

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made this date in Bandar Abbas by and between:

1. Persian Gulf Mineral and Metal Industries Special Economic Zone, with the following address Km 13 of Shahid Rajaei Highway, Bandar Abbas- Iran, hereinafter called, "The Special Economic Zone" and

2. Co., with the following address: Tel. no, Zip Code:, hereinafter called

The special zone and the Co. shall be called "both parties" jointly and "the party", each singly.

Whereas,

a. The Co. willing to establish production of , with an annual capacity of Metric tons per year in Persian Gulf Mineral and Metal Industries Special Economic Zone on a step-by- step form. The Co. shall make the investment by itself or through joint- venture

b. Persian Gulf Mineral and Mental industries Special Economic Zone is willing to provide facilities for implementation of the Project, and provide a desired investment opportunity

c. The Co., by signing this MOU, in addition to obtaining a land, shall enjoy desired supply of natural gas, electricity, the water required, telecommunication, marine and land transportation, sewage system, etc.

d. The parties agree to implement their requirements through this MOU.

e. The Co. shall attempt financing its contribution regarding provision of the infrastructures such as water, electricity, gas, railroad, sewage system, telecommunication, etc.

f. The Co. shall immediately act for provision of a summary of the project, which shall contain all inputs and outputs as well as technical and economic feasibility study of the project. Moreover, they shall complete and send questionnaires on General Information about the project

g. The amount of the investment input by the Co. in the project shall be about IR Rials.

The Co. commits itself to commence executive operations after obtaining the required permits for establishment of a Production plant and obtaining the land, at most within Months.

1. General

The special zone shall make its best in the following aspects:

a. Assisting the Co, to obtain all required approvals, including custom duties exemption, etc. for project in the special zone. Communication / facilitation of communication with the government and government institutions for implementation of agreements between and

different agencies in Iran, including natural gas supply, telecommunication, firefighting Systems, water supply and marine transportation with appropriate prices

b. The special zone assists in obtaining certificates and agreements according to the laws of Islamic Republic of Iran, which includes obtaining Environmental pollution control certificates as well.

2. Allocation of the land

..... needs a land with an area of about ha for the project. Through a lease contract with the price as specified by the official expert of justice department, it shall specify the conditions for the land use and the land in question, like other lands in the special zone, shall enjoy all facilities of the zone (such as natural gas, electricity, telecommunication, firefighting systems, water and land and marine transportation) .

3. Electricity

The special zone agrees to provide the infrastructures required for supply of electrical power to the project.

4. Natural Gas

4.1 The special zone shall provide the assistance required for long- term supply of natural gas in competitive prices through national Iranian Gas Co.

4.2 The special zone shall supply the gas required for the project through the government or public agencies with a price agreed upon. Details of natural gas supply shall be provided by, and shall be produced to the government by the special zone. Both parties shall agree upon the price and the time period of use, separately

4.3 The special zone shall provide the appropriate infrastructure for supplying the project's natural gas.

5. Water

The special zone shall supply the water required for the project with a price agreed upon by both parties, which, naturally, shall coincide with the prices supplied to other customers in the zone. The special zone has agreed to supply the infrastructure required for water of the project based on the price agreed upon and the annual details of the water required shall be predicted by And shall be produced to the special zone. The special zone shall provide the facilities required for supplying water from ground water, water desalinators, and pipelines.

6. Telecommunication

The special zone agrees to provide the infrastructure required for communication and telecommunication facilities

7. Tax concessions and exemptions

7.1 for implementation of the project, the special zone shall provide the background for all tax exemptions, such as custom duties relating to imports, tax, etc., which are enforceable, based on Iranian laws and the rules governing the special zone.

7.2 The special zone agrees to announce any kind of tax exemption or concession provided by the government after execution of the MOU, to

8. Certificates, endorsements and general permits

The special zone shall provide the facilities required for obtaining legal certificates. These certificates include consents, endorsements and permits for drawing water, gas and electricity lines as well as any other source of energy required in the project, which shall be granted by public agencies in the nearest time possible after signing the MOU. The project's environmental assessment report shall be developed by and shall be submitted to the environmental protection organization for approval

9. Disposal of industrial sewage and effluents

The Co. ensures that it shall fully observe the environmental law in its Factory.

10. Firefighting systems

The special zone shall provide the cooperation necessary for supply of the required infrastructure to provide the project's firefighting systems through the government or the affiliated agencies

11. General legal items

11.1 Allocation of facilities of electricity, land, natural gas, water, wharf, road and railroad shall be upon the special zone and the costs for their provision shall be announced by the special zone.

11.2 By creating a separate committee, the special zone shall take measures to obtain the required permits under the laws of Islamic Republic of Iran through the government or public agencies in a given time

11.3 The special zone shall introduce a project manager and any application for obtaining permits and approvals shall be served to the same, who shall take the steps necessary within the least time possible and shall inform the Co. about the result.

11.4 Any information about the Co. project exchanged between the parties during the MOU period or any negotiation being made between them shall remain as confidential and shall be used only by the parties, their employees, their consultants (including companies, employees and consultants affiliated, too) for the purpose of studying the project and by no means they shall be given to a third party during the MOU period or after its expiry, except for cases where enquiries are made by the government, executive agencies or the court of justice, to which response should be given, and in such case any party informed about shall inform the other party through a notice.

11.5 The cooperation items already being mentioned to, include the main items of project implementation. Other items that will occur later during the project implementation shall be decided and resolved by mutual agreement of both parties. Any request, permit or endorsement

relating to agreements shall be provided in- writing to the other party and shall be sent to its address.

11.6 This MOU shall be developed based on the laws of IRI.

11.7 According to the MOU, any of the parties agrees to pay itself any cost and charge relating to negotiations, dialogues, and investigations

11.8 This MOU shall include the agreements made between the parties and any item relating to replacement with new agreements and agreed upon by both parties.

11.9 If any of the clauses of this MOU are illegal or non- enforceable, they shall not be mentioned in the agreements. This does not mean voiding of other clauses of the MOU.

11.10 In case that any of the parties fails to enforce a part of this MOU, it shall not lose the right to implement the remainder of the project and cancellation of any clause of this MOU does not lead into cancellation of its other clauses.

11.11 No party of this contract shall be convicted if any clause of this MOU is delayed or its enforcement is prevented.

11.12 No party to this MOU shall be entitled to transfer it to another party (a third party, natural or legal), or share it, with a third party

11.13 Any notice by any party to the other party shall be in - writing and shall be sent by first- class mail or fax or in person and in case of receipt thereof, the confirmation shall be:

a) Provided by the person by hand

b) If sent by mail, the confirmation shall be sent within 48 hours after receiving the letter to the correct mail address of the sender

c) If it is sent by fax, the confirmation shall be copied and the copy shall be sent to the other party by fax

Any notice shall be sent in- writing to the addresses given for both parties or to any other address specified by them: If sent to the special zone, to the address: Km 13 of Shahid Rajaei Road, Persian Gulf Mineral and Metallic Industries Special Economic Zone, Bandar Abbas- Iran If sent to the Co., to the following address:

11.14 Any addition, modification or deletion in the MOU text shall be with the agreement of both parties

11.15 This MOU shall be valid for 6 months from the date of signing them and shall be provided to both parties to act according to their clauses. They shall remain valid up to the time agreed upon and until they are cancelled based on agreements. Extension of the MOU period, too, shall be made with agreement of both parties.

The undersigned, announce their consent for enforcement of this MOU as of the date mentioned to above.