

Summary of the Main Changes Brought About by the Review of the Mittal Mineral Development Agreement

IMPORTANT: This summary is for information purposes only and must be read in light of the full Mineral Development Agreement as amended.

ORIGINAL MDA (2005)	AMENDED MDA (2006)
Infrastructure	
<ul style="list-style-type: none"> • Buchanan to Yekepa railroad and Buchanan mineral port (excluding commercial port facilities) to be transferred to Concessionaire. • Right of third parties to access excess capacity of the railroad and mineral port, subject to negotiations in good faith among Concessionaire, Government and such third party. • Concessionaire entitled to reasonable compensation for third party use. 	<ul style="list-style-type: none"> • Government to retain ownership of the Buchanan to Yekepa railroad and Buchanan port, but to grant right to develop, use, operate and maintain same to Concessionaire. • Government to authorize third party access to excess capacity of the railroad and port, in consultation with Concessionaire. • Revenue for third party use to be shared between Government and Concessionaire. • Concessionaire to undertake the expansion and modernization of the railroad and port at the request of Government. Failure to do so gives Government the right to proceed on its own or through a third party, subject to consensus on excess capacity and revenue sharing formula. • New joint committee to review decisions regarding third party access to and modernization of the railroad and port.
Royalties	
<ul style="list-style-type: none"> • Rate of 4.5%. Pricing based on invoiced sales of iron ore. • Calculated FOB Yekepa. • Lower rate of royalty for processed iron ore. 	<ul style="list-style-type: none"> • Rate of 4.5%. Pricing based on fair market value under international standards for similar quality iron ore, with due consideration given to product cost, and subject to applicable adjustments. • Calculated FOB Buchanan. • Negotiated index price for processed iron ore. Rate to remain at 4.5%
Income Taxation	
<ul style="list-style-type: none"> • Application of Liberian tax law as at the date of the agreement, and as contractually modified or limited through the agreement • Ceiling tax rate of 30%. • 0.5% turnover tax rate (credited against income tax liability). • Renewable tax holiday. 	<ul style="list-style-type: none"> • General application of Liberian tax law as at the date of the amendment, subject to certain agreed exceptions and to an agreed exhaustive list of applicable taxes. • Ceiling tax rate of 30%. • 1% turnover tax rate (credited against income tax liability). • No tax holiday

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Withholding Taxes on Payments to Nonresidents and Residents	
<ul style="list-style-type: none"> • Total exemption from withholding taxes on contractor and interest payments. • No tax on the distribution of dividends by Concessionaire or any of its associates. 	<ul style="list-style-type: none"> • Withholding tax is payable on contractor payments and interest payments at a reduced rate of 6% and 9%, respectively, for 10 years. • Tax exemption on dividends limited to Concessionaire.
Duties	
<ul style="list-style-type: none"> • Application of Liberian taxes and duties as contractually modified or limited in the agreement. • 50% reduction on import duty on gasoline for the term of the agreement. • \$400,000 to be paid in 2 installments in lieu of duties on a wide range of imports for the term of the agreement. • Tax and duties on other items to be no higher than for any other producer of iron ore. • Application of ordinary taxes, fees and revenue charges • Exemption from BIVAC fee. • Exemption from ECOWAS fee. 	<ul style="list-style-type: none"> • General application of Liberian law with specific exemptions and subject to an agreed exhaustive list of applicable duties. • 50% reduction on import duty and sales tax on gasoline and diesel for 7 years. • \$400,000 to be paid in 2 installments in lieu of duties on items listed in an appendix (mainly capital goods such as construction equipment) for the first 5 years. • 40% of import duties on appendix items for years 6 to 10. • Goods and Service Tax exemption for appendix items for term of agreement • Concessionaire to bear inspection fees. • No exemption from ECOWAS fee.
Corporate Governance	
<ul style="list-style-type: none"> • Generally, no assurance of Government board representation in the Concessionaire. • No contractual provision for arm's length standard for, or other limitations on, affiliate transactions; • Mittal not to transfer its interest in the agreement (including in concessionaire) without Government's consent, not to be unreasonably withheld. • No leverage limitations. • No Mittal guarantee. 	<ul style="list-style-type: none"> • Government to have board representation in Concessionaire equivalent in percentage terms to its equity ownership. • Debt: equity ratio of Concessionaire not to exceed 3:1. • Neither Mittal nor Government to transfer its equity interests in Concessionaire to any third party without the other party's consent. • Concessionaire not to issue equity to an unaffiliated third party without the consent of Government. • Concessionaire to conduct all activities with its affiliates on an arm's length basis. • Concessionaire not to make long-term loans to its affiliates without the consent of Government. • Mittal Steel Holdings A.G. to guarantee the adequacy of Concessionaire's initial start up capitalization and its ability to meet its payment and environmental obligations.

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One-time Payment	
<ul style="list-style-type: none"> No one-time payment. 	<ul style="list-style-type: none"> \$15 million to be paid to Government in 3 equal installments.
Sovereignty	
<ul style="list-style-type: none"> Provisions of the agreement prevail over Liberian laws and regulations Complete stabilization of Liberian laws and regulations. Agreement governed by UK law, with due regard to the laws of Liberia. 	<ul style="list-style-type: none"> General applicability of Liberian laws, subject to the provisions of the agreement Stabilization of laws relating to taxes and duties. Agreement governed by Liberian law, subject to generally accepted legal principles.
Social Benefits	
<ul style="list-style-type: none"> Preference to the employment of Liberian citizens in skilled positions, subject to equality of qualifications. Complete freedom to choose senior management. \$50,000 per year to fund overseas scholarships. \$50,000 per year to the Department of Mining and Geology at the University of Liberia. 	<ul style="list-style-type: none"> Schedule to govern the number of qualified Liberians employed in skilled positions. 25% of senior management positions to be held by Liberians within 5 years, subject to availability. 50% of senior management positions to be held by Liberians within 10 years, subject to availability. 1 of the top 3 senior managers to be a Liberian within 1 year. \$200,000 per year to fund overseas scholarships. \$50,000 per year towards the creation and operation of a Mining and Geology Institute of the University of Liberia in the Yekepa area. Health and safety facilities, health care procedures and practices, and health and safety training to be in accordance with accepted international standards.
Environmental Protections	
<ul style="list-style-type: none"> Government may, at the expense of Concessionaire, conduct a periodic environmental audit and assessment, subject to prior agreement on scope and budget. 	<ul style="list-style-type: none"> Concessionaire to conduct an annual environmental audit and assessment and Government to conduct periodic inspections of the concession area at its own expense.

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Development of Concession Area	
<ul style="list-style-type: none"> • Activities to commence within 45 days of the agreement and then to follow a tentative development program. 	<ul style="list-style-type: none"> • Tentative development program and: <ul style="list-style-type: none"> (i) 3-year deadline for full rehabilitation of the railroad and port; (ii) 4-year deadline for the commencement of continuous production; and (iii) a schedule to ensure consistent annual iron ore production.
<ul style="list-style-type: none"> • Right of first refusal to incorporate contiguous unencumbered areas with potentially exploitable iron ore resources into the concession area • Government to grant an exploration license for any area within the concession area on notice from the Concessionaire. • Government to grant the right for Concessionaire to utilize and possess public land without cost. • Where necessary, Government to intervene and acquire private land at concessionaire's expense, for Concessionaire to utilize and possess. Land then deemed part of the concession area. • Surface rental payable at \$200,000 for the first 2 years and \$300,000 for the remainder of the term. 	<ul style="list-style-type: none"> • Right to submit a bid for the right to undertake exploration of potentially exploitable iron ore in unencumbered contiguous areas. • Right to undertake exploration and development of other minerals within the concession area in accordance with Liberian mining law. • Government and Concessionaire to negotiate in good faith for the right to use public land located outside concession area. Such land not to be part of the concession area. • No Government involvement in negotiations between Concessionaire and private landowners. • Surface rental payable at \$200,000 for the first 2 years and \$300,000 for the remainder of the term subject to inflationary adjustments.