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AN ACT

APPROVING THE CONCESSION

AGREEMENT

BETWEEN

The Government of the
Republic of Liberia

AND

Liberian Agricultural Corporation

MONROVIA

— * * *

PUBLISHED BY AUTHORITY
REPUBLIC PRESS INC.
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MONROVIA, LIBERIA
18TH FEBRUARY, 1966

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REPUBLIC OF LIBERIA)
MONTERRADO COUNTY)

CONCESSION AGREEMENT

THIS AGREEMENT, made and entered into at the City of Monrovia, Montserrado County, Republic of Liberia, this 3rd day of February, A.D. 1959 by and between the GOVERNMENT OF THE REPUBLIC OF LIBERIA hereinafter referred to as the "Government", represented by John W. Cooper, Secretary of Agriculture and Commerce, and Liberian Agricultural Corporation, represented by its Resident Business Agent and Treasurer Bruno Lattanzi, a Corporation organized and existing under the laws of the Republic of Liberia, with principal place of business at Monrovia, Liberia, hereinafter referred to as the "Corporation"

WITNESSETH:

WHEREAS, The Government, through its authorized officials, and the Corporation, through its designated representative(s), have in consideration to the development in the Republic of Liberia, hereinafter referred to as the "Government", of rubber, citrus and other agricultural plantations, including the processing and exportation of products therefrom; and

WHEREAS, the Corporation has made certain investigations and has located areas of land within the Republic which may be suitable for the development of agricultural plantations; and

WHEREAS, the aforementioned development of agricultural plantations, upon the terms and conditions hereinafter set forth, appears to be in the mutual interests of the Government and the Corporation

Now, THEREFORE, in consideration of the covenants herein contained, the parties hereto mutually agree as follows:

ARTICLE I - GRANT OF RIGHTS

The Government hereby grants to the Corporation within the Concession Areas hereinafter described, during the period of and in accordance with the conditions set forth in this Agreement, the exclusive right and privilege, hereinafter called the "Concession", to engage in agriculture, forestry, and farming in all their branches, and all activities in connection therewith, including planting, cultivating, raising, producing, tapping, cutting, and harvesting of all kinds of agricultural, forestry and farm products, and especially rubber, citrus, plants and trees, and any products or by-products.

thereof, and buying, processing, conditioning, refining, manufacturing, marketing, shipping, transporting and exporting, or otherwise producing and dealing in, the same and any products or by-products thereof and doing all and every act in connection therewith.

All products and by-products, resulting from the activities of the Corporation under the aforesaid Concession may be removed, sold and/or exported from the Republic freely as an inherent part of the Concession; provided, however, that the local needs will have been first met before exportation.

ARTICLE II. - CONCESSION AREAS

The two areas within which the Corporation may operate under the Concession, herein called the "Concession Areas", are shown on a map of the Republic attached hereto and made a part hereof and consist of :

(a) The land lying between the St. Johns River and the Castos River South of Compound No. 3, Grand Bassa County and including approximately 300,000;

and

(b) A section of the lands situated along the Tappita-Webo Road and including approximately 300,000;

The Corporation agrees to make an examination of the aforesaid areas to determine the lands therein which may be suitable for the development of economical and progressive operations under the Concession and as a result of such examination, it shall file with the Government, within eighteen (18) months from the effective date of this Agreement, one or more surveys, setting forth the geographical boundaries of said areas as they are determined to be suitable for exploitation. The total acreage of the lands so retained shall not exceed three hundred thousand (300,000) acres in each of said two areas and shall be approximately equal in each of them. In order to facilitate such selection of lands, others may not acquire title to national or Public lands within said areas between the date first hereinabove written and the filing of such surveys. Thereupon, the term "Concession Areas", as used in this Agreement, shall mean the areas comprised within such surveys.

The Government warrants that within the above-mentioned Concession Areas no other concession or right of any kind will be granted to any third party and that it will defend and protect the Concession Areas for the sole and exclusive use of Corporation.

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The Corporation at any time hereafter may approach the Government with the request that the Concession Agreement be reviewed with the object of acquiring additional or new acreages.

ARTICLE III. - DEVELOPMENT AREAS -

From time to time and at any time during the term of this Agreement, the Corporation may select tracts within the Concession Areas, hereinafter called "Development Areas", within which it intends to commence development of the Concession and, as each such Development Area is selected, the Corporation shall notify the Government in writing of the same, giving the location, area and boundaries thereof. Each such notification shall be given to the Government in triplicate and, within thirty (30) days after the date of such a notification, the Government shall return to the Corporation the triplicate, duly countersigned by an authorized official of the Government, and such countersigned copy of the notification shall be evidence of the vesting of leasehold title and possession in Corporation to the respective Development Area for the purpose of the Concession as set forth in Article I of this Agreement. The Government reserves the right to verify the location, area and boundaries of each such Development Area.

ARTICLE IV. - PAYMENT OF RENTAL -

The Corporation shall pay to the Government an annual rental for the Development Areas at the rate of six cents (\$0.06) per Acre per annum. The initial payment for each Development Area shall be made at the time the Corporation notifies the Government of the selection thereof, as provided for in Article III hereof, and shall be in the prorated amount for the remainder of the then current calendar year. Thereafter, payment of said rental shall be made in advance during January of each year throughout the term of this Agreement unless and until the Corporation advises the Government in writing that it is relinquishing all or any part of the Development Areas previously selected; thereafter, no further rental shall be due with respect to any land so relinquished.

Payment of the aforesaid rental shall entitle the Corporation to carry on within the Development Areas any operations under the Concession. The Government warrants to the Corporation the leasehold title to and possession, of, for the purpose of the Concession, all lands within the Development Areas, for which the Government accepts the rental hereinabove provided, and agrees to defend and protect such title and possession for the sole and exclusive use of the Corporation. In furtherance thereof, the Government, upon request of the Corporation, will take such measures as may be required to prevent the settling of squatters on the Development Areas which impedes the operations of the Corporation under the Concession. The

the promulgation of orders and rules, to be effective within said Development Areas and surrounding territories, for combatting pests and diseases and for encouraging the growth and development of agricultural products of high quality therein.

Beginning eighteen (18) months after the effective date of this Agreement and during the remaining term thereof, the Corporation shall pay to the Government rental at the aforesaid rate upon a total of not less than fifty thousand (50,000) acres per annum, but this shall not be interpreted as requiring the Corporation, during said eighteen (18) months period, to select for development, as provided in Article III hereof, Development Areas comprising a total of fifty thousand (50,000) acres.

ARTICLE V. — GENERAL RIGHTS

In addition to all other rights granted to it by this Agreement, the Corporation, as an inherent part of the Concession, shall have the following:

(a) Importation of Materials, Etc.

The Corporation shall have the right in accordance with Article VII hereof, and except for documentary stamp taxes of general application, to import free of all customs duties and all other taxes, levies or fee of any character, whether national or local, all materials, equipment and supplies which may be necessary in its operations under the Concession, including the Accessory Works and Installations hereinafter provided for in paragraph (c) of this Article V, and to export free of all customs duties and all other taxes, levies or fees of any character, whether national or local, all the products and by-products resulting from its activities under the Concession, whether in crude or refined state. The Corporation may re-export any of the materials, equipment and supplies imported duty free if it does not require the same for its work. Such exemption from customs duties shall not apply to the importation of foodstuffs or personal effects of employees.

(b) Occupation of the Surface

The Corporation may occupy and utilize, within or without the Concession Areas and in accordance with the provisions of this paragraph (b), the surface of such lands as may be necessary for its operations under the Concession, including such as may be necessary for any and all of the Accessory Works and Installations.

The Corporation may use national or public lands but if such lands are situated outside of the Concession Areas it shall first obtain the approval of the Government; provided, however, that, unless expressly approved by the Government, any right of way on such national or public lands which is required by the Corporation for transportation or communication lines shall not exceed two hundred twenty (220) feet in width, and any such lands required by the Corporation for

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Corporation shall pay such tax, in accordance with the applicable rates, on its net income derived from its operations under the Concession, subject to the conditions hereinafter provided.

For the purpose of amortizing its development costs, the Corporation is granted an income tax free period of fifteen (15) years from the date on which it commences planting the Initial Development Area. For ten (10) calendar years next following this income tax free period, the Corporation shall pay income tax as hereinabove provided but, notwithstanding any provisions in laws or regulations to the contrary, not to exceed twenty-five percent (25%) of its net income in each such year. Thereafter the Corporation shall continue to pay income tax as aforesaid; however either party may request a renegotiation of the aforementioned maximum tax rate of twenty-five percent (25%) after the expiration of the said ten (10) years period.

Net income, for the purpose of computing any income tax as aforesaid, shall be determined in accordance with generally accepted accounting principles consistently applied and shall be understood to mean the gross operating income of the Corporation (exclusive of any income from the exchange of capital assets) derived from operations under the Concession and computed without reference to any income arising from sources outside of the Republic, less all deductions allowed by any applicable Liberian Laws or regulations, including, without being limited thereto, deductions for all costs of production and costs of operation, including interest expense and reasonable allowances for depreciation, amortization and obsolescence (based upon normal asset life), and for any and all other costs and expenses incidental thereto, including all such costs and expenses of all Accessory Works and Installations.

In calculating net income, as aforesaid, shipments or sales of rubber and other commercial products resulting from the operations under the Concession shall be valued, on invoices, as the case may be, at the price for the respective product, or product of similar grade, prevailing on a recognized world market at the place of origin such as presently, in the case of rubber, the Singapore market; in the event the price on the market used does not reflect a place of origin price, it shall be adjusted to eliminate all costs included therein for insurance, handling, freight and related charges so as to reflect an f.o.b. place of origin price.

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The Government agrees that payment by the Corporation of income taxes to the extent set forth above shall be a complete satisfaction and in lieu of all other taxes, levies, duties or fees of any character, whether national or local, and that the Corporation and its property shall be exempt from any and all other taxes, levies, duties, royalties, stamps (except as provided in Article V (a) hereof), concessions, tolls, customs, tariffs, dues, fees or permits of any kind whatsoever, whether national or local, and whether or not of the general character heretofore enumerated, which otherwise would be imposed with respect to the Corporation and/or operations of the Works and Installations, the products thereof, or the income derived therefrom. Distributions of such income or accumulations thereof shall be exempt to the recipients from all such taxes, levies, duties or fees, whether distributed as a dividend, or otherwise, and whether in cash, securities or property."

The foreign officers and employees of the Corporation shall not be subject to the payment of any direct or personal taxes, levies or duties or fees of any character, whether national or local, except only general property taxes, income taxes and customs duties if applicable generally to all foreign residents of the Republic. Furthermore, the payment by such officers and employees of any tax within the Republic shall be governed by the provisions of any treaty or agreement in respect of double taxation which may be concluded between the Government and the Government of the country of which the respective officer or employee is a subject or citizen.

If, during the term of this concession, the Government with respect to any third party should provide by concessions, agreements, contracts, laws or otherwise for the payment of taxes lower than those established herein or should grant by concession, agreement, contracts laws or other privileges or rights in addition to or upon more favorable terms or conditions in any respects than those granted herein such lower taxes or additional or more favorable privileges or rights shall inure to the benefit of the Corporation hereunder the same as if expressly incorporated herein, provided, however, that if and to the extent that they are granted in consideration for special or additional benefits reserved to the Government, as compared with the benefits reserved by this Agreement, the Corporation shall have the option to enjoy any such lower taxes or additional or more favorable privileges or rights on at least as favorable terms by giving to the Government benefits which are similar or equivalent to those given by any such third party.

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ARTICLE VIII. - CURRENCY -

All payments hereunder of whatsoever nature shall be made in the national currency of the Republic of the standard of weight and fineness in effect on the date of payment or, at the option of the Corporation, the amount of any such payment as so determined may be converted to and made in the national currency of the United States of America at the official rate of exchange prevailing on the date of such payment.

ARTICLE IX. - CONTINGENCIES -

The periods of time and the obligations designated in this Agreement shall cease to be effective as to the Corporation in the event it is unable to comply therewith due to any force majeure. The Government agrees that in any such event the time for compliance by the Corporation shall be extended for a period of time at least equal to the duration of any such force majeure.

ARTICLE X. - LAPSE OF CONCESSION -

In the event the Corporation shall not have carried out the development of a Development Area or Areas, consisting in the aggregate of at least ten thousand (10,000) acres, within five (5) years from the effective date of this Agreement, and thereafter fails to commence such development within one (1) year after the Government shall have given notice to the Corporation to do so, the Government may declare that the Concession has lapsed and that all rights thereunder and this Agreement are terminated.

In the event the Corporation shall not have carried out the development of a Development Area or Areas, consisting in the aggregate of at least ten thousand (10,000) acres, in each of the Concession Areas within ten (10) years from the effective date of this Agreement, and thereafter fails to commence such development within one (1) year after the Government shall have given notice to the Corporation to do so, the Government may declare that the respective Concession area in which such development has not been so commenced is forfeited.

The term "development", as used in this Article I, shall mean any of the following activities: Improvement of the ingress and egress or the surveying of the said lands, or the use thereof for any operations under the Concession, including, without limitation, the planting, cultivating, harvesting or exploitation of agricultural or other products, erection of buildings for dwelling or industrial purposes, establishment of power stations, construction of roads, railways, wharves, etc...

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ARTICLE XI. ASSIGNMENTS -

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It is understood that the Corporation may desire to conduct all or part of the operations under the Concession, including the Accessory Works and Installations, or to finance such operations in whole or in part, through one or more controlled corporate subsidiaries.

The Government agrees that in connection with such operations or financing the Corporation may form, either under the laws of the Republic or under the laws of one of the States of the United States of America, a controlled corporate subsidiary or subsidiaries herein referred to as "Subsidiary or Subsidiaries". The Corporation may assign the Concession or the operations thereunder, including the Accessory Works and Installations, in whole or in part, to any such Subsidiary or Subsidiaries which hereby are authorized to carry out any and all such operations to the extent that the same may be assigned to them. The aforementioned right to assign shall include the right of reassignment from any such Subsidiary or Subsidiaries to the Corporation or to any other such Subsidiary or Subsidiaries and vice versa without limitation. Any Subsidiary or Subsidiaries may engage in international trading, commerce and business, including investing and advancing funds to any other Subsidiary or Subsidiaries.

The Corporation also may assign the Concession or the operations thereunder, including the Accessory Works and Installations, in whole or in part, to any other party or parties with the consent of the Government.

Any assignee shall have the rights, privileges, immunities and obligations of the assignor with respect to what is assigned.

The rights, privileges and immunities herein granted to the Corporation, including, without limitation, all fiscal provisions and tax immunities, shall extend and inure to the benefit of the Corporation and any Subsidiary or Subsidiaries jointly and severally in the manner and to the extent necessary to enable each of them to enjoy the benefit of each and every provision of this Agreement the same as though the Corporation and any such Subsidiary or Subsidiaries were one and the same, and the payment by any one thereof of any income or other tax or levy or fee which may be assessed properly in accordance with the provisions hereof shall be considered as payment for each and for all.

All declarations, distributions, payment or receipts of money, rents, dividends or other payments or transfers in connection with the operations under the Concession, including the Accessory Works and Installations, made or received in payment of principal,

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payment of interest, or distribution of surplus or income by the Corporation to any Subsidiary or Subsidiaries or by any such Subsidiary or Subsidiaries to the Corporation or to any other such Subsidiary or Subsidiaries, shall be exempt from the payment of any tax, levy, duty or fee of any character, whether national or local and any recipient thereof may transfer such funds as dividends or otherwise, free of any such tax, levy, duty or fee, and all of the foregoing may be made without restriction of any kind. The securities, shares of stock and other evidences of ownership or indebtedness issued by the Corporation or any Subsidiary or Subsidiaries shall be exempt from any such tax, levy, duty or fee on the issuance, ownership or redemption thereof.

The term "controlled corporate subsidiary", as hereinabove used, shall mean every corporation whose stock, having voting power for the election of directors, but exclusive of stock having such voting power only in case of a default, shall at the time be owned by the Corporation or by one or more controlled corporate subsidiaries.

ARTICLE XII. - ARBITRATION -

This Agreement is intended to be a mutually fair and equitable contract entered into in good faith by fair-minded men on behalf of the respective parties and shall be so interpreted.

Any dispute arising between the parties hereto with respect to the interpretation of this Agreement or the extent of the exercise of the rights or the compliance with the obligations established herein, shall be submitted to arbitration within the limits of this Agreement. Without limiting the foregoing, it is agreed that in the event any notice is given by the Government in accordance with the provisions of Article X or Article XIII hereof, the Corporation during the period of the notice may request arbitration on the matter, in which event the forfeiture or termination shall be stayed pending the arbitration proceedings.

In the event of any request for arbitration by either party, each party shall appoint an arbitrator and the two so appointed shall give their decision within sixty (60) days after the question is submitted to them. If the two arbiters cannot agree, they shall appoint a third arbiter who, together with them, shall give a decision, as determined by a majority of the arbiters, within sixty (60) days after the appointment of the third arbiter. If the original two arbiters cannot agree as to the designation of the third arbiter, he shall be appointed by the President of Yale University.

Any arbitral decision, as aforesaid, shall observe the terms and conditions of this Agreement which may not be altered in any respect by such a decision, shall not be retroactive in effect, and shall be in writing and a copy thereof shall be given to each party hereto in the manner provided for notices in Article XV hereof. If the decision is adverse to the Corporation, such decision shall give a reasonable grace period, appropriate for the nature of the default found and in any event not less than thirty (30) days, within which the Corporation may correct the default as found by the arbiters; failing such correction before the expiration of said grace period, the Government thereafter may avail itself of the relief decreed in said decision by giving written notice thereof to the Corporation.

The liability for expenses and costs of arbitration shall be determined by the arbiters and shall be included as a part of the decision. The arbitral court shall meet in Monrovia, unless the parties or the arbiters unanimously determine otherwise. Unless otherwise determined by the arbitral court, during the period of any arbitration, the Corporation shall be permitted by the Government to carry on, without interference, all operations under the Concession, including any operations involved in the dispute which the Corporation had undertaken without objection by the Government prior to the time the dispute arose.

ARTICLE XIII. - TERM -

This Agreement shall take effect on the date on which notice is given to the Corporation by the Government that it has been approved by Legislative Act of the Republic and shall remain in effect thereafter for a term of seventy (70) years.

However, (1) the Corporation at any time may surrender all of the Concession Areas, as then in effect, and terminate this Concession Agreement by giving written notice thereof to the Government, in the event of the default by the Corporation in the payment of rental, as provided in Article IV hereof, or in any of the other covenants herein contained on the part of the Corporation to be kept and performed, and if such default shall continue for a period of six (6) months after written notice thereof is given by the Government to the Corporation, may terminate this Agreement. If the Corporation, within said period of six (6) months, shall make good the default complained of in said notice, no right of termination thereafter shall exist because of such default.

ARTICLE XIV. - RENEWAL -

At the expiration of the aforesaid initial term, this Agreement may be renewed for an additional term of years upon such terms and conditions as both parties hereto may agree. In the event no agreement shall have been reached for renewal of this Concession prior to the expiration of this Agreement, buildings and improvements placed by the Corporation on the Development Areas, shall become the property of the Government.

ARTICLE XV. - NOTICES -

All requests, approvals, declarations, notices, and communications of any kind between the Government and the Corporation shall be in writing; and the parties hereto shall not be permitted under any circumstances to allege or to rely upon any oral requests, approvals, declarations, notices or communications.

All requests, approvals, declarations, notices and communications of any kind from the Government to the Corporation shall be addressed to "The Corporation" and shall be delivered to the representative designated by the Corporation as its operating representative in the Republic. All requests, declarations, notices and communications of any kind from the Corporation to the Government shall be addressed to "Secretary of Agriculture and Commerce of the Republic of Liberia, Monrovia, Republic of Liberia", and mailed to said address or delivered at the office of the Secretary of the Agriculture and Commerce in Monrovia.

ARTICLE XVI. - GOVERNMENT REPRESENTATIVE -

For all purpose of this Agreement, the Government represents that it is acting through its Secretary of Agriculture and Commerce that the Corporation may rely upon the act of said official with respect to any and all approvals, permission, consents and agreements required to be obtained from the Government under the terms of this Agreement. In the event the Government shall designate another of its officials to act in place of the aforesaid Secretary of Agriculture and Commerce, it shall give written notice thereof to the Corporation.

ARTICLE XVII. - RATIFICATION -

This Agreement is signed in behalf of the Government, subject to the approval thereof by Legislative Act of the Republic and by the Corporation, subject to the approval thereof by its Board of Directors. In the event either party shall not so approve the Agreement and give notice thereof to the other party within six (6) months from the date first here-inabove written, this Agreement shall be null and void ab initio.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses :

Josea L. L. Shaw

A. John Wilson

THE GOVERNMENT OF THE REPUBLIC OF
LIBERIA

John S. Cooper
JOHN S. COOPER, SECRETARY OF
AGRICULTURE AND COMMERCE.

THE LIBERIAN AGRICULTURE COMPANY

Bruno Lattanzi
BRUNO LATTANZI, PRESIDENT/BUSINESS
AGENT AND TREASURER

Approved :

William V.S. Turlan
WILLIAM V.S. TURLAN, PRESIDENT
OF THE REPUBLIC OF LIBERIA.