

# AGREEMENT

between

**THE NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION**  
(hereinafter referred to as "NORAD")

and

Selfa Artic A.S  
.....

regarding

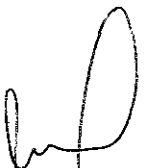
financial support for training of local employees and transfer of know-how  
in connection with the establishing and running of the joint venture company  
Laayoune Equipment Maritime –  
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**WHEREAS:** Selfa Artic AS together with MIFA Ltd, Casablanca, Morocco have established a private company limited by shares, under the name of Laayoune Equipment Maritime(hereinafter referred to as "LEM...") under the laws of the Kingdom of Morocco, and have registered its office in Casablanca , Morocco , with the purpose to operate the facilities for the production and marketing of small fishing boats - (hereinafter referred to as "the Project");

**WHEREAS:** The Project is dependent upon transfer of know-how and appropriate training of local employees on all levels as described in Annex I to this Agreement (hereinafter referred to as "the Training Programme"); and

**WHEREAS:** NORAD will make available financial support towards the implementation of the Training Programme as set forth in Article I below.

**NOW THEREFORE IT IS AGREED AS FOLLOWS:**



**Article I**  
Obligations of NORAD

NORAD shall on terms and conditions set forth in this Agreement make available to Selfa Artic A.S a grant in the maximum amount of Norwegian Kroner 419750,- (norwegiankronerfourhundredandninteethousandandsevenhundredandfifty) (hereinafter referred to as " the Contribution") to be utilized exclusively for the Training Programme.

The Contribution will be 50% per cent of costs, specified in Annex II, totalling NOK 839500 approved by NORAD under this Agreement. The provisions of further funds over and above the Contribution shall be the responsibility of Selfa Artic A.S , so as to ensure the successful completion of the Training Programme.

The obligation of NORAD to make payment under this Agreement shall be subject to the entering into force of the following agreements and documents, in form and content acceptable to NORAD:

- a) Evidence that the share capital minimum 125000US\$ is fully paid up
- b) Training Programme with budget and implementation schedule (Annex I and II).

**Article II**  
Obligations of Selfa Artic A.S

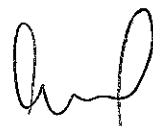
Selfa Artic shall be responsible for the planning and implementation of the Training Programme as listed in Article I, including providing and contracting all required facilities, materials and services to achieve the goals of the Training Programme.

**Article III**  
Disbursement

1. The Contribution will be advanced on request as follows:

1st instalment: 1 week after signing the Agreement 40%

2nd instalment:  
Satisfactory progress report and unaudited accounts for the first 6 months (in case approved cost is less than NOK 100.000., this and subsequent payments will be reduced proportionally): showing how the money has been according to Annex I and II 40%



2. The 3th and final instalment (20%) will be paid on request supported by a final report with audited accounts in form and substance/content satisfactory to NORAD to be received by NORAD not later than January 1<sup>st</sup> 2006
3. If payment(s) has taken place in accordance with Para.1, above, and the work in progress is interrupted or the paid amount for other reasons is not fully spent to settle expenses in connection with what is described in Annex I to this Agreement, the excess will immediately be returned to NORAD.

#### **Article IV** Miscellaneous

It is an understanding that the Training Programme shall be implemented in accordance with the social and economic policy of the Kingdom of Morocco and with the full understanding of its authorities.

#### **Article V** Enter into force - Termination - Disputes

This Agreement shall enter into force upon the date of signature and shall terminate when all obligations arising from it have been fulfilled.

NORAD shall, however, be entitled to terminate the Agreement by giving three months' written notice. Selfa Artic A.S shall be entitled to terminate the Agreements in case of force majeure. In both cases, NORAD shall pay for work carried out under this Agreement as well as compensation for proved necessary costs incurred.

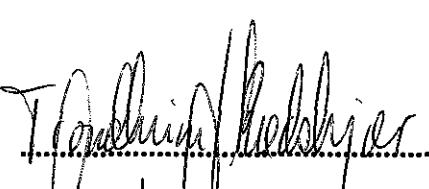
Notwithstanding the above, NORAD shall be entitled to terminate this Agreement immediately by giving written notice to Selfa Artic A.S , if Selfa Artic A.S fails to observe the obligations stated in Article IV. No Contribution from NORAD will be given to the Project and any Contribution already disbursed shall immediately be paid back to NORAD.

Any dispute in connection with this Agreement, which cannot be solved amicably, shall be referred to the competent Norwegian court and be settled in accordance with Norwegian law.

This Agreement has been done in duplicate in English, one for Selfa Artic A.S , and one for NORAD.

Oslo, 11.03.2004

  
Tore Selvig  
Assistant Director  
For The Norwegian Agency  
for Development Cooperation

  
Erik Ianssen 23/3-2004

ERIK IANSSEN  
  
Selfa Arctic AS  
For .....

ANNEX I

## ANNEX I

### **Type of Training**

#### **A: Plast moulding-small vessels**

The theoretical training will mainly take place at the Centre De qualification Professionnelle Maritime in Layoune and at the premises of LEM located next to the Centre De qualification Professionnelle Maritime in Layoune. The training will be based on the curriculum (to be modified) used in Norway to enable students to receive a diploma in plast moulding related to manufacturing of small vessels.

#### **B:Administrative training**

The administrative training program is related to the mercantile aspect and will be based on a similar program run by Selfa Artic A.S to ensure quality standard (ISO) in all transactions.

**BUDGET FOR TRAINING/TECHNOLOGY TRANSFER**DOCUMENT ID:\_\_\_\_ COUNTRY:Morocco COMPANY: Selfa Artie A.S

## TRAINING-PLAST MOULDING

	QUANTITY	RATE	NOK
Compensaton Norway	50hours	400	20.000
Compensation ... (abroad)	1150 hours	400	460.000
Transportation - Norway			
Transportation Norway-Morocco .	3 trips	5500.-	16500
Domestic Morocco	5 trips	1000	5500
Hotel/Subsistence Norway **	days		
Hotel/Subsistence..... **	165days	750	123.750
<u>Other expenses:</u>			
Passport, vaccination,			10.000
Training material			20000
Translation			10000
<b>TOTAL</b>			<b>665.750</b>

**GUIDELINES FOR FILLING IN THE BUDGET FORM****1. General**

NORAD will only cover expenses directly caused by the program activities. General operating expenses, internal rent, and general administration are not covered by NORAD's grant.

**2. Compensation for internal hours is for senior personnel/technical personnel cover stipulate**

The hourly rate is meant to cover social and administrative costs. This includes secretarial help, printing/copying, car/transport compensation, telecommunication, insurance etc.

Expenses incurred outside the company's home country must be verified by a CPA/tax attorney.

**3. Consultancy assistance is covered by a rate of up to NOK 700 per hour**

The consultancy fee is meant to cover the consultants social and administrative costs. This includes secretarial help, printing/copying, car/transport compensation, telecommunication, insurance etc.

Expenses incurred outside the consultant's home country must be documented to CPA/tax attorney.

Consultants within the same consolidated group, but from a separate economic and legal entity, will be regarded as external consultants.

4. NORAD will cover 42 hours per week based on a 6 day work week for both the company's own employees and for the consultants. Working days beyond whole weeks are reimbursed with 7 hours per day.
5. Hotel and subsistence allowance are reimbursed according to Norwegian Government stipulations.

**BUDGET FOR TRAINING/TECHNOLOGY TRANSFER**

DOCUMENT ID:\_\_\_ COUNTRY MOROCCO : COMPANY:\_SELFA ARTIC

**Administrative matters**

	QUANTITY	RATE	NOK
Compensaton Norway	50hours	400	20000
Compensation ... (abroad)	200hours	400	80000
Transportation - ..Norway.			10000
Norway Morocco Air	6 trips	5500	33000
Transport Morocco- domestic land			2000,-
Hotel/Subsistence Norway **	days		
Hotel/Subsistence.. Morocco **	25days	750	18750
Used lower rate as per application			
<u>Other expenses:</u>			
Translations			10000,-
<b>TOTAL</b>			<b>173750</b>

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