



**AN AGREEMENT**  
**BETWEEN**  
**GOVERNMENT OF SIERRA LEONE**  
**AND**  
**CAPITOL FOODS LIMITED**

**FEBRUARY 2023**

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**THIS AGREEMENT** is made on the.....day of ..... , in the Year of Our Lord Two Thousand and Twenty-Two (2022)

**BETWEEN**

- i. The Government of the Republic of Sierra Leone (hereinafter referred to as "GOSL") acting through the Ministries of Finance (MoF), Trade and Industry (MTI), and Agriculture and Forestry (MAF)

**AND**

- ii. Capitol Foods Limited, is a limited liability company established under the Companies Act No.5 of 2009 and registered under the laws of Sierra Leone with company Certificate of Incorporation Number **SLE241117CAPIT1701134**, and with its registered office at No. 6 Boyle Lane, Off Murray Town Road, Freetown, and its subsidiaries (hereafter called "the Company").

**RECITALS**

**And whereas**, the Company was established in 2014 as a non-alcoholic manufacturing industry, mainly to produce quality **non-alcoholic beverages** that includes fruit juice drinks and cocoa liquor from cocoa beans, all grown in Sierra Leone, as well as Spring Water of various sizes at an affordability prices for the citizenry and also ensure sustained product availability;

**And whereas**, the company investment capital is in excess of **Fifteen Million United States Dollars (US\$15,000,000)**, which was used for the setting up of its manufacturing facility in Kenema in 2014. The Company is desirous and committed to expand its operations by establishing within a period of **8 months**, another fruit juice processing plant and bottling line with an installed production capacity of between **60,000 and 120,000 liters per day**, PET Preform and Other Plastic Production Units at Grafton, in the Western Rural District of Sierra Leone. The expansion in the Western Rural District, in addition to Cocoa Mass, Butter, Powder, and Spread Production Plant in Tissor Village, Kenema District, , will enhance production ensuring enough products for domestic consumption and for export.



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And whereas the Company is desirous to add value to local palm oil sourcing from processing of palm and palm oil products. The company will also extend their operations to cover out-grower schemes with multiplying positive impacts to local farmers in terms of providing them with training, ready market and sustained Income

And whereas, the GOSL is seeking to promote private sector investment, business growth and development in the Country, especially in the manufacturing and agro processing sector, for which an expansion of local Food and Beverage production in various packages that will ensure product affordability and availability and other socio-economic benefits;

And whereas the GOSL seeks to promote the expansion of local manufacturing production from local agricultural products and prominently encourages the Company to purchase raw materials from local farmers to improve the livelihood of the rural population.

And whereas the GOSL welcomes labour-intensive industries that provide employment and stable income for the youths and thus encourages the Company to support the training and development of small farmers out-growers and create jobs for the youths both in the manufacturing and agricultural sectors,

And whereas, the GoSL agrees that the Company investment disposition meets its private sector development policy objectives and recognizes the timeliness to grant investment incentives and protect **CAPITOL FOODS LIMITED** from any unfair competition, given the expected benefits it will bring in investment; job creation, employees training; knowledge and technology transfer; stable employment income; improved exports and foreign exchange earnings; corporate social responsibility, among others.

And whereas, both parties are desirous and seek to establish a legal basis for the promotion and establishment of a state-of-the-art processing plant to produce Nonalcoholic Drinks in packages of 1.5ML, 500 ML, 300 ML and 220ML, Cocoa Mass in packages of 25 KG, and Cocoa Spread in packages of 125 ML and 25 ML and thereby making these products available and affordable, and increasing employment opportunities, export earnings and tax revenues for the Government.

NOW THEREFORE, the GOSL and CAPITOL FOODS LIMITED hereby agree as follows:

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## ARTICLE 1 INTERPRETATION

The following bolded terms wherever used in this Agreement shall have the respective meanings and interpretations set forth below:

**"Agreement"** - This Investment Concession Agreement with GoSL and CAPITOL FOODS limited and any further amendments made pursuant to its terms as well as all of its appendices.

**"Applicable Laws"** - means the Laws of the Republic of Sierra Leone, and all orders, rules, regulations, executive orders, decrees, policies, judicial decisions, notifications, or other similar directives made pursuant thereto, or other similar directives as may be amended from time to time.

**"Authorizations"** - any or all licenses, permits, visas, consents, approvals, waivers, notifications, applications, orders, grant, confirmations, clearances and all extensions required to permit the transactions contemplated by this Agreement, including the instructions required by law from Government, any relevant third parties and officials of Government.

**"Business Day"** - Any day other than weekends or an official public holiday

**"Change of Control"** - Any assignment, sale, or transfer of interest of any type as a result of which the person that holds a majority of the economic interest in the Company as of the Effective Date, ceases to hold a majority of the economic interest in the Company.

**"Commercial Production"** - Is the period when the Company began production of Non Alcoholic drinks supplied to the public on sales.

**"Company"** - Capitol Foods Limited and its affiliates and associated companies

**"Contractors"** - Any person or organization that contracts directly or indirectly with the company for the supply of goods or services directly related to the company's operations.

**"Effective Date"** - The date on which this Agreement is signed by all Parties upon ratification by the Sierra Leone House of Parliament.

**"Employee"** - An employee, whether long-term or short-term of the company in Sierra Leone.

**"Encumbrances"** - Any pledges, liens, charges, assignments, assessments, security interests, title retention, mortgages, restrictions, title defects, and right of ways, options or adverse claims from any person or organization claiming any rights to the lands assigned by the Government of Sierra Leone for the development of the factory.

**"Environment Protection Agency (EPA)"** - the Government agency tasked with the responsibility to provide for the effective protection of the environment and for other related matters.

**"Extension of Term"** - means to add to the length of time specified in this Agreement in order to continue with its existing terms, or any modifications of such terms.

**"Force Majeure"** - are unforeseeable events, circumstances or causes beyond the reasonable control of either party to this Agreement with sustained disruption of the operations and performance of the Company.

**"GOSL"**-the Government of Sierra Leone, including its Ministries, Departments and Agencies

**"Investment"** - means any annuity, trust, or custodial account holding regulated investment company stock or assets, established in accordance with the laws of Sierra Leone, in which the assets are held for investment purposes.

**"Investment Plan"** - The Plan, herein including as Appendix - to this Agreement, which provides details of the factory construction, machinery installation, and staffing and production targets of the company.

**"Parties"** - GOSL and CAPITOL FOODS LIMITED (the Company)

**"Production"** - Any or all of the following, when carried out by or on behalf of the company: purchasing, transporting, storage, processing, distributing, marketing and selling of multiple products and derivatives; and all other operations of the company incidental to, arising from or directly related to the design, installation,



operation and maintenance of factory infrastructure. **"Stabilisation Period-** the period granted under this Agreement, granted to the Company for the of or reduction in Duties and Taxes to enable it to stabilize and speed up its operations

**"Subcontractor"** - Any person or organization contracted directly or indirectly by a contractor of the company to cause to provide some portion of the supply of goods or services directly related to the company's operations.

**"Taxes and Duties"** - references to " tax" ad "duty" includes all present and future taxes, charges, import duties, levies, excise or withholdings of any kind whatsoever or any other imposition by GoSL, having the effect of a tax.

**"Term"**- has its meaning as in Article 3.1.

**The Company - CAPITOL FOODS LIMITED** providing services pursuant to this Contract Agreement including its successors and assigns and where the context so permits any company or person sub-contracted by the Company.

**"Work Plan** - The defined activities and indicative timelines (hereafter referred to as the "WORK PLAN" as attached in Annex A for achieving the Construction and installation Production and distribution processes in accordance with the terms of this Agreement.

## ARTICLE 2 PARTIES TO THE AGREEMENT

### 2. Parties

The parties to this Agreement shall be the Government of Sierra Leone (GOSL) and Capitol Foods Limited and its Subsidiaries.

## ARTICLE 3 TERMS OF AGREEMENT

### 3.1 Term

The term of this Agreement shall begin as of the Effective Date, and shall remain in effect for a period for 15 (fifteen) years, unless sooner terminated as hereinafter provided. Thereafter, this Agreement shall continue in effect with respect to renewal provided for under Article 3.2., and shall be subject to the termination provisions and all other terms and conditions hereof;'





### **3.2 Extension of Term**

Six months prior to the expiration of this Agreement, unless earlier terminated, the Company may apply to the GoSL for an extension of this Agreement for an additional 10 (ten) years period effective from the date of the expiration of this Agreement and on such terms and conditions as they may agree. Upon such application, provided that the Company has met all its obligations under this Agreement and is in compliance with the Laws of Sierra Leone. The Company shall be entitled to such renewal upon such fair and equitable terms and conditions as may be agreed upon between the Parties to this Agreement.

Upon the receipt of such notice to renew this agreement as mentioned in Article 3.1, the Parties undertake and agree to promptly expeditiously (in any event not later than twenty-one calendar days from the receipt of the notice of renewal by the Minister responsible for Finance) to engage in negotiations in good faith within the objective of agreeing on the terms and conditions upon which this Agreement will be renewed.

Where the term of this Agreement is not extended pursuant to this Article, the Company shall continue its commercial production at targeted levels for remaining term period.

Notwithstanding any extension that may be agreed upon by both parties to the Term of this Agreement, this Agreement is, and will always be interpreted as, a fix term agreement and not an indefinite term agreement.

## **ARTICLE 4 GRANTING OF CONCESSIONS AND RIGHTS**

### **4.1.1 No Unhealthy Competition and Protection from Foreign Competition**

To support the "Made in Sierra Leone" Concept in line with the Local Content Policy, Government shall apply all reasonable endeavours to provide the conducive environment to support the Company's efforts, especially protection from unhealthy competitions with foreign dumped products through some measures that include tariff protection.

### **4.1.2 Production Rights**

The GoSL hereby grants the Company the right, in accordance with all applicable Laws of Sierra Leone, but subject to the provisions of this Agreement, to engage in:



- i. The purchase and processing of raw materials for the multiple products domestically and from overseas;
- ii. The production of a wide range of local products;
- iii. the development of agent networks for the purchase of raw materials from local farmers;
- iv. the marketing, distribution and sale of multiple products and derivatives in the domestic economy and, where necessary, to export to other countries.

#### ARTICLE 5 THE COMPANY'S OBLIGAIONS

**5.1 CAPITOL FOODS LIMITED** shall exclusively undertake and own as property, the project to construct, develop and establish the infrastructure and install and operate a facility for non-alcoholic drink/beverage production, packaging and distribution.

**5.2. CAPITOL FOODS LIMITED** shall undertake to comply with provisions of all laws, especially Labour and Social Security Laws for the recruitment and employment of staff for jobs not requiring high level technical expertise, whilst providing the requisite on-the-job training of personnel.

**5.3 the Company** shall develop a policy and set up a system to protect workers against occupational hazards, accidents at work and other health risks in consonance with applicable laws.

**5.4 The Company** shall undertake to comply with the provisions of the Labour, Social Security and Local Content Regulations in recruitment and employment of staff.

**5.5 The Company** shall undertake to have an Insurance Policy to cover Management and Staff treatments for occupational hazards and accidents.

**5.6 The Company** shall undertake to import a modern and state-of-the-art machines, equipment and assembly production lines for industrial operations, and remain obligated to GOSL under the Terms of this Agreement.

**5.7 The Company** shall fully comply to undertake and complete all Environmental Assessments and other related obligations required by the GoSL.



5.8 The Company shall be entirely committed to its investment bonds, and funding of its projects, with its own capital using bank loans where necessary.

5.9 The Company shall ensure conformity to hygiene and safety regulations whether subcontracted or with designated Agents working on site.

#### ARTICLE 6 TAXES TO THE COMPANY

6.1 GoSL agrees that the following tax treatments shall apply to and in respect of CAPITAL FOODS LIMITED provided that they shall only apply and remain to be the direct benefit of the Company, and its manufacturing subsidiaries not to Contractors and Subcontractors, unless the goods or consignments on which such tax treatments shall apply are consigned in the name of the Company for use exclusively for its manufacturing purpose.

#### 6.2 Personal Income Tax for Local Employees

All local employees of the Company are subject to Pay-As-You-Earn (PAYE) Tax consistent with Part I of the First Schedule of the Income Tax Act 2000 (as amended).

#### 6.3 Personal Income Tax for Foreign Employees

Income earned from a source in Sierra Leone by foreign nationals shall be subject to the requirements for residency provided for in Sections 10-13 of the Income Tax Act 2000 (as amended), for which the tax shall be at the rate of 25% (Part II of the Second Schedule of the Income Tax Act 2000), provided the foreign national is in employment for a period of 183 days or less, but in cases where the employment exceed 183 days, the normal PAYE schedule will be applied in computing the Personal Income Tax liability, consistent with Sections 116 to 123 of the Income Tax Act, 2000 (as amended).

#### 6.4 Corporation Tax

Pursuant to Section 48 of Finance Act, 2013, the Company shall be entitled to a corporate tax relief for a period for 5 (five) years, starting upon ratification of this Agreement by Parliament. Loss incurred by the Company in a given year shall be offset and carried forward for adjustment against any future income for a period not exceeding Ten (10) years.

**6.5 Withholding Taxes on Payments to Contractors and suppliers**

The Company shall withhold taxes from payment to its suppliers and other contractors according to the provisions in the existing Laws.

However, upon written application to the Commissioner-General, the company 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.

**6.7 Withholding Taxes on Dividend payments**

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

**6.8 Withholding Taxes on Interest Payments**

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

**6.9 Advance Withholding Tax on Imports**

The Company shall be entitled to exemptions from the payment of 5% withholding tax on the CIF value of their imports subject to Sections 114 of the Income Tax Act, 2000 (as amended).

**6.10 Goods and Services Tax**

The Company shall be subject to Goods and Services Tax exemptions in accordance with the Goods and Services Tax Act 2009.

**6.11 Capital Allowance**

The Company shall be entitled to capital allowance deduction at a rate of forty percent (40%), twenty percent (20%), twenty percent (20%), twenty percent (20%), for the first, second, third and fourth years respectively on all building, plant, machinery and equipment.

**6.12 Other Allowable Deductions**

The Company shall claim deduction against chargeable income in an amount equivalent of the following percentage expenditure:



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- a. Actual expenses incurred in respect of environmental and social impact mitigation and/or environmental protection and restoration - **125 percent**.
- b. Cost of educating and/or training citizens of Sierra Leone and who are full time employees of the Company and part time employees of the Company but bonded to the Company on completion of such training and/or education. Education or Training shall not include primary or secondary school education and shall be relevant to employment of the trainee concerned and include on the job training and shall include 100% of the wages of an employee serving an apprenticeship course approved by the Government - **100 percent**.
- c. Any expenses incurred on research and development by the Company up to the extent of profits of the same year the expenditure is made but any unclaimed amount shall not be available for future deductions - **100 percent**.
- d. Any expenses incurred on training of local staff in an approved training programme, by the Company up to the extent of profits of the same year the expenditure is made, but any unclaimed amount shall not be available for future deductions - **100 percent**.
- e. **125%** of any expenses on social services, such as 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.
- f. **200%** of 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, but any unclaimed amount shall not be available for future deductions - **200 percent**.
- g. **100%** of any expenses on promoting export of the Company's products.



**6.13 Import Duty on Plant, Machinery and Equipment**

The Company shall, for a period of three (3) years commencing the effective date of this Agreement, be exempt from import duty for plants machinery and equipment for setting up factory.

**6.14 Importation of Raw Material and Packaging Material**

The Company shall be exempt from import duty on raw and packaging materials for a period of three (3) years commencing date of this Agreement and thereafter pay a reduced rate of five (5%) as import duty.

**6.15 ECOWAS Levy**

Commencing the effective date of this Agreement, the Company shall pay ECOWAS levy on its imports, as applicable.

**6.16 Non-stabilization**

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

**6.17 Pension and Social Security Contributions**

All local employees of the Company shall be subject a pension contribution in accordance with the National Social Security and Insurance Trust Act, 2001.

Notwithstanding the provisions of the National Social Security and Insurance Trust Act, the Company and their non-Sierra Leonean or expatriate employees working in Sierra Leone shall not be required to make the required employer and employee contribution to the National Social Security and Insurance Trust in respect of their expatriate employees working in Sierra Leone.

**6.18 More Favourable Conditions**

Suppose at any time the Income Tax Act provides for more favourable rates, deductions and reliefs for businesses in the manufacturing sector or all businesses. In that case, the Company shall benefit from these rates, deductions and reliefs.

## ARTICLE 7 CONDUCT OF OPERATIONS

### **7.1 Production Activities**

Subject to the Terms of this Agreement and applicable Laws of Sierra Leone, the Company shall engage in the purchase of raw materials for Non-Alcoholic, Food, Cocoa Products, Baby Supplements and semi-finished products and operate its business in accordance with established production standards prudent business practice.

The Company shall engage in the production, packaging, distribution and wholesale of non-Alcoholic Beverages, cocoa products, Food products and Baby Supplements domestically, and shall export to other countries where domestic needs have been met.

### **7.2 Performance of Initial Investment Obligations**

Within 6 months of the Effective Date, the Company shall invest in full industrial manufacturing plant that has the capacity to produce the range of products listed in this Agreement, and in the respective targeted volumes. For clarity purpose, the factory is expected to process up of 60,000 to 120,000 liters of Non Alcoholic Beverages per business day.

**7.3 If within 12-18 months from the Effective Date**, the Company fails to use reasonable efforts to have a full functional manufacturing plant operating in the country, the Company shall notify the GOSL why it failed to meet such performance obligations.

If within **24-30 months** the Company fails to achieve commercial production levels of output, the Government may be notice in writing to the Company, inform the Company of its intention to terminate this Agreement.

### **7.4 Domestic Sale of Products**

To the extent that there is sufficient and effective demand for the Non Alcoholic Beverages, Food products and Baby supplements manufactured by the Company in Sierra Leone, the company shall sell to the domestic market all or the amount of Non Alcoholic Beverages and food required from its production. Where it is determined that the production capacity of the factory exceeds volumes required



by the domestic market, the company may export an amount not more than its excess output to other countries.

**7.5 Notwithstanding Clause 7.4** the Company shall be restricted to limit the export of its products to not more than 40 percent of its total production in any given period.

**7.6 Purchase of Raw Materials**

The Company may establish an Agreement to have the non-exclusive right at all times to purchase without limitation, semi processed products as raw materials from Sierra Leonean as suppliers, in line with the Local Content Policy Act of 2016 and other applicable laws.

**ARTICLE 8 EMPLOYMENT AND TRAINING**

**8.1 Employment**

The Company's employment practices shall conform to the existing Laws of the country., in no case shall the Company knowingly, after reasonable enquiry, hire non-Sierra Leoneans for unskilled positions, unless subject to Section 50 of Finance Act, 2021.

**8.2 The Company shall**, for the employment at all levels in financial, accounting, technical, administrative, supervisory and senior management positions and other skilled positions, **give preference** to qualified Sierra Leoneans who meet the minimum requirements and expectations and expectations of the Company.

**8.3 Where the Company** is unable to hire a Sierra Leonean to fill any position within a reasonable time, the Company shall provide to the GoSL proof that it exhausted all possible options and was unable to attract qualified Sierra Leoneans who meet the minimum requirements and expectations of the Company.

**8.4 The Company** is required to meet all of the minimum criteria detailed in the Companies Act, 2009 and follow the process and procedures outlined therein.

**8.5 The Company** is fully responsible for following and demonstrating, through documented procedures that they have complied with the requirement detailed in



the guidelines. In the case of sub-leasing or the sale of one investment to another, responsibility for compliance is transferred to the sub lease/new owner(s).

**8.6 The Company must submit** on an annual basis its audited balance sheet and income statement, prepared in accordance with International Financial Reporting Standards, as well as any required national standards, to the relevant stakeholders including the Ministry of Trade.

**8.7 The Company shall develop** a Corporate Social Responsibility (CSR) plan based on an assessment of community needs in consultation with EPA.

**8.8 The Company shall provide feasible** timeframes for implementation of it's agreed upon CSR responsibilities, which will be agreed upon by all stakeholders.

**8.9 The Company shall submit** semiannual progress report on its project, based on a predetermined monitoring plan; GoSL representatives will conduct periodic and on the spot monitoring visits, as and when necessary

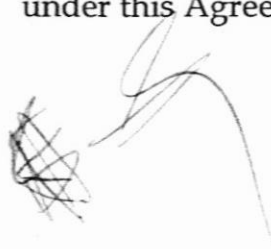
**8.10 The Company shall support** the growth to of Small and Medium Enterprises through targeted procurement, promote employment of Sierra Leoneans at all levels in managements.

**8.11 The Company shall develop** the human institutional capacity of Sierra Leoneans through training and transfer of knowledge and technology.

**8.12 The Company shall adhere** to the Environmental Protection Agency Act 2008 (and amended), and other environmental regulations developed by GoSL and in line with International best practices.

#### **8.2.1 Training**

For the purpose of 7.1 above, in addition to providing on-the-job training, vocational training and other measures necessary and reasonable to achieve its employment objectives, the Company shall use reasonable efforts and resources to provide training for it Sierra Leonean employees with a view to qualifying them for the positions described above and as required by the Company's operations under this Agreement.



## ARTICLE 9 PERMITS

### **9.1 Permits Issuance**

The GoSL shall endeavor to process and issue to CAPITOL FOODS LIMITED any and all permits, licenses, and other proper authorization or permission-related documents and the company shall, at its sole expense, be responsible for obtaining and maintaining during the term of this Agreement, any and all permits, licenses, and other proper authorization or permission-related documents required for the performance of this project.

GoSL undertakes that, should CAPITOL FOODS LIMITED , or any other person taking part or participating in the project), at any time, be required to obtain any further permit or other authorization or permission-related document in connection with itself, its activities or the project (or any part of the project), it shall take all necessary steps to ensure such permit or authorization is issued forthwith provided that the Company or, as the case may be, such other person complies with all requirements of the Laws of Sierra Leone in relation to such permits or authorizations.

### **9.2 Revocation of Permits**

The GoSL Agrees that any permit or other authorization issued to the Company for the project shall not be amended, changed, cancelled, terminated or revoked, unless it is in accordance with the Laws and Regulations governing its issuance.

### **9.3 Breach of Permits**

If CAPITOL FOODS LIMITED, or other person(s) to whom it was issued fail to abide by any terms of any permits or authorization, GoSL (or any relevant official or public authority) may exercise any power pursuant to the Laws of Sierra Leone in respect of such failure. However, GoSL agrees it will not (and will procure that no official or public authority will) exercise any such power unless the Company and such other person(s) shall specify for this purpose have first been given minimum statutory period of notice (the Notice) of such failure and given the opportunity, and failed within a reasonable period of time after receipt of such notice, to rectify, remedy or cure such failure unless, in the opinion of GoSL acting reasonably, there is a significant risk to life or the environment.

If there is a significant risk to life or the environment, GoSL shall be entitle to suspend the relevant permit or authorization for the minimum period of time

which could be anticipated as being reasonably necessary for an organization which is competent, experienced and efficient to prevent such risk occurring. For the purpose of this paragraph, 'reasonable period' means at a minimum period as contained in a statutory instrument of notice form date to delivery of this notice.

#### **ARTICLE 10 FORCE MAJEUR**

**10.1** Subject to Clause 9.2. parties to this Agreement shall not be in breach of the Agreement, nor liable for delay in performing or failure to perform any of its obligations under this Agreement, if such delay or failure or failure as a result of a Force Majeur.

**10.2** Force Majeur are unforeseeable events, circumstances or causes beyond the reasonable control of either party to this Agreement with sustained disruption of the operations and performance of the Company.

**10.3** A force majeure event shall include but not limited to an event as listed below:

##### **10.3.1 Natural Force Majeure event**

- i. Fire, explosion, lighting, earthquake, landslide, storms, severe weather conditions, volcanic eruption, meteorites or other natural disasters or acts of God;
- ii. Epidemic plague or quarantine;
- iii. Serious accident, breakage of facilities, plant or equipment, structural collapse or chemical contamination;

##### **10.3.2 Political Force Majeure event**

- i. War initiated by GOSL or otherwise affecting Sierra Leone,
- ii. Politically motivated violence, sabotage, terrorism, strikes and industrial relations issues (other than those restricted to employees of the Company).

**10.4** If an event is declared a Force Majeure, the term of the Agreement shall be extended by a period equivalent to the period during the Force Majeure, provided that such period continues for four (4) consecutive months, the Company may terminate this Agreement by giving ninety (90) days written notice to the Government.

10.5 The Company shall not be entitled to rely on Clause 9.1.1 unless it promptly notifies the GOSL in writing of the nature and extent of the Force Majeure event.

10.6 Could not have avoided the effect of the relevant event by taking precautions which, having regard to all the matters known to it before the event, it ought reasonably to have taken, but did not take; and

10.7 Has used its best efforts to mitigate the effect of the event, to carry out its obligations under this Agreement in any way that is reasonably practicable and to resume the performance of its obligations as soon as reasonably possible.

#### ARTICE 11 ENVIRONMENTAL, HEALTH AND SOCIAL ASSESSMENT

11.1 The Environmental License for the project will be granted to **CAPITOL FOODS LIMITED** subject to conditions only which are typical for an Environmental License, no later than the statutory period after the application is lodged unless:

- a. It is withheld for one or more lawful reasons which are objectively reasonable for withholding such Environmental License under the relevant laws of the Republic of Sierra Leone, or
- b. **CAPITOL FOODS LIMITED** environmental management plan (including the ESHIA) is not being implemented to a material extent

#### ARTICLE 12 EXCHANGE CONTROL

All inflows and outflows of foreign exchange shall be done through the banking system in compliance with the exchange control Act, 1965 and the Anti-Money Laundering/Counteracting Financing of Terrorism Act, 2012 (AMT/CFT).

#### ARTICLE 13 EXPORT REVENUE

All revenue derived from export must first be channeled through the Bank of Sierra Leone before they are repatriated to any other bank of the investors choice this is just a way to improve the country's balance of payment position.

**ARTICLE 14 ELECTRICITY WATER AND OTHER UTILITIES WATER  
RIGHTS AGREEMENT**

GOSL agrees to enter into a water rights agreement CAPITOL FOODS LIMITED and shall be charged at a fixed rate per cubic meter of water extracted from rivers and other water courses. The rate will be determined by the competent authority in accordance with prevailing rates for the year under review. The stipulated price of water shall be adjusted in line with inflation and/or other considerations every (state year).

- Electricity rights agreement ○ Electricity to be supplied by Electricity Distribution and Supply Authority at favourable rates for the duration of the Project.
  - No restriction on the amount of electricity to be consumed by the Company.

availability of power that where power is generated by the Company on its various sites and locations in Sierra Leone as a result of the non-or proper power from the Electricity Distribution and Supply Authority the use of private and stand-alone generators of the Company should be subject to monitoring, licensing or shut down requirements of the Electricity Distribution and Supply Authority upon due notice being given

**ARTICLE 15 CHANGE IN LAW**

If any law applied in Sierra Leone comes into effect or is amended, modified, repealed, withdrawn or replaced (a Change in Law) which has a material adverse effect on the ability of **CAPITOL FOODS LIMITED** its contractors, subcontractors, any shareholder or funder to perform their respective obligations under any document relevant to the development, operation or funding of the Project or the cost of or return from so doing after taking into account the effects associated directly and expressly with any such Change in Law, then GoSL undertakes to grant to the Project, **CAPITOL FOODS LIMITED** its contractors,

sub-contractors, the shareholders and the funders any exemption or license or other authorization necessary or desirable to ensure that such interest, rights, obligations and economic return are not materially adversely affected. If there is a dispute between the Parties in relation to whether the Change in Law has the effect described above, it shall be referred to the arbitration procedure as agreed and set out in the Agreement or PPA, once the agreement is in full force and force and prior to the date as set out in this Agreement.

#### ARTICLE 16 NATIONALIZATION OR EXPROPRIATION

16.1 The GoSL agrees that it will not, nor attempt to, nationalize, expropriate or confiscate all or any part of the assets or rights of **CAPITOL FOODS LIMITED**, its sub-contractors or their respective contractors or any other party to the documents relevant to the development, operation and funding of the project or the share capital of the Company. Other than on the basis of full compensation (including loss of profit) to the affected parties, including an amount not less than that required to repay all principal, interest, fees, costs and expenses, amounts outstanding to the funders under or pursuant to the funding documents.

16.2 Each Party confirms that it does not intend and will not engage in any illegal activity and **CAPITOL FOODS LIMITED** agrees to take reasonable steps that its shareholders affiliated and its expatriate employees also do not do so.

Being a strategic project in Sierra Leone, **CAPITOL FOODS LIMITED** agrees that it will comply with all national standards; environmental protection and health and safety as required for the type of activities carried out under these Projects.

#### ARTICLE 17 EXPATRIATES

The GoSL agreed that Directors, Officers, Consultants and Employees (including immediate families) of the Company and its contractors and sub-contractors shall be entitled to:

- Enter, leave, and reside in Sierra Leone for the purposes of the Project consistent with applicable laws
- Work in Sierra Leone (except immediate facilities who are not employed by the Company).



- Opt out of NASSIT pension contribution if expatriate has already alternative pension arrangements.
- Bring in or import and to export following or in anticipation of the termination of residence or work, such personal and household effects.
- Sell within Sierra Leone any such household goods or effects brought in or imported to Sierra Leone, subject to applicable sales duties/taxes.
- GOSL warrants that all relevant officials or public authorities shall deliver without delay all documents, permits and licenses at the Company's expense.

**ARTICLE 18 EXCHANGE CONTROL AND INVESTMENT PROMOTION**  
**ACT**

**18.1** The GOSL agrees to procure that the Central Bank shall agree at all times (whether by reason of such actions being complaint with the Exchange Control Regulations or otherwise) that the Company, its shareholders, its financiers, funders to any document relevant to the development, operation and funding of the Project shall be entitled to:

- Receive and make payment in accordance with the relevant document, including outside of Sierra Leone in foreign currency.
- Convert Leones to foreign currency and remit foreign currency outside of Sierra Leone
- Maintain Leones and foreign currency bank accounts inside and outside of Sierra Leone deposit, retain and deal with Leones and foreign currency utilizing such bank accounts.
- Repatriate earnings and proceeds of sales of assets
- Allow expatriate to repatriate earnings
- Convert or transfer fund associated with investments, including remittances of investment capital, earnings, loan repayments and lease payments.
- GOSL in accordance with applicable law warrants that the Central Bank shall make it available to the Company such amounts of foreign currency as are necessary for development, operation, maintenance and funding of the Project at the official exchange rate.

**18.2** GOSL in accordance with applicable law warrants that all relevant officials or public authorities shall deliver, without delay, all documents, permits and licenses required to effect to the above.



## ARTICLE 19 LAND AND LEASE AGREEMENT

The GOSL guarantees to facilitate provide the Company with the area of land needed for the Project extension when the need arises. GOSL will facilitate the lease of the land identified demarcated and approved for use by the Company at the cost of the Company.

## ARTICLE 20 CONFIDENTIALITY

These discussions and all matters regarding the Company's potential Project to be kept confidential. GOSL to agree that any disputes regarding the Project will be arbitrated first under the Laws of Sierra Leone and under the rules of the International Center for Settlement of Investment Disputes if dissatisfied with the first ruling.

## ARTICLE 21 DISPUTE RESOLUTION

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

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

21.3 All disputes shall be referred to and finally resolved by arbitration before arbitrators under the Rules of the International Center for Settlement of Investment Disputes ("ICS") from time to time in force.

21.4 Each party shall nominate an arbitrator in the Request for Arbitration, or answer, as the case may be not later than 14 days after service of a written request by either party to do so. The parties must then seek to agree on and nominate a third arbitrator to act as Chairman.

21.5 The proceedings shall be conducted in the English Language. All documents submitted in the arbitration shall be in the English Language.

21.6 None of the parties may appeal to any court on a question of law arising out of an award made in the arbitration. The parties irrevocably waive any rights of appeal they might otherwise have had.

21.7 The award shall be final and binding on the parties or anyone claiming through or under them and judgement rendered on the award may be entered in any court having jurisdiction or application may be made to such court for jurisdiction acceptance of the award and an order of Non Alcoholic Beverages as the case may be.

21.8 GoSL irrevocable and unconditionally

- a) acknowledges that the execution, performance and delivery by each party of this Agreement shall constitute a private commercial transaction entered into entirely in its commercial capacity,
- b) agrees that should any other party bring legal proceedings against it or its assets in relation to this Agreement, no immunity from such legal proceedings shall be deemed to include without limitation, suit, and attachment prior to judgment.



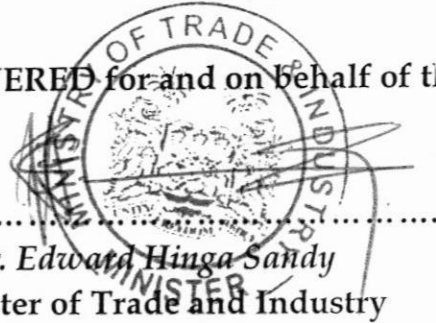
ARTICLE 22 GOVERNANCE STRUC

IN WITNESS WHEREOF this Agreement has been execut  
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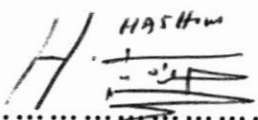
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Dr. Edward Hinga Sandy  
Minister of Trade and Industry


Date:..... 13<sup>th</sup> February ..... 2023

SIGED SEALED AND DELIVERED for and on behalf of CA  
LIMITED

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.....  
HAMZA H. HASHIM,  
CHIEF EXECUTIVE OFFICER

Date:..... 13 / 02 / ..... 2023

Witness  
.....  


Mrs. Dennis Harding  
Company Corporate Secretary

Date:..... 14 / 2 / ..... 2023

## ARTICLE 23 GOVERNANCE OF THE AGREEMENT

### 23.1 Governing Law

This Agreement shall be construed in accordance with the Laws of Sierra Leone and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

### 23.2 Encumbrances

Neither party shall create, incur, assume or suffer to exist any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for permitted Liens.

## APPENDIX A LIST OF PRODUCTS TO BE COVERED BY THE TARIFF REGIME

Government imposes prohibitive policies for the importation of items classified under the following WTO HS Codes for a period of the Agreement:

- Fruit Juice and Drinks Products
- Bottled Water
- Chocolate Spreads
- Wafers
- Chocolate Bars
- Puff Corn Snacks
- Coconut Milk
- Coconut Grates
- Cocoa Powder
- Coconut Oil

These prohibitive policies will include increases in import taxes and also limits to import volumes as the production of the Company increases over time to meet the demands of the Sierra Leone market.