
HERAT CEMENT CONTRACT

between

MAJD INDUSTRIAL PISHGAMAN COMPANY

and

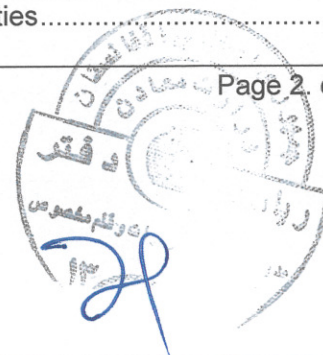
**MINISTRY OF MINES
ISLAMIC REPUBLIC OF AFGHANISTAN**

Dated as of March 18, 2011



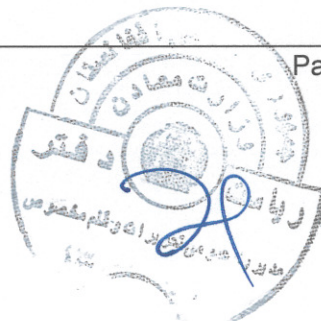
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THIS CONTRACT, dated as of **18, March, 2012** is entered into between Majd Industrial Pishgaman Company (MIP Co.), a company duly licensed under the laws of Afghanistan, and the Islamic Republic of Afghanistan Ministry of Mines ("MoM"), (together the "Parties").

WITNESSETH:

WHEREAS the MoM owns a partially constructed cement production factory located at Zenda Jan District, Herat, Afghanistan, and controls the mineral rights to coal and other necessary minerals for the production of cement.;

WHEREAS the MoM desires to discontinue its involvement in the production, distribution, and marketing of cement;

WHEREAS the MIP Co. is already involved in cement production in Iran, and desires to be engaged in the business of producing, distributing, and marketing of cement within Afghanistan;

WHEREAS the Parties hereto desire that the MoM leases its Zenda Jan cement plant to MIP Co., MoM provides the opportunity for MIP Co. to increase cement production through the building of additional new plant facilities and expansions, and MoM provides the necessary Exploration and Mining Licenses for coal and all Associated Minerals required for the production of cement;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the Parties agree as follows:

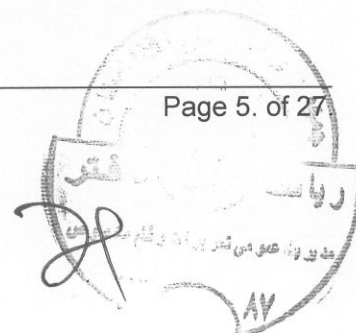
1. Definitions:

The terms used in this Contract shall have the meanings set forth below:

- 1.1 **"Associated Materials"**: means original copies of all studies, reports, records, files, documents, correspondence and other similar printed or written commercial materials to the extent related to the exploration, mining and processing activities conducted at the Herat Cement facility.
- 1.2 **"Cement Production Facilities"**: all of the site locations, mines, buildings, machinery, equipment, and related infrastructure necessary to the production of cement under this contract.
- 1.3 **"Commences Commercial Operation"**: The first day on which the commercial production of cement occurs.
- 1.4 **"Construction Plan"**: A plan that sets forth the sequence and schedule for Cement Production Facilities construction and/or rehabilitation activities.
- 1.5 **"Contract Period"**: the term of validity as set forth in this Contract and any extensions or other modifications to the term agreed to in writing by the Parties.
- 1.6 **"Effective Date"**: of this Contract is the date that the Contract is signed by both parties.
- 1.7 **"Environment"**: Physical factors of the surroundings of human beings, including land, water, atmosphere, climate, sound, odors, tastes, artifacts, and biological factors of animals and plants and the social factors of aesthetics.
- 1.8 **"Environmental and Social Impact Assessment - (ESIA)"**: the study performed by MIP Co., and which must be accepted by MoM, which assesses the Environmental and Social factors which will be caused by the implementation of the MIP Co.'s cement production.
- 1.9 **"Environmental and Social Management Plan (ESMP)"**: the plan developed by MIP Co., and which must be accepted by MoM, which details the measures to be taken to minimize or alleviate the Environmental and Social factors which are identified and detailed in the ESIA.



- 1.10 **"Exploration Work"**: means all the activity or work of prospecting, reconnaissance in search for ore and minerals on, in, or under the Said Lands and drilling, examining, measuring and sampling a mineral deposit when found to gain knowledge of the size, shape, position, characteristics to determine the value of the deposit.
- 1.11 **"Feasibility Study"**: A study performed to MIP Co. and MoM specifications to assess the suitability of the proposed cement production facility and associated facility locations, taking into consideration the results of national and regional planning and all currently known and forecasted relevant technical, environmental, economic, operational and logistical factors and requirements necessary for the successful construction and operation of the Cement Production Facilities by MIP Co., including considerations of the environmental and social impact assessment activities conducted as required by this Contract.
- 1.12 **"force majeure"**: shall include wars, acts of terrorism, insurrections, civil disturbances, blockades, embargoes, strikes and other labor conflicts, riots, epidemics, earthquakes, storms, floods, or other extreme adverse weather conditions, explosions, fires, lightning, orders or directions of any government *de jure* or *de facto* or instrumentality or subdivision thereof, and acts of God or the public enemy.
- 1.13 **"Government"**: The Government of Afghanistan, or any successor entity, acting on behalf of the Government of Afghanistan with respect to this Contract.
- 1.14 **"Majd Industrial Pishgaman Company" ("MIP Co.")**: The entity that was selected as the Preferred Bidder during the Herat Cement Tender Process to negotiate and conclude the Herat Cement Contract with the Government and which will be obligated by the terms of this Contract, jointly and severally, together with any successor entities. MIP Co. has been granted the right from Afghanistan Investment Support Agency with AISA license # (D- 34735) dated (23.5.2010) to start the investment. A copy of the investment license is attached. The complete names of the Manager, Assistants, and Executive Board of the MIP Co. are registered in the AISA Office and annexed to this contract.
- 1.15 **"Ministry of Mines", "MoM"**: The Ministry of Mines of the Islamic Republic of Afghanistan or any successor entity, acting on behalf of the Government of Afghanistan with respect to this Herat Cement Contract.
- 1.16 **"Month"**: All references to months in this Contract shall be based on the solar calendar specified in Article 18 of Afghanistan's Constitution.
- 1.17 **"Pollution"**: Any direct or indirect alteration of the physical, thermal, chemical, biological, or radioactive properties of any part of the Environment by discharging, emitting, or depositing wastes so as materially to affect any beneficial use adversely, or to cause a condition which is hazardous or potentially hazardous to public health, safety or welfare, or to animals, birds, wildlife, fish or aquatic life, or to plants. The term "pollute" shall have a corresponding meaning.
- 1.18 **"Regulation"**: includes any regulation, rule, official directive, request, or guideline having the force of law in accordance with the laws of Afghanistan.
- 1.19 **"Royalties"**: Monetary payments by MIP Co. to the Government of Afghanistan as a certain percentage of cement production in recognition of the right to extract minerals in accordance with the laws and regulations of Afghanistan, this contract, and as specified in the bidding proposal for the Herat Cement Project tender, and as negotiated.
- 1.20 **"Said Lands"**: means all the lands subject to this Contract and contained under the Licenses which the Parties or a party has an interest, whether granted by the MoM through option, claim, lease, or otherwise.
- 1.21 **"Security"**: means the protection from terrorist or other related threats to the physical person or property.



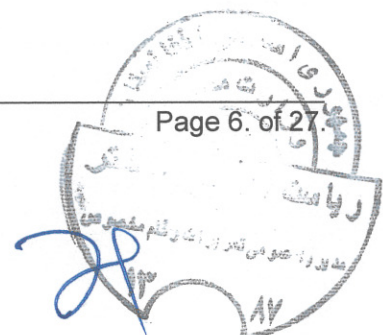
- 1.22 **"Security Agreement"**: means the ancillary agreement to this contract which defines the Governments role in providing Security to the Cement Production Facilities and personnel of the MIP Co.
- 1.23 **"US\$" or "USD"**: means the United States Dollar.
- 1.24 **"Waste"**: Any matter, whether liquid, solid, gaseous, or radioactive, which is discharged, emitted or deposited in the Environment in such volume, consistency, or manner as to cause an alteration of the Environment.

2. Specific Conditions under this Contract

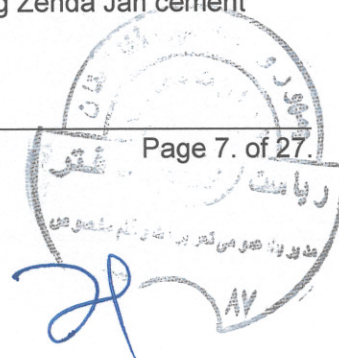
- 2.1 Pursuant to the requirements of the applicable Laws of Afghanistan, the Government hereby grants to MIP Co. and MIP Co. hereby accepts the rights to design develop, engineer, finance, procure, construct, own, maintain, and operate the Herat Cement Production Facilities for the duration of this contract.
- 2.2 MIP Co. shall have the exclusive right and shall receive the necessary licenses and authorizations required under the laws of Afghanistan to (i) lease the existing Zenda Jan cement plant in accordance with the Feasibility Study and Construction Plan, (ii) build, rehabilitate, and expand either new or existing cement facilities, and (iii) explore, develop, and mine the primary raw materials and Ancillary Minerals required for the production of cement at its facilities, with the necessary licenses.
- 2.3 MIP Co. shall be entitled to market, sell, and export its cement production in accordance with the provisions of this contract and the laws of Afghanistan.
- 2.4 MIP Co. shall be entitled to the protection provided by all applicable provisions of The Laws of Afghanistan, including Chapter 10, Article 90 of the 2009 Minerals Law, with respect to expropriation, nationalization, deprivation, and confiscation of any assets owned and/or used by MIP Co. pursuant to this Contract.
- 2.5 If it becomes necessary to suspend operation for any reason, the period of this suspension can not be added onto the period of the lease without written agreement by both parties, subject to the terms regarding Force Majeure in this contract.

3. MIP Co.'s Obligations under this Contract

- 3.1 The MIP Co. is obligated to construct cement production facilities with a design capacity of 1 million tons per year, with an estimated investment of one hundred and fifty million US dollars (\$150,000,000 USD) or it's equivalent in Afghani, according to the submitted proposals for prospecting, exploration, and production; which will be properly undertaken under the reasonable control and supervision of the MoM. MIP Co. has the option to increase cement production above one million tons per year, by submitting a feasibility study which must be approved by the MoM.
- 3.2 The MIP Co. is obligated to produce cement products which meet or exceed the quality and quantity of products included in its bid proposal, and as detailed in the work plans prepared by MIP Co. and approved by MoM.
- 3.3 The MIP Co. is obliged to complete its Cement Production Facilities and to start the production of cement within three years from the Effective Date of this contract, and to present information about the work progress on a quarterly basis to the MoM.
- 3.4 The supply and procurement of the energy necessary for the project is the responsibility of MIP Co.
- 3.5 The MIP Co. is obliged to produce 60% of the agreed annual production in the first year after commencing commercial operations.



- 3.6 MIP Co. hereby accepts the obligations to conduct its cement facilities construction, operations, and activities in accordance with the terms of this Contract, and the applicable laws and regulations of Afghanistan.
- 3.7 MIP Co. acknowledges and agrees that it shall conduct all such cement production operations and activities in a sound manner in accordance with those international design, engineering, construction, and operational standards and practices which are incorporated in this Contract and mutually agreed upon by the Parties as best suited to the physical, social, economic, environmental, political and security conditions found in Afghanistan.
- 3.8 MIP Co. shall take all appropriate risk management measures to prevent damage to the rights and property of the Government of Afghanistan or third parties. In the event of negligence or carelessness on the part of MIP Co. or its agents or of any subcontractor carrying on operations or activities for MIP Co. under this Contract, MIP Co. will be liable for such injuries or damage in accordance with the applicable laws of Afghanistan.
- 3.9 MIP Co. shall install and utilize such internationally recognized modern safety devices and shall observe such internationally recognized modern safety precautions and risk management measures as are provided and observed internationally under conditions and operations comparable to those undertaken by MIP Co. under this Contract. MIP Co. shall observe internationally recognized measures, including risk management measures, for the protection of the general health and safety of its employees and of all other persons having legal access to the area covered by this Contract.
- 3.10 MIP Co. shall comply with such legally valid instructions as may from time to time be given in writing by the Government. MIP Co. shall be entitled to dispute the legality of any instruction which it believes may adversely affect the rights, interests, and protections provided by this Contract. Such disputes shall be in accordance with the dispute resolution provisions established in this Contract.
- 3.11 MIP Co. shall pay all applicable taxes, fees, rents, penalties and other charges to the Government as set forth in this Contract, and the applicable laws of Afghanistan.
- 3.12 MIP Co. shall have sole responsibility for financing all construction and operations authorized pursuant to this Contract and determining the terms on which said financing shall be obtained. MIP Co. may, as authorized by the applicable laws of Afghanistan, pledge such rights, licenses and authorizations obtained in accordance with operations authorized by this Contract.
- 3.13 MIP Co. shall bear and pay all expenses, costs, and charges incurred in the fulfillment of its obligations under this Contract, except where such expenses, costs, and charges are the responsibility of the Government or third parties.
- 3.14 During the term of this Contract, MIP Co. must maintain, with financially sound and reputable insurers, insurance against injury to persons, damage to property and related contingencies, of such types, on such terms and in such amounts as is consistent with international practice. MIP Co. will provide evidence of such insurance to the Government.
- 3.15 After the signing of the contract, any inability or failure of the MIP Co. to carry out the contract will result in the contract being canceled, and the Bonds of the MIP Co. will not be refunded. In the event that there are outstanding fees, tax repayments, or expenses for reparation of environmental damage, these expenses will be recovered by MoM from MIP Co.
- 3.16 MIP Co. will assess and evaluate the existing Zenda Jan Cement Production Facilities, and within the one year after signing of this contract, MIP Co. will inform the MoM of its intentions to utilize or not utilize the existing Zenda Jan cement plant.



- 3.17 In the event that MIP Co. decides not to utilize the Zenda Jan facility, all rights and responsibilities regarding it revert to the MoM.
- 3.18 If MIP Co. decides to utilize any or all of those Zenda Jan assets (land, buildings, machines, and equipment), the parties shall negotiate mutually acceptable annual rental payments by MIP Co. to the MoM. Should MIP Co. decide to utilize the complete asset it will pay one million, eight hundred thousand U.S., dollars (\$1,800,000 USD) annually to the government, on the date of commencement of commercial cement production as agreed between the parties.

4. Ministry of Mines Obligations under this Contract.

The Government shall:

- 4.1 Provide the land and rights of way necessary for Cement Production Facilities construction and operation in accordance with this Contract and the cement production Security Agreement.
- 4.2 Grant to MIP Co. the exclusive right to use the surface of such lands, and such portions of the subsurface, as may be necessary for the construction, operation, and maintenance of the Cement Production Facilities.
- 4.3 The government is responsible to make land available for other facilities where necessary.
- 4.4 The MoM will grant rights to subsurface water, and facilitate the use of surface water, as may be necessary for this Contract.
- 4.5 The MoM will facilitate to the extent possible all governmental licensing within Afghanistan pertaining to this contract.
- 4.6 The government shall be responsible for the security of the Cement Production Facilities, as provided for in the Security Agreement to be executed between the parties.
- 4.7 Within 45 days of the Effective Date of this contract, the MoM will provide to MIP Co. a list of all known physical assets of the existing Zenda Jan cement plant, and access to any available documents regarding it. The parties will then meet to confirm and verify this asset list.
- 4.8 The MoM will provide written permission to MIP Co. for access to the Zenda Jan Plant for inspection and verification of the physical assets within 45 days of the Effective Date of this contract

5. Exploration

5.1. Proposals

Before exploration activities may commence, MIP Co. is obligated to submit to the MoM, within 2 months of the effective date, the following three proposals in support of the exploration program:

Technical Proposal. This will detail the exploration work plan to be carried out and the MIP Co. capacity to perform this work.

Financial Proposal. This proposal will detail all planned costs and expenditure for the exploration program and demonstrate the MIP Co.'s capacity to finance it.

Environmental and Social Proposal. This proposal will detail the anticipated effects of the exploration work on the environment and affected communities. It will detail an Environmental and Social Impact Assessment (ESIA), dealing



with measures for safeguarding of and reparation of damage to the environment and affected communities.

The MIP Co. agrees that the exploration program will only commence after the above proposals have been accepted by the MoM. The MoM agrees to inform the MIP Co. within 2 weeks of receiving the proposals, of the acceptance or rejection of the proposals. Should the proposals be rejected, the MoM shall suggest to MIP Co. alternatives or modifications to the proposals.

MoM and MIP Co. agree that the accepted proposals will form the basis of the exploration work plan and that the MIP Co. is obligated to carry out the work as detailed therein and as per a schedule agreed on by both parties.

5.2. Expenses

1. The MIP Co. must clearly present all expenses incurred during the prospecting and exploration phase, quarterly and annually to the MoM.
2. The expenses of prospecting and exploration are not refundable from the MoM to MIP Co. In the case that the contract is cancelled, and after settlement obligations, the Guarantee bond will be refunded.

5.3. Information

1. If there are any existing geological maps, topographical or other information about the mentioned mine in Survey and Geology Department or in any other related MoM Departments, the MoM shall give them to MIP Co. to improve the accuracy of prospecting and exploration.
2. In the event that the deposit cannot be mined economically; the MIP Co. is obliged to give all prospecting and exploration information and maps to the MoM.

5.4. Associated Minerals

If at any time during the project other or associated minerals are discovered, they remain the property of the MoM and the MIP Co. is obligated to inform the MoM of the existence of these associated minerals within seven (7) days of discovering such minerals. The MIP Co. has right of first refusal on the exploration and exploitation of any previously unknown minerals discovered. With the agreement of both parties, and in accordance with the Mineral Law; the other or associated mineral(s) may be added to the MIP Co. license subject to submission of an acceptable Technical Proposal, Financial Proposal, and Environmental Proposal for the exploration of the discovered other or associated mineral(s). In the event that any license for exploration of the discovered mineral is granted to a party other than the MIP Co., no exploration or exploitation shall commence until the MIP Co. and the new licensed party have agreed upon a mutually beneficial approach to jointly exploring and mining the area.

6. Mining

For the mining of all raw materials by MIP Co. the following conditions will apply;

6.1. Proposals

1. Proposals to be submitted: Supported by the exploration program, the MIP Co. agrees to submit to the MoM the following proposals before commencing with the mining phase:



Technical Proposal. This will detail the mining work plan to be carried out and the MIP Co.'s capacity to perform this work.

Financial Proposal. This proposal will detail all planned costs and expenditure for the mining phase in accordance with the MIP Co. proposal and demonstrate the MIP Co.'s capacity to finance it.

Environmental & Social Proposal. This proposal will detail the anticipated effects of the mining work on the environment and affected communities. It will detail an Environmental and Social Management Plan (ESMP) dealing with measures for safeguarding of and reparation of damage to the environment and affected communities. Special attention will be given to the disposal of waste material.

2. Commencement of Mining: The MIP Co. agrees that the mining work will only commence after the above proposals have been accepted by the MoM. The MoM agrees to inform MIP Co. within 2 weeks of receiving the proposals, of the acceptance or rejection of the proposals. Should the proposals be rejected, the MoM shall suggest to the MIP Co. alternatives or modifications to the proposals, which are in observance of International Practices most suitable for Afghanistan within 7 days, and the MIP Co. shall have up to 60 days within which to comply.
3. Basis of Mining Plan: The MoM and MIP Co. agree that the accepted proposals will form the basis of the mining work plan and that the MIP Co. is obligated to carry out the work as detailed therein and as per a schedule agreed on by both parties.

6.2. Mining Standards:

The MIP Co. agrees to maintain mining standards as agreed in the mining plan. The MoM may suggest the incorporation of new technologies within the previously agreed mining plan if such changes will clearly improve the financial optimization of the mining operation. These will only be incorporated if such changes are agreed to by both parties in writing.

The MIP Co. is to ensure that the exploiting and processing of the mineral resources is done in such a way that prevents damage to the mine and will have the minimum loss of the mineral resource.

6.3. Associated Minerals:

If, during exploration or mining phase other or associated minerals are discovered, they remain the property of the MoM and the MIP Co. is obligated to inform the MoM of the existence of these associated Minerals within seven (7) days of discovering such minerals. The MIP Co. has the right of first refusal on the exploration and exploitation of any new mineral. With the Contract of both parties, and in accordance with the Mineral Law; the other or associated mineral(s) may be added to the MIP Co. license subject to submission of an acceptable Technical Proposal, Financial Proposal, and Environmental proposal for the exploration of the discovered other or associated mineral(s). In the event that any license for exploration of the discovered mineral is granted to a party other than the MIP Co., no exploration or exploitation shall commence until the MIP Co. and the new licensed party have agreed on a mutually beneficial approach to jointly exploring and mining the area.



6.4. Mine Health and Safety Plan:

1. In accordance with the Mineral Law, the MIP Co. is obligated to develop and implement a practical Health and Safety Plan with the aim of preventing accidents and ensuring the good health of all workers in the mining operation.
2. The Health and Safety Plan shall be made known to the employees and all other individuals who enter the mine site.

6.5. Provision of Personal Protective Equipment:

MIP Co. shall be obliged to supply all its workers with the personal protective equipment necessary to safely perform their jobs.

6.6. Reporting of Accidents and Incidents:

The MIP Co. shall report to the Mining Inspectorate, Environmental Protection Department, and the relevant administrative and judicial authorities any serious or fatal accident that occurs as well as any imminent hazard that arises in connection with its activities.

6.7. Use of Explosives:

1. Should the use of explosives be necessary, the MIP Co. shall apply for and obtain all the necessary permits and permissions for the purchase, transport, and storage of explosives. The MoM agrees that all available assistance will be given to the MIP Co. to obtain these permits.
2. The MIP Co. shall be responsible for the safe transport, storage, and use of explosives.
3. The MIP Co. shall maintain records of all explosives purchased, stored, and used.
4. The MIP Co. is responsible for ensuring compliance with all laws, regulations, and procedures relating to the use of explosives.

7. Additional Coal Mining Conditions

7.1. Name and Location of Mine:

1. Herat Pahlawanan Coal Deposit, Karukh district in Herat Province.

2. Area and Perimeter Co-ordinates:

The mine totals () km square meters or equivalent () Hectares.

The mine is located in these coordinates:

(N=	E=)
(N=	E=)
(N=	E=)
(N=	E=)

7.2. Investment:

1. If there are sufficient economically mineable reserves of coal of acceptable quality in the Pahlawanan coal deposit, the MIP Co. shall be obliged to mine this deposit.
2. If there are insufficient economically mineable reserves of coal of acceptable quality in the Pahlawanan deposit, MoM will assist MIP Co. in finding an



alternative economic coal deposit to be mined, and the MoM shall not increase the royalty.

3. In consideration of 7.2.1 and 7.2.2, MIP Co., with the approval of the MoM, could procure its coal requirements from a coal supplier within Afghanistan.
4. If there are available markets for coal, MIP Co. has the right to sell coal from its mine in excess of that required for the Cement Production Facilities.

7.3. Coal Mine Health and Safety Plan:

1. In accordance with the Mineral Law, the MIP Co. is obligated to develop and implement a practical Health and Safety Plan including the use of gas detection instruments, self rescue devices, etc. for its coal mining activities with the aim of preventing accidents and ensuring the good health of all workers in the mining operation. The Health and Safety Plan shall be made known, and necessary training provided to, the employees and other individuals who enter the mine site.
2. The MIP Co. is obliged to provide its workforce and any authorized visitors to the mine with necessary mine safety equipment, such as: clothes, boots, helmet, light, oxygen mask, methane gas detection instruments, etc.

8. Production of Cement

8.1. Location

Area and Perimeter Co-ordinates:

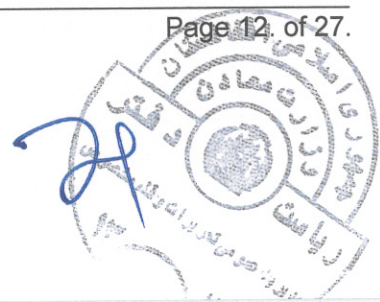
The Zenda Jan Cement Factory totals () hectares.

The Zenda Jan Cement Factory is located in these coordinates:

(N=	E=)
(N=	E=)
(N=	E=)
(N=	E=)

8.2. General Conditions

1. MIP Co. shall manage its Cement Production activities and operations in a technically, financially, socially, culturally and environmentally responsible manner to achieve the environmental protection and sustainable development objectives and responsibilities required by this Contract and the laws of Afghanistan and any applicable international conventions to which Afghanistan is or may become a signatory party;
2. MIP Co. shall prepare on a timely basis, and as soon as practical, an ESIA of the Cement Production activities and operations in accordance with the requirements of this Contract, the environmental laws of Afghanistan, and the herein referenced environmental and social protection guidelines, principles and policies. MIP Co. shall submit its ESIA for the Cement Production Facilities activities and operations to the Government for review and approval prior to commencing construction of the Cement Production Facilities. MIP Co. acknowledges and agrees that the Government may require reasonable additional environmental and social impact assessment activities as a condition of approval of MIP Co.'s ESIA;
3. As specified in this Contract, MIP Co. shall prepare a Cement Production ESMP that presents a detailed, technically and scientifically sound approach to the management, mitigation, or elimination of Cement Production impacts and risks



to the environment and local residents. MIP Co. shall submit its Cement Production ESMP to the Government for review and approval prior to commencing Cement Production Facilities construction;

4. MIP Co. shall comply with the laws and standards regulating the discharge or emission of pollutants and waste into the environment which are associated with its Cement Production Facilities construction and operation, as specified in the Cement Production ESMP.
5. MIP Co. shall provide fair compensation as specified in this Contract and the laws of Afghanistan, for any loss suffered by any local inhabitant resulting from any damage done or any interference with any right to use land or water caused by MIP Co.'s construction or operation of the Cement Production Facilities under this Contract.

8.3. Conditions Precedent

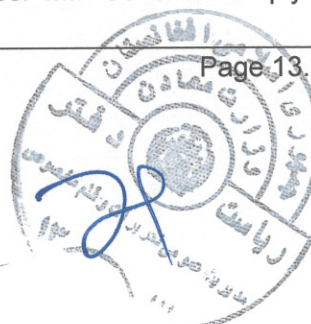
The Parties acknowledge and agree that the rights and obligations granted to MIP Co. pursuant to this Contract are subject to the full satisfaction by the Parties of the following conditions precedent:

MIP Co. shall:

1. Provide evidence of the applicant's financial capability;
2. Shall submit its exploration plans within three months of the effective date of this contract;
3. MIP Co. must begin its exploration work within six months of the effective date of this contract;
4. Within twelve months of the effective date of this contract, prepare a Feasibility Study to determine the technical and economic feasibility of constructing and operating the Cement Production Facilities in order to assist MIP Co.'s decision making concerning its cement production;
5. Prepare a Cement Production Facilities development and construction plan for Government review and approval including proposed investments and any socio-economic contributions proposed for the communities concerned;
6. Prepare an ESIA for Government review and approval;
7. Prepare an ESMP for Government review and approval, including a social mitigation plan, and plans for rehabilitation of the Cement Production Facilities sites;
8. Obtain all necessary licenses and authorizations for Cement Production Facilities construction from the Government, and begin that construction within eighteen months of the effective date of this contract;
9. Full production of clinker and cement, both produced at the Herat facility, within three years of the effective date of this contract;

8.4. Cement Production Facilities Construction – General Requirements

1. MIP Co. shall undertake the design, engineering, construction, and testing of its Cement Production Facilities that meets the service requirements specified in the Feasibility Study and this Cement Production Contract.
2. The MIP Co. shall be solely responsible for the design, engineering, construction, and testing of the Cement Production Facilities.
3. The MIP Co. acknowledges and agrees that all construction activities related to the Cement Production Facilities shall be conducted in accordance with the Feasibility Study, all applicable Afghan laws and regulations, and applicable international practice standards and guidelines, including environmental protection standards, adopted in this Cement Production Contract.
4. The MIP Co. shall be responsible for the importation and transportation of equipment to the Cement Production Facilities sites. MIP Co. shall comply with



the import and export requirements established in this Cement Production Contract and the Laws of Afghanistan.

5. The Government shall be entitled, at its own cost, to monitor Cement Production Facilities construction. For this purpose, MIP Co. shall:
 - 5.1 Ensure that the Government and any representatives appointed by the Government are afforded access to the Cement Production Facilities, provided that such access does not materially interfere with Cement Production Facilities construction activities or expose any person on the Cement Production Facilities sites to any danger;
 - 5.2 Make all plans and designs available for inspection; and
 - 5.3 Within two months of the completion of the Cement Production Facilities, supply the Government with one set of reproducible copies, one digital copy in a commonly used format and five sets of white print copies (or equivalent) of all "as built" plans and maps.
6. MIP Co. shall in no way represent to any third party that, as a result of any review by the Government, that the Government is responsible for the engineering soundness of the Cement Production Facilities and the MIP Co. shall be solely responsible for the economic and technical feasibility, operational capability, and reliability of the Cement Production Facilities.
7. During construction and operation of the Cement Production Facilities, MIP Co. shall own the Cement Production Facilities and all facilities, machinery and equipment used in connection with the Cement Production Facilities which have been purchased or supplied by MIP Co.
8. The Cement Production Facilities and all appurtenant structures, facilities, machinery, and equipment (excluding office facilities outside of the Cement Production Facilities) shall be transferred to the Government in accordance with the transfer provisions of this Cement Production Contract. When the contract ends, or is canceled before the scheduled end period for what ever reason, all immovable properties and infrastructure know as "fixed assets" associated with the Cement Production Facility will be transferred to and become the property of the Government of Afghanistan. MIP Co. shall retain ownership of all movable assets associated with the Cement Production Facility so long as MIP Co. removes the movable assets within four (4) months of the termination of the contract, after which the movable assets will become the property of the Government of Afghanistan. All MIP Co. assets not associated with the Cement Production Facility will remain the property of MIP Co.

8.5. Cement Production Facilities Construction – Technical Requirements

1. Cement Production Facilities Construction Plan - The Parties acknowledge and agree that MIP Co. shall prepare a Cement Production Facilities construction plan that meets international Cement Production Facilities design, engineering and construction standards. The Cement Production Facilities construction plan shall include a proposed construction time schedule. A copy of all planning documents shall be provided to the Government.
2. Construction Monitoring - During the Construction Period, MIP Co. shall furnish to the Government progress reports of actual progress of the construction of the Cement Production Facilities and shall give all such other relevant information as may be required by the Government. For the purposes of determining that construction is being undertaken in accordance with the requirements of this Cement Production Contract, MIP Co. shall employ quality assurance and quality control methods as may be necessary and specified in this Contract. MIP Co. shall promptly carry out such remedial measures as may be necessary to cure



the defects or deficiencies, if any, indicated in such test results, and furnish a report to the Government confirming the curative actions.

8.6. Construction Timetable

The Construction Timetable shall be determined following completion of the Feasibility Study and included as an appendix to this Contract.

8.7. Cement Production Facilities

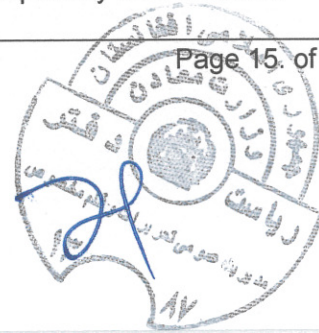
1. Cement Production Facilities to be constructed shall include, but not be limited to the buildings, roads, loading and unloading facilities, repair shops, storage areas, fuel stations, electrical power facilities, communications facilities, water supply, and all such additional or other facilities, plant, and equipment as MIP Co. shall consider necessary for its operations or to provide services or to carry on activities ancillary or incidental to such operations, in accordance with such reasonable safety regulations relating to design, construction, and operation as required by international Cement Production practice most suitable for Afghanistan. The land and all appurtenant structures shall be returned to the Government upon the expiration of this Herat Cement Production Contract.
2. During the term of this Herat Cement Production Contract, all cement production facilities and structures shall be the property of MIP Co., and may be mortgaged, pledged, or otherwise encumbered upon written notification to the Government, by MIP Co., subject to the provisions related to Cement Production Facilities transfer established in this Herat Cement Production Contract.

8.8. Cement Production Facilities Land Use

Subject to approval and licensing by the Government, MIP Co. may appropriate and use gravel, sand, clay, or stone found within the Cement Production Facilities area for ancillary purposes necessary and useful to MIP Co.'s Cement Production Facilities operations and activities under this Herat Cement Production Contract. Provided that upon termination of this Herat Cement Production Contract, any excavation shall be rehabilitated by MIP Co. in accordance with its approved mine development, environmental management, and reclamation plans.

8.9. Cement Production Facilities Operation

1. Subject to the provisions of this Cement Production Contract, during the period of its ownership and operational control of the Cement Production Facilities, MIP Co. shall have full and effective control and management of all matters relating to the operation of the Cement Production Facilities. MIP Co. may, subject to complying with the applicable requirements of this Cement Production Contract and receiving approval from the Government, make material expansions or modifications to the Cement Production facilities, and may add new facilities as MIP Co. shall consider necessary for its cement production. All such expansions, modifications, improvements, replacements, and additions shall be considered part of the Cement Production facilities.
2. MIP Co. shall, at its own cost, be responsible for the management, operation, testing, inspection, maintenance, and repair of the Cement Production Facilities, and shall ensure that the Cement Production Facilities are in good operating condition and capable of meeting the requirements agreed to by the Parties in this Cement Production Contract.
3. MIP Co. shall operate the Cement Production Facilities in accordance with the licenses and authorizations granted by the Government, all applicable Afghan laws and regulations pertaining to Cement Production operation and all applicable international standards and guidelines adopted by the Parties as



enforceable requirements of this Cement Production Contract, including environmental requirements.

4. The Government shall inspect the Cement Production Facilities on a periodic basis to confirm that the Cement Production Facilities are being operated in conformance with applicable Afghan laws and regulations and international standards adopted by the Parties as enforceable requirements of this Cement Production Contract. The Parties shall jointly inspect the Cement Production Facilities on a periodic basis to confirm that it meets the applicable structural, engineering, operational, and maintenance requirements identified in this Cement Production Contract, International Practices and Standards most suitable for Afghanistan, the Feasibility Study, and the Cement Production Facilities construction plan.
5. MIP Co. agrees that it shall provide sufficient training concerning all aspects of cement production operations and maintenance to allow the Government to continue normal and established operations of the Cement Production Facilities upon transfer of the Cement Production Facilities from MIP Co. to the Government. As part of this training, MIP Co. shall prepare an operations and maintenance manual for the Government's use following transfer.

9. Investment Plan

For accounting purposes, MIP Co.'s Cement Production investment shall be initially estimated in the Feasibility Study, with the final amount of the initial investment determined within six (6) months following the date upon which MIP Co. commences Commercial Operation. MIP Co.'s initial investment will include expenditures up to and including the date that MIP Co. Commences Commercial Operation, including but not limited to any interest and other charges directly regarding financing of the Cement Production project over the life of the loan.

10. Royalty

1. The MIP Co. agrees to pay royalty, other than royalty on coal, for mined raw materials at the rate of \$ 2.00 USD, or equivalent in Afghani, per ton of cement manufactured.
2. The MIP Co. agrees to pay royalty at the rate of \$ 20.11 USD, or equivalent in Afghani, per ton of coal extracted.
3. All royalties are to be paid quarterly during the contract period, no later than one (1) month following the end of the quarter.
4. The MIP Co. is obligated to record daily all mineral materials produced during mining and processing in journals which shall be available for examination by the authorized representatives of MoM.
5. The MoM and the Ministry of Finance shall each have the power to audit and inspect the books and records of MIP.

11. Surface rights fees:

The MIP Co. shall pay annual surface rights fees to the MoM for any Government land areas utilized by the MIP Co. The annual rate of payment for surface rights shall be twenty five U.S. dollars (\$25.00 USD) per hectare according to the decision made on 31/2/1386 by the steering committee of MoM.

12. Guarantee Bonds.

MIP Co. is obliged to provide bonds to MoM of the following types and amounts to ensure its performance under this contract in the following amounts:



Herat Cement Contract

1. A Performance Bond in the amount of \$1,200,000 USD, or its equivalent in Afghani, to ensure the construction of a minimum 1-million tpy cement production facility, and its related infrastructure.
2. A Guarantee Bond in the amount of \$200,000 USD, or its equivalent in Afghani, for any unmitigated Environmental, Social, or any other damages associated with the cement production facilities.
3. A Guarantee Bond in the amount of \$100,000 USD, or its equivalent in Afghani, for any unmitigated Environmental, Social, or any other damages associated with the production of coal.

MIP Co. may post its bonds in cash in the designated MoM bank accounts, or MIP Co. may post its bonds by submitting registered bonds from a licensed independent bonding agency or appropriate Bank Guarantee which has been approved by the MoM and the Afghanistan Ministry of Finance.

The Performance Bond will be reimbursed to MIP Co. by MoM in accordance with the following schedule:

- a. \$200,000 USD upon MoM approval of Feasibility Study and Construction work schedule.
- b. \$500,000 USD upon completion of 100,000 tons of cement from the Cement Production Facilities.
- c. \$500,000 USD upon achieving 95% of the minimum 1M tpy production from the Cement production Facilities within a one calendar quarter period.

The Guarantee Bonds shall be held for compensation should MIP Co. or MIP Co. subcontractors fail to satisfy any or all conditions of this Herat Cement Contract including constructions, productions, and environmental and social obligations and liabilities. All residual Guarantee Bond money will be returned to MIP Co. upon satisfactory mitigation of all obligations in regard to this Heart Cement Contract.

After the signing of the contract, any inability or failure of the MIP Co. to carry out the contract may result in the contract being canceled and the Bonds posted by the MIP Co. will not be refunded. In the event that there are outstanding fees, tax repayments, or expenses for reparation of environmental damage, these expenses will be also be recovered by MoM from MIP Co.

13. Social Services and Property Compensation

1. MIP Co. agrees to build:
 - 1.1 A Health clinic for workers and local residents
 - 1.2 Residences for the workers
 - 1.3 A center of Higher Education according to section 14.4.2.
 - 1.4 A Mosque
 - 1.5 Recreational facilities
 - 1.6 Reconstruction of 11 km road from Factory to General road.
 - 1.7 A School for the families of MIP Co. employees and other local children
2. If the property of local people is damaged by the activities of MIP Co., compensation in an amount fixed by negotiation between the MoM, MIP Co., and the owner of the property, will be paid to the damaged party by the MIP Co.

28 September, 2011



14. General Conditions under this Contract

14.1. Domicile; Service of Process

MIP Co. shall be licensed to do business in Afghanistan, and shall maintain an office or agent in Afghanistan for receipt of service of process or notification or other official or legal communication.

14.2. Government Right of Access

The Government reserves the right of unrestricted access by MoM or its authorized agents to any and all areas covered by this Contract for the purpose of any authorized legal activity, provided that if damage results to MIP Co.'s property from such activity, the Government agrees to provide fair and reasonable compensation to MIP Co. for such damage as per procedures detailed in the mining regulations, except in cases where such damage is caused by an act of MIP Co.

MIP Co. agrees that, in addition to the normal Inspectors, the MoM may assign two other engineers for observation of the cement production process. Their salaries and allowances will be paid by MoM, but other necessary facilities, like housing, shall be supplied by MIP Co.

14.3. Reporting

An adequate reporting procedure is required under this contract, and will be established for the purpose of enabling each Party to be informed and capable of proceeding with the performance of its activities in a timely and efficient manner.

The MIP Co. shall submit to the MoM quarterly and annual reports on all of its activities and expenses under this Contract, the detailed content of which will be specified by MoM.

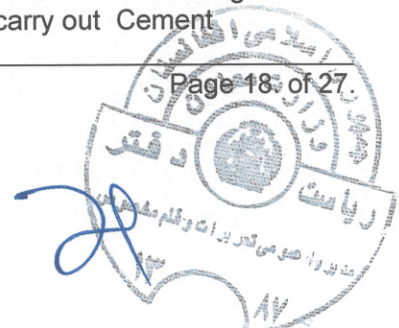
14.4. Employment and Training

The MIP Co. is required to engage necessary employees, mine workers, and expertise within the country; according to the Labor laws of the Islamic Republic of Afghanistan. Where there is no internal expertise available, and with the agreement of the Government, the MIP Co. can employ foreign expertise in compliance with the applicable laws of the Islamic Republic of Afghanistan. The MIP Co. is to provide educational and training courses to improve the technical and administrative skills of all of its workers at its own expense, and according to the following conditions:

1. Employment of Afghan Nationals: MIP Co. shall employ Afghan personnel, to the maximum extent practicable, in all classifications of employment, for its Cement Production Facilities construction and operations in Afghanistan.
2. Training: MIP Co. shall develop a training program and facility of suitable capacity for the training of persons of Afghanistan citizenship in all classifications of employment for its Cement Production Facilities.

MIP Co. will at its own cost establish and operate an advanced technical institute to train Afghans in all fields of mining and industries as required. MoM will assist MIP Co. in acquiring any necessary licenses and land for the Technical Institute.

3. Non-Afghan Personnel: Subject to the requirements established in this Part, MIP Co. and its subcontractors may bring into Afghanistan such non-Afghan personnel as in MIP Co.'s judgment are required to carry out Cement



Production Facilities construction and operations efficiently and successfully, and at MIP Co.'s request, which shall be accompanied by information concerning the education, experience, and other qualifications of the personnel concerned, the Government shall cause all necessary permits and visas to be issued within a reasonable time period and without hampering the continuous and efficient performance of MIP Co. under this Cement Production Contract. In this connection MIP Co. shall have the right periodically to submit manpower requirement plans and the Government will, within a reasonable time period during which it will conduct its review of the MIP Co.'s proposal. Upon approval, the Government shall issue the necessary permits and visas for all personnel covered by any such plan subject only to completion of the required security checks. MIP Co. shall bear all costs related to the issuance of such permits and visas for non-Afghan personnel. All MIP Co. employees entering Afghanistan shall respect the religious and cultural traditions of Afghanistan.

4. Equality: There shall at all times be equal treatment, access to facilities, and opportunities for all employees, both Afghan and non-Afghan, in the same job classification regardless of nationality.

14.5. Local purchasing: promotion of national interests

Services and Supplies: MIP Co., including its subcontractors, shall use its best efforts to purchase goods and services in Afghanistan if there are available in Afghanistan goods and services of suitable and reasonably comparable quality and delivery time, and at comparable price than goods available from abroad including freight.

14.6. Use of Subcontractors

1. Without in any way detracting from MIP Co.'s responsibilities and obligations under this Contract, MIP Co. may engage subcontractors for the execution of such phases of its Cement Production Facilities activities and operations as MIP Co. deems appropriate.
2. MIP Co. will have full responsibility and assume all risks related to the activities of its subcontractors in accordance with the terms and conditions of this Contract. The records of such subcontractors shall be made available to Government' inspectors.

14.7. Protection and Respect of Religious Belief

MIP Co. has expressed its commitment to respect and protect the religious beliefs of the Afghan people. To demonstrate this commitment, MIP Co. shall provide employees and their families with special places to conduct their religious activities. The Parties acknowledge and agree that MIP Co. shall engage in consultation with appropriate religious and governmental officials concerning the implementation of its commitment to protect and respect religious belief.

14.8. Safety

The Parties acknowledge and agree that the MIP Co. shall be responsible for the occupational health and safety of all persons employed or admitted to all of its Cement Production facilities.

Health & Safety Plan: The MIP Co. is obligated to develop and implement a Health and Safety Training Plan with the aim of preventing accidents, assuring safe work practices, and ensuring the good health of all workers in the Cement Production Facilities. Such training shall be documented both by MIP Co. and the employee. The Health and



Safety Plan shall be made known to, and necessary training provided to, the employees and other individuals who enter the cement factory area.

Employee Accident Compensation: MIP Co. shall be responsible for the medical and rehabilitation costs for any employee injured performing his or her duties while employed by MIP Co. Injured employees shall be entitled to return to the same or similar positions following recovery from injury. In the event that an employee is killed performing his or her duties, MIP Co. shall be responsible for the payment of an adequate death benefit agreed to by the immediate family of the deceased employee as per the laws of Afghanistan.

14.9. Protection of Environment and Social Obligations

1. The MIP Co. must comply with the provisions of the laws of Afghanistan regarding environmental management.
2. The MIP Co., as holder of an Exploration License, is obliged to prepare an ESMP in compliance with this Law and the Mining Regulations, and submit it to the Department of the Environment for approval. The MIP Co. cannot commence work on the property without having obtained the approval of the Department of the Environment (NEPA).
3. The MIP Co., as holder of a Mining License, is obliged to prepare a plan for the usage of water and the protection of local community, which must be presented to NEPA.
4. In order to protect and prevent environmental contamination, the MIP Co. is obliged to do the stages of research, exploration, exploitation, and processing according to specified standards of hygiene and workplace environment according to the laws of Afghanistan.
5. MIP Co. shall be required to compensate local residents adversely affected by development activities authorized by this Cement Production Contract. Compensation shall be determined through the application of the Laws of Afghanistan and internationally accepted principles of fairness and reasonableness.

14.10. Protection of Historical and Cultural Artifacts

If during prospecting, exploration, or mining, any historical or cultural artifacts, monuments, or buried treasures are found; these historic items and works (according to the applicable laws of Afghanistan) will belong to the government. If the MIP Co. during operations becomes aware of the existence of these kinds of artifacts, they are obliged to inform the MoM and the MoCI Department for Archeological and Cultural Heritage within 24 hours.

14.11. Tax Obligations and Financial Record Keeping

1. Taxes shall be applied in accordance with the provisions of the Laws of Afghanistan.
2. MIP Co. shall maintain books of accounting at its offices in Afghanistan, which are in accordance with IFRS (International Financial Reporting Standards). MIP Co. shall permit the Government, through a duly authorized representative, to inspect at all reasonable times the books of account and records of MIP Co. relative to the construction and operation of the Cement Production Facilities.
3. MIP Co. shall within a period as provided by the prevailing law and regulations furnish annually to the Government audited financial statements prepared in accordance with IFRS, together with production statistics in reasonable detail. The accounts shall be audited by an internationally recognized accounting firm



acceptable to the Government. The provision of such audited financial statement is at the expense of MIP Co.

4. MIP Co. shall annually submit copies of its accounting and income tax returns to the MoM for the full term of this Cement Production Contract. The documents are due before the end of the first quarter of the next year of the contract. In determining MIP Co.'s taxable income as defined in the Income Tax Law, IFRS using sound, consistent, and generally accepted accounting principles shall be employed, provided, however, that where more than one accounting practice is found by the Government to prevail with regard to any item, the Government shall determine which practice is to be applied by MIP Co. with regard to the particular item.
5. The Government shall be entitled to audit MIP Co. accounts in accordance with applicable Afghan law. MIP Co. shall maintain all relevant records for each tax year that is necessary to audit MIP Co.'s accounts. In the event that MIP Co. fails to maintain all relevant records and make available to the Government those records upon reasonable request, the Government shall be entitled to make reasonable estimates of the information normally provided by such records.

14.12. Customs Duties, Imports and Re-Exports

Customs Treatment of any import and re-export shall be according to the terms of the Customs Laws and all other applicable statutes of Afghanistan.

14.13. Usage of Electricity & Water

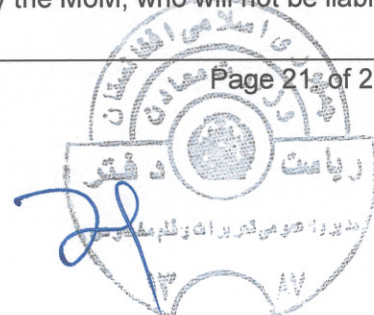
MIP Co. shall comply with all provisions of the Electrical Power and Water Laws of Afghanistan.

The MIP Co. is obliged to prepare plans which describe and provide a detailed estimate of its water and electrical supply requirements to the Government for the usage of electricity and water at its various locations, and submit these plans to the MoM and other authorities for acceptance.

MoM shall assist the MIP Co. with its applications for the usage of water and electricity to the extent possible.

14.14. Construction, ownership, and transfer of facilities

1. The MIP Co. shall perform all necessary construction of the Cement Production Facilities during the period of this contract at its own expense, and is obligated to report the expenses incurred to the MoM.
2. The MIP Co. is responsible to build, repair, and maintain the necessary roads to its facilities.
3. The MIP Co. is to install accurate weighing devices for the measuring of mined materials in the area of the mines and processing plants.
4. The MIP Co. shall establish an appropriate laboratory facility for quality control of the cement products.
5. When the contract ends, or is canceled before its scheduled period of time is finished, the installed equipment and infrastructure of the Cement Production Facilities, including but not limited to: fixed assets such as roads, clinics, parks, buildings and water resources, will become the property of the Government without compensation to the MIP Co. MIP Co. can not sell the fixed assets and is only entitled to the movable equipment materials.
6. When the contract finishes or is cancelled, the MIP Co. shall remove their equipment and already mined materials from the mining sites within four (4) months. If they fail to do so, it will be removed by the MoM, who will not be liable



for its damage or storage, and any expenses incurred must be repaid to MoM by MIP Co.

14.15. Penalties

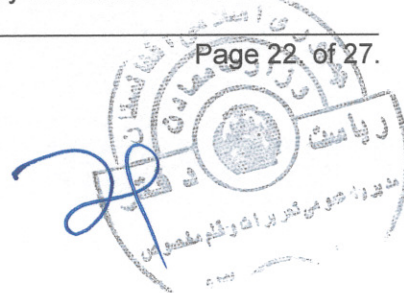
According to the various articles of this contract, if the MIP Co. delays specified payments owed, due, and payable to the Government by more than one month, then the MIP Co. shall be liable, in addition to its duties or responsibilities under this Contract, to pay a penalty of 0.6% of any outstanding amount due.

14.16. Cooperation of the Parties

1. The Parties will cooperate and take such actions as may be desirable to achieve the mutual objectives of this Contract.
2. The Parties agree that they will at all times use their best efforts to carry out the provisions of this Contract to the end that the activities authorized by this Contract may at all times be conducted efficiently and for the optimum benefit of the Parties.
3. MIP Co. agrees to plan and conduct all operations under this Contract in accordance with the standards and requirements imposed elsewhere in this Contract for the sound and progressive development of cement production in Afghanistan, to give at all times full consideration to the aspirations and welfare of the people of Afghanistan and to the development of Afghanistan, and to cooperate in promoting the growth and development of Afghanistan's economic and social structure, and pursuant to the provisions of this Contract, at all times to comply with the laws and regulations of Afghanistan.
4. At any time during the term of this Contract, upon request by either Party, the Government and MIP Co. may consult with each other to determine whether, in the light of all relevant circumstances, this Contract requires revision in order to ensure that this Contract operates equitably and without major detriment to the interests of either Party. Such consultation shall be carried out in a spirit of cooperation with due regard to the intent and objectives of the respective Parties.
5. The Government shall provide all available data and information to MIP Co. for the preparation of the Feasibility Study.

14.17. Dispute Resolution

1. As to disputes, the Government and MIP Co. will cooperate in a joint endeavor to alleviate any conflicts which may arise.
2. Disputes arising under this Cement Production Contract, which cannot be amicably resolved by the Parties, shall be settled through the following dispute settlement process:
 - a. Such unsettled dispute shall first be referred to the Common Chamber of Commerce between Iran and Afghanistan. In case the Common Chamber of Commerce will not accept the dispute, then the parties will refer the dispute to the Arbitration Institute of the Stockholm Chamber of Commerce for arbitration pursuant to the Rules of Arbitration of the United Nations Commission on International Trade Law ("UNCITRAL"). The place of the arbitration shall be in Stockholm and the arbitration tribunal shall be composed of three arbitrators appointed in accordance with the Rules of UNCITRAL. The award of the arbitration tribunal shall be final and binding on the Parties to this Cement Production Contract and on any persons who participated as a party in such arbitration proceedings. Both Parties agree to accept the jurisdiction of the Arbitration Institute of the Stockholm Chamber of Commerce and execute voluntarily the award of the said



Arbitration Tribunal of this Arbitration Institute of the Stockholm Chamber of Commerce.

b. The arbitration fee shall be borne by the losing party.

3. MIP Co. will be subject to the jurisdiction of Afghan courts for disputes that are not subject to the dispute resolution provisions specified in this Contract,

14.18. Claims for Damage

If any Party believes it has suffered damages due to the actions or inactions of the other Party, the Party shall submit the claim of damages for dispute resolution in accordance with this Cement Production Contract.

14.19. Force Majeure

14.19.1. General.

1. Any failure by the Government or any of its Ministries or subdivisions, or by MIP Co., to carry out any of its obligations under this Cement Production Contract shall not be deemed a breach of the Cement Production Contract if such failure is caused by *force majeure*.
2. If, through *force majeure*, the fulfillment by either Party of any terms and conditions of this Cement Production Contract is delayed, curtailed or prevented, then, anything in this Cement Production Contract to the contrary notwithstanding, the time period for fulfilling the obligation thereby affected shall each be extended for a period equal to the total of the periods during which such causes or their effects were operative.
3. Provided, however, that only such loss, damage or injury as could not have been avoided by the taking of proper precautions, due care or such reasonable alternative measures as aforesaid shall be regarded as the consequences of any failure caused by *force majeure*.

14.19.2. Notice.

1. The Party whose ability to perform its obligations as affected by *force majeure* shall, as soon as possible after the occurrence, notify the other Party thereof in writing, stating the *force majeure* and identifying the additional time period necessary to address the *force majeure*.
2. The Parties shall agree as to the amount of time necessary to address the *force majeure* and the parties shall endeavor to do all reasonable within their power to remove such cause and resume activities within the agreed upon time period; provided, however, that neither party shall be obligated to resolve or terminate any disagreement with third parties, including labor disputes, except under conditions acceptable to it or pursuant to the final decision of any arbitral, judicial, or statutory agencies having jurisdiction to finally resolve the disagreement.

14.20. Termination by the Government:

In the event that:

1. MIP Co. assigns to a third party all or a portion of the rights held by MIP Co. under this Cement Production Contract without the previous written consent of the Government, or
2. MIP Co. has knowingly submitted to the Government false statements which were a material consideration in the bid tender or for the execution of this Cement Production Contract, or



3. MIP Co. fails to comply with any final decisions by the arbitral tribunal with respect to a dispute with the Government under this Cement Production Contract, or
4. There exists a material breach or nonobservance by MIP Co. of any of the terms, obligations, or conditions of this Cement Production Contract, or of any law of Afghanistan, or
5. MIP Co. fails to construct or operate the Cement Production Facilities in accordance with this Cement Production Contract and associated time schedule;

Then the Government may, subject to the provisions of this Contract, revoke this Cement Production Contract and be entitled to recover any damages it may have suffered due to MIP Co. committing one or more of the above actions.

14.21. Termination by MIP:

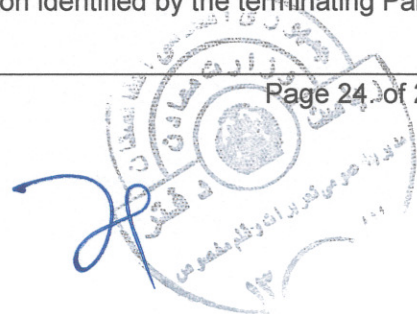
In the event that:

1. The Government revokes or otherwise terminates this Cement Production Contract without cause or legal justification, or
2. The Government violates MIP Co.'s rights under this Cement Production Contract, or
3. The MIP Co.'s operations are interfered with so seriously by the Government that MIP Co. is unable to maintain the normal operation of the Cement Production Facilities, or
4. The Government fails to provide sufficient security for the Cement Production project in accordance with the terms of an executed cement production Security Agreement, or
5. The Government fails to comply with any final decisions by the arbitration tribunal in controversy arising with the Government under this Cement Production project, or
6. There exists a material breach or nonobservance by the Government of any of the terms, obligations, or conditions of this Cement Production contract, or of the laws of Afghanistan;

Then MIP Co. may, subject to the provisions of this Contract, revoke this Cement Production Contract and be entitled to recover any damages it may have suffered due to the Government committing one or more of the above actions.

14.22. Termination: Notification and Remedy

1. In the event that the Government seeks to terminate this Cement Production Contract, the Government shall give notice in writing specifying the particular cause for termination and requiring, within three calendar months of such notice (or within such extended time as the Government may deem fair having regard to the circumstances of the particular case), to remedy the same or make reasonable compensation to the Government, as the case may be, in a manner acceptable to the Government. In the event that MIP Co. seeks to terminate this Cement Production Contract pursuant to this Part, MIP Co. shall give notice in writing specifying the particular cause of termination and proposing a time period of at least three calendar months during which the Government must remedy the same.
2. If MIP Co. or the Government shall fail to comply with said notice, the Government or MIP Co. may, after the expiration of the time period for remedying the cause for termination, terminate this Cement Production Contract, provided, however, that where there is any dispute between the Parties as to:
 - a. The existence of the cause for termination identified by the terminating Party, or



- b. Whether there has been any breach or nonobservance by MIP Co. or the Government of any term, obligation, or condition of this Cement Production Contract, or
 - c. Whether any cause, breach, or nonobservance can be remedied or as to the manner in which it should be remedied,
3. The MIP Co. or the Government may, within one year of notice refer the dispute to arbitration, and neither the Government nor MIP Co. shall exercise its power of termination until the result of arbitration is known, and then subject to the terms of the award. Provided, however, that if MIP Co. or the Government elects to refer the dispute to arbitration, it shall be prompt in prosecuting its claim before the arbitral tribunal.

14.23. Default

1. Failure by a Party to perform or comply with any of the terms, provisions or obligations of this Cement Production Contract, expressed or implied, shall not automatically terminate this Cement Production Contract.
2. In the event of a default, the aggrieved Party may notify the other Party in writing of the default or breach, and the notified Party shall have a period of thirty (30) days after receipt of such notice to cure, or commence and diligently pursue activities if the breach cannot reasonably be cured within thirty (30) days; provided that the period of time for remedying the breach shall be extended by any time that a Party is prevented from acting because of an event of circumstances beyond its control, including Government action or inaction.
3. If a Party fails to commence corrective activities within such time for remedying, the other Party may terminate this Cement Production Contract by giving written notice.
4. In the event that a failure by a Party to perform or comply with any of the terms, provisions, or obligations of this Cement Production Contract causes economic loss to the other Party, the defaulting party shall compensate the other Party for the amount of the economic loss sustained by the other Party.

15. Validity

This contract will be valid from the Effective Date and for a period of thirty (30) years thereafter. After the initial 30 year period, this contract may be renewed by mutual agreement for periods of 5 years at a time. This Contract may also be terminated in accordance with the terms and provisions contained herein, or as otherwise mutually determined and agreed to in writing by the parties.

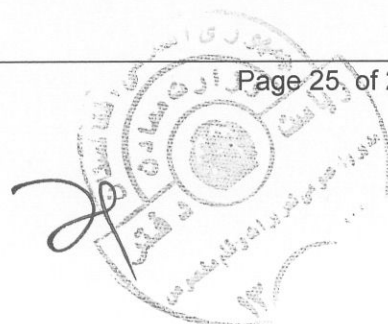
16. Amendments

The Parties mutually agree that this Cement Production Contract may be amended by the written consent of the Parties and will be revised as necessary. For the purpose of this Cement Production Contract, the MoM is authorized to approve decisions concerning amendments for the Government, and MIP Co., or its successor, is authorized to approve decisions concerning amendments for MIP Co.

17. Assignment

The MIP Co. may not assign, transfer, lease, or pledge any of the rights, privileges, liabilities, or obligations established under this Cement Production Contract without the prior written consent of the Government. The consent of the Government shall not be required where:

1. The assignment is solely for the purpose of providing security for the financing of the Project or,



Herat Cement Contract

2. The assignment is to another company controlled by MIP Co. through share-holding, provided that the Government shall be informed of any such assignment with 30 days advance notice prior to the assignment.
3. The Government shall not give its consent unless it is satisfied that:
 - 3.1 The proposed assignee is itself of good reputation or is a member of a group or groups of companies of good reputation or is owned by a company or companies of good reputation;
 - 3.2 There is likely to be available to the proposed assignee either from its own resources or through other companies in the group of which it is a member, or otherwise, sufficient technical knowledge, experience, know-how and sufficient financial resources to enable it to effectively carry out a program satisfactory to the Government for the operations hereunder; and
 - 3.3 The proposed assignee is in all other respects acceptable to the Government. The Government may impose such conditions on the assignment as it considers appropriate.
4. The assignee shall have all the rights and privileges and shall assume all the liabilities and obligations of the assignor with respect to what is assigned without relieving MIP Co. of such liabilities and obligations, unless the Government expressly consents to such a release.

18. Notices

Any and all notices or other instruments or papers to be sent to any party hereto by any other party hereto pursuant to this Contract shall be in writing and delivered personally or by fax, or by email when acknowledged, or such other method as agreed between the Parties to the following person or authorized representative:

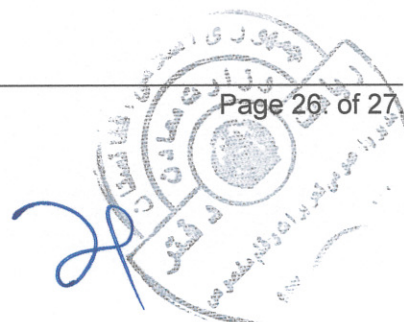
The MIP Co.:

Name	Majid Industrial
Address	No 172, North Shiraz
City	Tehran
Country	Iran
Phone	0098(21)88615313-
E-Mail	mip@khafcement.com

The MoM:

Name	
Address	Afghanistan Ministry of Mines Pashtunistan Watt
City	Kabul
Country	Afghanistan
Phone	
Facsimile	
E-Mail	

All notices, requests or other communications required by, provided for in, or relative to this Cement Production Contract shall be in writing. E-mails, when acknowledged, and facsimiles shall be considered as written communications.



19. Binding Effect of Contract

This Contract and the covenants and annexes of it shall bind and inure to the benefit of the Parties, and their respective heirs, personal representatives, successors, and assigns. Unless the Contract requires otherwise, the covenants of this Contract shall survive the transfer of title.

20. Governing Law

This Cement Production Contract is subject to and governed by all applicable laws of the Government of Afghanistan.

21. Severability

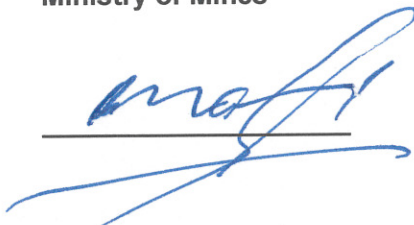
Should any part of this contract be found to be unenforceable all other elements shall remain valid and in full effect.

22. Complete Contract

This Cement Production Contract, consisting of these Sections 1-22, together with the MIP Co. bid proposal, and all other herein referenced documents, constitutes the complete Contract of the Parties with respect to the Cement Production Facilities and supersedes all prior contracts and understandings between the parties regarding the same. It shall not be terminated, revoked, rescinded, altered, or modified in any respect without the prior written consent of the parties. This Contract shall be executed in English and in Dari in four (4) originals with each Party holding two (2) originals, one in English and one in Dari. In the event that a dispute arises under this Contract between the English and Dari versions, the English text shall be definitive as to the terms, conditions, rights, and obligations of the Parties.

IN WITNESS WHEREOF, the Parties have executed or caused this Contract to be executed. AGREED TO AND ACCEPTED this 18 day of March 2011:

Ministry of Mines



Appendix:

MIP Co. AISA investment License

The complete names of the Board of Directors, Officers, and Executives of the MIP Co. are registered in the AISA Office and annexed to this contract.

Copies of all valid Mineral Licenses subject to this Contract and boundary maps

MIP Co.

