessor or Lessee any claim against the other or be deemed a breach of this Lease Agreement in so far as such failure arises from Force Majeure.
- 7.2. **IF THROUGH FORCE MAJEURE** the fulfilment of any of the terms of this Lease Agreement is rendered impossible, the period of such delay shall be added to the relevant term of this Lease Agreement.
- 7.3. **IN THIS CONTEXT, FORCE MAJEURE MEANS**, without limitation: an Act of God; peril of air, land or sea navigation; action of the elements including storm, flood, earthquake, ground cave-in and subsurface pollution; explosion, fire, terrorist or rebel activity or other hostilities; war (declared and undeclared), blockade, insurrection, civil commotion or riot; medical emergency including epidemic and pandemic; revolution, embargoes and other unlawful actions against either Party; and any other cause which the Party affected could not reasonably foresee, prevent or control.
- 7.4. **NOTICE OF FORCE MAJEURE:** Any event of Force Majeure must be notified in writing by the affected Party to the other Party within seven (7) days of the date when the event became an event of Force Majeure, or if later, the date when the affected Party should reasonably have known of the event of Force Majeure.
- 7.5. **SUCH NOTICE SHALL SPECIFY:** the nature of the event; what is required to remedy the event; the estimated time to cure or overcome the event; and the obligations that cannot be properly or timely performed on account of the event.

## 8. **TERMINATION:**

- 8.1. **IF A PARTY ("the Terminating Party")** wishes to terminate this Agreement pursuant to any breach of the Terms of this Agreement it shall deliver a **Preliminary Termination Notice** to the other Party specifying in reasonable detail the grounds for termination and the date upon which the Terminating Party proposes to terminate this Agreement (which shall not be earlier than ninety (90) days, and not more than one hundred (100) days, after the date of the Preliminary Termination Notice).
- 8.2. **THE PRELIMINARY TERMINATION NOTICE** shall initiate a period during which the Parties shall consult in good faith with a view to agreeing what steps may be taken in order to remedy or mitigate the consequences of the event or events prompting or entitling the Terminating Party to deliver the Preliminary Termination Notice ("**the Remedy Period**").

- 8.3. **IF AFTER THE END OF THE REMEDY PERIOD** the event or events prompting or entitling the Terminating Party to deliver the Preliminary Termination Notice have not been cured, the Party that delivered the Preliminary Termination Notice may at any time deliver a further notice to the other Party terminating this Lease Agreement ("**the Lease Agreement Termination Notice**") with immediate effect subject to any court order and consistent with and in accordance with the Joint Venture Agreement.
- 8.4. **OBLIGATIONS UPON EXPIRATION OR TERMINATION:** upon the expiration or earlier termination of this Lease Agreement, the Parties shall have no further obligations or liabilities hereunder except for obligations or liabilities that arose prior to, or arise upon, such expiration or termination and obligations or liabilities that expressly survive such expiration or termination pursuant to this Lease Agreement and in accordance with the Joint Venture Agreement.

**9. EXECUTION AND DELIVERY OF THIS LEASE AGREEMENT:**

- 9.1. **IF EXECUTED IN COUNTERPART** this Lease Agreement shall be deemed binding.
- 9.2. **EXECUTION BY THE MINISTER OF TOURISM AND CULTURAL AFFAIRS** on behalf of the Government of the Republic of Sierra Leone is authorised by the Minister of Lands, Housing and Country Planning consistent with the Crown Lands Ordinance, 1960.
- 9.3. **THE LESSOR SHALL TAKE ALL NECESSARY STEPS** to put into effect the terms of this Lease Agreement, including procuring the adherence and agreement of all third parties insofar as it lies within the power and ability of the Government of the Republic of Sierra Leone.

[This Space Intentionally Left Blank]

**IN WITNESS WHEREOF as of the date first above stated:**

**Signed sealed and delivered by the LESSOR, representing the Government of the Republic of Sierra Leone:**

---

**HON. TURAD SENESIE**  
**Minister of Lands, Housing and Country Planning**

---

**HON. MEMUNATU BABY PRATT**  
**Minister of Tourism and Cultural Affairs**

In the presence of

Name \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Signature \_\_\_\_\_

**Signed sealed and delivered by the LESSEE:**

**The Common Seal of the within-named Lessee PENINSULA CITY LIMITED is hereunto affixed in the presence of:**

---

**GEOFFREY PHILIP SIMON**  
**Director**

---

**ALIE SAMUEL FORAY TORONKA**  
**Secretary**

**SCHEDULE 1**

**ALL THOSE TWO (2) LEASED PLOTS OF STATE LAND  
situate, lying and being off Peninsula Road at Big Water Village  
in the Western Area of the Republic of Sierra Leone, bounded as follows:**

**PLOT 1 OF 91.8487 ACRES STARTING** from Property Beacon marked SLS 520/20 BP4 at the north-western extremity of Plot 1 and following Peninsula Road east to Property Beacon marked SLS 520/20 BP14 at the northern entrance to the Bridge at Big Water; THENCE following the northern shoreline of the Whale River estuary westward to Property Beacon marked SLS 520/20 BP1; THENCE due north to the Starting Property Beacon marked SLS 520/20 BP4.

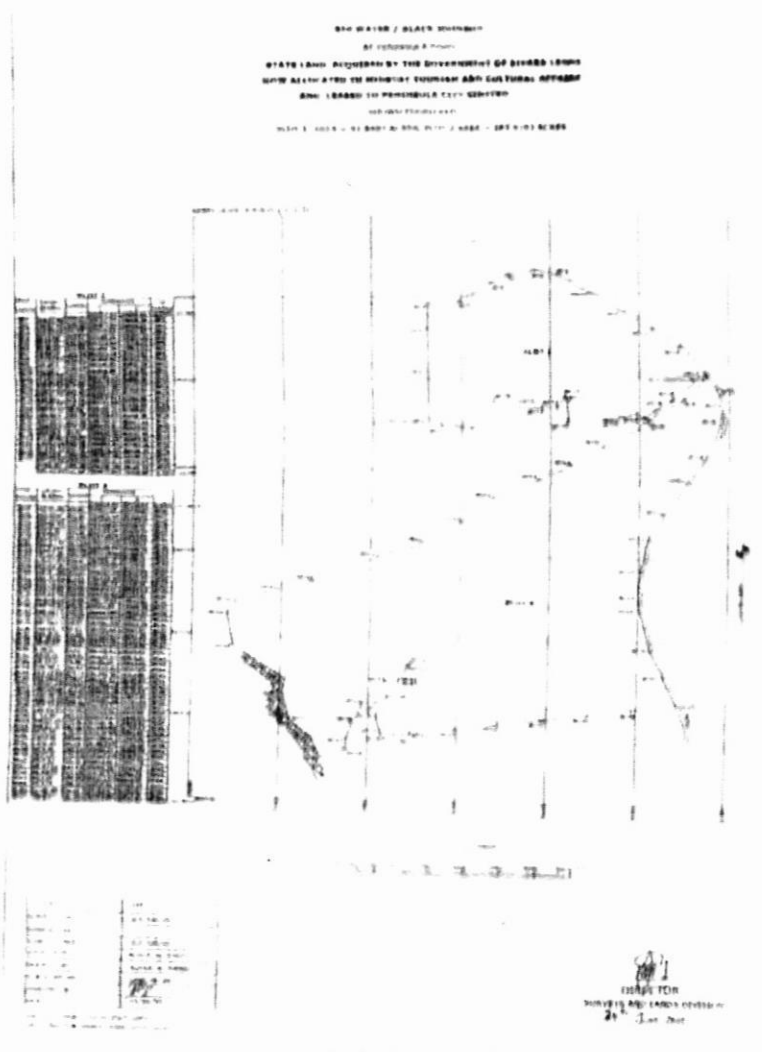
**PLOT 2 OF 263.9793 ACRES STARTING** from Property Beacon marked SLS 520/20 BP15 at the southern entrance to the Bridge at Big Water and following Peninsula Road south to property beacon marked SLS 520/20 BP28; then extending in a straight line west-southwestward to Property Beacon marked SLS 520/20 BP36 at the eastern edge of the Lagoon; THENCE excluding the Lagoon to the north and resuming from Property Beacon marked SLS 520/20 BP46 at the western edge of the Lagoon to Property Beacon marked SLS 520/20 BP50 at the shoreline of the Atlantic Ocean; THENCE following the shoreline north and east to the Starting Property Beacon marked SLS 520/20 BP15.

**PLOT1**

FROM STATION	COLONY BEARING	DISTANCE	TO STATION
			SLS 520/20/BP1
BP1	359°57'49"	500.00'	BP2
BP2	359°57'49"	500.00'	BP3
BP3	359°57'49"	301.59'	BP4
BP4	85°13'59"	343.67'	BP5
BP5	58°24'42"	432.50'	BP6
BP6	65°39'20"	217.69'	BP7
BP7	78°49'10"	302.54'	BP8
BP8	103°42'44"	245.47'	BP9
BP9	120°34'1"	440.44'	BP10
BP10	120°34'1"	440.44'	BP11
BP11	124°50'48"	387.02'	BP12
BP12	124°50'48"	387.02'	BP13
BP13	139°27'57"	417.39'	BP14
BP14	228°51'34"	492.40'	BP78
BP78	237°40'1"	219.72'	BP79
BP79	242d2'22"	156.18'	BP66
BP66	299°47'12"	88.60'	BP67

BP67	261°30'5"	193.78'	BP68
BP68	267°15'19"	577.59'	BP69
BP69	358°55'23"	214.49'	BP70
BP70	324°16'5"	61.51'	BP71
BP71	211°36'50"	155.60'	BP72
BP72	270°52'29"	168.78'	BP73
BP73	272°22'43"	251.18'	BP74
BP74	285°13'4"	300.52'	BP75
BP75	247°33'22"	469.02'	BP76
BP76	274°0'40"	166.36'	BP77
BP77	282°43'33"	141.58'	SLS 520/20/BP1
	PLOT2		
			SLS 520/20/BP15
BP15	142°16'38"	181.81'	BP16
BP16	160°41'16"	211.56'	BP17
BP17	188°33'54"	180.51'	BP18
BP18	210°56'42"	331.86'	BP19
BP19	215°4'32"	341.31'	BP20
BP20	214°39'1"	463.06'	BP21
BP21	207°42'41"	367.64'	BP22
BP22	194°28'14"	357.86'	BP23
BP23	182°13'30"	326.92'	BP24
BP24	174°54'25"	159.01'	BP25
BP25	165°39'36"	480.49'	BP26
BP26	155°37'55"	371.21'	BP27
BP27	155°37'55"	371.21'	BP28
BP28	262°13'59"	500.00'	BP29
BP29	262°13'59"	500.00'	BP30
BP30	262°13'59"	500.00'	BP31
BP31	262°13'59"	500.00'	BP32
BP32	262°13'59"	500.00'	BP33
BP33	262°13'59"	500.00'	BP34
BP34	262°13'59"	173.09'	BP35
BP35	251°46'28"	118.00'	BP36
BP36	324°29'29"	82.33'	BP37
BP37	345°3'31"	211.80'	BP38
BP38	28°30'26"	260.39'	BP39
BP39	38°10'53"	200.16'	BP40
BP40	0°26'5"	61.27'	BP41
BP41	33°10'14"	169.95'	BP42
BP42	28°44'5"	75.38'	BP43
BP43	228°52'7"	361.67'	BP44
BP44	223°13'55"	375.74'	BP45
BP45	204°58'21"	258.17'	BP46
BP46	198°52'28"	209.82'	BP47
BP47	182°25'18"	127.12'	BP48
BP48	251°46'31"	300.31'	BP49

BP49	336°44'20"	260.71	BP50
BP50	309°44'21"	325.875	BP51
BP51	346°23'55"	331.55'	BP52
BP52	7°33'35"	185.23'	BP53
BP53	304°22'42"	720.06'	BP54
BP54	348°27'31"	387.52'	BP55
BP55	32°2'32"	175.35'	BP56
BP56	73°14'10"	505.06'	BP57
BP57	77°11'39"	401.24'	BP58
BP58	68°0'32"	782.93'	BP59
BP59	70°27'5"	537.83'	BP60
BP60	58°9'33"	516.30'	BP61
BP61	48°33'24"	447.43'	BP62
BP62	66°28'20"	565.69'	BP63
BP63	62°1'19"	398.36'	BP64
BP64	62°1'19"	398.36'	BP65
BP65	67°32'39"	561.13'	BP66
BP66	62°32'15"	441.94'	BP67
BP67	42°5'1"	386.05'	SLS 520/20/BP15



**ANNEXE 2**

**FEASIBILITY STUDY**  
**Executive Summary**

**Peninsula Group Limited**

**Peninsula City, Sierra Leone**

**September 2017**

**EXECUTIVE SUMMARY**

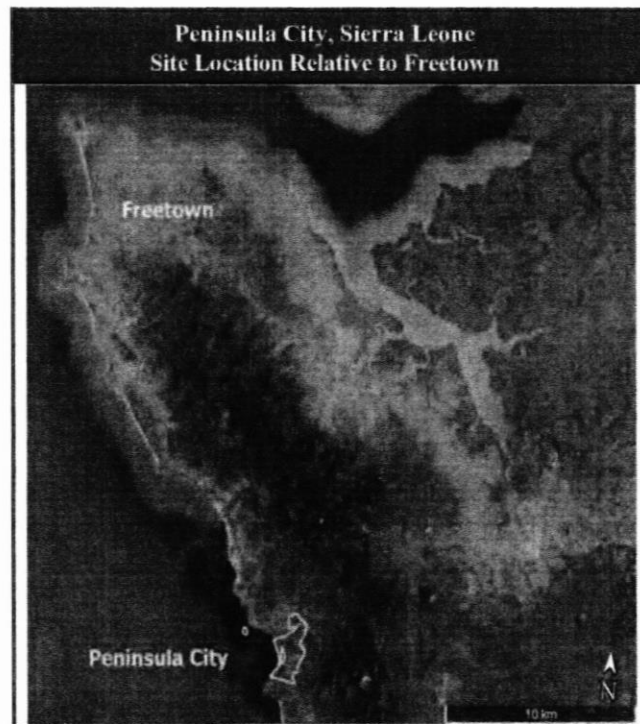




**The Peninsula City Site**

## 1 PENINSULA CITY

We were commissioned by Peninsula Group Limited (“the Sponsors”) to undertake a market and financial appraisal of the proposed Peninsula City, a tourism-oriented mixed-use project in Sierra Leone. Peninsula City is to be developed on a site of approximately 600 acres (“the Site”) on the coastline to the south of the capital Freetown, in the Western Area Peninsula. A new highway linking the capital to the Site is due for completion next year. It will reduce the journey time to approximately 30 minutes.



The Sponsors have identified a remarkable site of rare beauty, presenting a unique opportunity to create a new city away from the congestion of Freetown but highly accessible due to the new highway. In our opinion Peninsula City has the potential to become one of the most significant and important tourism developments in West Africa.

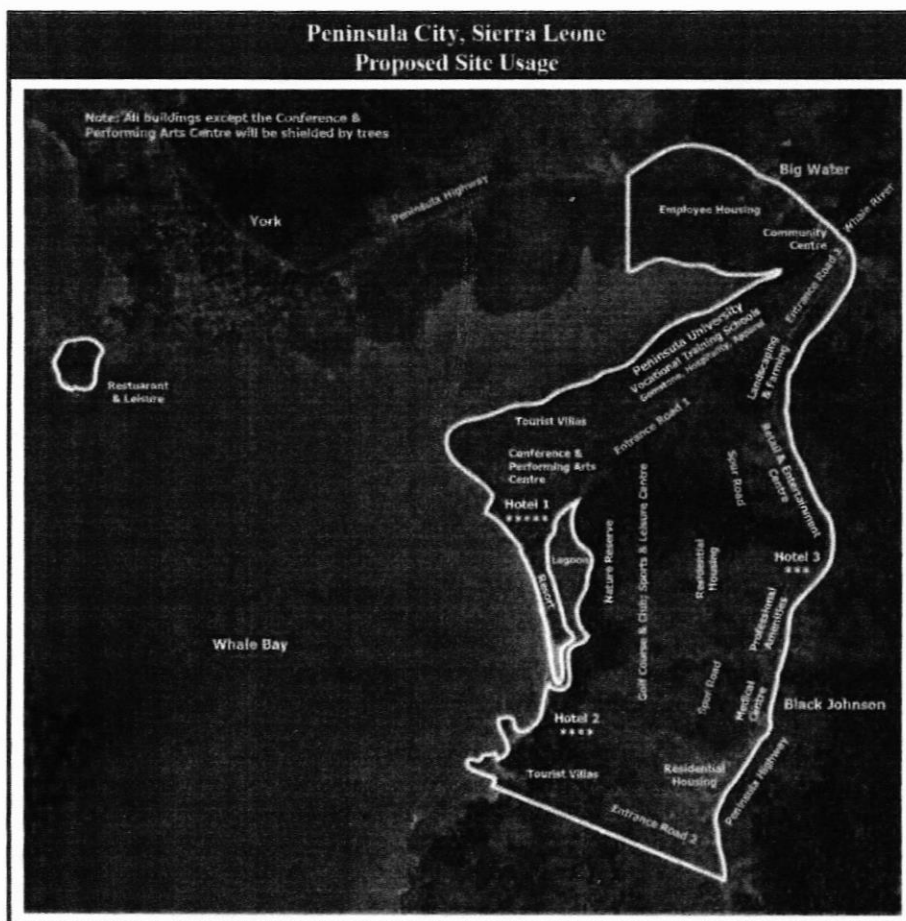
The Government of Sierra Leone (GOSL) has shown strong support for the project, as evidenced by a Memorandum of Understanding between the Ministry of Tourism and Cultural Affairs and the Sponsors, which confirms that the Site will be designated as a Tourism Development Area, and commits GOSL to pursue the development of Peninsula City with the Sponsors as a Public Private Partnership.

The table overleaf summarises the clusters that form the built environment of Peninsula City, and the map overleaf shows the conceptual location of the various components. This has been assessed based on the Sponsors’ requirements for the Site, and calculated based on the best use for the Site, taking into account current and perceived future demand and supply.

Peninsula City, Sierra Leone Land Uses		
<b>3 Hotels, including resort</b>	Upper Upscale; Boutique; Limited service	Total 300 rooms
<b>Performing Arts Centre</b>	3,705 sq.m.	650 people
<b>Peninsula University</b>	50,000 sq.m.	5,000 students
<b>Tourist Villas</b>	Upper Upscale	120 units
<b>Residential Units</b>	Mid-range apartments and houses	32 units
<b>Retail Units</b>	15- 100 sq.m.	41 units
<b>Office Units</b>	30-100 sq.m.	25 units
<b>Restaurants</b>	30-60 sq.m.	12 units

Source: W Hospitality Group best use estimates

The scheme will create a new city, incorporating a wide range of complementary property uses which result in synergies—the customers of one will generate revenue for the others. The mix of uses ensures that the overall scheme is well-balanced and sustainable.





As a comprehensive mixed-use development, there will be a variety of visitors to and residents of Peninsula City: guests staying in the hotels (business, leisure, conference delegates and others), students and faculty of the University, office tenants, shoppers, residents of the apartments and houses, persons attending events at the Performing Arts Centre, and the multitude of other people that contribute to a vibrant scheme.

## 2 FINANCIAL PROJECTIONS

We project the income streams from the commencement of the development through the usual 10-year pattern, which we summarise to 2025 below, as follows:

Peninsula City, Sierra Leone Summary Cash Flow (US\$) – Actual Year Values						
	2020	2021	2022	2023	2024	2025
Hotel 1 (EBITDA)	-	3,812,130	4,002,737	5,010,091	5,825,610	5,975,219
Hotel 2 (EBITDA)	-	-	-	1,729,770	1,729,770	2,109,660
Hotel 3 (EBITDA)	-	-	-	1,731,765	1,731,765	2,054,535
Tourist Villas (EBITDA)	288,287	713,509	749,185	1,514,290	2,316,863	2,432,706
Residences (sales)	1,857,757	4,388,950	4,608,397	5,376,464	5,645,287	5,927,551
Restaurants (net rent)	11,581	20,846	21,889	46,924	54,298	62,714
Perf. Arts Centre (EBITDA)	-	168,955	177,403	569,738	1,083,524	1,137,700
University (EBITDA)	173,644	2,187,911	2,297,307	9,447,674	17,729,465	18,615,939
Retail (net rent)	-	20,537	21,564	83,210	106,985	124,815
Offices (net rent)	165,179	216,798	227,638	239,019	250,970	263,519
<b>TOTAL INCOME</b>	<b>2,496,447</b>	<b>11,529,637</b>	<b>12,106,119</b>	<b>25,748,945</b>	<b>36,474,537</b>	<b>38,704,359</b>

At actual year values (i.e. including inflation) the total development cost is US\$153,160,908, broken down for each year as follows:

Peninsula City, Sierra Leone Phased Development Cost (US\$) – Actual Year Values								
	2018	2019	2020	2021	2022	2023	2024	2025
Hotel 1	12,121,200	9,545,445	10,022,717	-	-	-	-	-
Hotel 2	3,822,000	4,013,100	-	-	-	-	-	-
Hotel 3	3,276,000	4,586,400	3,611,790	-	-	-	-	-
Tourist Villas	-	2,236,730	2,348,566	3,698,992	3,883,942	4,078,139	-	-
Residences	-	1,644,401	3,267,466	3,674,670	3,858,403	4,051,324	4,253,890	2,262,930
Restaurants	-	92,101	69,075	181,323	190,389	39,982	-	-
Perf. Arts Centre	-	3,823,416	4,014,587	-	-	-	-	-
University	9,623,250	15,156,619	26,524,083	-	-	-	-	-
Retail	-	-	104,020	273,051	286,704	120,416	63,218	-
Offices	-	939,065	246,505	-	-	-	-	-
Addl. Infrastructure	52,500	1,102,500	-	-	-	-	-	-
<b>TOTAL COST</b>	<b>28,894,950</b>	<b>43,139,777</b>	<b>50,208,809</b>	<b>7,828,036</b>	<b>8,219,438</b>	<b>8,289,860</b>	<b>4,317,108</b>	<b>2,262,930</b>



For each component, we have assumed that the development is funded with a debt to equity ratio of 50 per cent, and interest rates of 8 per cent per annum. Further, we have assumed an annual growth rate of 5 per cent on income.

The total income and expenditure between 2018 and 2025, in actual year values, is:

Peninsula City, Sierra Leone Summary Income and Expenditure (US\$000s)								
	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Income</b>	-	-	2,497	11,530	12,106	25,749	36,475	38,704
<b>Total Expenditure</b>	28,895	43,140	50,209	7,828	8,219	8,290	4,317	2,263
<b>Annual Balance</b>	(28,895)	(43,140)	(47,712)	3,702	3,887	17,459	32,157	36,441

The leveraged pre-tax internal rate of return for the project is 20.6 per cent. This is an average for the project as a whole. We believe that this will be attractive to investors.

The completed gross development value of the project in 2025 values (once all the components are operational) is approximately US\$430 million. The total construction cost, in actual year values and including a contingency allowance, is approximately US\$185 million.

The full 10-year cash flow is provided in the main report as Appendix 1.

### 3 RECOMMENDATIONS AND ESSENTIAL ACTION POINTS

Full support from GOSL is essential to the success of Peninsula City, and underpins not only its viability, in terms of the returns to investors, but also the returns that Sierra Leone will receive, including:

- job creation;
- community support;
- direct and indirect economic multipliers;
- tax income;
- skills development;
- establishment of SMEs and others in the supply chain;
- enhancement of land values on adjacent land;
- provision of a benchmark of quality for further tourism projects;
- promotion of Sierra Leone as a destination for tourism and general investment.

Whilst the project has a large tourism component (which has the added benefit of generating foreign exchange from international visitors) it also has a significant social component, in particular the proposed Peninsula University, with its three core vocational training streams devoted to gemstones, apparel and hospitality. In addition, Peninsula City will include a community centre and a medical centre, for use not only by those within the project itself, but also by the surrounding population.



Investors will recognise that these components are essential if the project is to be viable as a whole, and that non-commercial sources of finance (grants, concessionary loans) may be available for such facilities.

Investors will also consider the following added benefits (which have not been factored into our analysis):

- Our financial projections assume that the residential properties will be sold to provide immediate cash flow for the development of the overall project. Should the Sponsors decide not to sell some or all of the residences, but instead lease them on short term contracts (6 to 12 months), this would reduce short-term income, but would enhance overall residual values.
- Expansions to components such as Hotel 1, the retail mall and the offices would be possible, should demand levels indicate that such would be warranted, at a lower unit cost than the original build, and therefore generating a higher return. The design should allow for such expansion, which is perfectly feasible on this large site.
- According to the Sponsors, a casino licence has been pre-approved by GOSL, and could be part of the leisure attractions in the project.
- There is sufficient space on the Site to include a golf course and club house. The positioning of the built components should take into account the possible future layout of a golf course, which in the meantime will be parkland.
- Other revenue-generating sources may be identified as the design and development of the project evolves.

In addition, it should be noted that GOSL has confirmed, in correspondence with the Sponsors, that the Peninsula City project will benefit from a number of fiscal investment incentives, in accordance with the provisions of the Sierra Leone Finance Acts of 2011-2013, and that the length of time that the incentives are provided (e.g. 10 years for relief from corporate tax) could be extended. These tax incentives have not been factored into our calculations, but could make an important contribution to the investment returns.

In order to move the project forward, and before any further investment is made, the Sponsors are strongly advised to obtain Cabinet-level ratification of the Public Private Partnership (PPP) Agreement between GOSL and the Sponsors, including (but not limited to) such critical terms as:

- A sufficiently long lease of the project site, on financeable terms: in our view a lease of no less than 198 years is appropriate for a project of this magnitude. In addition, confirmation of the intention to introduce legislation to Parliament to enable designation of the site as freehold.
- Designation of the Site as a Tourist Development Area.



- GOSL's delivery of the Site with vacant possession in timely fashion, together with indemnities which hold the Sponsors harmless in respect to any claims that may arise with regard to land rights and usage.
- Approval for the construction and operation of all envisioned components of the project as detailed in the MOU (in effect, planning consent for the development).
- A commitment to connect water, electricity and internet to the Site.
- Confirmation of the intention to designate the Gemstone School of Sierra Leone, part of Peninsula University, as a tax-free zone.

**ANNEXE 3**

**FINANCIAL PERFORMANCE ANALYSIS**  
**Executive Summary**



# Peninsula City

*Financial Performance Analysis  
and Stakeholder Benefits*

Presented by

**MOORE STEPHENS**

## Preface

Moore Stephens Sierra Leone has been instructed by Peninsula Group Limited to provide a Financial and Performance Analysis (“the FPA”) of its proposed Peninsula City Public Private Partnership with the Government of Sierra Leone, to be known as Peninsula City.

The emphasis of the FPA is to quantify the stakeholder benefits of Peninsula City for the nation of Sierra Leone, with particular regard to the employment numbers and tax revenues to be generated by the project and its countrywide multiplier effects, throughout its first 12 years from 2019-2030.

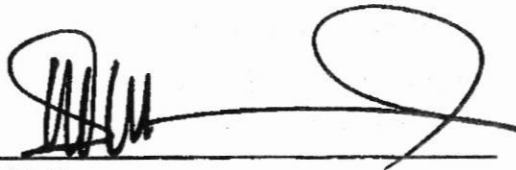
The FPA draws on information provided by:

- (a) A Feasibility Study for Peninsula City commissioned from W Hospitality Group, London / Lagos;
- (b) Peninsula Group Limited; and
- (c) The resources of Moore Stephens Sierra Leone.

Since the Feasibility Study was completed, certain elements have been added to the “Urban Community” sector of the project (see p13-14). Time did not permit us to work up detailed figures, but we can confirm that these elements will add to the income, employment and tax revenue calculations quoted below.

The FPA has been prepared for Peninsula Group Limited by the Managing Partner of Moore Stephens Sierra Leone, David Carew, and Director Dr Babafemi Aaron-Johnson, assisted by Assistant Managers James Sawyerr and Isha I Mansaray.

In our view, the project is viable and will bring significant value to Sierra Leone.



David Carew

Freetown, 30 May 2019

# Headline Reports

## 1. Project Totals

<b>Direct Employees</b>	<b>2,376</b>
<b>Estimated Indirect Jobs Created:</b> (see National Multiplier p.12)	<b>Over 12,000</b>
<b>Tax Revenues to GoSL 2019-2030:</b>	<b>\$90,830,917</b>

## 2. Sector Sub-Totals: Construction + Operations

### Mobilisation

Employees:	<b>164</b>	Tax Revenues:	<b>\$1,810,100</b>
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### Economic Driver 1: Tourism Resort

Employees:	<b>704</b>	Tax Revenues:	<b>\$58,501,088</b>
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### Economic Driver 2: Urban Community

Employees:	<b>1,055</b>	Tax Revenues:	<b>\$17,837,053</b>
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### Economic Driver 3: Peninsula University

(a sector-based Vocational Training Institution)

Employees:	<b>453</b>	Tax Revenues:	<b>\$12,682,676</b>
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### Economic Driver 4: Peninsula Corridor

(included above)

## Executive Summary

Peninsula City is an exciting new 600-acre ocean-front development along the Western Area Peninsula, 30 km south of Freetown. The project is a Public Private Partnership with the Government of Sierra Leone (“GoSL”) and will attract \$500,000,000 of investment. It will be a modern city including an upscale tourism resort, three hotels, three residential districts, together with business, recreational, medical and educational facilities.

Peninsula City will serve as a model urban development for Sierra Leone and West Africa, focused on creating the future today. The hotels will provide accommodation for West Africa’s premiere high-security conference centre. A medical polyclinic will serve the Peninsula City population while catering for the expected influx of up to 500,000 people along the Peninsula Corridor, commencing in 2020. A vocational training institution, Peninsula University, will be located on the site, training students in the areas of diamond cutting, hospitality, apparel and nursing. A future football academy is also envisaged.

Peninsula City will produce the following direct benefits for Sierra Leone:

- A highly desirable tourist destination that will firmly establish Sierra Leone as a global player in the tourism industry.
- Directly and indirectly, up to 15,000 new jobs.
- In excess of \$90,000,000 of new tax revenues to GoSL from 2019-2030.
- Medical facilities for up to 500,000 regional residents.
- Increased foreign income from a steady stream of tourists, conference delegates and event attendees.
- A model, and catalyst, for further responsible, sustainable development in the Western Area.
- Vocational training that will equip Sierra Leoneans for employment, enterprise generation and the achievement of economic diversification in the nation’s vital economic sectors.