

REPUBLIC OF LIBERIA)  
MONTSERRADO COUNTY)

INVESTMENT INCENTIVE CONTRACT  
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA  
AND  
MORRIS AMERICAN RUBBER COMPANY

THIS CONTRACT made and entered into this 10th day of August A.D. 2007 by and between the Government of the Republic of Liberia, represented by and through the Minister of Finance, Hon. Antoinette M. Sayeh and the Chairman of the National Investment Commission (NIC), Hon. Richard V. Tolbert (hereinafter referred to as the "GOVERNMENT" and Morris American Rubber Company, a company duly organized, registered and incorporated under the Laws of the Republic of Liberia, represented by its Chairman/Treasurer of the Board of Directors, Mr. William Lyon Morris, authorized in this respect, residing for the purpose of this Contract (hereinafter referred to as the "SPONSOR"), which term shall extend to and include its assigns, representatives and successors-in-office, hereby;

WITNESSETH:

WHEREAS, the Legislature of the Republic of Liberia, desiring to promote and assist the industrial development of Liberia, passed on March 6, 1973 an Act adopting the Investment Incentive Code, which Act was published by the Ministry of Foreign Affairs on February 28, 1975 (hereinafter known and referred to as the "Investment Incentive Code");

WHEREAS, the Government of Liberia, through the Ministry of Finance and the National Investment Commission, has determined that certain incentives enumerated in the Investment Incentive Code and the Revenue Code of Liberia (2000) should be extended to the SPONSOR;

WHEREAS, the company known as Morris-American Rubber Company, located in Montserrado County, Liberia is involved in the business of processing and sale of rubber and rubber related materials;

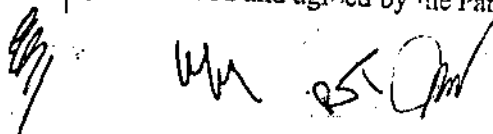
WHEREAS, Morris-American Rubber Company, wishes to infuse new capital for the expansion of their farm and establishment of a rubber processing plant;

WHEREAS, Section 3 (5) of the Investment Incentive Code provides that before incentives are granted, an Investment Incentive Contract must be negotiated and concluded by and between the Government and the Sponsor, (hereinafter known and referred to as the "Parties" hereto);

NOW THEREFORE, in consideration of the promises exchanged and the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:

ARTICLE I-DEFINITIONS

- 1) Unless the context otherwise require, the terms "APPROVED INVESTMENT PROJECT", "SPONSOR" and "INVESTMENT INCENTIVE CONTRACT" when used herein shall have the respective meanings given these terms in the Investment Incentive Code.
- 2) The term "This Contract" shall include all parties of the Investment Incentive Contract;
- 3) The terms, "Machinery", "Equipment" and "Spare Parts" shall refer only to machinery, equipment and spare parts specified in this Contract.
- 4) The term "Effective Date" shall mean the date on which this contract is signed by the SPONSOR and the representatives of the Government of the Republic of Liberia; it being expressly understood and agreed by the Parties



hereto that the responsibility for both the herein contained attestation and approval shall be the sole responsibility of the National Investment Commission.

**ARTICLE II-REPRESENTATION AND WARRANTIES OF THE SPONSOR AND GOVERNMENT**

- 1) The Sponsor hereby represents and warrants that it is a duly organized corporation existing in good standing under the Laws of the Republic of Liberia and is duly qualified and authorized to do business in all jurisdictions in which the nature of its property or activities require such qualification or authorization.
- 2) The sponsor has fully and fairly complied with section 8, **Application Procedures** of the Investment Incentive Code.

**ARTICLE III-INVESTMENT INCENTIVES**

**A. Tax Benefits:**

The Sponsor shall be subject to the Tax Laws of Liberia of General Application except for the following exemptions with regards to the Approved Investment Project:

**1. Machinery and Equipment:**

The Approved Investment Project shall be exempted from import duties at the rate of 70% of the dutiable value of the Approved Machinery and Equipment and GST, for a period of three (3) calendar years commencing from the effective Date of this Contract, subject to such additional period(s) as shall thereafter be negotiated and agreed between the parties. The Machinery and Equipment required for the Execution of this Contract and approved for import are listed in Appendix I hereto attached to form a part hereof.

**2. Spare Parts:**

The Approved Investment Project shall be exempt from duties at the rate of 70% of the dutiable value of the Approved Imports and GST of related capital spare parts necessary for the machinery and equipment for a period of three (3) calendar years, commencing from the Effective Date of this Contract. The capital spare parts required for the execution of this contract and approved for import are listed in Appendix II.

**3. Raw and Packaging Materials:**

The Approved Investment Project shall be exempted from import duties at a rate of 70% of the dutiable value of the Approved raw and packaging materials and GST for a period of three (3) calendar years commencing from the Effective Date of this Contract, subject to such additional period (s) as shall thereafter be negotiated and agreed between the parties. The raw and packaging materials required for the execution of this contract and approved for import are listed in Appendix III hereof attached to form part of this Contract.

**1. Incentive Deductions**

The Approved Investment Project is hereby granted Incentive Deductions in accordance with the provisions of Section 204 of the Revenue Code of Liberia (2000).

**B. Covenants**

The Sponsor, in consideration of the covenants and agreements of the Government hereby covenants and agrees that:

1. The Sponsor shall employ and train Liberian nationals in all skills required in the rubber processing industry. Furthermore, the Sponsor shall establish

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appropriate training facilities to qualify Liberians for skilled positions. Within twelve (12) months commencing from the date of signing of this

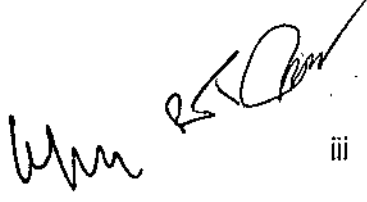
Contract, the Sponsor shall prepare and submit, to the Chairman of the National Investment Commission, a schedule plan for increasing the total percentage of Liberian nationals to be employed by the Sponsor. The said schedule plan, hereinafter referred to as the Liberianization Manpower Plan, is incorporated herein by reference and shall form an addendum to this Contract. A copy of said Liberianization Manpower Plan shall be submitted to the Minister of Labor.

2. The Sponsor shall submit to the Minister of Finance a report in the form an audited Annual Financial Statement containing all information required by Law in accordance with the Revenue Code of Liberia (2000).
3. The Sponsor shall submit a quarterly operational report. This report shall include information on the importation of items brought into the country during said quarter listed in the appendices attached.
4. Furthermore, the Sponsor shall submit an annual report of its operations at the end of each year along with that of Section 3, containing such additional information required by the National Investment Commission, which are related to the operations of the Sponsor.
5. All reports submitted pursuant to the above Section "2" and "3" shall comply with generally accepted accounting procedures and principles, and shall be subject to verification conducted by the Government agencies charged with such Audit responsibility. Furthermore, should it become necessary, the National Investment Commission may order an independent firm acceptable to both the National Investment Commission and the Sponsor to carry out or conduct the independent audit.
6. No unauthorized use, such as sale or transfer to persons or entities or use for activities not directly related to the operations of the Sponsor shall be made of any Article of approved Investment Project imported under Article of this Contract. Authorization for a sale or transfer may, for special situation(s), be requested from the Chairman of the National Investment Commission. With respect to Section "5" thereof, if sales or transfers of exempted articles are to be made to activities not directly related to the operations of the Sponsors, the Sponsors shall pay or cause to be paid such customs duties or other charges that would have been levied if any such article had not been exempted. This Contract shall not be assigned to person's partnerships, or corporation not specified in this Contract without prior written consent of the Government of Liberia.

#### ARTICLE IV - CANCELLATION AND APPEAL

The National Investment Commission shall have the authority to cancel this Contract by a prior written notice to the Sponsors for any of the following reasons:

1. Proven misrepresentation, fraud, or other illegal acts on the part of the Sponsor in obtaining the Contract.
2. Proven misuse or abuse of any of the incentives granted herein.
3. Liquidation of the investment.
4. Failure to submit a report pursuant to Article III "B" Section 3, 4, and 5 of this Contract within ninety- (90) days after receiving notice of default from the Government Ministry or Agency concerned.



## ARTICLE V - CONSTRUCTION AND APPLICATION:

A) The purposes of this contract are, among others, to: (a) provide incentives to encourage and assist the Sponsor in its project, and (b) ensure that the project contributes as much as possible to the economic development of Liberia. This Contract shall be interpreted and construed in a manner that will best carry out these purposes.

- 1) The Contract shall be governed by and construed in accordance with the laws of the Republic of Liberia.
- 2) If at any time during the continuation of this contract there shall be any question or dispute with respect to the construction, meaning or effect of this Contract, or any provision thereof, or arising out of or in connection with this Contract, or concerning the rights or obligations hereunder, such dispute or question shall be referred (a) to a sole arbitrator to be selected by the parties thereto or (b) failing agreement in selecting such arbitrator within seven- (7) days, to a panel of three arbitrators, one to be appointed by each party and the third to be appointed by the two arbitrators so chosen. The decision of such sole arbitrator so chosen or a majority of three arbitrators (as the case may be) shall be final and binding on the Parties hereto and shall be enforceable in any court having jurisdiction thereof, including the courts of the Republic of Liberia.

B) In the case of proven violation of any clause herein, and the failure of the Sponsor to initiate corrective action within ninety- (90) days of the receipt of notice to do so, the chairman of the National Investment Commission shall recommend to the Minister of Finance for suspension of the duty-free privilege granted herein until corrective action is initiated.

C) Pendency of a legal process shall stay a Cancellation Order.

3) The Ministry of Finance has the authority to withhold the Investment Incentives granted herein if the Sponsor is in any proven default of the Revenue Code of Liberia. The Incentives shall be withheld until said default is cured.

## ARTICLE VI

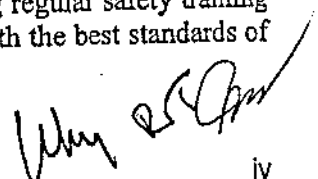
### DURATION OF AGREEMENT

The duration of this agreement is three (3) years as of the Effective date.

### ARTICLE VII - MISCELLANEOUS PROVISION

A) No failure or delay on the part of the Government or the sponsor to exercise any right, power, or privilege, shall operate as a waiver of such right, power, or privilege, nor shall the exercise of any single right, power, or privilege preclude the Government and the Sponsor from exercising any of the other rights, powers or privilege provided for herein.

- 1) If in the event of Acts of GOD, strikes or other labor or individual disturbance, acts of the public enemy, wars, riots, sabotage, embargoes, or other occurrences beyond the control of the Parties hereto, whether listed herein or not, as a consequence of which performance under this Contract becomes impossible, the Parties hereto shall be excused from their respective duties to perform.
- 2) The Sponsor shall install, maintain, and employ adequate modern, health and safety facilities, procedures, and precautions (including regular safety training instruction for its employees) as are in the harmony with the best standards of the industry.



- 3) This instrument contains the whole agreement the Parties hereto except for those parts, which have been incorporated hereto by reference. No modification or variation shall be valid except evidence by a subsequent agreement in writing.

**ARTICLE VIII - NOTICE**

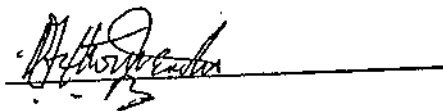
All notice, request or other communications required by, provided or relative to this Contract shall be in writing and shall be sufficiently served if personally delivered or sent by registered mail until otherwise changed by the Parties hereto. Cables, telegrams emails, faxes and telecopy shall be considered as written communications, but letter shall confirm those.

- 1) In case of the GOVERNMENT, TO:  
National investment Commission  
12<sup>th</sup> Street, Sinkor  
Monrovia, Liberia  
Attention: Chairman
- 2) In the case of the Sponsor to:  
Morris-American Rubber Company  
Brewo Bldg.  
Monrovia, Liberia  
Attention: Chairman/ Treasurer

IN WITNESS WHEREOF, the Parties have executed this Contract as of the date and year first above written.

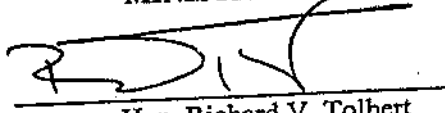
IN THE PRESENCE OF:

FOR: THE GOVERNMENT OF LIBERIA

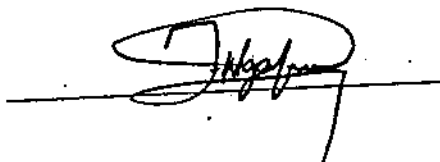



  
Hon. Antoinette M. Sayeh  
MINISTER  
MINISTRY OF FINANCE

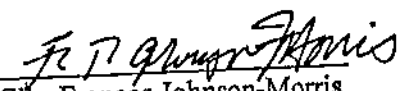


  
Hon. Richard V. Tolbert  
CHAIRMAN  
NATIONAL INVESTMENT COMMISSION

FOR: SPONSOR



  
William Lyon Morris  
CHAIRMAN/ TREASURER  
BOARD OF DIRECTORS

Attested By:   
Clr. Frances Johnson-Morris  
MINISTER OF JUSTICE & ATTORNEY GENERAL, R.L.

## APPENDIX I

### LISTING OF MACHINERY AND EQUIPMENT

#### A. Main Machinery

1. 1 Unit **KC Slab Cutter** c/w 60HP motor, worm reducer and feed chute all fully assembled on common base frame
2. 6 Units **KC Creeper** with hardened rollers of 14" x 28" c/w worm gear reducer directly coupled to fast roll, 30HP motor, feed/discharge chute and common base plate @\$20,194.00
3. 2 Units **KC Shredder** with roller of 14" x 28 and driven by a 60HP motor. The feed roll is coupled to a speed reducer and driven by a 5HP motor @ \$15,640.00
4. 1 Unit **KC Trolley Dryer** of 10 stages (inclusive of cooling stage) prefabricated steel frame and insulated panels c/w direct firing heating system using RIELLO burner, main centrifugal 402 fans, temperature controller, drive system, 14 units, trolleys with stainless steel boxes, central control console for all functions, exhaust fan & chimney and trolley return rail. Capacity: 1,000Kg dr/hr
5. 2 Units **KC Day Pre breaker** with cast steel housing of single scroll fitted with clubbed knives c/w rotary & stationary knives, heavy duty helical gearbox reducer and 100HP motor \$35,420
6. 2 Units **KC Hydraulic Baling Press**, of automatic moving twin-chamber design, 100-Tonne force c/w power pack of 10HP drive motor and centralized control console for automatic and manual operation @ \$26,047

#### B. ANCILLARY EQUIPMENT

1. 2 Units **KC Belt Conveyor** of 3200mm length for Shredder and Slab Cutter c/w 3HP motor, gearbox and hood @ \$5,000.00
2. 2 Sets **KC Vortex Blending Pump**, stainless steel c/w 10HP motor, jetting pipe works and filter plates @\$6,260.00
3. 1 Set **KC Vortex Transfer Pump**, stainless steel c/w 15HP motor PVC transfer/return piping with support and fittings
4. 1 Set **KC Vibrating Screen** with detachable stainless steel screen, 2HP motor, aluminum mobile hopper and steel stand/platform
5. 1 unit **KC Air Blower System Cooling Tunnel** with 30' length stainless steel perforated conveyor, 6 x 5HP
6. 1 Centrifugal Blower Fan c/w Driver System consisting of 5HP gearbox and motor
7. 1 Unit **KC Belt Conveyor** of 4320mm length for packing c/w 3HP motor, gearbox and hood
8. 2 Units **Electronic Weighing Scale**, platform preset type 0~150kg c/w stainless steel box and steel stand @US\$1,650.00

#### C. ELECTRICAL CONTROL BOARD

- 1.1 Set - Floor Standing Main Incoming Board No. 1 with 1000A MCCB, metering, incoming & outgoing
2. MCB and centralized Starter Board for Creepers, Slab Cutter, Dry Pre breakers, Air Blower, Conveyors, Vortex Pumps, shredders and Vibrating Screen, DFB for factory lighting, remote start -stop buttons
  - Wall mounted Sub-Board No. 2 c/w metering and switches for incoming & outgoing power for Dryer and Presses

#### **D. TSR LABORATORY EQUIPMENT**

- Sample Preparation and Milling
- Volatile Meter
- Dirt Test
- Plasticity Retention Index
- Nitrogen Test
- Ash Test 86,000.00

#### **E. Other Capital Equipment**

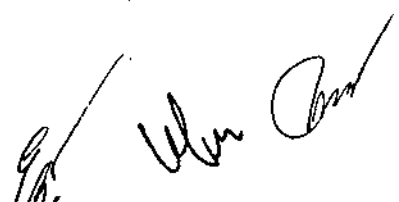
1. 1 Unit 27/30 KVA New & complete generator set continuously rated at 27KVA, 21.6 KW Single phase, 110 /220 volts, 50/60 cycles, 1500 RPM, Powered by Original UK Perkins engine couples Model 1103A-33G1, water cooled diesel engine coupled to a Le Roy somer alternators, equipped with 1001 series control Panel.
2. 1 Unit 350/375 KVA New & complete generator set continuously rated at 350 KVA, 280 KW 3 phase, 380/220 volts, 50/60 cycles, 1500 RPM, Powered by Original UK Perkins engine couples Model 1006TG2A, water cooled diesel engine coupled to a Le Roy somer alternators, equipped with 101 series control panel.
3. 1 Unit 200/220 KVA New & complete generator set continuously rated at 200 KVA, 160 KW 3 phase, 380/220 volts, 50/60 cycles, 1500 RPM, Powered by Original UK Perkins engine couples Model 1306E87TA300, water cooled diesel engine coupled to a Le Roy somer alternators, equipped with 1001 series control panel.
4. 1 Unit 80/88 KVA New & complete generator set continuously rated at 80KVA, 64 KW 3 phase, 380 /220 volts, 50/60 cycles, 1500 RPM , Powered by Original UK Perkins engine couples Model 1104A-44TA300, water cooled diesel engine coupled to a Le Roy somer alternators, equipped with 1001 series control panel.

#### **F. YELLOW MACHINES**

1. 1 D7 Caterpillar Bulldozer machine
2. 1 Motor Road Grader
3. 1 Front-end back-hole loader
4. 1 bob caterpillar loader
5. 1 weighbridge truck scale x 11 feet x 30 feet

#### **G. Specialized Trucks**

1. 1 Flatbed truck
2. 1 Latex tanker
3. 1 Ridid Truck Volvo FH16 x equipped with one HAMMAR SL 30 BH



## APPENDIX II

### SPARE PARTS FOR MACHINERY AND EQUIPMENT

#### A. Generators

- 1) 5 sets of engine blocks
- 2) 5 sets radiators units
- 3) 1 set automatic power transfer unit

#### B. D7 Cat Bulldozer

- 1) 1 Engine block
- 2) 1 Transmission
- 3) 1 Radiator

#### C. Backhoe/ Front-end Loader

- 1) 1 Engine block
- 2) 1 Transmission
- 3) 1 Radiator

#### D. Hammar superstructure Truck

- 1) 1 Engine block
- 2) 1 Power steering pump

#### E. BOB Cat Front-end Loader

- 1) 1 Engine block
- 2) 1 Transmission
- 3) 1 Radiator

#### F. Flatbed truck/latex tanker truck

- 1) 1 Engine block
- 2) 1 Radiator and support axillaries

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APPENDIX III

PACKAGING MATERIALS

I. PRODUCTS PACKAGING MATERIALS AND TOOLS

1. Plastic bags for the bales
2. Shrinkwrap bags for the crate
3. Heating guns for the crate

*John RT*



# MORRIS-AMERICAN RUBBER COMPANY

BREWO HOUSE, RANDALL STREET - MONROVIA, LIBERIA  
TEL: 226705, FAX: 226884

November 8, 2007

Dr. Antoinette M. Sayeh  
**MINISTER**  
Ministry of Finance  
Monrovia, Liberia

Madam Minister:

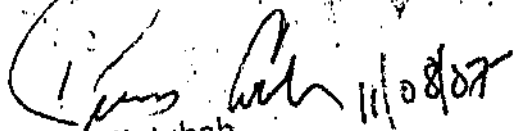
We present our compliments and personal greetings to you.

Madam Minister, as per our discussion two days ago, here is the revised list of machinery, capital spare parts, and chemicals used as listed in appendix I, II & III.

We hope that this revised list will now be acceptable to the Ministry of Finance and the NIC as per new Government regulations.

Many thanks for your kind consideration in this matter.

Very sincerely yours,

  
Keith K. Jubah  
President & Managing Director

CC: Inter-Ministerial committee  
file

<b>APPENDIX II</b>			
<b>SPARE PARTS FOR MACHINERY AND EQUIPMENT</b>			
		<b>2</b>	<b>Lots Recommended Capital Running Spare parts as per attached List A</b>
	<b>A. Belt Conveyor</b>	<b>QTY</b>	
35		25	24" wide rough top 2 ply belting 10 ft
36		30	Coupling Rubber Brush
37		6	5/6" pitch chain 10ft
38		6	Bearing
39		4	Idler Bearing
40		1	Belt Lacing
41		4	Vee Belts
	<b>B.SLAB CUTTER</b>	<b>QTY</b>	
42		2	Bearing
43		1	Coupling Chain
44		1	Rotary Cutter
45		1	Cutter type 2
46		1	Cutter type 3
47		1	HT Belts
48		20	V Belts
49		1	
	<b>C. VORTEX BLENDING PUMP</b>	<b>QTY</b>	
50		2	Bearing
51		5	Packing
52		2	Vee Belts
53		4	Knife
54		2	Bearing for main roll
55		2	Bearing for Free roll
56		1	Feed roll
57		1	Main roll
58		1	Vee Belts
	<b>E. CREPER</b>	<b>QTY</b>	
59		2	Main roll
60		2	Coupling Rubber Bush
61		4	Bearing for roll
62		6	Safety Block
63		10	Oil Seal A
64		10	Oil Seal B
65		2	Vee Belts

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72		10	Rotary Cutter
77		14	Stationary Cutter
78		1	Vee Belts
	<b>G.</b>		<b>Recommended Capital Running Spare Parts for</b>
	<b>GENERATORS</b>		<b>Generators</b>
		<b>QTY</b>	<b>Items Description and Quantity</b>
		1	Set of automatic power transfer unit
79		5	Sets of fuel injector pumps
80		5	Sets of diode and surge protectors
81		40	Set of fuel filters (44units)
82		40	Set of air filters (44units)
83		5	Sets of engine blocks
84		4	Sets of oil filters (44units)
	<b>H. YELLOW</b>		<b>RECOMMENDED Capital Running Spare</b>
	<b>MACHINES</b>		<b>Parts for Hammar &amp; yellow Machines</b>
	<b>OTHER</b>		
	<b>A.</b>		<b>HAMMAR SUPER- STRUCTURE TRUCK</b>
85		<b>QTY</b>	
		1	<b>SECOND HAND ENGINE</b>
			Hydraulic parts (control panel, tubers transmission)
86		1	070735 CAPITAL parts MONRO BEG 12 (details)
87		1	070736 CAPITAL PARTS VOLVO FH 16 (details)
			<b>D7 CAT BULLDOZER</b>
88		1	Engine Block and parts
89		2	Transmission & Parts
90		2	Injector pump and seals
91		6	Cylinders and seals
92		2	Power Steering pumps
			<b>BACKHOLE CAT FRONTEND LOADER</b>
93		1	Engine Block and parts
94		1	Transmission & parts
95		2	Injector pump and Seals
96		6	Cylinders and seals
97		2	Power Steering pumps
			<b>BOB CAT FRONT- END LOARDER</b>
98			
99			Injector Pump
100			Transmission parts
101			Engine block and parts
102			Cylinder parts and seals
			<b>FLATBED TRUCK / . ATEX TANKER</b>
103		2	Engine Blocks
104		2	Injector Pumps

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	<b>CHEMICALS</b>		
108			Fertilizers (NPK 15/15/6; NPK 16/15/15; NPK15/8/4)
109			Fungicide (Tharium 80 and Others)
110			D-amie 60 (40 liters vessels)
111			Ken -up (in 40 liters vessels)
112			Kelly 20 W
113			Ethrel Stimulant (for application on trees)
114			Yellow Iron Oxide (fungicide for trees)
115			Formic Acid (used in raw materials production)
116			Ammonia gas & liquid
117			Poly plastic bags for raw materials
	<b>B. PRODUCT PACKAGING MATLS</b>		
118			Plastic bags for the Bales
119			Shrinkwrap bags for crate
120			Heating Guns for crate

