

Cahier Des Charges De La Zone Economique Speciale De Pointe Noire

Cahier Des Charges Of The Special Economic Zone Of Pointe Noire

Entre

La Republique Du Congo

Et

L'agence De Planification, De Promotion Et De Developpement
Des Zones Economiques Speciales

Et

Société Plateformes Industrielles Du Congo-Pointe Noire (Picp)



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1. Preamble

The Republic of Congo (hereinafter the “**State**”) has in particular adopted Law No. 24-2017 of 9 June 2017 on the creation of Special Economic Zones and has taken, in accordance with it, the strategic decision to create the special economic zone of Pointe Noire under of law n°19-2018 of 5 June 2018 (the “**Law ZES of Pointe Noire**”) with the main purpose of attracting investors and housing export-oriented activities (the “**ZES of Pointe Noire**”) and more particularly focused on wood processing, petrochemicals, metallurgy, food industries and IT.

It is expressly stated that the objective pursued by the State in carrying out the Project is to put in place the necessary infrastructure and environment in Congo to:

- develop new processes and technical solutions and their implementation in the national economy from the ZES of Pointe Noire.
- The state has confided the development and management of the ZES-PN, along with creation of an industrial em-system, to the **Societe Plateformes Industrielles du Congo-Pointe Noire**, hereinafter designated « PICP », which is a joint-venture of Arise SEZ and State.
- The Republic of Congo considers the creation of ZES of Pointe Noire as strategic for its economic development and the growth of the country’s industrialisation.

- promote and attract, in the ZES of Pointe Noire, multi-sectoral investments of industrial and commercial type and to provide all services to favour the establishment of such companies;
- facilitate the development of exports from the ZES de Pointe Noire and direct Congolese and foreign investment in the ZES of Pointe Noire;
- promote the development and production of national resources, and more particularly those from the ZES of Pointe Noire;
- develop the manufacturing industries, in the ZES de Pointe Noire, of products from primary, secondary, and tertiary processing;





2. Definitions

In this Cahier des Charges, unless the context otherwise requires, terms beginning with a capital letter have the following meanings:

Business means the following activities within or related to the Pointe Noire SEZ (i) the development, maintenance and operation of the industrial zone within the ZES-PN, including the provision of water, electricity, telecommunication services, waste management, (ii) the design and operation of a truck park and inland container depot or dry port in the Zone, (iii) handling and storage of containers, (iv) development of a commercial zone, (v) renting of storage space, (vi) storage of raw materials, (vii) renting of land and commercial premises, (viii) the supply of electricity and the construction, management and maintenance of infrastructure for the above activities, (ix) the making of investments in other companies located in the ZES-PN, (x) the exploitation and development of forests for the purpose of supplying wood and any other raw materials to the units located in the Zone in order to ensure a regular and constant supply of raw materials, (xi) the creation of collection centres for agricultural products within the territory and (xii) the transport of wood and raw materials to the ZES-PN.

- **Approval** means the decision of admission of an Investor in the Zone to benefit from the advantages provided for by the Law.
- **APPD** or the **Agency** means the Agency for the Planning, Promotion and Development of Special Economic Zones of the Republic of Congo created by Law n°25-2017 of 9 June 2017.

- **Regulatory Authorisations** means, depending on the nature of the Investors' applications, any approval, permits, licences, registrations, and all other authorisations necessary for the Investors' activities within the Zone, in accordance with the laws of the Republic of Congo.
- **Administrative Authority** means the State services (excluding police, fire brigades, and more generally excluding services with a national dimension such as safety and health), which are grouped together in the Single Window to facilitate the completion of administrative formalities whose attributions are exercised within the ZES-PN by the APPD.
- **Regulatory Authority** means the regulatory authority in charge of the objectives of the ZES-PN within the meaning of the Law.
- **Other State Services** means the administrations which are not present within the Single Window and which ensure the application of laws and regulations in Congo.
- **ZES-PN administrative building** means the building constructed by the State within the Zone where the Single Window, the offices of PICP and a business center are located.
- **Cahier des Charges** means the present Cahier des Charges which will be binding on any Investor operating within the Zone, in any capacity whatsoever, as amended or modified from time to time.

- **Forestry Code** means Law n N ° 33-2020, on the Forestry Code and its implementing decrees and orders.
- **Lease Contract** means any type of lease contract appropriate to the activities to be carried out within the Zone, concluded between a Unit and PICP.
- **Developer** means the Societe PICP.
- **General Operating Guidelines** or **DGE** means the document drawn up by PICP appended to Exhibit C to this Cahier des Charges, and which supplements it, containing the detailed rules applicable to the Units established within the Zone and to Users of the Zone. The DGE contain the detailed rules applicable to the Units installed within the Zone and to its Users, in particular in terms of health, safety, environmental protection, hygiene, and waste management and which sets their rights and obligations, particularly in terms of access to Common Facilities and other infrastructures in the Zone, access to certain services (water, electricity, electronic communications, sanitation, waste, etc.), of assistance for the deployment of their activities.
- **State** means the Republic of Congo and/or its branches.
- **Force Majeure** refers to the cases usually retained by the jurisprudence as well as the following events: war, riot, fire, internal or external strikes, lockout, bad weather, earthquake, flood, water damage, legal or governmental restrictions, legal or regulatory changes, accidents of any kind, epidemic, pandemic, road blockages and supply impossibilities and any other case beyond the express will of the parties or which cannot be overcome or repaired by exercising reasonable prudence and diligence and which prevails for a continuous period of more than three (3) months.
- **Single Window** refers to the administrative department established by the Administrative Authority bringing together within the ZES-PN all of the competent administrative Authorities (and/or their representatives) in charge of receiving and processing the various applications, according to accelerated procedures, for permits, licences, registrations and other authorisations submitted by Investors who wish to set up their operations within the Zone - or who are already established within the Zone - and issuing the Regulatory Authorisations to Investors in accordance with applicable laws.
- **Investor** means any person, whether natural or legal, having an Approval allowing such person to create, install and operate one or more Units within the Zone.
- **Special Economic Zone Law** or **SEZ Law** or **Law** means law n°24-2017 of 9 June 2017 and its decrees and application texts, law n°25-2017 of 9 June 2017 and law n°19-2018 of 5 June 2018.



- **Terminal Market** means the integrated marketplace developed and managed by PICP within the ZES-PN to facilitate the handling of bulk goods of forestry or agricultural products.
- **OHADA** refers to the Uniform Acts of the OHADA.
- **Port** means the autonomous Port of Pointe Noire.
- **Internal Rules:** refers to the document that will be established and adopted by PICP which contains the rules applicable to the companies installed within the ZES-PN (health, safety, environment, hygiene, waste management, etc.) and their rights and obligations, particularly in terms of access to the Common Facilities and ZES-PN infrastructures, access to certain services (water, electricity, electronic communications, sanitation, waste, etc.), access to the Single Window, assistance in the deployment of their activities, etc.
- **Societe Plateformes Industrielles du Congo -Pointe Noire (PICP)** refers to the Congolese company created by Arise and the State, which will be exclusively responsible for the development of the ZES-PN.
- **Unit(s)** means a manufacturing, production or services supply company established by any Investor having an Approval within the Zone.
- **User** means any authorized person (service provider, supplier, subcontractor, logistics facility user, etc.) intervening in the Zone on demand or on behalf of an Investor.
- **Zone** or **ZES-PN** refers to the Pointe Noire Special Economic Zone whose coordinates are given in law n°19-2018 of 5 June 2018, which is located near the city of Pointe Noire and which is made up of (i) an area A, located to the south-west of the city of Pointe Noire and (ii) an area B, located to the south-east of the city of Pointe Noire.



3. Purpose of the Cahier Des Charges

This Cahier des charges will serve as a framework for PICP, as the exclusive Developer of the ZES-PN, to set the terms and conditions under which Investors will be able to operate and manage the different areas of the ZES-PN: Commercial, Industrial, Logistical and Residential (closed warehouse, open warehouse, terminal market, container park and truck terminal). PICP ensures the respect within the Zone by the Units of the present Cahier des Charges and the Internal Rules and, if necessary, in the event of finding violations, it alerts the competent state authorities.

The present Cahier des charges applies to all economic, social, and legal structures, whatever their activities or legal form, as well as to all types of services or financing, which (i) are established within the Zone, (ii) provide goods and services to the Units established in the Zone or (iii) have their head office within the ZESPN.

- - with one another;
 - in respect of the Administrative Authorities;
 - in respect of PICP and the State
-
- The Cahier des Charges constitutes the framework for the regulation of the administration, operation, and maintenance of the ZES-PN. In this context, PICP shall develop regulations, operational guidelines, an operating model with reasonable fees for the management of all services offered by PICP in order to ensure the sustainable and profitable operation of the zone.

- The provisions of the Cahier des Charges are enforceable and binding to all persons operating in the Zone.
- In this respect, this document is supplemented for its implementation by the General Operating Guidelines (the “DGE”).
- This Cahier des Charges applies to any Unit and PICP in accordance with the Law.
- The Administrative Authority and PICP guarantee to the Units, with all the stipulations contained in this Cahier des Charges.
- This Cahier des Charges (as amended from time to time) is incorporated into and forms an integral part of the Lease Contract entered into by a Unit and PICP.
- Any legal document signed with any Unit or any operation authorised in the ZES-PN must mention the existence of this Cahier des Charges and the commitment of the Investors to comply with them, it being specified that the Regulatory Authorisations granted to the Units are based on the fact that they will comply with this Cahier des Charges and otherwise such Authorisations may be cancelled.





4. Institutional Framework of the ZES-PN

4.1 Regular Authority

The Regulatory Authority is constituted by the public establishment created by Law No. 36-2019 of November 26, 2019 on the creation of the regulatory authority of special economic zones. The Regulatory Authority is responsible for giving its opinion and recommendations:

- ensure the regulation of activities within the special economic zones;
- ensure compliance with the guidelines and decisions taken by the National Committee for the orientation of Special Economic Zones;
- arbitrate conflicts between the planning agency, developers, operators and investors, and impose sanctions in accordance with Article 29 of Law No. 24-2017 of June 9, 2017 on the creation of special economic zones, the determination.

4.2 Administrative Authority: APPD

- › In accordance with Law, the powers of the Administrative Authority in the Zone are assigned to the APPD.

- › The Administrative Authority is responsible for the missions entrusted to it under Law No. 25-2017 of June 9, 2017 on the creation of the agency of planning and promotion of special economic zones without prejudice to the application of the Development and Operation Contract.
- › The Administrative Authority shall coordinate with the various administrations, competent States services to ensure the State commitments to the development and maintenance of the external infrastructure of the Zone.
- › The Administrative Authority approves the modifications made to the Master Plan by PICP in order to incorporate the Investors' requirements and/or to improve the operation of services, Common Infrastructures, and others of the Zone.
- › The Administrative Authority issues its opinion after verifying that the application for Approval complies with the objectives of the ZES-PN as well as the laws and regulations applicable in the Republic of Congo. Failure to give its opinion within forty-eight (48) hours is deemed to be favourable. In the event of an unfavourable opinion, the Administrative Authority is required to justify its opinion. Any Investor whose file has not received a favourable opinion may submit an amended application for Approval.

4.3 General Administrator

- The Single Window is headed by the Director General of APPD or any other person designated by him to represent him who will assume the function of General Administrator.
- The General Administrator may be assisted by one or more deputies.
- The salaries of the General Administrator and his deputies are paid by the State.
- The General Administrator heads the Administrative Authority; in this capacity, he is, in particular, the administrative head of the Single Window.

4.4 Single Window

A. Single Window functions

- The State administrations and services involved in the process of creation and control of Units operating in the Zone are grouped together within the Single Window.
- The Single Window, placed under the authority of APPD, is the sole point of contact for the Investors which carry out all the formalities and administrative procedures related to their establishment in the Zone.
- The Single Window coordinates and supervises the support of the various State administrations and services within the ZES-PN. The various components and services of the Single Window will bring together, in particular, the departments or services that will be set up by the ministerial departments concerned, namely : tax office, customs office, competition and consumer affairs office, environmental services or agencies (pollution-health approvals), port agencies or services, all services or agencies in charge of employment and labour (employer and employee registration, social security & work permits for foreigners), town planning services or agencies (building permits), services or agencies for company registration and statistics, consular services, police and fire services.
- The Single Window que is responsible for issuing all the regulatory authorisations in the ZES-PN.
- The Single Window will be responsible for carrying out the steps required to provide Investors with all necessary approvals for the implementation of applicable fees or tolls for the use of any infrastructure or value-added services provided by PICP in the ZES-PN.
- The Single Window is in charge, provided that the activities of the Investors meet the objectives of the Zone:



- to facilitate the procedures related to the establishment of companies, including all registrations and formalities for the legal operations of companies in the Zone, such as issuance of the company identification number, registration with the tax department, as well as their registration with the competent agencies, such as registration with the labor department, social security office;
- to facilitate the procedures for obtaining and issuing the Regulatory authorizations necessary for the proper operation of the Units at the request of the Unit(s) and subject to the completion of administrative formalities, including any fees and charges or fees that may be applicable under the regime chosen by the Investor;
- to facilitate the procedures and simplify the procedures for transferring goods of the Units;
- to receive, process and check all tax, customs and social security declarations and any other obligations imposed on the Units;
- to facilitate the issuing of building permits against presentation of the building permit application file;
- facilitate the issuing of work permits, residence permits and visas, etc.;
- to ensure the execution of regulatory measures issued by the State.
- The procedures of assessment and issuance of the Administrative Authorisations by the Single Window will be reviewed every 6 (six) months, by PICP and the Administrative Authority, in order to make any improvements required to meet the best international standards applicable in this sector.

- The Single Window will, if necessary, liaise with all the competent administrations, in order to enable the Units to carry out all the daily formalities and other steps relating to their establishment in the ZES-PN, with a view to facilitating the applications submitted by the Units in order to obtain any Regulatory Authorisations necessary for their activities.
- The Single Window is located in the administrative building of the ZES-PN.
- The Single Window will take the necessary steps to simplify and accelerate the processing of applications and the delivery of the various Authorizations requested, subject to the eligibility conditions of the Units.
- The processing of Investor applications and the issuance of Authorizations will be done according to an accelerated process, the conditions, and deadlines of which will be defined jointly by the State and PICP within five (5) months following the signature of the Cahier des Charges.

B. Procedure applicable to constructions within the ZES-PN

- The Single Window will process applications for Approval and Building Permit applications concurrently provided that the Unit has submitted all necessary documents for such applications simultaneously.
- In the event of any deviation from the completion deadlines, the Single Window must be notified to obtain written approval of the extension. On the recommendation of PICP, the Single Window may grant an extension, however, refusal to grant an extension of the deadline shall result in the cancellation of the Approval under the conditions provided for by the Laws and the cessation of operation authorized in the ZES-PN, except in cases of force majeure or due to any technical limitation that may justify the extension of the project deadline.

4.5 Tasks of the Developer

- The missions of PICP within the framework of the development and the management of the ZES-PN are as follows:
 - develop, promote, operate, and manage the ZES-PN for industrial growth in the country;
 - develop and continuously improve the methods, to efficiently organise the operations within the Zone;
 - develop, promote, and manage the Common Infrastructures, with the intention to attract new investors in the ZES-PN and boost the productivity of all the industrial Units inside ZES- PN;
 - provide various services within the Zone to ensure smooth and hassle-free operation of the Zone as well as hassle free production for Unit holders;



- develop, promote, operate, and manage the industrial, commercial, residential and logistics zones within the ZES-PN and in particular facilitate the Investors who want to set-up their Units within the Zone;

- lease land parcel or built-up premises to Investors, for an industrial use in the Zone or any other associated authorized operations within the logistics and commercial zone;

- develop, promote, operate, and manage within Logistics Zone the value-added operations like Container Yard (both bonded and non-bonded), Closed Warehouse (both bonded and non-bonded) and Open Stockyards (both bonded and non-bonded) with associated infrastructure, to ensure smooth and hassle-free export/import and storage for all the investors inside the Zone as well as for exporters/importers outside the Zone;

- develop, promote, operate, and manage exclusively within logistics zone with associated infrastructure to support industrial operations inside the Zone and allow efficient management of truck movements from the Zone to the Port;

- conceive, develop, build, and manage the agricultural product collection system and supporting infrastructure inside and outside the ZES-PN. This will include handling equipment; efficient logistical support and a Terminal Market fully equipped within the Zone and ensure a regular supply of agricultural and forest products to the Units having processing activities located within the Zone and other interested companies located around the Zone;

- develop and manage the model farms and associated processes and systems, the mechanism to boost agriculture and forestry production, including the integration with the collection system and transport up to the Zone.

➤ PICP is responsible for the development administration, organization, promotion, management, and maintenance of the ZES-PN and of its Common Infrastructures including the following but not limited to:

- Industrial Zone;
- Commercial Zone;
- Logistics Zone;
- Residential Zone.

➤ In accordance with the provisions of this Cahier des Charges, PICP is responsible for preliminary assessing the Investors' applications for Approval, including in particular the elements set out in **Exhibit B** before their submission to APPD.

➤ The Administrative Authority cannot refuse to grant an Approval if PICP has validated the application for Approval submitted by an Investor, unless there is a proven risk of undermining Congolese public order or non-compliance with the legal and regulatory conditions of eligibility for Accreditation ..

4.6 Monitoring Committee

➤ In order to monitor the execution of the Development and Operations Agreement, the Parties agree to establish a monitoring committee ("Monitoring Committee"). Notwithstanding any stipulation to the contrary, the Parties agree that the Monitoring Committee shall have an advisory role only and there shall be no voting during its deliberations.

➤ The purpose of the Monitoring Committee is to obtain information on the evolution of the Pointe-Noire SEZ and any difficulties that may arise, as well as to provide information of which its members are aware and which may benefit the Project. The Monitoring Committee has no management powers.

The following are ex officio members of the Monitoring Committee

- two (2) representatives designated by the DPSA;
- two (2) representatives designated by the Developer.
- One (1) representative of the Investors
- One (1) representative of the local authorities

➤ The Monitoring Committee will be chaired by a representative designated by APPD.

➤ The Chairman of the Monitoring Committee will designate the secretary of each meeting, who will keep the minutes of the matters discussed and circulate them to each of its members as soon as possible after the meeting.



➤ The Monitoring Committee may occasionally invite advisors and experts to participate in its meetings, in an advisory capacity, on one or more specific items of the agenda.

➤ The Monitoring Committee shall meet at least twice a year and as many times as necessary following the request of one of its members, within a period of fifteen (15) days following the sending of a request to convene by any means including by e-mail with acknowledgement of receipt.

➤ The Monitoring Committee shall adopt its operating procedures within thirty (30) days of its establishment.

➤ The Monitoring Committee may not, under any circumstances, substitute itself for the Developer or the DPSA in the conduct of their activities or act as a de facto manager.

➤ The members of the Monitoring Committee are not remunerated.

➤ The meetings of the Monitoring Committee may be adopted by videoconference or any other means of communication, provided that the technical means guarantee the integrity and reliability of communications.



5. The Pointe Special Economic Zone

5.1 Situation

The ZES-PN is located approximately [·] ([.]) kilometres from the city of Pointe Noire and covers an area of approximately 485 ha under Phase I and 2,585 ha under Phase II.

5.2 Elements of Development

The ZES-PN shall be developed based on a Master Plan (a copy of which is attached in **Exhibit A**) with facilities developed in accordance with the present Cahier des Charges and shall include construction, operation, maintenance, and management of the Zone. The ZES- PN is organized with distinct zones based on the nature and type of activities.

The various activities developed, authorize, and managed by PICP within the ZES-PN are as follows:

A. An Industrial Zone is the area where the Unit, after issuance of the Approval to the Investor, is assigned plot for its authorized operations. Unit shall set up and develop manufacturing or production facility for the transformation of products or processing of the raw materials to produce the value-added products. This also include the various services which is created to support the industrial operations.

B. A Commercial Zone is area equipped with all support facilities developed by PICP anD which hosts all support services, nonindustrial by nature and primarily oriented to services including but not limited to Banking, Finance and Insurance related services, repair and maintenance services, retails, motel, restaurants, custom handling services, other consultancy services etc. that may be required for industrial operations etc. This zone also has some of the services of the Single Window and the offices of PICP.

C. A Residential Zone wherein all the support services are provided by the PICP to the various types of residential areas development as per the demand including opportunity for the development of social infrastructure to support community facilities like schools, clubs, recreational facility etc. to showcase ZES-PN as 'Work, Live, Learn and Play' community. PICP may construct and rent out residential villas and apartments of different categories. The provision of these housing units to the Investors and their employees is done according to an adapted scheme to support the industrial operations.

D. A Logistics Zone which includes facilities (for storage and transportation services, facilities), public facilities (for industry and commerce, taxation, customs, commodity inspection, worker facilities, specialized market catering to logistics equipment needs, other service facilities) and related facilities (offices, accommodation, catering and other services facilities, fuel station, motels etc.).

- PICP shall develop the various subcomponents of the Logistics Zone and lease them to the Investors in the form of bare plots of land as well as developed plots and built-up spaces.
- The Administrative Authority is responsible for the management of all administrative procedures necessary for the smooth operations of the bonded and non-bonded facilities within the Logistics Zone.
- The Logistics Zone can be used by all companies and by all trucks from abroad or from the hinterland to the Zone or the Port.

The subcomponents of the Logistics Zone of the ZES-PN shall be:

1. Truck Terminal

The truck terminal may be used by Units located in the Zone as well as by users not based in the Zone and by all trucks coming from abroad or from the hinterland to the Port. If necessary, PICP will develop, in cooperation with the port authorities, an efficient system to allow the fluidity of the movements of trucks from the Zone to the port.

2. Container Yard

Container Yard'; 'Dry Ports'; 'Inland Container Depots'; 'Inland Clearance Depots', 'Container Freight Station' are words used interchangeably used to designate the relevant infrastructure for the facility which will be dedicated to the handling of all types of cargo: containerized, non-containerized break-bulk and bulk cargoes for domestic and international trade.

- The Container Yard has both a bonded area as well as a non-bonded area.
- PICP shall develop and operate container yard services within the limits of the Zone on use and pay basis both by Units as well as Users, such as:
 - trans-shipment of the Cargo Containerized or Bulk Cargo;
 - stuffing & de-stuffing of the Cargos;
 - short-term storage of the containers or the bulk storage before being transferred to the port in case of Units not having sufficient space within their plots;
 - short-term storage of containers or bulk storage loaded with materials under import till the container is empty for dispatch to the shipping lines;
 - storage of empty containers for next use;
 - the container yard develops as inland container depot (ICD) or Dry Port to be effectively used for receiving, paperwork processing, customs inspection, sorting, and consolidating containers for all inward and outward containerized cargo as well as the bulk cargo;



- The inland port section (dry port) will work in collaboration with the Port to allow traffic decongestion inside the Port. Inland ports will improve the movement of imports and exports, moving the tedious sorting and processing of containers inland. PICP will collaborate with port authorities and shipping companies and will develop processes and measures, including the implementation of modern technologies for data monitoring and regulation of entry/exit/loading/unloading, to increase the efficiency of the Port through the efficient management of truck traffic to the Port and optimise its use. The purpose of the container park is to eliminate / limit as much as possible the retention time at the Port, for customers, by allowing containers to pass as directly as possible from trucks to ships and vice versa.

- The personalized inspection will take place as far as possible in the Zone, outpost and the containers will be sealed inside the ZES. ;

- The container park should effectively contribute to the decongestion of the city of Pointe-Noire thanks to a controlled movement of trucks bound for the Port. The ZES must have efficient facilities to control the movement of trucks in the city of Pointe-Noire and the traffic of trucks will be regulated by the competent authorities in order to ensure the fluidity of road traffic to and from the Port;

- PICP will be able to collaborate with port authorities and shipping companies to develop processes and systems, including modern technologies, to increase Port efficiency through efficient management of trucks to the Port;

- PICP shall develop packaged value-added services along with standard tariffs and implement the same on pay and use basis for all the Units and the Users and Users;

- The Administrative Authority is responsible for the issue and renewal of all the approvals required for the smooth operation of the bonded and nonbonded Container Yard.

3. Warehouse and Storage Yard

PICP shall plan and develop a customized storage building warehouse along with open stockyards which will enable stockpiling goods, e.g., to build up a full load prior to transport, or hold unloaded goods before further distribution, or store goods like the agro-commodities that are stored on year-round basis to maintain the uninterrupted supply and distribution of the raw materials to the Units and, in this instance:

- both the covered warehouse and the open storage yard will have a bonded and a non-bonded portion, depending on demand;
- the Administrative authority shall be responsible of the delivery of all the approvals required for the smooth operations of the bonded and non bonded Warehouse and bonded and non-bonded open storage area;
- PICP must be able to develop an operational model and associated costs and charges that will allow safe and secure storage and handling of raw materials as well as finished goods when stored in the warehouse or open stockyards prior to transfer to their destination.

4. Terminal Market

The Terminal Market is developed and managed by PICP to facilitate the handling of bulk goods of agricultural products. The Terminal Market will operate in the Zone by collecting the agro-products from the collection centers developed by PICP inside the country and, if necessary, other productions decided by the Government in order to favour the supply of raw materials to the Units.

The key features of the Terminal Market shall be:

- PICP shall develop, directly or through sub-contractors, all the infrastructure required for the smooth functioning of the Terminal Market. PICP may, to the extent permitted by laws and regulations, access land at market conditions in agricultural areas for setting up of collection centers with all required infrastructures like warehouse etc. to facilitate easy collection, storage, loading, unloading and transfer of the agro and forest commodities to the terminal Market within the Zone;
- PICP develops an integrated system including logistical services connected to the collection centers and the farms including facilities that will enhance the turn-around time and efficiency of the process;
- the handling of the agricultural and forestry products, inside the Zone, is fully managed by PICP;
- the Terminal Market is developed considering the Government's priority agricultural orientations to promote the expansion of agricultural and forestry production;
- the Terminal Market is composed of areas for pre-sorting, grading, and quality checks in order to check the calibration of the products in accordance with international standards;



- The Terminal Market will be designed for backward integration (to farmers and collection centers) and forward integrations (to the processors and export trading);
- PICP provides infrastructure facilities and services in the 'Hub-and -Spoke' Format: The Terminal Market (the hub) is linked to several collection centers (the spokes);
- PICP develops a common platform for trade in agricultural and forest products and an open market for the auctioning of products between producers and industries located within the Zone;
- The Units mandatorily have to submit their demand in terms of agricultural and forestry raw materials through the stock exchange of the Terminal Market in order to allow a control of the traceability of the products;
- PICP will ensure the supply of domestically produced logs to operators within the ZES-PN who request them, to the extent that the level of domestic production can meet demand and unless quality and price are significant discriminating factors;
- The Administrative authority shall be responsible for providing support for the smooth operations of the Terminal market.

E. Other infrastructures

Subject to the prohibitions or authorisations provided for by laws and regulations and under the conditions provided for by these rules, PICP designs, develops and manages additional activities to enhance industrial support to the Units in order to increase the productivity and competitiveness of the Zone.



6. Admission in the ZES-PN and Prevailing Conditions for Authorised Operations

Admission to the ZES-PN is open to any Investor wishing to set up a business in the Zone to carry out its activities, provided that their activities correspond to the objectives of the ZES-PN.

Any Investor wishing to set up in the Zone must submit a file containing, in particular, the following information and the various duly completed forms which are presented as template in **Exhibit B**.

APPD is responsible for the assessment of the Approval application.

Applications for admission will be examined by APPD within a maximum of fifteen (15) days from the date of submission of a complete file. APPD may request additional documents and information in the event that the Investor's file is incomplete.

- An Investor holding an Approval is authorized to establish a Unit and operate in the Zone in accordance with the terms and conditions set out in the Approval, the Cahier des Charges and the Lease Contract.

- An Investor is authorized to operate a Unit within the Zone only if it has no outstanding dues against the charges payable to APPD.

6.1 Rules applicable to constructions

- All the rules applicable to the use of the plots of land and construction erected by the Units within the Zone are detailed in the Lease Contracts (commercial lease, construction lease or others), between P/Cp and the Investors and in the General Operating Guidelines.
 - An Investor must present its construction file containing a timetable for the completion of the work to the Single Window. A copy of this file will be sent to PICP.
 - In the event that the deadline for completion of a project cannot be met, a written notification is submitted to PICP to request an approval for an extension of the deadline according to the conditions provided for in the Lease Contract. The occurrence of a Force Majeure event or unforeseeable technical difficulties may justify an extension of the deadlines.
 - If a change occurs during the course of the construction project, the Investor must submit to the Single Window, with a copy to PICP, a revised application for a revised building permit with a view to obtaining a new building permit.

- In accordance with the regulations applicable to building and demolition permits in the Republic of Congo, the Single Window has a maximum of fifteen (15) working days, starting on the reception day of the application, to grant or refuse the construction permit. Any refusal by the Single Window must be justified by the Administrative Authority or precisely indicate a list of additional documents required for the issuance of the construction permit to the Unit. The Unit will also send a copy of the complete files to PICP.

- The Unit shall notify PICP and the Single Window of the completion of construction works or the completion of a phase of the construction works in the event that the investment program includes several phases, within a maximum period of fifteen (15) days following completion of the works.

- PICP carries out within seven (7) working days, with the assistance of the Single Window, the verifications relating to the conformity of the works with the investment program approved within the framework of the Approval, the prescriptions of the Lease Contract and the DGE, and, where applicable, the Single Window issues the certificate stating the completion of the works and their compliance.

6.2 Construction rules within the perimeter of the Zone

- Units must take out a comprehensive insurance policy with a reputable local insurance company covering the responsibilities of the Units including their obligations to third parties.

- All construction work must be carried out under the supervision of a consultant (quality control) approved by PICP or an architect approved by PICP. Construction works are carried out with contractors, service providers and raw material suppliers approved by PICP. PICP will make its best efforts to approve, as a priority, Congolese companies. In the event of a change of contractors or suppliers, new providers must have an equivalent level of skill and experience and be approved, or obtain prior approval from PICP.

- Units must not create a discharge on the common areas or in the Zone during construction.

- The Units must take, at their own expense, risk and peril, the appropriate measures for the disposal of any kind of waste in the place designated by PICP. The temporary storage of waste in the premises of the Unit must not affect the operation of the Zone or the activities of the other Units.

- All interior design works, windows and facades, mechanical ventilations, plumbing, including but not limited to all electrical and electromechanical systems must be carried out in accordance with the DGEs and the Lease Contract and generally with best industrial practices.



- The Administrative Authority reserves the right to ask PICP to inspect the construction works of the Unit buildings. The cost of inspection shall be payable by the Unit.

6.3 Withdrawal of Approval

- PICP may recommend to APPD to withdraw the Approval, in particular in the event of serious and repeated violation by a Unit of the stipulations of the present Cahier des Charges or of its obligations agreed in its Lease Contract signed with PICP.
- A Unit which has been the subject of a Withdrawal of Approval may no longer exercise activities within the Zone.

6.4 Rules applicable to rental

- PICP is authorized to lease, for valuable consideration, plots that it will have especially developed and any industrial, commercial, or housing buildings or premises for which it has carried out the construction works (the "PICP Buildings"). PICP freely sets the financial terms and conditions for the rental of PICP Buildings with regard, in particular, the investments it has made.

6.5 Rental Conditions

- PICP will be able to enter into long-term / shortterm daily / monthly / annual rental or lease agreements with individuals or companies operating within the ZES-PN. The rental / land lease prices will be set by PICP, at the meetings of its Board of Directors.
- The land or the built space rented to the Unit will give place to the payment of a guarantee deposit.
- The Unit is required to pay the rental amount, which will be determined by PICP according to the surface area of the land or built space.

- Units are not authorized to sublet the plot or any built space without the prior acceptance of PICP and will not be able to transfer the real rights granted to them, if any, without the prior agreement of PICP and the State.
- In the case where a Unit, because of violations attributable to it of regulatory provisions, hinders the activities of another Unit, or hinders the good functioning of the ZES-PN., PICP takes the appropriate measures in accordance with the present Cahier des Charges and the Internal Rules notwithstanding the possibility for the competent Administrative Authority within the Single Window, if necessary requested by PICP, to take the decisions of sanction or even to impose corrective measures at the expense and risk of the Unit at fault.
- The Unit will be the sole responsible for any damage caused to roads or associated infrastructure, structures, or facilities in common areas, by their employees or subordinates or a company designated by it or the performance of their activities in the ZES-PN.



7. Authorised Access

7.1 Industrial Zone and Logistic Zone

Access to the industrial Zone and to the Logistics Zone (including Container Yard, Truck Terminal, Warehouse and Storage, etc.) is reserved for PICP, the Administrative Authority, the Units authorized to operate within the zone (including their employees and authorized visitors) and Users.

The Units are issued access identity card on a chargeable basis by PICP for a limited validity period. Visitors may be authorized upon request by the Units against presentation of their valid identity card or a certificate issued by the Units. Units are obliged to report any loss or damage to the card or when an employee holding a card is no longer employed by them.

- The Unit is required to report any loss or damage to a card, as well as any dismissal, resignation of employees and, more generally, any revocation of access by persons for whom the Unit has requested a card.

7.2 Commercial & Residential Zone

- Access to commercial and residential Zones is not controlled.
- Physical access to the commercial and residential areas is organised in accordance with the DGE. Each Unit and its employees must strictly comply with the access rules set in the DGE.
- Without prejudice to its general regulatory power, the State may issue specific rules applicable to the Zone in order to maintain appropriate conditions of health, safety, and security within the Zone.

- Without prejudice to the police powers of the State, PICP controls vehicle access, recalls the traffic rules applicable within the limits of the Zone and controls activities that may lead to the degradation of the said environmental conditions in the Zone. PICP alerts the State services in the event of any violation of the applicable regulations.
- The Units are fully responsible, under the control of PICP, for ensuring compliance by the Users, employees, and visitors with the provisions of this Cahier des Charges, the General Operating Guidelines, and the applicable regulations and for deploying the appropriate resources within the limits of their plot and they maintain the said conditions in their parcel and ensure that their activities do not affect their operation and the Zone as a whole.
- The Other State Services may issue fines to the Units, Users, employees, and visitors of the Units due to violations of laws and regulations and issue injunctions to the Units so that they comply with the Cahier des Charges, the DGEs and to the regulations applicable in Congo.
- The Administrative Authorities can exercise controls and checks on the movement of people and equipment within the Zone.



8. Use of Common Areas and Infrastructure

8.1 Management of Common Infrastructures

The plots occupied by a Unit within the Zone are connected to the network of traffic roads, storm sewers and common areas of the Zone.

Roads, street furniture and public spaces with green areas are developed and managed by PICP, in accordance with the requirements of the environmental regulations applicable in Congo.

8.2 Use of Common Infrastructures and services

- Units shall pay to PICP the dues, fees and costs relating to the construction, operation, and sustainable maintenance over time of the Common Infrastructures, including, without limitation, the following:
 - roads, streetlight, drainage networks and other facilities;
 - electrical sub-stations, electrical networks, etc.
 - water works, water distribution networks, wastewater conveyance system, sewage treatment;
 - water drainage including lakes, canals within the zone of concern;
 - waste collection and management infrastructure;

- gas distribution infrastructure;
- internet infrastructure;
- general area surveillance including access- controlled gate;
- green and open spaces;
- roads and roundabouts in the ZES.
- parking space for trucks;
- storage buildings (warehouses).
- wood park;

- The Units are fully responsible, under the control of PICP, for ensuring compliance by the Users, employees, and visitors with the provisions of this Cahier des Charges, the General Operating Guidelines, and the applicable regulations and for deploying the appropriate resources within the limits of their plot and they maintain the said conditions in their parcel and ensure that their activities do not affect their operation and the Zone as a whole.



9. Tariff

Units have equal rights to use the Common Infrastructures and to subscribe to the services irrespective of their plot sizes and importance of their activities within the Zone, provided that the Unit has no outstanding payments in relation to its Lease Contract and/or services contracts and under other dues relating to the Common Infrastructures.

The tariffs for the services offered by PICP, in all the development elements mentioned above as well as the services / facilities will be set in such a way as to ensure the financial profitability of PICP, in accordance with market expectations, its investments while remaining competitive with the tariffs applied by other operators in the sub-region.

- Likewise, PICP will freely determine the amount of the fees and charges due by the Units installed within the ZES-PN, including in particular: the development, operation and maintenance costs of the various infrastructures created in the Zone, the specific services provided to the Units in the Zone, the day-to-day management charges linked to common areas and common services, as well as the costs of connections to the various networks developed by PICP within the Zone (the “**Services**”).
- The rates for the Services are calculated on a proportional basis according to the surface area of the plot allocated free of charge to the Units and to the various services provided to the Units by PICP (the “**Tariff**”).
- The Tariffs for Services are established by PICP and communicated annually to the Administrative Authority.
- The Tariffs for Services are communicated to Investors prior to the conclusion of any Lease Contract.

- The Tariffs for Services may be revised annually.
- The terms and conditions for the collection of fees and charges due by the Units for the Services are determined in the Lease Contracts.
- Tariffs will consider the objectives of ZES-PN, its competitiveness and its profitability.



10. Standard and Other Obligations

10.1 Standards to be applied

Units must be compliant with:

- in terms of construction, in the absence of technical standards in Congo, to best international standards;
- international rules and standards required for products, for exports, including any regulations that may be imposed on the product by the countries of destination, in addition to the law and regulations Republic of Congo may be applicable on the product standards.
- any other regulation, as defined in the General Operating Guidelines.

10.2 Declarative and informative obligations

- Any Unit shall provide PICP and the Administrative Authority with information, declaration, undertakings, in particular:

- the starting date of its activities (construction an operation of the Unit);
- the necessary information related to the realization of its investment program on semi-annual basis;
- communicate the statistical information related to productions and exports, employment, compliances etc. including photos for the official publication in the newsletters and declaration to the government authorities and international agencies like world bank and IMF;
- provide a monthly statement of the imported goods and materials including the materials procured under the regime, to the single window in its prescribed format including the sales or purchase of merchandises between companies in the Zone;
- any significant loss of merchandise within the zone.

10.3 Accounting Obligations

- A Unit shall comply with the best accounting practices as prescribed by the laws and regulations of Republic of Congo. It shall:

- maintain financial statements compliant to OHADA rules and regulatory compliance of the company in accordance with the laws and regulations applicable in the Republic of Congo.

- at the end of the calendar year, it sends PICP an exhaustive report on its investment program and general information on its activities, particularly for statistical purposes.

10.4 Labour law obligations

➤ The Unit shall implement all social security obligations imposed by the laws and regulations in the Republic of Congo applicable within the Zone and it shall:

- give priority to employment of Congolese citizens in case of equal level competency of the candidates;

- sign contract of employment with all the Employees;

- obtain all necessary authorization and permits for hiring of ex-pat personnel in the Zone as per the applicable laws;

- comply with all social and labour laws applicable to the Zone ; and

- train local employees

➤ Any Unit shall subscribe to property and personal liability insurance policies to cover its assets, activities, and employees. It shall mandatory subscribe to legal health insurance for all its employees working inside the zone. The Unit shall comply with the terms and conditions of the insurance policies during the entire period of its construction and operation within the Zone.

10.5 Rules of construction of Units Within the ZES-PN

➤ Units authorized to carry out operations within the ZES-PN are required to obtain the regulatory approvals of the chosen scheme, in accordance with the laws applicable in the Republic of Congo, such as subscribing to a full insurance policy with a reputable insurance company covering the liabilities of the Unit, including the obligations of the manufacturers and providers and liability towards third parties.

➤ All construction work must be supervised by a reputable third-party quality control consultant or a licensed architect accredited by a recognised organization and approved by PICP.

➤ PICP will be able to propose to the Units a list of approved service providers whose quality of service has been checked by PICP and whose preferential pricing conditions have been negotiated.



➤ The Unit will not create any landfills in the common areas of the ZES-PN during the construction of its project. With respect to all waste and garbage related to construction, the Unit shall take appropriate measures for their safe and sanitary disposal in the location to be designated by the PICP and the Unit shall be responsible for verifying that these measures have been complied with, under its responsibility. The temporary storage of waste on the premises of the Unit must be carried out in accordance with the applicable standards and best practices and must not affect other Units within the ZES-PN.

➤ The Unit shall remain responsible for all wastes resulting from construction work on its plot and shall be responsible for their disposal at its own risk and cost.

➤ All interior fittings, windows and facades, mechanical ventilation, plumbing, including, but not limited to, all electrical and electromechanical systems must be carried out in accordance with the best practices in the field, considering the purpose of the buildings concerned.

➤ The Unit is responsible for carrying out, at its own expense, levelling operations, earthworks, civil engineering works and the construction of walls around its parcel. However, the Unit must ensure that the discharge and excess soil to be removed after the completion of the earthworks on their plots does not affect the overall master plan of the ZES-PN especially in terms of rainwater drainage.



11. Environment, Energy and Water Management

11.1 Application of environmental standards

Any Unit must comply with the environmental standards applicable in Congo and comply, moreover, with the best environmental practices and standards in this respect.

The environmental rules are specified in the General Operating Directives and, where applicable, and in particular, in the Lease Contract.

11.2 Management of energy

PICP is responsible for the development and maintenance of the electricity distribution network within the Zone, the cost of which is borne by the Units for the running costs of Common Facilities.

PICP shall ensure the supply of electricity up to the electrical counters and distribution board at the cost of the company which will be estimated and presented to the Unit upon the request. Any Unit shall however at its own expense, install its electrical network protection system (to protect ZES-PN network) and its internal network including good quality safety appliances in order to protect the main supply system of the supply substations. Any Unit shall ensure that the internal electricity network is compliant with the laws and regulations of the Republic of Congo and, where applicable, international standards.

11.3 Waste management

- The Unit shall be solely responsible for the safe disposal of their industrial waste including hazardous or bio-medical waste according to the laws and regulations of the Republic of Congo.
- It is forbidden for the Unit to dispose the waste in the common areas within the Zone.
- If the Unit does not adhere to the rules concerning waste management, and/or if it causes harm to any third party because of its careless waste management, it will be solely responsible for the damage caused and shall be liable to pay for the restoration of the damaged area in its original state and will be Obligated to reimburse all costs related to the restoration of the area to its original state and also to pay third parties for any damage caused to them.
- Any Unit may choose to install an incineration facility subject to approval and authorization from PICP and the Administrative Authority.
- Without prejudice to the stipulations of the above paragraph, PICP ensures the collection and treatment of all waste produced within the Zone by one or more entities approved by the State on the proposal of PICP.
- Long-term storage, in particular exceeding fifteen (15) days and the burial of waste are strictly prohibited.
- The administrative authority is responsible of facilitating PICP access to the existing dumping yard or the sanitary fill for safe disposal of the waste generated within the Zone.

11.4 Water management

- All Unit must be connected to the water distribution network of the Zone, at the expense of the Unit. The responsibility of PICP is to supply water to fill the tank built by the Unit. The Industrial Units will be supplied with untreated groundwater.
- Each Unit must develop and manage a water distribution system on its plot in accordance with the laws and regulations applicable in the Republic of Congo, the best industrial practices, and international standards.
- The Unit shall connect their domestic wastewater disposal pipe to the sewage conveyance system of the Zone through an intermediate underground tank located within its permit and take all required measures to avoid pollution due to its water use. It is prohibited to discharge industrial effluent into sewage networks.
- Any Unit must take the appropriate measures to eliminate its industrial effluents after treatment that meets the environmental standards in force.

11.5 Managing toxic, inflammable & hazardous material

- Without prejudice the laws and regulations applicable in the Republic of Congo, Units may not previously authorize by PICP, possess, store, or hold toxic, flammable, and dangerous materials within the framework of their authorizations.
- Exceptional authorizations shall however only be delivered after a validated environmental and social impact assessment approved by the ministry of environmental and sustainable development as part of the Single Window.
- In any case, an authorization cannot be obtained for the storage of radioactive waste material, asbestos, fermentable wastes, non-shovel able, powdery or pulverulent, not contained in packaging or treated to avoid dispersion, or wastes having a risk of infection (this list is not limited).
- Any Unit which has received an exceptional authorization to store or detain toxic, flammable, or dangerous material, shall strictly adhere to all applicable laws and regulations in the Republic of Congo concerning waste management and the storing of such materials.



Any Unit shall comply with the following processes:

- validation of the Storage Facility by PICP after the compliance approval from the Administrative Authority, on the condition that they should strictly adhere to applicable laws and regulations in the Republic of Congo. The Administrative Authority shall periodically control the compliance of the installation and deliver a certificate of conformity;
- maintain Control Register for tracking of authorizations and refusal;
- maintain a chronological register of waste disposal with information on the control slips along with the identity of the transporters.





12. Health and Safety of the Employees

12.1 Between the Units and their employees

Any Units shall take appropriate measures and apply best practices during the construction and operation of its facility to maintain acceptable level of working conditions including but not limited to the access to basic amenities like:

- drinking water;
- separate sanitary areas and changing rooms for men and women;
- safety gears for working within an industrial premise;
- facilities for physically impaired staff.

Any Unit shall maintain basic hygiene conditions within its premises and its production Units in compliance with the laws and regulations in effect in the Republic of Congo. Any Unit shall immediately report the following to the Administrative Authority

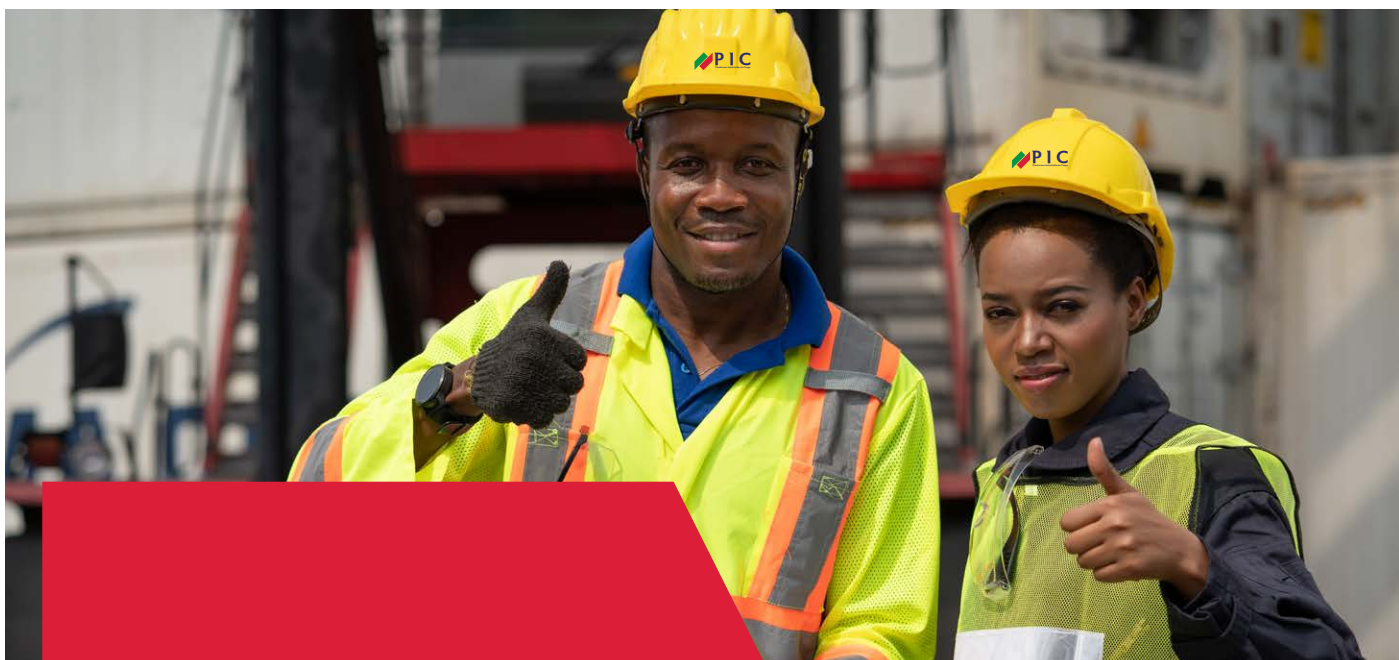
- child Labour;
- bonded Labour;
- discrimination based on sex, religion, color, physical ability, nationality etc. ;
- non-compliance with Labour Laws.

12.2 Safety and security obligations

- PICP ensures the security of common areas and access to the Zone.
- The Unit may appoint a reputable security agency approved by PICP for security services in order to protect its personnel and equipment within their perimeters.
- The Unit will be responsible for the general safety and security of its staff and equipment within its plot and will be responsible for their remuneration.
- For security and control reasons and for the proper functioning of the Zone, only suppliers approved by PICP may provide services within the Zone. The list of these providers will be published regularly and made available on the website of PICP.
- In addition, the Units will be liable for a II risks of depreciation, loss, total or partial destruction of their assets, whatever the cause, without recourse against the State or PICP.

12.3 Compassion

- Units must have consideration for each other and must not adversely affect the productivity or honorability of other Units.
- Without prejudice to the economic and competitive liberty of a Unit according to the Law, a Unit must take appropriate measures required to avoid harming other Units.



13. Rules of Morality

Any Unit must respect the rules of morality and loyalty.

Units shall not engage in any prohibited act of corruption according to the laws and regulation of the Republic of Congo.

Each Unit shall guarantee that its directors, representatives, employees, agents, consultants, co-contractors, subcontractors, or suppliers, and those of any of their affiliated service providers shall be informed that Prohibited Payments must not be made to any person affiliated with the Government of Congo or to a company for any activity conducted within the Zone, and that no illegal transactions, whatsoever should be made to any third party.

A Forbidden Payment means an offer, gift, cash payment, promise to pay or authorization to pay any sum of money or thing of value, including charitable or philanthropic donations, directly or indirectly, to an official of the Administrative Authority, the Public Administration or a third party, knowing or having reason to believe that all or part of the sum of money or thing of value will be paid, offered, promised, given or authorized for the purpose of :

- influencing a document or decision of a Public agent using his job position;

- inciting a Public agent to use his influence on the Government of the Republic of Congo or an intermediary governmental body of the Republic of Congo to carry out or influence a document or decision of that the same government or the governmental body to help obtain a deal, to maintain a deal or direct a transaction.

**For the Agence de Promotion des Investissements
et des Exportations (APPD)**

Authorized Signatory:

Title:

Signature:

For PICP

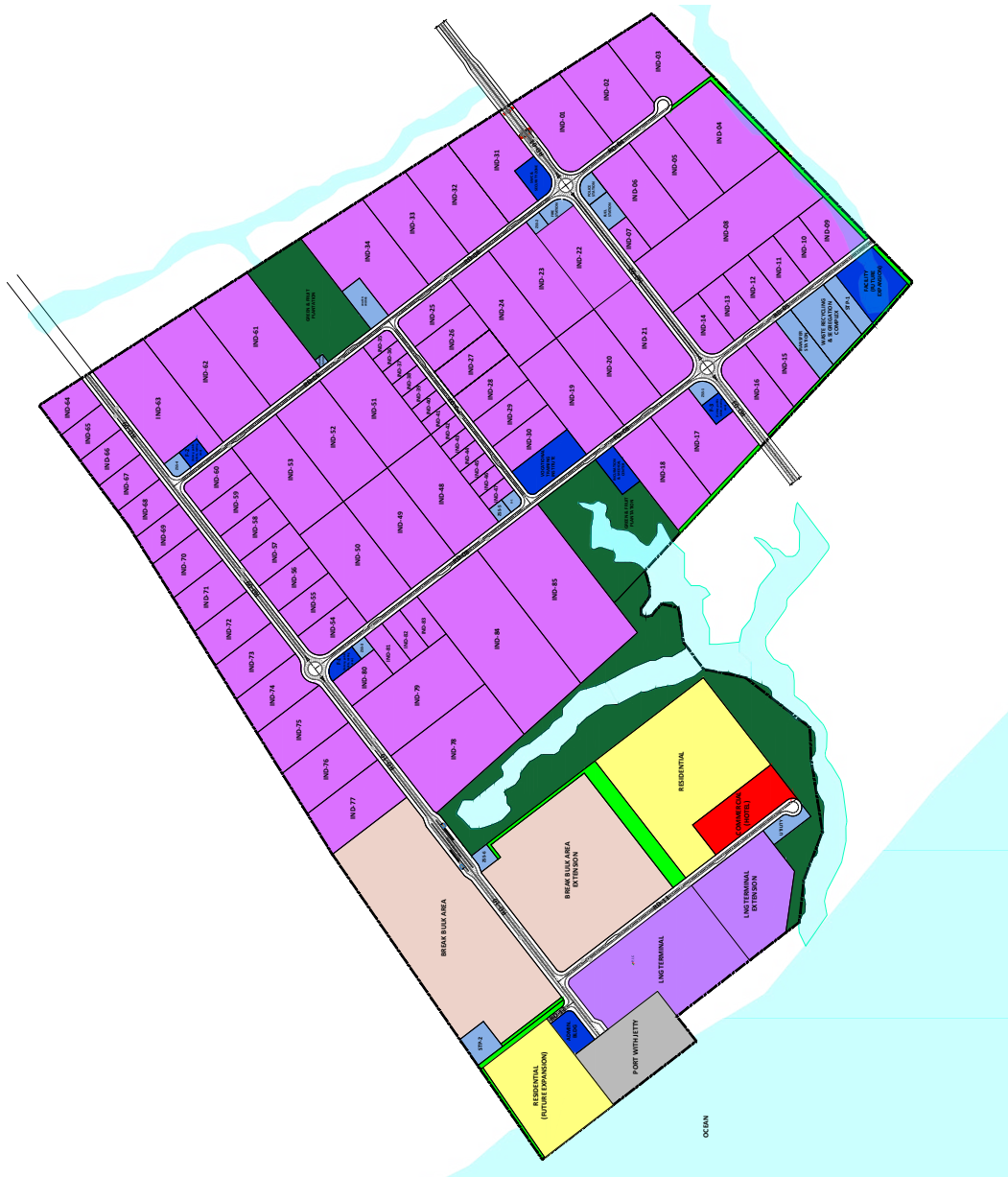
Authorized Signatory:

Title:

Signature:

ANNEX A EXHIBIT A

MASTER PLAN



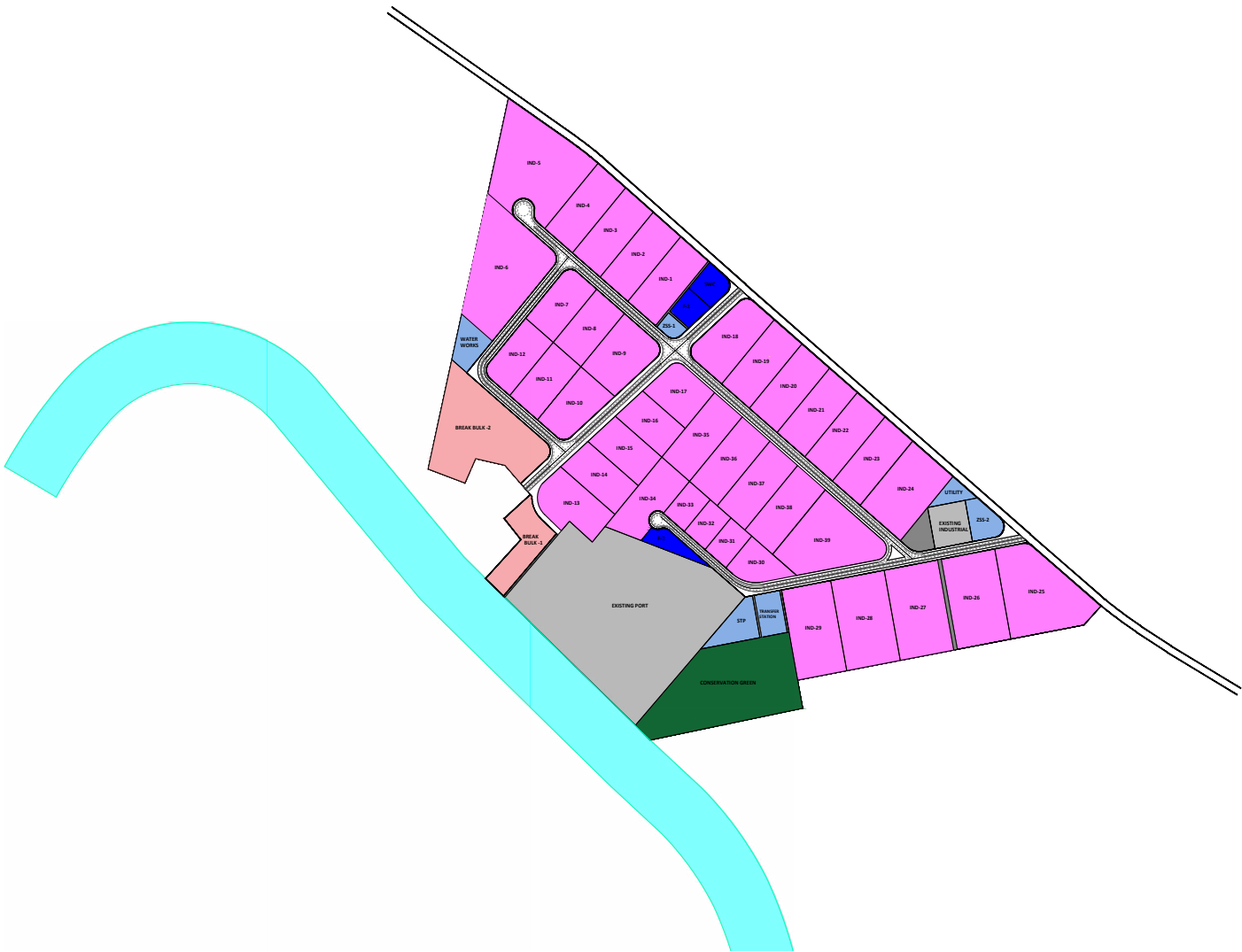


EXHIBIT B

APPROVAL APPLICATION FORMS

APPROVAL APPLICATION FORMS

- Sample Of Covering Letter For Application For The Investment
- Application Form For Setting Up Business
- Sample Letter Of Covering Letter For Building Permit
- Application Of Building Permit
- Information Of Licensed Architect /Engineers
- Construction Permit
- Building Permit/Occupancy Certificate
- Fire Safety Certificate
- Residence And Work Permit
- Approval Form Of Investment
- Standard Operating Procedures

EXHIBIT C

GENERAL OPERATING GUIDELINES



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