

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE HOST COMMUNITIES OF INDORAMA
ELEME PETROCHEMICALS COMPLEX**

AND

INDORAMA NIGERIA

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made this Day of 2013 BETWEEN the communities whose rights of occupancy to all the parcel of land contained in the RIVERS STATE OFFICIALS GAZETTE VOL 16, No. 25, Page 25 of 22nd November, 1984 annexed hereto as Annexure 1 was revoked by the Rivers State Government and the communities listed in Schedule – 1, hereinafter referred to as the “Host Communities” to Indorama Eleme Petrochemicals Limited which expression shall where the context so admits include their Successors in title and Assigns represented by **HON. FINEMAN OLUNGWE of Akpajo Community**, Eleme Local Government, Rivers State, **CHIEF NWOKOLU DIMKPA NTE (JP)** of **Njuru Community**, Eleme Local Government, Rivers State, **CHIEF GOMBA OKANJE of Okerewa Community**, Eleme Local Government, Rivers State, **HON. ONORWI NGOFA of Aleto Community**, Eleme Local Government, Rivers State, **MR. KENNETH NGOBELE of Agbonchia Community**, Eleme Local Government, Rivers State and **BARR. MIKE WODI for Wakaohu Family Elelenwo Community** of Obio / Akpor Local Government, Rivers State (the duly appointed and accredited representatives of the Host Communities and Members of the Rivers State Government Project Advisory Committee for Indorama Eleme Petrochemicals Limited) for and on behalf of the Host Communities of the one part.

AND

INDORAMA ELEME PETROCHEMICALS LIMITED a limited liability company registered under the laws of Federal Republic of Nigeria whose registered Office is situated at Indorama Eleme Petrochemicals Complex, Eleme- (Rivers state) and its Associates & Subsidiaries (hereinafter called “**THE COMPANY**” which expression shall where the context so admits include its successors-in-Title and Assigns) of the other part.

1.0 **WHEREAS**

- 1.1 The Rivers State Government revoked the rights of Occupancy to and over all that Nine Hundred and Three (903) hectares of farm land from the communities herein on behalf of the Nigerian National Petroleum Corporation (NNPC) for the purpose of establishing a Petrochemical Plant, which was build and operated by Indorama Eleme Petrochemicals Limited (IEPL) formerly EPCL in 1984.
- 1.2 The Bureau of Public Enterprise (BPE) as part of the Privatization policy of the Federal Government of Nigeria, offered EPCL for sale and Indorama emerged as the core investor and new owner of the said Petrochemical Plant in 2006.
- 1.3 Sequel to paragraphs 1.1 & 1.2 above, NNPC ceded 361 hectares of land to INDORAMA as Contained in the Rivers State Official Gazette Vol. 298, No. 63, Page 63 of the Land Registry, at its office in Port Harcourt and particularly described in the attached Survey Plan and marked as Annexure – 2, for the purpose of carrying on business of manufacturing of Petrochemical products in Eleme Petrochemicals Complex.
- 1.4 The Company and its Host Communities in accordance with their harmonious co-existence, are desirous of renewing the existing Memorandum of Understanding to further consolidate their mutual beneficial relationship, capitalize and crystallize their respective rights, duties and obligations and provide a conducive working blue print for all present and future interactions between the company and the Host communities
- 1.5 The Host Communities in furtherance of the objectives of this MOU and particularly the need to relate on the principle of mutual respect of the

local content and benefit, have appointed the persons herein named and listed in the schedule - 3 hereto annexed as their lawful representatives and Members of the Rivers State Government constituted Project Advisory Committee (PAC) for Indorama Eleme Petrochemicals Limited.

- 1.6 It is the desire and intention of both parties that they shall be bound by the terms, objectives, stipulations and conditions hereinafter appearing.

2.0 WHEREBY IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

- 2.1 That in consideration of the aforementioned understanding, the Company hereby covenants that:

2.1.1 It shall give due regard and consideration in the recruitment of staff to eligible candidates from the Host Communities and not less than Ten percent (10%) of Management staff, Twenty percent (20%) of Senior Staff and Sixty percent (60%) of Junior Non-Technical staff employees of the Company as designated in the company's organogram shall be dedicated to and drawn from the indigenes of the Host Communities.

2.1.2 It shall organize career development programs to guide youths in the Host Communities where indigenes of the Host Communities would be guided to learn and acquire self sustaining skills. And the Company shall facilitate interaction with financial institutions in the field of micro credit scheme for the benefit of enterprising and entrepreneurial members of the Host Communities.

2.1.3 Subject to proof of competence, competitiveness of the contractors and the Company's business requirement, the Company shall reserve exclusively for contractors indigenous to the Host Communities for the provision of all environmental and other contract such as cleaning, House keeping, grass cutting, drainage cleaning, non industrial waste disposal, bagging

operations, fumigation, forklift operation, loading and offloading, office supplies and labour supplies provided the competition shall be amongst the Host Community's contractors.

2.1.4 In addition to the above, preference shall be given to competent contractors indigenous to the Host Communities in the areas of Transportation, Catering and Security in the complex.

2.1.5 It shall institute scholarship for meritorious students. The number of students to be awarded with such scholarships shall be mutually and progressively agreed upon annually by both parties.

2.1.6 It shall provide the sum of One Hundred and five Million Naira (N105,000,000) tax free annually during the first two years of this MOU and One Hundred and Twenty Million Naira (N120, 000,000.00) in the last year of this MOU. The sum shall be used for sustainable Community development projects to be equally divided amongst the six (6) host communities. The Company and the Host Communities shall at the commencement of each year identify and agree on the project(s) to be embarked upon for the year on the principle of equality of project cost. For the purposes of taxation all the projects shall be carried out in the name of IEPL.

2.1.7 It shall ensure that at all times its Environmental policies and practices comply with the Environmental laws in force from time to time.

2.1.8 It shall require its third party contractors, agents, representatives and suppliers to develop, observe, maintain and implement Community Affairs, Safety, Health and Environmental Standards (CASHES) Policy consistent with the principles of this MOU and the highest standard of conduct obtainable globally in the industry.

2.1.9 It shall ensure that all discharges of effluent shall pass through its Effluent Discharge Treatment plant and shall take prompt action in the event of any Environmental pollution, spillage, leakage, effluent discharge, explosion and/or all such occurrences arising directly out of the Company's operations that negatively affect or adversely impact on the environment or has the potential of affecting or impacting on the environment.

2.1.10 It shall provide in-house training to encourage the Host Communities through its Plastic Development Centre to establish downstream Petrochemical Business.

2.1.11 It shall in line with its deep respect, admiration and appreciation for the Host Communities traditional institutions, especially the Palace of the ONEH – EH – ELEME (Kind of Eleme Land) and the traditions, customs and procedures of the Host Communities, pay an annual Homage to the Host Communities through their Chiefs and Traditional Rulers.

3.0 Similarly and equally the Host Communities hereby covenant that:

3.1 The Company shall be entitled to peaceful and quiet enjoyment of all its facilities, plants and properties within the territory of the Host Communities without interruption or disruptions by members of the Host Communities. Therefore the Host Communities shall ensure that at all the times no Asset of the Company (movable or immovable) shall be seized, detained, disturbed, destroyed, encroached upon or violated in any form by the Host Communities or (any) of its Representative(s).

3.2 All Employees of the Company including contract Employees who are indigenes of the Host Communities shall be loyal and subject to the management of the Company. The Host Communities shall not therefore, interfere with matters pertaining to the personnel of the Company.

Furthermore, none of such employed staff from Host Communities shall expect to be accorded any special treatment and the Company shall not be answerable to the Host Communities for any disciplinary action taken by the Company against such staff, after proper due process within the framework of Labour Laws have observed and Host Communities shall not interfere on such disciplinary actions taken by management.

3-3 The Host Communities shall guarantee the performance of all Host Community contractors to the standard expected of all contractors of the Company. Where such an indigenous contractor does not meet up acceptable standard of performance of his/her work, and as a consequence his/her contract is terminated, the Host Communities will not interfere. Such a terminated contract shall be awarded to another competent Host Community contractor.

3-4 The Host Communities shall provide a conducive and congenial atmosphere for the Company to operate. The Host Communities shall therefore not disturb, harass or interfere in any manner with third party contractors of the Company. And the Host Communities shall not extort money, impound property, detain personnel or violate any of the legal rights of such third party contractors.

3-5 Representatives of the Host Communities shall exhibit the highest level of civility and maturity in their dealings with the Company and shall therefore avoid the use of threats, foul language, intimidation, harassment either in meetings or other interactions with the Company.

4.0 **TERMINATION**

4.1 This MOU shall be in force for Three (3) years from the date of execution and shall at the expiration thereof be subject to review in accordance with the steps hereinafter stated.

4.1.1.1 Either party shall notify the other by giving one month notice in writing indicating the fact of such expiration and the MOU shall thus be terminated.

4.1.1.2 Either parties may propose to the other the review required and the parties shall within one month of the expiration, termination and proposed review produce a new MOU.

4.1.1.3 Without prejudice to the foregoing, and in the unlikely event that the review of the MOU is not completed within the time frame herein, the MOU shall continue to be in force and shall continue to guide the relationship between the Parties until the review exercise is over, provided that the new MOU shall commence and take effect from the date of expiration of the former MOU.

5.0 NOTICES

Any notice required to be given under this MOU shall be in writing and shall be sufficiently given if delivered by hand to the Parties to this MOU at the addresses specified herein or at such other addresses as either Parties may from time to time notify the other in writing and such notice shall be deemed to have been given on the date it was delivered.

6.0 ARBITRATION

6.1 This MOU and all its terms, conditions, stipulations shall in all respects be construed and operated in accordance with Nigerian Law.

6.2 For the purposes of this MoU, the conciliators for the Host Communities shall be the signatories herein or all members of PAC and conciliators for the company shall be its Managing Director and / or other Representatives nominated by the Company.

6.3 Where there arises any dispute in the course of operation of this MOU such a dispute shall first be brought to the attention of Representatives of the Host Communities and Representatives of The Company who acting as conciliators of both Parties, determine and amicably resolve the dispute, failing which the matter shall be referred to the Council of Chiefs made up of His Royal Majesty and the Host Communities Clan Heads/Chiefs.

6.4 And where the conciliators are unable to resolve the dispute, the dispute shall then be referred and transferred, at the instance of either Party, firstly to the relevant Government Department failing which it shall be referred to arbitration in line with the Arbitration Act, Laws of the Federation of Nigeria.

6.5 At all times during the arbitration process, no personnel, property or assets of The Company shall be seized, detained or disturbed in any manner by the Host Communities and the Parties shall maintain the status quo ante.

6.6 For the avoidance of doubt, nothing in this MOU shall preclude either of the Parties from being able to seek judicial determination of their rights, liabilities and obligations in a Court of Law, provided that the provisions of paragraphs 6.2, 6.3 and 6.4 have been exhausted by the parties.

6.7 The Parties hereby undertake to observe the rights, duties and obligations herein contained, conscientiously and within the bounds of the Laws of the Federal Republic of Nigeria throughout the duration of this MOU.

7.0 **FORCE MAJEURE**

Any delay or failure of performance by either Parties to this MOU shall not constitute default hereunder or give rise to any claim for damages against

either Party if and to the extent that such delay or failure of performance is caused by an occurrence beyond the control of the Parties, including but not limited to: acts of God, strikes or any other concerted acts of workmen, fires, flood, explosions, accidents, riots, war, civil disturbance, insurrection, rebellion, sabotage, compliance with any order of any governmental authority purporting to have jurisdiction, expropriation or confiscation of property or any other cPauses, whether or not of the same class as those specifically above named, which are not within the reasonable control of either Party; and which by the exercise of reasonable diligence neither Party is able to prevent.

The Party to whom such events occurred shall notify the other thereof as soon as practicable, and shall take all reasonable steps to promptly remove the cause of any delay or failure to perform its obligations under this MOU.

8.0 ENTIRE AGREEMENT

This MOU constitutes the entire agreement on this subject between the Parties and supersedes all prior written or oral submissions, representations, negotiations or agreements relating thereto, except to the extent that they are expressly incorporated herein.

No amendment or waiver of any provision of this MOU, or consent to any departure by either party from any such provision, shall be effective unless the same shall be in writing and signed by the Parties to this Agreement, and, in any case, such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Schedule - 1:

List of Host Communities/Family and PAC Members:

1. Akpajo
2. Njuru
3. Okerewa
4. Aleto
5. Agbonchia
- 6. Wakaohu Family (Eledenwo)**

Schedule - 2

Names of Rivers State Government Constituted Project Advisory Committee (PAC) members for Eleme Petrochemical Company Limited.

Chairman

Hon. Commissioner for Chieftaincy and Community Affairs

Vice Chairman

Chairman, Eleme Local Government Area

Representatives of Akpajo Community

Hon. Fineman Olungwe

Chief Osaro Oluka

Chief Nwakaji Anthony Osaro

Representatives of Njuru Community

Chief Nwokolu Dimkpa Nte (JP)

Chief Ejii Olongwe

Mr. Olungwe Amasi Nwafor

Representatives of Okerewa Community

Chief Gomba Okanje

Mr. George Owate

Mr. Benjamin Ngokanya

Representatives of Aleto Community

Chief Solomon Gomba

Hon. Onorwi Ngofa

Hon. Osaro Mgbaa Augustus

Representatives of Agbonchia Community

Elder Sunday Mube

Mr. Kenneth Ngobebe

Mr. Olungwe Olungwe

Representatives of Wakaohu Family – Elemenwo Community

Chief Barrister Mike Wodi
Hon. Godwin Risi
Mr. Nyebuchi Wakaohu

Ex Officio Members:

Hon. Fred Mbombo Igwe
Hon. Josiah John Olu
Hon. Ajuri Saka
Hon. Susan Adeke Osaroluka
Hon. Osaro Sampson Yorba

Palace Representative

Prince Mike Awalanta Ejire

Schedule – 3

Members of MOU Drafting Committee:

Sl. No.	Name (s)	Community Represented
1	Hon. Fineman Olungwe	Akpajo
2	Chief Nwokolu Dimkpa Nte (JP)	Njuru
3	Chief Gomba Okanje	Okerewa
4	Hon. Onorwi Ngofa	Aleto
5	Mr. Kenneth Ngobebe	Abonchia
6	Barr. Mike Wodi	Wakaohu Family Elemenwo
7	Prince Mike Awalanta Ejire	Palace Representative

IN WITNESS WHEREOF the Parties hereto set their hands and seal the day and year first above mentioned.

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF THE HOST COMMUNITIES BY AND WITHIN NAMED REPRESENTATIVES:

MOU Drafting Committee Members:

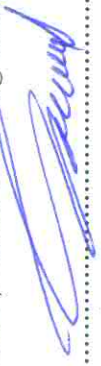
Name : Hon. Fineman Olungwe
 Community : Akpajo
 Represented : Akpajo
 Designation : PAC / MOU Drafting Committee Member
 Signature / Date *see above 19/08/13*

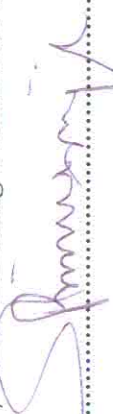
Name : Chief Nwokolu Dimkpa Nte (JP)
 Community : Njuru
 Represented : Njuru
 Designation : PAC / MOU Drafting Committee Member
 Signature / Date *see above 19/08/2013*

Name : Chief Gomba Okanje
Community : Okerewa
Represented : Okerewa
Designation : PAC / MOU Drafting Committee Member
Signature / Date 

Name : Hon Onorwi Ngofa
Community : Aleto
Represented : Aleto
Designation : PAC / MOU Drafting Committee Member
Signature / Date  19/08/2013

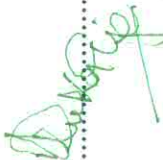
Name : Mr. Kenneth Ngobebe
Community : Agbonchia
Represented : Agbonchia
Designation : PAC / MOU Drafting Committee Member
Signature / Date 

Name : Barr. Mike Wodi
Community : Wakaohu Family – Elelenwo
Represented : Wakaohu Family – Elelenwo
Designation : PAC / MOU Drafting Committee Member
Signature / Date 

Name : Prince Mike Awalanta Ejire
Community : Agbonchia
Represented : Palace
Designation : PAC / MOU Drafting Committee Member
Signature / Date  19/08/2013

IN THE PRESENCE OF

1. HIS ROYAL MAJESTY KING (DR.) S. O. EJIRE (JP)
ONEH-EH-ELEME - X
KING OF ELEME LAND

SIGNATURE


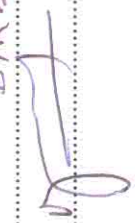
2. Name :
 **CHARLES OKAYE**

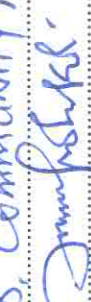
Designation : **Hon. Comm. Chieftaincy & Community Affairs**

Representative of the Rivers State Government

THE COMMON SEAL OF THE WITHIN named INDORAMA ELEME
PETROCHEMICALS LIMITED is hereunto affixed in the presence of :


MANAGING DIRECTOR
(MANISH MUNDRA)

Name : **MUNISH JINDAL**
Designation : **DIRECTOR**
Signature / Date : 

Name : **HENDRICK OLUKA**
Designation : **HEAD, COMMUNITY RELATIONS & DEVELOPMENT**
Signature/Date : 

Name : **Pradeep ERKO**
Designation : **Head HR & IR**
Signature/Date : 

ANNEXURE 1



Official Gazette Rivers State of Nigeria

Published by Authority Vol. 16

Part II Account — 22nd November, 1934

No. 25

Government Notice No. 134

LAND USE, DEUTERIO, & CO. 1970 R.N.O.

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LAND USE, DEUTERIO, & CO. 1970 R.N.O.

GOVERNMENT PRINTING PRESS

Certified True Copy

Date 2-7-2006

Benny Dadebo

Dated

(11-EO)

For Govt Printer

From	Bearing	Length	To
PBL 2020	306degrees 51N	198.00m	PBL 2021
PBL 2021	306degrees 51N	199.72m	PBL 2022
PBL 2022	306degrees 51N	200.07m	PBL 2023
PBL 2023	306degrees 51N	199.96m	PBL 2024
PBL 2024	306degrees 51N	199.89m	PBL 2025
PBL 2025	306degrees 51N	199.89m	PBL 2026
PBL 2026	306degrees 51N	199.98m	PBL 2027
PBL 2027	306degrees 51N	199.83m	PBL 2028
PBL 2028	306degrees 51N	199.63m	PBL 2029
PBL 2029	306degrees 51N	199.91m	PBL 2030
PBL 2030	306degrees 51N	200.04m	PBL 2031
PBL 2031	306degrees 51N	199.91m	

(the starting point)

All property interests are concrete pillars, all bearings and lengths are approximate and all bearings are referred to the NATIONAL MERIDIAN.

3. Any person claiming to have any right or interest in the said land is required within 2 (two) weeks from the date of this notice to send to the Secretary, Lands and Survey Division, Military Governor's Office, Port Harcourt a statement of his right and interest, and evidence thereof, and of any claim made by him in respect of such right or interest.

3. The Military Governor is willing to treat for revocation of the said Rights of occupancy.

4. Land in respect of which no statement is received is liable to be dealt with as unoccupied land.

GOVERNMENT PRINTING PRESS
Certified True COPY
Date 30.7.2006

Betty Dotibo
Bdada
(H-EO)

for Gov't Printer

DATED at Port Harcourt this 22nd day of October, 1984.

FIDELIS OYAKHLOMIR
Military Governor, Rivers State of Nigeria

- AND notice is also hereby given that the Military Governor intends to enter into possession of the said land at the expiration of the period of 2 (two) weeks from the date of this notice.
- The aforesaid persons are hereby directed to file possession of the said land at the expiration of 2 (two) weeks from the date of this notice.
- Compensation will be paid to all affected persons as provided under Section 29 of the Land Use Decree.
- A plan showing the site is available for inspection during office hours at the office of the Chief Land Officer, Lands and Survey Division, Military Governor's Office, Port Harcourt.
- Any person who shall hinder or obstruct the Military Governor or any person employed by him from the possession of the said land is liable under Section 43 (3) of the Land Use Decree to a fine of N\$50,000 (Fifty thousand Naira) or to imprisonment for 1 (one) year or both.

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Printed at 20k per copy.

THIS IS EXHIBIT A OF THE DEED OF SURRENDER IN TARIKARA. IT IS OF THE DEED OF SURRENDER BACK TO BY NAME OF THE DEED OF SURRENDER IN SUT NO. 111/17/2006. BEFORE ME

VICTORIA BORMANJEL
CLAIMING OFFICER FOR BORMANJEL

THE JUDICIARY
HIGH COURT - NCHIA
RIVERS STATE

ANNEXURE 2.

STATE OF KERALA

