
GuB GmbH

Ingénieurs-conseils et consultants en gestion de projet
نیس دن حمل لونی پراش ن س لای، عاریب خ لاونی پراش ن س لای نة رانا عورش م لا
Consulting Engineers & Project Management Advisors
这是送走。也许您会收到在未来2分钟我的邮件
Ingenieros consultores y asesores en gestión de proyecto
Os engenheiros aconselhadores da administração de projeto
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Ihr Partner für technische, kaufmännische, baurechtliche und logistische Baulösungen.

GuB GmbH, Grünwald – Pullach (Bayern) / Germany

Contract Agreement

OCTAGON GuD-MINING LTD.

+

GuB GmbH

GuB GmbH
Managing Director Dipl.-Ing. Univ. Prof Eng. H.F. Giesa

E-Mail GmbH: GuB21@GuB21.de
E-Mail MD: Helmut@GuB21.de

Contract Agreement

Terms and Conditions of Service Contract

BETWEEN

Octagon GuD Mining Ltd (Customer / Client), represented by
Director General Mr. Christoph Kamara
Freetown / Sierra Leone

AND

GuB GmbH (Consultant / Technical Advisor)
represented by the Managing Director Dipl.-Ing. Univ., Prof. Eng. Helmut F Giesa,
Grünwald – Pullach / Bavaria - Germany
E-Mail Helmut@GuB21.de

I. Preliminary Provisions

Article 1 :	Definition
Customer	= Octagon GuD Mining Ltd. Director General Christoph Kamara
Consultant	= GuB GmbH / Technical Advisor Helmut F. Giesa Helmut F Giesa will provide the services.
Services	= Technical, Financial, administrative and contractual Assistance without a sphere of power / responsibility
Assignment	= written agreement to transfer the contract or part thereof to a third party
fee-based contract	= services are provided on the bases of fee rate per working day
Working day	= Monday to Friday, normal working days; Travel days (departure and arrival days) are compensated as working day. Working
hours per day	= max. 08 hours Input per daylight, defined as a normal working hours
Week-end	= Saturday and Sunday
Daily / monthly Fee	= daily rate for working days, accrued to an invoice amount per month
Additional service rate	= requested week-end work will be paid with a surcharge 25, 50, 100%
Transport	= One proper SUV-vehicle with driver will be provided to the consultant. The vehicle will be available 24 hours/ day. And the driver will be usually available during the daylight hours. The maintenance/repair costs will be paid directly by the client. The pre-financed fuel / diesel expenditures will be 100% reimbursed within seven days.
Free of charge	= Office infrastructure / space with Air Condition will be provided with furniture, printer, power suppl.
Communication	= GuB GmbH / Consultant are responsible for their own communication costs like USB-Modem and Mobile Phone

Article 2 : Notices and written communication

All Notices, consents, approvals, certificates or decision must be in writing **within a period of max. seven calendar days** and shall not be withheld or delayed.

Article 3 : Assistance with local regulations

The customer provides without charges all necessary laws, regulations, information orders , by-lays, which will affect the service of the consultant.

II. Obligations of the Customer / Client

Article 4: Supply of information

The Customer shall supply the consultant promptly any information and documentation at its disposal.

Such documents shall be returned at the end of the period of execution of contract.

And requested information will be given as soon as possible / within a time frame of **seven / 7 calendar days** latest.

Article 5: Assistance with local regulations

The Customer makes every efforts to facilitate the procurement of all required visa, permits including work and residence permit, for the personnel whose service the consultant and the customer consider necessary as well residents permits for their families/partners – if applicable.

Article 6: Tax and other Authority / State expenses

The income / profit of the company/of the individual consultant are tax free.

But in any case it is agreed, the Customer shall pay all taxes, public fees, and other expenses to the Government and other State Authorities in Sierra Leone, if there should be a request.

- a) The consultant will receive the total **fee payment – as stated in the invoice** - to his bank account in Germany, or on his Sierra Leonean Bank Account / Procredit Bank (**EURO-Account**) or preferably by cash / cheque in local Currency.
- b) The Customer / client shall **not be entitled to withhold any payment**, if there is an open dispute about the tax related matters and whatsoever.
- c) The company / consultant will be responsible for his tax obligations in Germany only.

Article 7 Accommodation / Living Allowances

GuB GmbH/Consultant is responsible **for his own accommodation and living cost arrangements. The Management Director is not interested to move in Houses with sub-standard facilities.**

III. Obligations of the Consultant / Contractor

Article 8: General obligations

GuB GmbH /Consultant Helmut F Giesa shall perform the services solely as a Technical Advisor under the contract with due care, efficiency and diligence, in accordance with the best professional practice. **The consultant will be based in Freetown / Sierra Leone as the usual place of station / place of mission.**

Article 9: Code of Conduct

The Consultant shall at all time **act loyally and impartially and as a faithful advisor** to the customer in accordance with the conduct of the customer, as well.

Article 10: Intellectual and industrial **Proprietary rights (IIPR) in reports and document**

All reports and data such as maps, diagrams, sketches, plans, specifications, calculations and supporting records or material acquired, compiled or prepared by the consultant in the performance shall be absolute propriety of the customer / client.

The consultant may retain copies (IIPR), but shall not use them for purpose unrelated to its contract.

IV. Nature of Service / Subject Matter / technical Services**Article 11: Scope of Services / Subject Matters**

The purpose of the contract has an advisory function for the benefit of the Octagon GuD Mining Ltd. The consultant shall have **no decision making responsibility**.

The main sphere of responsibilities shall be focused on technical aspects, contractual issues, procurement procedures, and project management / project control measures.

If week-end works, night shift work, other additional services required, the a.m.

representatives of the customer / client shall inform the consultant, enabling him to plan / to prepare the input and to claim for this additional works / working days later on.

Article 12: Independent Status

The Consultant is totally free in allocating work times, place of work and the method of performance.

Only the representative or the substitute of the Octagon GuD Mining Ltd. stated in the Article 1 - preliminary provisions and definitions - shall be entitled to interfere in contractual issues like administrative orders.

Article 13 : Personnel and Equipment

The personnel which the consultant uses for the implementation of the contract shall be approved by the customer. The consultant is allowed to use the communication and office infrastructure (printer, internet, paper, stationary) for business and private reasons free of charge. **Transport / appropriate vehicle with driver will be provided. All operating (driver, fuel) and maintenance (services, repairs) costs will be paid by the client.**

V. Performance of contract**Article 14 Commencement Order**

The contract shall enter into force when it is signed by the contractor.

Performance of the **contract shall begin on the 12st April 2010.**

Article 15 Performance Period

The period of performance of this contract is set **from 01th April 2010 till open date**. If the customer / client want to extend the contract period, the consultant declares his availability under the **pre-condition** that the very favorable rate of the fee-based contract for

OCTAGON MINING LTD. has to be negotiated, if the customer / client want to extend the contract period.

The customer informs, negotiates and agrees the terms and conditions with the consultant ten (10) working days before the expiration of the contract.

Article 16 Public holidays and working hours

Days of work of the consultant or the consultant's personnel shall be fixed on the basis of the laws, regulations and customs of the country of the customer.

The normal working hours shall be fixed with max. eight / 8 hours per day.

The total fee for each month shall be calculated on the basis of working days for the particular month.

If there is the need of services at week-end, on public holidays, the consultant is prepared to match the client's requirements, but is entitled to get **paid for these overtime / extra working days** : overtime max. 2 hours daily from Monday to Friday = **25%** surcharge, Saturday = **50%** and Sunday works / public local holiday = **100%** surcharge on top of the daily fee of 850 Euro (8 hours day)

Article 17 Leave Entitlement

The Consultant or the consultant's personnel shall be entitled to **make breaks up to maximum eighty / 80 presence days annually (includes travel days)** in the country. The break shall not usually exceed twenty one (21) calendar days.

The Consultant and the Client will agree on the specific schedule of the break.

Article 18 Approval of reports and documents

The documents or reports shall be conveyed by E-Mail to the Customer's representative.

The documents or **reports shall be deemed to have been approved by the customer / client**, if it does not expressly inform the consultant of any comment - **within seven calendar days** – after the receipt of the documents / reports via E-mail.

Article 19 Delays in performance

If the consultant does not perform the services within the period of execution specified in the contract, the customer shall have the right, to set an appropriate deadline (minimum four working days) in writing **to rectify the reports / documents within the normal working hours**. The customer / client shall notify in writing about the reasons, why it does not accept the consultant's report.

And the customer shall not withhold the consultant's pay indefinitely because of the above. Payment should be made within the stipulated time limit according to article 26.

VI. Payment

Article 20 Fee – based Contract Price

The consultant shall be granted remuneration of an amount of **850 Euro (eight hundred and fifty Euro) per working day**. The rate covers the housing allowances and the living allowances of the consultant at the place of mission / station in Freetown.

The travel expenses (per diem rate) to the mining Site will be compensated with 220 Euro per day. The driver's per diem are being paid by Octagon GuD GuD Mining Ltd.

The remuneration will not be paid for non-working hours, like leave, holidays, ...

Article 21 Extra and additional services

If there are requests, to work at week-ends or on public holidays, the customer / client informs GuB GmbH / consultant, to provide extra and additional services with the specific work load.

The additional / extra services will be compensated, based on a daily working rate plus the surcharges 25, 50% or 100% on top of the normal daily 8 hours rate = **850 Euro per day**. This additional service will be billed with the regular service in the monthly invoices.

Article 22 Reimbursable: Flights, Travel Expenses, Fuel

A_ Flights

The customer / client shall reimburse all flights from Munich via Brussels to Freetown and Freetown to Munich – **business class** – in total.

The amount of reimbursable will be paid in Euro.

B_ Travel expenses out of place of mission / out of station Head Office Freetown

All travel expenses **outside of the place of station Freetown** will be paid with the daily rate of **220 Euro per presence day in the field / on Site (mine)**.

C_ Fuel

The consultant is entitled to get the refund of the **fuel for official and for reasonable private** use. The consultant shall present statements/memorandums accompanied by the appropriate original support documents at any time, to get reimbursed his pre-financed expenditures.

GuB GmbH / Consultant shall be entitled to get reimbursed **within seven days** after submission of all the receipts to the customer.

Article 23 TAX and public fees

The Customer / client shall pay all Taxes, public fees, sales tax, and all other expenses related to the Sierra Leonean regulations and law.

The Customer / Client shall give the consultant a proof on a monthly basis that the customer has paid to the revenue office / tax office all obligatory, legally required taxes accrued out of this service contract for the technical advices – if it will apply -.

Article 24 Measurement, Invoice Data and Payment

The consultant submits this monthly payment invoice at the end of the months.

Due to the frequently Site visits to the mine with an average of 7 presence days per months, the invoice amount will be amount up to 22 wd @ 850 Euro (18.700) + 7 days @ 220 Euro/presence day (1.540) = 20.240 Euro plus the vouchers for fuel and OMC for the vehicle.

No general sales tax will be added to the invoice amount, because the services is rendered in Sierra Leone. Pursuant to the “Umsatzsteuergesetz” Paragraph § 3a, Abs. 2 Ziffer 1c UStG no VAT / Value Added Tax will applied for.

Article 25 Payment to the Consultant

The customer shall pay the invoice amount and the additional service fees by CASH OR by cheque in Sierra Leone – local currency - to the consultant Helmut F Giesa - without any deduction -.

The parties agree to use the monthly accounting rate of the euro published by InforEuro / European Commission <http://ec.europa.eu/budget/inforeuro/>

The specific Access to the exchange rate from Euro to Sierra Leone Leoneans are given below http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique¤cy=174&Language=en and the foreign exchange rate of 5.192,25 SLL per Euro will be used in the April 2010 invoice.

Dates of validity	Currency	Rate
01/04/10 30/04/10	EUR/SLL	5192,250000

The customer shall pay the entire tax and the entire sales tax directly to the responsible Sierra Leonean authorities, - if applicable -.

Article 26 Conditions of payment

The customer / client shall pay the remuneration to the consultant **latest on 15th of the month** following the performance month OR fifteen (15) days after submission of the invoice, it means the dead line for payment will not exceed more as fifteen (15) days after billing / invoicing. The cost of remittance shall to be paid by the customer / consultant.

If the customer fails to pay fully the agreed amount on time, the consultant shall be entitled to ask for a **rate of interest of 0,1 percent (= one tenth of a percent) to the outstanding amount PER Calendar DAY**, and the claim for delay in payment shall not exceed 12% of the invoice amount. Failing may be terminated the contract with immediate effect.

This termination shall be without prejudice to any other rights or power under the contract.

Article 27 Guarantee

The Consultant shall be **entitled to get an advanced down payment of zero / 0,00 Euro** at the commencement of the assignment, minimizing the risk of reluctant payments.

The advanced payment of zero / 0,00 Euro shall be balanced in the final payment certificate at the end of the contract duration.

VII. Breach of Contract and Termination

Article 28 Breach of contract

Either party commits a breach of contract where it fails to discharge any of its obligations under the contract. Where a breach of contract occurs, the party injured by the breach shall be entitled to the following remedies: any damages and/or termination of the contract.

Article 29 Termination

Either party may, at any time and with immediate effect, terminate the contract, after giving seven days notice to the other party. No notification has to be given, if delayed payment entitles to a termination with immediate effect.

Any Termination shall be without prejudice to any other rights or powers under the contract of the customer and the consultant.

In the case of termination, the consultant shall be entitled to de-mobilize the site in the last seven calendar days WITH payments of the daily rates. The return flight (business class) to Europe / Munich Germany shall be paid by the customer / client ahead of departure.

Article 30 Force Majeure

Neither party shall be considered to be in breach of its obligation under the contract, if the performance is prevented by any circumstances of force majeure.

If one party considers that any circumstances of force majeure have occurred which may affect the performance of its obligations, it shall notify the other party immediately giving details of the nature, probably duration and like effect of the circumstances.

Article 31 Liquidate Damages

GuB GmbH / individual Consultant shall not be liable for liquidated damages or termination for default of the customer / client and other third parties.

VIII. Settlement of Disputes

Article 32 Settlement of disputes / conciliation procedure

The customer / client and the consultant make every effort to settle any dispute amicably relating to the contract which may arise between them.

Each party shall respond to a request for amicable settlement within seven calendar days.

The period to reach an amicable settlement shall be fourteen calendar days.

Should the attempt to reach an amicable settlement within fourteen calendar days after the request, each party shall be asked for a third party to settle the dispute by conciliation within 21 calendar days. Both parties agreed to **appoint the Delegation of the European Union in Freetown / Sierra Leone** as an arbitrator in a dispute.

In all other cases, under the rules of conciliation and arbitration of the International Chamber of Commerce (ICC) Paris by one or more arbitrators appointed in accordance with the said rules.

The request for arbitration must be submitted within 30 calendar days as from the end of the period of conciliation.

Article 33 Ruling Language and Law

Customer and Consultant agree that **Sierra Leonean Law** shall apply for this service contract.

And the language used for the contract and all communication connected with it shall be English.

On behalf of
OCTAGON GuD MINING LTD

On behalf of
GuB GmbH Germany

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CEO Christoph Kamara
01th April 2010

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Managing Director Helmut F Giesa
01th April 2010