

DATED

-----2024

AIRLINE OPERATING AGREEMENT

between

AIR SIERRA LEONE LIMITED

and

THE MINISTRY OF TRANSPORT AND AVIATION REPRESENTING

THE GOVERNMENT OF SIERRA LEONE

Prepared by:

The Ministry of Transport and Aviation

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THIS AGREEMENT is made this

2024 (Effective Date)

BETWEEN

- (1) **AIR SIERRA LEONE LIMITED**, a company duly registered under the laws of Sierra Leone to do business in Sierra Leone whose registered office is at 1st Floor NDB Building, 21/13 Siaka Stevens Street, Freetown, Sierra Leone (**Company**); and
- (2) **GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE (Government)**, represented by the Ministry of Transport and Aviation

(Government and Company being hereinafter together referred to as "the Parties" or individually as "a Party").

WHEREAS:

- (A) Air Sierra Leone Ltd (Company) is registered in Sierra Leone an airline operator.
- (B) The Government and the Company are entering into this Agreement to set out the terms upon which the Company would establish and operate a flag carrier operation in the Republic of Sierra Leone.

IT IS AGREED as follows:

1 **DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	means the Civil Aviation Act, 2023
"Affiliate"	means an entity that directly or indirectly through one or more intermediaries is controlled by or is under the control of the Company.
"Arms-Length Transaction"	Means a contract or agreement that has been concluded in the marketplace between independent non-affiliated persons with opposing economic interests regarding that contract or agreement.
"Air Transportation Business"	means the carriage of persons, property, cargo, or mail by aircraft to and from the Airport as the flag carrier of the Republic of Sierra Leone
"Airport"	means the Freetown International Airport located in Lungi as it now exists or as it shall be or may be modified in the future.
"Control"	Ownership of more than 50% of the share capital of a company or the possession, directly or indirectly of the power to direct or cause the direction of management or policies of an entity whether through the ability to exercise voting power, by contract or otherwise.
"Common Use or Common Use Space"	means the space in the Airport managed by the Freetown International Airport that may be made available to the Company from time to time for use in common with other airlines, as assigned by the Airport Management, subject to applicable rules and regulations.
"Charges on Imports"	shall include all taxes, duties, excise, charges, levies, fees, dues, contributions, payments, or any impositions of any kind payable to the Government or any agency of Government, whether ad valorem, flat rate and otherwise, in respect of imports into Sierra

	Leone, but exclude any such taxes, duties, excise, charges, levies, fees, dues, contributions, payments and other impositions from which the Company shall be exempt pursuant to this Agreement.
"Use of Space"	means the space in the Terminal Building at the Airport assigned by the Freetown International Airport Management to the Company for its use and occupancy.
"Fiscal Year"	means the twelve (12) month period beginning a calendar and year and ending [Calendar day and month] of the following year, or any other period adopted by the Company for its financial affairs.
"Fuel and Lubricants"	means all petroleum products used by the Company for the Air Transportation Business hereunder including diesel, aviation fuel, heavy fuel oil, kerosene, and lubricants.
General Manager	means the person holding the position of General Manager of the Freetown International Airport or any other person designated by the General Manager, or the Minister to exercise functions with respect to the rights and obligations of the General Manager.
"Gross Sales"	for any period means the total of all amounts directly or indirectly received or receivable during that period by the Company (whether evidenced by cash, check, credit card or otherwise in any manner) from the sale of tickets, and all proceeds received by the Company. Gross Sales does not, however, include the amount of any provincial retail sales-tax or other direct tax imposed by any duly constituted governmental authority on the sale of tickets which is required to be collected at the point of sale from the customer by the Company as agent for such authority.
"Income Tax Act"	The Income Tax Act 2000 as amended from time to time,
"Leased Premises"	means the Use Space, Preferential Use Space, Common Use Space, and Loading Bridges leased by an airline.
"Machinery"	means machines consisting of a combination of moving parts and mechanical elements which may be put in motion by physical or mechanical force, admitted as such by the Commissioner-General, National Revenue Authority.
"Marks"	means the trademarks, trade names, design marks and other commercial symbols listed in the Schedule and all other trade names, trademarks, design marks and commercial symbols which the Government may from time to time designate for use in the operation of the Air Transportation Business.
"Minister"	Minister of Transport and Aviation.
"Machinery, Plant and Equipment"	means all machinery, plant, and equipment useful to and used by persons carrying on airline operations, including, but without prejudice to the generality of the foregoing storage, and conveying and handling equipment, together with accessories, spare parts and appliances for use and used exclusively with any of the foregoing.
"Plant"	include prefabricated fixtures required in airline operations.
"Preferential Use" or "Preferential Use Space"	means the nonexclusive use, to which an airline has priority over all other users, subject to the provisions of this Agreement as applicable, in common with others and subject to applicable Rules and Regulations. Preferential Use Space means that space that is not Exclusive Use Space or Common Use Space to which The Company has been given the privilege of preferential use.
"US\$ or \$"	means United States Dollars.

"Flag Carrier" Airline that has been designated to operate Internationally is termed a Flag Carrier of the State from which it is so designated.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) reference to any statute or statutory provision includes any statute or statutory provision or regulation which amends, extends, consolidates, or replaces the same.
- (b) words denoting the singular only shall include the plural and vice versa and words denoting a gender include the other gender.
- (c) references to a company shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.
- (d) references to a "Person" shall be construed so as to include any individual, firm, company, corporation or other body corporate, association or partnership (whether or not having a separate legal personality)
- (e) the expressions "holding company" and "subsidiary" shall have the meanings given under Sierra Leonean law,
- (f) references to any schedule or annexes are to schedules of or annexes to this Agreement.
- (g) headings to clauses, annexes and schedules are for convenience only and shall not affect the interpretation of this Agreement; and
- (h) a reference to a Party shall include that party's successors and permitted assigns.

2 GRANT OF LICENSE

2.1 Grant and Term

Subject to the provisions of this Agreement, the Government hereby grants to the Company the right to establish and operate the Air Transportation Business on behalf of the Government (License) for a term of 20 (twenty) years (Term) from the Effective Date.

2.2 Renewal

The Company shall, upon written request, seek a renewal of the term of the Agreement on such terms and conditions negotiated and agreed in good faith between the Parties at the time the Company made such a request, provided that:

- (a) The Company shall notify the Government at most 12(twelve) calendar months and at least 6(six) months before expiration of the initial Term; and
- (b) The operations of the Company shall be subject to a review every 5(five) Years and the Company must not be in breach of any of its obligations or fail to provide a remedy to any breach under this Agreement as at the expiration of the Term "

2.3 The Government shall renew the License in accordance with applicable law as in existence

from time to time.

- 2.4 Upon expiration or early termination of this Agreement, all the Company's rights, authority, and privileges under the License including the right to use the Airport, services, and facilities of the Airport as herein granted shall cease.

3 TERMINATION

3.1 TERMINATION BY THE COMPANY

- 3.1.1 In addition to any other right of termination given to the Company herein or any other rights to which the Company may be entitled by law, equity, or otherwise, so long as the Company is not in default in respect of any amounts due the Government under this Agreement or otherwise, the Company may terminate this Agreement and thereby terminate all of its rights and unaccrued obligations hereunder by giving the Government 60 (sixty) days prior written notice, to be served as hereinafter provided, upon or after the happening of any of the following events:

- (a) termination, suspension, revocation, or cancellation of the Company's right or authority to operate as a scheduled air operator serving the Airport by any federal agency (including foreign government agency) with competent jurisdiction.
- (b) Issuance by a court of competent jurisdiction of an injunction that in any way substantially prevents or restrains the use of the Airport or any part thereof necessary for the Company's scheduled flight operations and which injunction remains in force for a period of at least 30 (thirty) days and if such injunction is not necessitated by or issued as the result of an act or omission of the Company.
- (c) If, at any time during the Term of this License, because of the Government's failure to provide within a reasonable time safe aircraft operating facilities, the Sierra Leone Civil Aviation Authority or its successor fails or refuses to certify the Airport as adequate to accommodate aircraft that the Company is licensed to operate and is operating into and from all other airports of like size and character and with similar facilities and which aircraft are in general use on the Company's scheduled transportation route system; and which the Company may reasonably desire to operate into or from the Airport; provided such refusal or failure is not due to any fault of the Company;
- (d) the inability of the Company to use the Airport or to exercise any rights or privileges granted to the Company hereunder and necessary for its scheduled flight operations because of any law or ordinance by any governmental authority having jurisdiction over the operations of the Airport or the Company, or because of any order, rule, regulation, or other action or any inaction of the Sierra Leone Civil Aviation Authority, its successor, or any other authorized governmental agency for a continuing period of more than 90 (ninety) days.
- (e) The default by the Government in the performance of any covenant or condition within the control of Government and herein required to be performed by the Government and failure of Government to use its best efforts to remedy such default for a period of 30 (thirty) days after receipt of the Company's written notice to remedy the same. Provided, however, that no notice of cancellation as above provided shall be of any force or effect if the Government shall have remedied the default prior to receipt of the Company's notice of termination or within the aforesaid 30 (thirty) day period or during said period commences the process of remedying the same and diligently prosecutes the same to completion.
- (f) The assumption by the Government or any authorized agency thereof of the operation,

control, or use of the Airport and facilities, or any substantial part thereof, in such a manner as to substantially restrict the Company from operating its Air Transportation Business for a continuous period of at least 90 (ninety) days.

- (g) Termination, suspension, or discontinuation of the Company's services at the Airport by a governmental agency authorized to do so because of war, an earthquake or other disaster, acts of God or national emergency declared by the Government.
- (h) In any event where the use of the Airport by the Company is materially affected as provided herein and whether or not the Company is entitled to terminate this Agreement as herein provided, while such an event is continuing, an equitable adjustment to the Royalties herein required to be paid by the Company shall be made by Government.
- (i) Any breach by the operator as per the terms, conditions and operating procedures as defined by the Civil Aviation Act, 2023, this form ground for review, penalty or possible termination of this agreement.

3.1.2 The Company's performance of all or any part of this Agreement for or during any period or periods after a default of the terms, covenants, and conditions herein contained to be performed, kept, and observed by the Government shall not be deemed a waiver of any right on the part of the Company to terminate this Agreement for failure by the Government to perform, keep, or otherwise observe any of the terms, covenants, or conditions hereof to be performed, kept, and observed by Government, or be construed to be or act as a waiver by the Company of that default or of any subsequent default of any of said terms, covenants, and conditions herein contained and to be performed, kept, and observed by the Government.

4 THE COMPANY'S RIGHTS UNDER THE ACT

Subject to the provisions of the Act, the Company may from time to time apply for any permits or other rights available to it under the Act and the Government shall process any such application and grant any such right and the permit to which the Company is entitled under the Act.

5 USE OF THE MARKS

- 5.1 Subject to the provisions of this Agreement, the Company shall have the privilege to use the Marks for the conduct and operation of the Air Transportation Business.
- 5.2 The Company agrees that all renderings of the Marks shall be accompanied by a notice indicating the ownership of the Marks by the Government, in such form as the Government may require from time to time.
- 5.3 Neither this Agreement nor the operation of the Air Transportation Business shall confer upon the Company any interest in any of the Marks, except the right to use and display the Marks strictly in accordance with the terms of this Agreement.
- 5.4 The Company agrees not to use any of the Marks in any manner calculated to represent that the Company is the owner of any of the Marks.
- 5.5 The Parties agree that all goodwill arising from the use of any of the Marks by the Company shall ensure solely to the benefit of and shall belong exclusively to the Government.
- 5.6 The Company hereby acknowledges and agrees that the Government may from time-to-time hereafter, upon notice and acting reasonably, adopt and use new or modified Marks. The license hereby granted shall automatically extend to such new or modified Marks, and

the Company hereby agrees to promptly accept, implement, use, and display all such changes in the conduct of the Air Transportation Business, at its sole cost.

- 5.7 The Company agrees that it will not during the term of this Agreement or thereafter dispute or contest, directly or indirectly, the validity or enforceability of any of the Marks nor directly or indirectly attempt to depreciate the value of the goodwill attaching to any of the Marks, nor counsel, procure or assist anyone else to do any of the foregoing.

6 **USE OF THE AIRPORT**

- 6.1 Subject to the terms and provisions of this Agreement and the provisions of the Act, the Company shall, upon paying all rents, fees, and charges due, have the right to use, in common with other duly authorized users, the Airport is managed by the Freetown International Airport and therefore, all activities for Air Sierra Leone Ltd will be accordance with the agreement of the Government of Sierra Leone and SUMMA. To carrying on the Air Transportation business. Such use may include but not be limited to the following purposes:

- (a) The operation of the Air Transportation Business, including all activities reasonably necessary for its operations.
- (b) The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, delivering fuel to aircraft, repairing, maintaining, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of or operated by the Company or others, including the right to provide or handle all or part of the operations or services of such others.
- (c) The sale of tickets, documentation of shipments, handling of reservations, and loading and unloading of persons, property, cargo, baggage, and mail at the Airport in the operation of the Company's Air Transportation business.
- (d) The training at the Airport of employees of the Company. Training is to be limited to that incidental to the Company's Air Transportation business at the Airport. Flight training and testing of aircraft and other equipment shall be undertaken by the Company only with the prior written approval of the General Manager, and to the extent permitted by, and subject to, the provisions of the Act.
- (e) The purchase of the Company's requirements of fuel, lubricants, propellants, personal property, services, food, beverage, catering services, other passenger supplies, and any other materials and supplies used by the Company that are incidental to the operation of the Air Transportation Business.
- (f) The sale, disposal, and exchange of the Company's aircraft, engines, accessories and other equipment, and materials or supplies, provided that such right shall not be construed as authorizing the conduct of a separate regular business by the Company, but as permitting the Company to perform only such functions as are incidental to the operation of the Air Transportation Business at the Airport.
- (g) The servicing by the Company, or by its suppliers of materials or furnishers of services, of aircraft and other equipment operated by the Company, including the provision of line maintenance or other materials or supplies. This will be in according with SUMMA's grand handling procedure of the airport
- (h) The installation and operation of identifying signs, posters, and graphics on the Company's Leased Premises subject to the prior written approval of SUMMA. Such

signs shall be substantially uniform in size, type, and location with those of other airlines, consistent with Freetown International Airport's graphic standards, and in compliance with all applicable laws and ordinances.

- (i) The installation, maintenance, and operation of such radio, meteorological, and aerial navigation equipment, and facilities at suitable locations on the Airport as may be necessary or convenient in the opinion of the Company for its operations; provided that:
 - (i) the location of such equipment and facilities shall be subject to the prior written approval of Freetown International Airport
 - (ii) the use and location of such equipment and facilities shall not conflict with other similar equipment and facilities at the Airport; and
 - (iii) the use and location of such equipment and facilities at the Airport shall be subject to the payment of standard rental rates established for such use.
- (j) The installation, maintenance, and operation of passenger clubs, lounges, or VIP rooms in the Freetown International Airport's shall be in line airport's regulations. Use Space or Preferential Use Space, provided that such right shall not be altered as authorizing the conduct of a separate regular business by the Company, but as permitting the Company to perform only such functions as are incidental to the operation of the Air Transportation Business.
- (k) The installation, maintenance, and operation of computer data lines, non-revenue generating wi-fi networks, telephone communications equipment, associated cables, associated conduits, and telephone communications switchgear and support computers at suitable locations on the Airport as may be necessary or convenient in the opinion of the Company for its operations; provided that:
 - (i) the location of such equipment shall be subject to the prior written approval of Freetown International Airports regulations
 - (ii) the use and location of such equipment shall not interfere with the use of other similar equipment at the Airport.
 - (iii) the use and location of such equipment, except for cables, at the Airport, shall be only inline with the Freetown International Airport regulations.
 - (iv) all cables are installed in conduits shall be in accordance with the Freetown International Airport regulations.
 - (v) all installation and/or removal is performed in accordance with the Airport's physical telecommunications infrastructure and security policy and the premises distribution system policy for the terminal building.
- (l) The storage and parking of equipment, cargo, and vehicles, but only at such locations as specifically designated by the Freetown International Airport Management.
- (m) The maintenance and repair of equipment and vehicles, but only at such locations as specifically designated by the Freetown International Airport policy on maintenance.

6.2 Subject to the other provisions hereof and to the relevant provisions of the Act, the

following privileges of ingress and egress with respect to the Airport are hereby granted to the Company:

- (a) For the Company, its agents, employees, contractors, subcontractors, and permitted sublessees and assigns, access to the public areas of the Airport and to those areas and facilities designated herein for Use, Preferential Use, or Common Use by the Company or by the Company in common with other the airlines. This privilege shall extend to the Company's aircraft, vehicles, machinery, and equipment used for its Air Transportation business.
 - (b) For the Company's passengers, guests, and invitees, access to areas leased exclusively to the Company and to areas provided for the use of the Company's passengers, guests, and invitees in common with those of other airlines and to public areas and public facilities. This privilege shall extend to vehicles of such passengers, guests, and invitees.
 - (c) For the Company's suppliers of materials and furnishers of service, access to the public areas of the Airport and to areas and facilities leased for Use to the Company and to areas and facilities provided for the Common Use by the Company or its suppliers of materials and furnishers of services. This privilege shall extend to vehicles, machinery, or equipment of such suppliers and furnishers used in their business of furnishing such supplies and services to the Company.
- 6.3 The ingress and egress provided for above shall not be used, enjoyed, or extended to any person, airline, or vehicle engaging in any activity or performing any act or furnishing any service for or on behalf of the Company that the Company is not authorized to engage in or perform under the provisions hereof unless expressly authorized by the Freetown International Airport Management.
- 7 COMPLIANCE AUDIT AND CERTIFICATE OF COMPANY BOOKS**
- 7.1 The terms of sales, leases, licences and other transfers of goods and services between the Company and its Affiliates shall be determined pursuant to Arm's Length Transactions negotiated between the parties in substantial accordance with the substantive transfer pricing principles and guidelines published by the Organization for Economic Cooperation and Development from time to time.
- 7.2 Any discounts or commissions allowed in transactions between the Company and its Affiliates shall be no greater than the prevailing rate so that such discounts or commissions will not reduce the net proceeds below those which it would have received if the parties had not been Affiliates. Upon request by the Government, the Company shall provide to the Government copies of any contract or other relevant documentation related to transactions with Affiliates (which may include, for each such transaction, a preliminary invoice, certificate of quality by an independent accessor and a final invoice.
- 7.3 The balance sheets, statement of earnings and other financial statements and books of accounts of the Company shall be stated, maintained, and expressed in US\$. The rents, royalties, Charges on Imports, Port Charges, and Freight Levy payable hereunder shall constitute an operating cost of the Company and shall be allowed as a deductible expense in ascertaining the Company's net chargeable income for Income Tax to the extent permitted by generally applicable law, as in existence from time to time.
- 7.4 The Company's financial statements shall be drawn up in the English language.

- 7.5 The balance sheets, statement of earnings and other financial statements and books of accounts of the Company shall be stated, maintained, and expressed in US\$.

8 Fiscal Regime

- 8.1 The Company shall be subject to generally applicable laws with respect to taxes, duties and other governmental obligations except for the exceptions provided in this Agreement.
- 8.2 The Company shall pay royalty on an annual basis to the Government of Sierra Leone after 24 (twenty-four) months from the effective date of the Agreement, consistent with applicable laws.
- 8.3 The Company shall pay the Government of Sierra Leone on the anniversary of the Term, a royalty at a rate of 25 percent on gross revenue.
- 8.4 The Company shall pay the royalty in US\$, and all such payments by the Company shall be made in such currency to the Government in accordance with the applicable laws.
- 8.5 Notwithstanding the foregoing, no royalties shall be payable by the Company to the Government in respect of the initial 24 months' period immediately following the Effective Date.
- 8.6 The Company shall be liable in respect of each Fiscal Year to income tax (Income Tax) upon the income derived from the Air Transportation Business, in accordance with the generally applicable law from time to time. Provided that at any time that the income tax rate for airlines shall exceed 25% then the income tax rate that shall apply to the Company at any such time shall be 25% or the applicable law whichever is lower.
- 8.7 Any discounts or commissions allowed in transactions between the Company and its Affiliates shall be subject to the provisions of Section 95 of the Income Tax 2000 (as amended).
- 8.8 The Company shall be exempt from all Goods and Services Tax levied on deemed taxable supplies and on all imported capital goods, plants, vehicles, equipment, spare and replacement parts for each of the foregoing, and fuel and lubricants.
- 8.9 Except as provided in this Agreement, no tax, royalty, duty, excise, levy, fee, due, contribution, payment, or imposition of any kind whatsoever (other than those provided for in this Agreement) which is of a discriminatory nature shall be payable by the Company, or by its employees or shareholders, or by any Affiliate or agent of the Company. For the purposes of this clause, any imposition shall be considered discriminatory if its effect is confined wholly to the Company or its employees, or to its shareholders or any Affiliate or agent of the Company.
- 8.10 In addition to the above, the Company shall negotiate regulatory taxation that is applicable to the operator with third party service providers. For the avoidance of doubt, at the time of writing and contract conclusion, these taxes can be explicitly defined as: PSC, Airport Safety Fee, Air Navigation Service Fee, Aviation Security Charge, Infrastructure Development Charge, Aviation Safety Fee and foreign Travel Tax. The "operating taxes" maybe be varied from time to time under the local regulatory environment, however, any variations shall all be treated as exempt.
- 8.11 Taxes which may be applicable to the operator include:

- (a) Those expressly assumed by the Company pursuant to this Agreement.
 - (b) The payment of taxes deducted from the emoluments of employees of the Company as required under the Income Tax (PAYE) Rules and/or payment obligations to National Social Security and Insurance Trust (NASSIT) with respect to Sierra Leone citizens who are resident in Sierra Leone.
 - (c) The payment of payroll taxes at the applicable rate
 - (d) Payment of immigration fees at the applicable rate
- 8.12 If notwithstanding these provisions the Company becomes liable to pay any taxes pursuant to the laws of Sierra Leone, except for those expressly assumed by the Company pursuant to this Agreement, then the Company shall so advise the Government in writing, and the Parties agree to meet to reach an equitable solution.
- 8.13 All payments of Charges on Imports by the Company hereunder shall be made in US\$ to the Government, the advice accompanying such payment to be copied to the Commissioner-General, National Revenue Authority.
- 9 OBLIGATIONS OF THE COMPANY**
- 9.1 The Company shall conduct its operations in a manner that will ensure the protection of the general health and safety of its employees and of all other persons contracted by the Company for the conduct of the Air Transportation Business.
- 9.2 The Company shall install and utilise recognised modern safety devices and observe recognised modern safety precautions in accordance with high international health and safety protection standards.
- 9.3 The Company shall train its employees in accordance with generally accepted health and safety procedures and practices.
- 9.4 The Company shall provide, maintain, and operate health programmes and facilities to serve its employees which programmes and facilities shall install, maintain, and use modern health devices and equipment and shall practice modern health procedures and precautions in accordance with accepted international medical standards.
- 9.5 The Company shall commence regional services and or national airline services within three (3) months of the Effective Date, and shall commence weekly direct flights to the United Kingdom within 1 (one) year of the Effective Date.
- 10 OBLIGATIONS OF THE GOVERNMENT**
- 10.1 The Government undertakes to grant to the Company such assistance as it reasonably can to enable and facilitate the Company's operation of the Air Transportation Business in the best and most efficient manner.
- 10.2 The Government agrees that it will promptly grant any and all permits and permissions of whatsoever nature required by law for the importation, into Sierra Leone, through any other public port or private ship loading station, of all airline Machinery, Plant and Equipment, as well as airline consumables and any other goods or services necessary or desirable for or in connection with the conduct of the Air Transportation Business contemplated by this Agreement or any activities related thereto, and of such manufacture and types and from whatsoever source as may be determined by the Company, provided

that such goods or services are not otherwise available in Sierra Leone at comparable quality and competitive prices.

11 REVOCATION BY THE GOVERNMENT

If and whenever any sum of money payable hereunder by the Company as royalty or taxes of other fiscal charges shall be in arrears for a period of 3 (three) months after the date on which such sum becomes due and payable or if there shall be any breach of non-observance by the Company of any of the terms of the License granted under this Agreement, or if the Company shall become insolvent or make or enter into any arrangement or composition with its creditors, or if a receiver is appointed for the Company, or if it shall enter into liquidation, whether compulsorily or voluntarily (except a voluntary liquidation of a solvent company for the purpose of reconstruction), then and in any such case, the Government may revoke the License in accordance with applicable law, and thereupon the License and all rights granted thereunder pursuant to this Agreement shall cease and determine. Provided always that the aforesaid power shall not be exercised unless and until prior written notice has been given to the Company specifying the breach complained of and if the breach is capable of remedy, requiring the Company to remedy the breach and the Company fails within sixty (60) days thereafter to remedy the breach if it is capable of remedy.

12 PRIOR CONSENT AND APPROVAL

Whenever, under the terms of this Agreement, the right of either Party to do or to perform any act or thing is conditioned upon the prior consent of the other Party or of an official or representative of such other Party, the Parties hereby agree that the requisite approval will not in any instance be unreasonably withheld.

13 LIMITATION OF THE APPLICATION OF THE ACT, INCOME TAX ACT AND OTHERS

Except as otherwise provided under this Agreement, the Company shall be subject to all internal laws of Sierra Leone as in effect from time to time including with respect to labour, health and safety, customs and tax matters and shall conduct itself in a manner consistent with Sierra Leone's obligations under international treaties and agreements.

14 INDEMNITY

14.1 The Government agrees to indemnify the Company against and to reimburse the Company for all damages for which it is held liable and any proceeding arising out of its use of any of the Marks pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by the Company in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that the Company has given to the Government prompt notice of any such claim or proceeding and has otherwise complied with this Agreement.

14.2 The Company shall, at the Government's cost, co-operate with and assist the Government in the prosecution or defense of any proceedings with respect to the Marks and shall execute such documents and do such acts and things as may, in the opinion of counsel for the Government, be necessary to the prosecution or defense of any such proceedings. If it becomes advisable at any time, in the sole discretion of the Government, for the Company to modify or discontinue the use of any of the Marks or to use one or more additional or substitute trade names or trademarks, the Company agrees to do so at its cost, except where such change is necessitated as a result of a successful challenge as aforesaid, in which event the Company shall make the required change and the foregoing indemnity shall apply.

14.3 The Company agrees during and after the term of this Agreement to indemnify the Government against all liabilities, loss, damages, costs, and expenses sustained, suffered, or incurred by the Government as a result of any act or omission on the part of the Company

or any of its employees, agents or other persons for whom it is responsible in Sierra Leone, or as a result of any claim or demand of any person arising from the operation of the Air Transportation Business.

15 CORRUPT PRACTICES

15.1 The Company represents and warrants that none of the Company, any of its Affiliates, any of its employees acting in the course of their employment, and any person acting on behalf of the Company has made or promised to make any payment or transfer of anything of value directly or indirectly, to or for the benefit of a Government employee or family member of a Government employee in connection with this Agreement or the transaction contemplated hereby.

15.2 The Government represents and warrants that neither the Government nor any employee on behalf of the Government has solicited any payment or transfer of anything of value, directly or indirectly, to or for the benefit of the Government or such employee in connection with this Agreement or the transactions contemplated hereby.

16 FORCE MAJEURE

16.1 Failure of any Party to fulfil any of the terms and conditions of this Agreement (including the License) shall not give one any claim against the other or be deemed a breach of this Agreement insofar as such failure arises from Force Majeure, and if through Force Majeure the fulfilment by any Party of any of the terms and conditions of this Agreement is delayed, the period of such delay shall be added to the periods fixed by this Agreement. This clause 18 shall however not apply to the failure on the part of the Company to pay the Government any monies due under this Agreement.

16.2 In this clause 18, the expression "Force Majeure" includes without limitation acts of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the Party affected could not reasonably prevent or control.

16.3 Any claim of Force Majeure by the Company must be notified in writing to the Minister of Transport within fourteen days of the date when the Force Majeure event occurred or the Company should have reasonably known of the event of Force Majeure, failing which the claim of Force Majeure shall be waived. Any claim of Force Majeure by the Government must be notified in writing to the Company's Board, Management and Chief Executive Officer within 14 (fourteen) days of the date of the Force Majeure event, failing which the claim of Force Majeure shall be waived. The Party claiming the suspension of its obligations as aforesaid shall take reasonable steps to remove the causes thereof and upon their removal, promptly notify the other Party and shall take all reasonable steps to resume its operations as soon as possible after the removal of the force majeure event.

17 RATIFICATION

17.1 Immediately upon the execution of this Agreement, the Government will cause it to be ratified by the Parliament and promptly cause it to be promulgated thereafter as an act of Parliament by publication as a supplement to the Sierra Leone Gazette.

18 CONFIDENTIALITY

18.1 Except as required by law or by any other regulations to which any Party to this Agreement may be subject, each Party agrees and undertakes that during the term of this Agreement and at all times after it ends, that it will keep confidential, and shall use its reasonable endeavours to procure that its directors, officers, employees, advisers, and representatives will not, without the prior written consent of the other Party, disclose to any third party any detail of this or any other information of a confidential nature which may be disclosed by any Party to third parties. The provisions of this clause shall not apply if such

confidential information is public knowledge or is already known to such Party at the time of disclosure, or subsequently becomes public knowledge through no fault of such Party, or subsequently comes lawfully into the possession of such Party from a third party.

- 18.2 Subject to Clause 20.1 each Party agrees and undertakes that it will not use any such written or oral information obtained from any other party to this Agreement for any purpose except in connection with the subject matter of this Agreement.
- 18.3 The obligation contained in this Clause shall endure, even after the termination of this Agreement, without limit in point of time except and until such confidential information enters the public domain as set out above.

19 DURATION AND PERIODIC REVIEW

- 19.1 This agreement shall, upon written request of a Party, be subject to periodic review beginning on the 5th (fifth) anniversary of the Effective Date and continuing once every 5 (five) years thereafter for the purpose of good faith discussions to consider any proposed modifications to this Agreement as may be necessary or desirable in light of any substantial changes in circumstances that may have occurred during the previous 5 (five) years or experience gained within that period.
- 19.2 The Parties agree always to be open to discussing any matter which may help maximise the Company's returns or minimise any undesirable impacts on its operations in Sierra Leone. Nothing herein shall preclude a Party from requesting the other Party to initiate discussions regarding any provision herein, provided that this Agreement shall remain in effect during the period which the Parties are conducting such discussions. Moreover, the parties to this Agreement acknowledge that the review of the Agreement pursuant to this paragraph shall not adversely affect the legal rights and remedies of either Party hereto.

20 AMENDMENTS AND WAIVERS

- 20.1 Neither this Agreement nor any of its provisions may be changed, waived, discharged, or terminated orally or by any course of conduct, but only by an instrument in writing signed by or on behalf of each of the Parties hereto. Any such amendment shall take effect upon ratification by Parliament.
- 20.2 No failure or delay on the part of a Shareholder in exercising any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

21 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties in connection with its subject matter and supersedes completely all previous agreements, negotiations, and commitments in such respects.

22 COUNTERPARTS

This Agreement may be executed by the Parties on separate counterparts each of which when executed and delivered shall constitute an original but all of which together shall constitute one and the same instrument and be binding as such.

23 ASSIGNMENT

The Company shall be entitled to assign this Agreement, the License or any rights, privileges granted or to be granted herein, provided the assignee agrees to be bound by all the terms

and conditions of this Agreement.

24 COSTS

Each Party shall pay its own legal and other costs in respect of the negotiation, preparation, completion, and implementation of this Agreement.

25 NO PARTNERSHIP OR AGENCY

25.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership between the parties or constitute any party the agent of another party.

25.2 Each Party confirms that it is acting on its own behalf and not for the benefit of any other person.

26 NOTICES

26.1 All orders, approvals, declarations, notices, and communications of any kind between the Minister of Mineral Resources or any other agency or representative of the Government and the Company shall be in writing, and the Parties shall under no circumstances be permitted to allege or to rely upon any oral order, approval, declaration, notice or communication.

26.2 All orders, approvals, declarations, notices, and communications from the Government to the Company shall be delivered to the address of the Company.

26.3 All declarations, notices, and communications from the Company to the Government shall, unless otherwise required by law or by the terms of this Agreement and unless the Government shall otherwise direct by written notice, be mailed or delivered to the Permanent Secretary, Ministry of Transport, at his office in [insert province or city].

26.4 All notices and other required communications will be in writing, in English Language and will be addressed as follows:

(a) In the case of the Company:

Name: Air Sierra Leone Ltd

Address: 1st Floor NDB Building, 21/23 Sika Stevens streets, Freetown, Sierra Leone

Tel: +23290000721

Email: Emmanuel.iza@flysierraleone.com

Contact Person: Emmanuel Iza

(b) In the case of the Government:

Name: The Attorney General of the Republic of Sierra Leone

Address: Ministry of Justice

27 ANNOUNCEMENTS

No announcement or communication (other than to the extent required by law or other regulation) concerning the transactions referred to in this Agreement shall be made or issued by or on behalf of any Party without the prior written approval of the others, but such approval shall not be unreasonably withheld or delayed.

28 GOVERNING LAW AND DISPUTE RESOLUTION

28.1 Governing law

This Agreement and all non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Sierra Leone and such rules of international law as may be applicable.

28.2 Dispute Resolution

- (a) Any dispute based in whole or in part upon any part of this Agreement shall be submitted to binding arbitration before a single arbitrator selected by the Parties. If the Parties cannot agree on a single arbitrator, one shall be selected by the London Court of International Arbitration (LCIA). If, at any time, the arbitrator is unable or unwilling to act as arbitrator, the Parties shall then select a successor arbitrator and if they cannot agree, one will be appointed by the LCIA.
- (b) The Arbitration shall be conducted according to the arbitration rules of the LCIA, shall be in English and the place of arbitration shall be Freetown, Sierra Leone.
- (c) The award of the arbitrator shall be final and binding on the Parties and enforceable in and by the courts of Sierra Leone or any other relevant jurisdiction.
- (d) The Company will have the right to apply for injunctive reliefs from any competent court pending the resolution of a dispute by SLCAA.

29 SEVERABILITY

If any of the provisions of this Agreement is found by any court or other competent authority to be void or unenforceable, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect. Notwithstanding the foregoing, the Parties shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.

30 FURTHER ASSURANCE

The Parties shall co-operate with the others and execute and deliver to the others such other instruments and documents and take such other actions as may be reasonably requested from time to time to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

31 GOOD FAITH

- 31.1 All transactions entered into between either Party, or any company controlled by it and the Company shall be conducted in good faith and on the basis set out or referred to in this Agreement or, if not provided for in this Agreement, as may be agreed by the Parties and, in the absence of such agreement, on an arm's length basis.
- 31.2 Each Party shall act in good faith towards the other Party at all times and use all reasonable endeavours to ensure that this Agreement is observed.
- 31.3 Each Party will do all things necessary and desirable to give effect to the spirit and intention of this Agreement.

32. SCHEDULE

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed in the manner hereinafter appearing.

SIGNED, SEALED AND DELIVERED by the Honourable Minister of Transport and Aviation for and on behalf of the Government of Sierra Leone

.....
HON. MINISTER OF TRANSPORT AND AVIATION
AMBASSADOR ALHAJI FANDY TURAY

IN THE PRESENCE OF:

NAME: DIRECTOR GENERAL, SIERRA LEONE CIVIL AVIATION AUTHORITY
SIGNATURE:

THE COMMON SEAL OF THE WITHIN-NAMED AIR SIERRA LEONE LIMITED IS hereunto affixed in the presence of:

.....
COUNTRY DIRECTOR

.....
BOARD SECRETARY