

**Memorandum of Understanding
For Tourism Concession Project [INSERT NAME OF PROJECT]
in [DISTRICT, PROVINCE]**

Category II Project¹

This Memorandum of Understanding (“MOU”) is made on _____ (the “**Execution Date**”), in Vientiane Capital, Lao PDR

Between

The Government of the Lao People’s Democratic Republic (“**Lao PDR**”), represented by the Ministry of Planning and Investment, hereafter “**Government**”

And

[INSERT INVESTOR NAME], a company established and registered under the laws of [INSERT COUNTRY OF LEGAL REGISTRATION], with its head office at [INSERT FULL ADDRESS OF HEAD OFFICE], hereafter “**Investor**,”

The Investor and the Government each a “**Party**” and collectively the “**Parties**.”

Whereas:

- (1) Government wishes to take advantage of the country's natural environmental assets, in particular its land favorable for the development of tourism, in order to support local development, create employment for the Lao people, and promote domestic businesses. In addition, Government wishes to facilitate the transfer of skills, knowledge, and technology regarding tourism services, operation, management, maintenance of tourism properties and other related activities to the Lao people;
- (2) To achieve its development goals, Government wishes to support and promote environmentally and socially sustainable development of tourism facilities, including multi-service resorts, hotels, motels, guesthouses, bars and restaurants, entertainment, convention center and leisure venues, ecotourism projects and the development of natural, historic and cultural sites, to attract and meet the needs of international visitors and local persons in Lao PDR;
- (3) All investment projects which create or may create adverse environmental and social impacts are to be designed and implemented with the correct and appropriate environmental and social impact prevention and mitigation measures, including environmental management and monitoring plans and social management and monitoring plans in order to effectively prevent, minimize and resolve adverse environmental and social impacts from investment projects and to make national socio-economic development sustainable;

¹It is anticipated that this MOU will be used for the following types of investment project negotiated by MPI, IPD: Hotels or resort construction projects with more than 80 beds; and/or with a land area size of more than 50 hectares; and/or that are located in Forest Protected Areas; and/or have an investment amount ranging from USD5,000,000 to USD20,000,000 . All such projects are likely to be classified as Category II.

- (4) The Investor has wishes to undertake [insert details of project, including land size, type of facilities to be constructed and natural sites]located in [district, province](the “**Project**”), and seeks to enter into this MOU with the Government with respect to the Project;
- (5) The Project is classified as a Category II project for environment assessment purposes, requiring a full environmental impact assessment in accordance with the Decree on Environmental Impact Assessment No. 112/PM dated 16 February 2010 (the “**EIA Decree**”);
- (6) The Project is classified as a Social Category [S1 or S2 or S3] for social assessment purposes, requiring a [standalone social impact assessment and resettlement plan and/or ethnic minority development plan; or a social impact assessment within the environmental impact assessment and simple resettlement plan and/or land acquisition and compensation report; or a study of social impacts within the environmental impact assessment] in accordance with the Decree on Compensation and Resettlement of the Development Project No. 192/PM dated 7 July 2005 (the “**Compensation and Resettlement Decree**”) (the reports and plans listed in this section (6) will be referred to as the “**SIA Studies**”). The reports and plans listed in sections (5) and (6) shall collectively be referred to as the “**ESIA Studies**”;
- (7) In addition to the assessment and plans required by EIA Decree and Compensation and Resettlement Decree, the Investor will be provided with the exclusive right to request that the Responsible Government Authorities conduct a land survey report and land use map, which includes the Project area, and prepare a feasibility study with respect to the Project;
- (8) Upon completion of all required land, feasibility and ESIA Studies relating to the Project, as certified by the Responsible Government Authorities, and having obtained an environmental compliance certificate from the Ministry of Natural Resources and Environment, the Investor, or the project company formed by the Investor (the “**Project Company**”), can finalize negotiations with the Government for a Concession Agreement for the Project.
- (9) The Government and the Investor now wish to define their relationship and respective obligations with respect to the Project processes described above in sections (1) – (8).

Therefore, the Parties agree as follows:

Article 1: Definitions and Interpretation

1.1 Definitions

In this MOU:

“**Authorized Period**” means the twelve (12) month period from the Execution Date or such longer period as may be approved by Government pursuant to Article 3; provided that the Authorized Period shall in all events terminate upon the termination of this MOU.

“**Category II**” means a large-scale investment project that is complicated or will create significant environmental and social impacts and that has been categorized as such in accordance with Decision No. 697/PMO-MONRE dated 12 March 2010 and the EIA Decree. Category II projects are required to prepare a full EIA.

“**Compensation and Resettlement Decree**” means the Decree on Compensation and Resettlement of the Development Project No. 192/PM dated 7 July 2005, and includes the Regulations for Implementing Decree 192/PM on Compensation and Resettlement

of People Affected by Development Projects dated 11 November 2005, any amendments thereto, or any successor law, decree, regulations or guidelines.

“Concession Agreement” means an agreement between the Government and the Project Company authorizing the Project Company to undertake Project and setting out the obligations and rights of the Project Company with respect to the construction, operation, and closure of Project.

“EIA Decree” means the Decree on Environmental Impact Assessment No. 112/PM dated 16 February 2010, any amendments thereto, or any successor decree or law.

“Environmental Compliance Certificate” means a legal document issued by the Ministry of Natural Resources and Environment, which approves the ESIA Studies.

“Environmental Impact Assessment” or **“EIA”** means studying, surveying, researching, analyzing and estimating of possible positive and negative impacts on the environment and society, including short and long term impacts, created by the investment projects classified in Category II, as well as offering appropriate alternatives, and incorporating an EMMP to prevent and mitigate possible environmental impacts which are likely to happen during construction and operation of the investment projects. Where the SIA forms part of the EIA, the EIA shall also include an SIA and SMMP as defined below.

“Environmental Management and Monitoring Plan” or **“EMMP”** means a plan, which consolidates all key environmental works, preventive measures, mitigation and correction of environmental impacts as stipulated in the EIA Decree, as well as organizational structures and responsibilities, schedule and sufficient budget for implementation of the environmental management and monitoring activities, during a project's construction, operation and termination period.

“Environmental Protection Law” means the Law on Environmental Protection No. 02-99/NA dated 18 December 2012, any amendments thereto, or any successor decree or law.

“ESIA Studies” means the EIA, EMMP, SMMP and SIA Studies (defined below).

“Execution Date” means the date of execution of this MOU by the Parties as shown on the first page of this MOU.

“Feasibility Study” means a detailed study of the Project in order to determine the financial and technical feasibility of the Project taking into account the Land Use Map and ESIA Studies and including among other items a detailed description of the proposed investment, a plan and timetable of expected construction and operation, a plan for marketing the tourism facility, expected employment of Lao nationals and non-Lao nationals by category, and a reasonably detailed forecast of capital investment, operating costs, sales revenues, and the anticipated financing plan under various economic conditions satisfactory in its scope and content to the Government.

“Forestry Law” means the Law on Forestry No. 06/NA (24 December 2007).

“Guaranty Fund” means the deposit paid by the Investor to the Government to guaranty fulfillment of the obligations contained within this MOU as further defined in Article 5 herein.

“Government” means, as the context requires, the Government of Lao PDR, and/or any Ministry or department, or any provincial, district, or village level administrative authority of Lao PDR.

“GPS” means the Global Positioning System which is a navigational system involving satellites and computers that can determine the latitude and longitude of a receiver on Earth by computing the time difference for signals from different satellites to reach the receiver.

“International Standards” means such standards, practices, methods and acts representing international ‘best practice’, as developed by international standard organizations, applied by prudent professionals of international firms and recognized by international institutions and lenders, for example, the environmental and social sustainability performance standards of the International Finance Corporation.

“Investment Promotion Law” means the Law on Investment Promotion No. 02/NA dated 8 July 2009.

“Investor” means [INSERT COMPANY NAME], a company established and registered under the laws of [INSERT COUNTRY OF LEGAL REGISTRATION], with its head office at [INSERT FULL ADDRESS].

“Land Survey” means the field study and report of measured altitudes, angles, and distances on the land surface within the Survey Area so that the boundary can be accurately plotted on the Land Use Map and shall include data that illustrates existing land use and land classification, important structures and sensitive areas within the Survey Area.

“Land Use Map” means a land map based on the Land Survey showing the zoning and land classification of any existing uses on all parcels of land within the Survey Area including, but not limited to, all parcels of land constituting the Project Area.

“Lao PDR” means the Lao People’s Democratic Republic.

“Law” means the Constitution, or any law, statute, decree, rule, regulation, treaty obligation, judicial act or decision, judgment, order, proclamation, directive executive order or other sovereign act of Lao PDR.

“One Stop Service” means the office of the One Stop Service located in the Ministry of Planning and Investment responsible for coordinating between the Responsible Government Authorities and the Investor and Project Company.

“Parties” means Government and Investor.

“Person” means a natural person or a juristic person including a company, partnership, joint venture or corporation established under the laws of any jurisdiction.

“Preserved Zone(s)” has the same meaning as in the Tourism Law and means the area(s) in which it is prohibited to undertake any activities, such as construction, modification, land clearance, that could lead to structural or other significant changes to the original condition of the land or historical, cultural or natural sites located on the land, excluding limited and approved renovation that maintains the original condition of the land.

“Project Affected People” means a Person, legal entity, or organization directly or indirectly affected by the Project (or are likely to be affected) due to the legal requisition of land or other assets, changes of land use category, and/or impacts on the ecological and environmental system in their settlement areas.

“Project Area” means those parcels of land that the Investor wishes to lease or otherwise use in connection with the Project, including but not limited to the Site Area.

“Project Company” means the company established by the Investor pursuant to Lao Laws and registered to do business in Lao PDR for the purpose of managing the Project.

“Project” means [DESCRIPTION OF PROPOSED PROJECT AND LOCATION].

“Reserved Zone(s)” has the same meaning as appears in the Tourism Law and means the area(s) that the Government has identified for small scale development activities for the public benefit, such as camping sites, resting points, paths, walking trails etc.

“Responsible Government Authority” is the concerned Government authority identified in Schedule 2.

“Service Zone(s)” has the same meaning as appears in the Tourism Law and means the area(s) that the Government has identified as being suitable for the construction and operation of facilities that support tourism, such as tourism activities, accommodation, food service, trading and other tourism related services.

“SIA Studies” means the [standalone SIA and resettlement plan and/or ethnic minority development plan]; or, [SIA forming part of the EIA and simple resettlement plan and/or land acquisition and compensation report]; or [a study of social impacts forming part of the EIA] in accordance with the Compensation and Resettlement Decree.

[**“Social Category S1”** means a project with significant impacts on people, which is defined in accordance with the Resettlement and Compensation Decree as those projects where a) 200 persons (40-50 households) or more would be severely affected due to: i) >20% loss of productive assets or where the loss is less than 20% but the remaining assets are rendered economically unviable; ii) Displacement due to the loss of land and/or structures; iii) Permanent loss of incomes and employment; or b) 200 or more persons (40-50 households) belonging to the following vulnerable groups severely affected due to the project: i) ethnic minorities; ii) squatters and those with weaker titles; iii) indigenous peoples; iv) poverty groups; v) women headed households. A project categorized as ‘S1’ will require full Resettlement Plan or a standalone Ethnic Minority Development Plan, as the case may be, and prepare a standalone SIA.] OR

[**“Social Category S2”** means a project with marginal impacts on people, which is defined in accordance with the Resettlement and Compensation Decree as those where impacts resulting from the project are marginal although the number of people affected may be more than 200 in the case of loss of productive assets or for vulnerable groups (ethnic minorities, poverty group, squatters, women-headed households). Only a simple Resettlement Plan or a Land Acquisition and Compensation Report would be required for category ‘S2’ projects, with the SIA forming part of the EIA.]

[**“Social Category S3”** means a project that does not result in acquisition of assets, displacement, loss of incomes and employments, restricted access to community resources, community ties, and restrictions imposed on cultural practices of vulnerable and/or ethnic minority groups.]

“Social Impact Assessment” or **“SIA”** means studying, surveying, researching, analyzing and estimating of possible positive and negative human impacts, including short and long term impacts, created by an investment project, including aesthetic, archaeological and cultural heritage impacts, demographic and community impacts, development and economic impacts, gender and vulnerable group assessment, health impacts, ethnic minority groups’ rights, institutional and political impacts, poverty assessment, resource issues (access and ownership of resources), the other impacts on societies, as well as offering appropriate alternatives and (where the SIA does not form part of the EIA) incorporating an SMMP to prevent and mitigate possible impacts which are likely to happen during construction and operation of the investment project.

“Social Management and Monitoring Plan” or **“SMMP”** means a plan, which consolidates all key social works, preventive measures, mitigation and correction of social impacts stipulated in the EIA Decree and Compensation and Resettlement Decree, as well as organizational structures and responsibilities, schedule and sufficient budget for implementation of the social management and monitoring activities, during a project's construction, operation and termination period.

“Studies” means collectively the Feasibility Study and the ESIA Studies.

“Survey Area” means the Project Area and those land areas in the vicinity, adjacent to and surrounding the Project Area, which may be directly or indirectly affected by the Project’s construction, operation, or other activity, as determined by agreement between the Parties and Law.

“Technical Guidelines” means any technical guidelines released by the Government for the purpose of providing investors and consultants with specific instructions on methods of research, analysis, consultation, drafting reports and other activities required by Law and as applicable to the preparation of the Studies, including without limitation the EIA Technical Guidelines (2010), Compensation and Resettlement Guidelines in Development Project (2005), and the Public Involvement Technical Guidelines (2013).

“Tourism Law” means the Law on Tourism No. XX (2012)

“Tourism Standards” means the applicable construction, service, facility, food and hygiene standards for Tourism facilities as released by the Ministry of Public Works and Transport, Ministry of Information, Culture and Tourism, Ministry of Health and other Responsible Government Authority, including, but not limited to, the Lao Hotel 1-5 Star Standards and Restaurant Hygiene Standards.

“USD” means the legal currency of the United States of America.

“Vulnerable Group” means distinct groups of people who might suffer disproportionately from the loss of fixed and movable assets, other assets and production base or face the risk of being marginalized from the effects of resettlement and specifically include: divorced or windowed female headed households with dependents and low income, households with disabled or invalid persons, households with persons falling under the generally accepted indicator for poverty as defined by

the Ministry of Labor and Social Welfare, or the landless; elderly households with no means of support.

1.2 Interpretation

- (i) Headings and underlinings are for convenience only and do not affect the interpretation of this MOU;
- (ii) Any reference to the provisions of any legislation or regulations made hereunder includes any statutory modification, amendment, revision, replacement or re-enactment thereof;
- (iii) Where the day on or by which any thing is to be done is not a Business Day that thing must be done on or by the next Business Day;
- (iv) Any reference to “day” shall refer to any day in the Gregorian calendar; and
- (v) Unless the context implies otherwise, references to Articles and Schedules are to the articles of and schedules to this MOU and the Schedules shall be deemed to form part of this MOU.

Article 2: Purpose of MOU

- 2.1** The purpose of this MOU is to define the conditions on which the Government has granted the Investor the exclusive right to request that the Responsible Government Authorities conduct the Land Survey and prepare the Land Use Map and to prepare the Studies relating to the Project Area and the Project for the duration of the Authorized Period (as defined in Article 3).
- 2.2** Upon completion of all obligations listed in this MOU by the Investor as certified by the Responsible Government Authorities, and having obtained an environmental compliance certificate from the Ministry of Natural Resources and Environment, the Investor shall be entitled to finalize negotiations with the Government to enter into a Concession Agreement.

Article 3: Authorized Period

- 3.1** This MOU shall be effective as of the Execution Date and shall remain valid and enforceable for an initial period of twelve (12) months unless earlier terminated in accordance with Article 9 (the “**Authorized Period**”).
- 3.2** The Investor may submit a written request for an extension of the initial Authorized Period to the Government no less than thirty (30) days prior to the expiration of the initial Authorized Period declaring the specific reasons for the proposed extension and reporting on the status of the Land Survey and the Studies as of the date of the request.
- 3.3** The Government shall determine, in its sole discretion, whether to grant the Investor an extension of the Authorized Period for an additional period of up to six (6) months, based on the Investor’s written request, whether the Investor is acting with due diligence to complete the Studies in accordance with this MOU, and the reasonable likelihood that the Project will ultimately be approved.

Article 4: Rights and Obligations of the Investor

4.1 The Government grants approval to the Investor to engage in the following activities with respect to the Project during the Authorized Period:

- (i) To commission the Responsible Government Authorities to conduct the Land Survey, prepare a report on the Land Survey and prepare the Land Use Map;
- (ii) To prepare the Feasibility Study;
- (iii) To prepare the ESIA Studies applicable to a Category II and Social Category [S1 or S2 or S3] project.

4.2 Land Survey and Land Use Map

- (i) The Investor will commission the Responsible Government Authority to conduct a Land Survey and produce a report based on the Land Survey and prepare a Land Use Map. The Investor shall pay such survey and mapping fees to the Responsible Government Authority as are generally applicable under Lao PDR Law with respect to the Land Survey and Land Use Map. The Land Survey will be undertaken using GPS, or such other technology as the Responsible Government Authority shall determine. A report on the Land Survey shall be provided with the Land Use Map, which incorporates all data collected during the Land Survey.
- (ii) The Land Use Map shall show the zoning, land classification and current land use of all land within the Survey Area, including, but not limited to, land constituting the Project Area. The Land Use Map will show Project Area boundaries, Preserved Zone(s), Reserved Zone(s) and Services Zone(s), existing structures and public technical installations, villages and urban areas, roads and infrastructure, rivers, lakes and reservoirs, the existence of any types of land listed in Article 4.2 (iii) and (iv), historic, cultural or natural tourism sites, land cover and GPS waypoints. The Land Use Map shall have information that includes the following: name of Investor, Province, District, Village, name of surveyor and surveyor organization, land parcel identification numbers, coordinate system, datum, map scale, north arrow, date of field survey, date of map preparation, and legend. The Land Use Map shall be prepared in a scale that facilitates presentation of the above listed features (1:50 000 or 1:10 000).
- (iii) In accordance with the Tourism Law and other relevant Lao PDR Laws, the Project Area shall consist of areas that have been zoned for tourism business purposes by the Government and categorized as Preserved Zone(s), Reserved Zone(s) and Services Zone(s).
- (iv) In general, the Project Area should not include the following types of land:
 - (a) Protection forest;
 - (b) Conservation forest;
 - (c) Production forest.
 - (d) Military strategic areas;
 - (e) Other Government approved land concession projects;
 - (f) Rice paddy land;

- (g) Land held on private land title;
 - (h) Land that is under collective title; and
 - (i) Land on which people are residing or making a living off of, whether on a periodic or permanent basis.
- (v) In the event any of the types of land listed in Article 4.2 (iv) exist within the Project Area, the Investor must provide evidence and justifications to the Responsible Government Authorities explaining why it is necessary to use this land for the Project and thereafter apply for approval from the Responsible Government Authority to use such land, with approval provided on a project-by-project basis. In such circumstances, these areas shall be clearly identified on the Land Use Map, with further data provided in the report of the Land Survey.
- (vi) During the Land Survey, the Investor, in collaboration with local authorities and the Responsible Government Authorities, must ensure that any Project Affected People and other stakeholders, including with particularity women and Vulnerable Groups, are openly consulted with and participate in the Land Survey process in accordance with Lao PDR Laws.
- (vii) The report on the Land Survey must be signed by a senior employee from the Responsible Government Authority who coordinated and completed the Land Survey.
- (viii) The report of the Land Survey and Land Use Map shall be provided by Department of Land Use Management, Ministry of Natural Resources and Environment, in both physical and electronic copy, to the One Stop Service at least [three (3) months] prior to the end of the Authorized Period and in accordance with the timetable attached to this MOU in Schedule 1, and shall be reviewed in accordance with Article 7.1 herein.
- (ix) Notwithstanding fulfillment of the obligations listed in this Article 4.2, the Investor or the Consultant engaged by the Investor for completion of the Studies, will further be required undertake field surveys of the Survey Area and create topographic and aerial photo base maps showing the existing and future planned situation of the Survey Area and Project Area as part of the Studies of detail and accuracy proscribed in the relevant Technical Guidelines. Fulfillment of the obligations contained in this Article 4.2 should not be interpreted as fulfillment of the Investor's additional land survey and land mapping obligations required for the Studies.

4.3 Feasibility Study

- (i) The Feasibility Study shall meet International Standards and be prepared by a consultant in accordance with the Law and any relevant sector specific Technical Guidelines and Tourism Standards.
- (ii) The Feasibility Study shall include, with particularity, the Investor's commitments and expectations with respect to construction, renovation and refurbishment of any buildings or facilities and/or development of natural, historic and cultural sites, expected hotel star rating or relevant Tourism Standards, marketing facilities and strategies, use of Lao labor, contractors and locally produced goods, investigations of alternative tourism models and structures and other expected contributions to the development of Lao PDR's

economy and its peoples and shall be accompanied by a detailed financial spread sheet including cell formulas.

- (iii) The Feasibility Study must be signed by the consultant who prepared the report and a senior employee or director of the Investor.
- (iv) The Feasibility Study shall be provided in both physical and digital copy to the One Stop Service who will forward the same to the Department of Tourism Management, Ministry of Information, Culture and Tourism, Ministry of Public Works and Transport and [Department of Forestry, Ministry of Agriculture and Forestry]² to the Government in accordance with the timetable attached to this MOU in Schedule 1 and shall be reviewed in accordance with Article 7.2 herein.

4.4 ESIA Studies

- (i) The ESIA Studies shall meet International Standards and be prepared by an independent Consultant registered with the Ministry of Natural Resources and Environment in accordance with the Law, including with particularity, the Environmental Protection Law, the EIA Decree, the Compensation and Resettlement Decree and the relevant Technical Guidelines.
- (ii) The Investor must submit the scope of study and terms of reference for the respective ESIA Studies to the Department of Environmental and Social Impact Assessment, Ministry of Natural Resources and Environment before conducting any assessment.
- (iii) The EIA with particularity must be designed with study of several options so that the best option can be selected, and include study on short-term and long-term direct and indirect impacts on the residents living around the project site, giving attention to impacts on health, loss of assets and residences, impacts on living condition, usage of natural resources and other impacts on living condition, usage of natural resources and other impacts on environment and society such as soil, water, climate, forest and biodiversity, including architectural and cultural heritages and antiques/antiquities, and incorporate an EMMP, and if the SIA is incorporated into the EIA, a SMMP.
- (iv) If the Project is likely to affect other investment projects, a cumulative impact assessment must be incorporated into the EIA in conjunction with the existing investment projects. If the Project is likely to create impacts beyond the territorial border of Lao PDR, the EIA must also incorporate trans-boundary environmental impacts.
- (v) As the Project is classified as a Social Category [S1 or S2 or S3], the Investor must also complete and submit an SIA, SMMP [and a Resettlement Plan, Land Acquisition and Compensation Report and/or Ethnic Minority Development Plan] or [as part of the EIA] or [as a standalone document from the EIA] in accordance with the EIA Decree, the Compensation and Resettlement Decree and the relevant Technical Guidelines.

² If the project involves land that is classified as Protection Forest, Conservation Forest or Production Forest, the Department of Forestry, Ministry of Agriculture and Forestry must also review the Feasibility Study.

- (vi) The ESIA Studies shall be prepared in open consultation with, and participation from, Project Affected People and other relevant stakeholders, including with particularity women and Vulnerable Groups, in accordance with the requirements of the EIA Decree, the Compensation and Resettlement Decree, the relevant Technical Guidelines and any other requirements of Law. The comments and requests of the Project Affected People shall be attached to, and incorporated into, the ESIA Studies and used to revise these documents where applicable.
- (vii) The ESIA Studies shall be prepared in collaboration and consultation with Responsible Government Authorities located at the village, district, provincial and central levels in accordance with the Law.
- (viii) A Letter of Endorsement, in the form prescribed by the EIA Technical Guidelines, signed by the Consultant who prepared the relevant ESIA Studies and a senior employee or director of the Investor, must be submitted with the ESIA Studies.
- (ix) The ESIA Studies shall be provided in both physical and digital copy to the One Stop Service, who will forward the same to the Department of the Environmental and Social Impact Assessment, Ministry of Natural Resources and Environment, in accordance with the timetable attached to this MOU in Schedule 1 and shall be reviewed in accordance with Article 7.3 herein.
- (x) The ESIA Report shall be made public both in physical copy and electronically in accordance with Article 11.5.

4.5 Liability of data and expenses: The Investor shall be liable for:

- (i) The accuracy of the data and information contained in the report on the Land Survey, Land Use Map and Studies; and
- (ii) Every expense incurred in the process of preparing and reviewing the Land Survey, Land Use Map and Studies.

4.6 No Project Work Authorization: Except as required to carry out the Land Survey and the Studies as provided for in Articles 4.2, 4.3 and 4.4 herein, the Investor is not authorized to carry out any Project related activity, including with particularity any land clearing or construction, or other activity which could affect the environment, the society, Project Affected People and other stakeholders without prior written authorization of the Government. Any action constituting a breach of this Article 4.6 will result in termination of this MOU in accordance with Article 9. The Investor will also be liable for every expense required to restore, rectify and remedy any adverse impacts to the Survey Area caused by their unauthorized actions and be subject to fines and penalties in accordance with the Law.

Article 5: Guaranty Fund

- 5.1** Within thirty (30) days of the execution of this MOU, the Investor shall deposit [USD XXXX (USD in words)] into the Investment Promotion Department, Ministry of Planning and Investment's bank account at the National Treasury Account No. [INSERT ACCOUNT NUMBER], as the representative of the Government, in accordance with the Investment Promotion Law in order to secure the fulfillment of the obligations contained within this MOU (the “**Guaranty Fund**”). Upon deposit of

the Guaranty Fund, the Investor will provide proof of payment to the One Stop Service.

- 5.2 In the event the Investor fails to deposit the Guaranty Fund within the period specified in Article 5.1, this MOU shall terminate in accordance with Article 9.
- 5.3 In the event the Investor has not commenced any activity in relation to the Land Survey and Studies within three (3) months after the Execution Date as specified in this MOU and in accordance with the timetable attached in Schedule 1, the Guaranty Fund shall be confiscated and remitted into the State budget.
- 5.4 The Investor shall be entitled to full refund of the Guaranty Fund upon termination of this MOU, unless such termination is the fault of the Investor due to reasons provided in Articles 9.1(ii), 9.1 (vi) or 9.2, in which cases the Guaranty Fund shall be confiscated and remitted into the State budget.
- 5.5 The Guaranty Fund may be made in KIP, USD or any another currency acceptable the Bank of Lao PDR and shall be calculated based on the exchange rate on the day of making the deposit.

Article 6: Rights and Obligations of the Government

During the Authorized Period the Government shall:

- 6.1 Coordinate, activities among Responsible Government Authorities relating to Investor's activities pursuant to this MOU including the designation of a lead authority to coordinate required Governmental activity, for such purposes the One Stop Service, shall act as the lead Authority;
- 6.2 Provide the necessary authorizations to Responsible Government Authorities and other authorities to implement and monitor the exercise of their responsibilities pursuant to Law and this MOU;
- 6.3 Facilitate the approval of visas and other permissions required by Law and all other necessary action in order to permit Investor's personnel and consultants such access as necessary to conduct the Land Survey and the Studies;
- 6.4 Facilitate Investor's access to the Survey Area;
- 6.5 Provide such information that Government possesses as may be reasonably requested by Investor when such information is relevant to the Land Survey and the Studies, subject to reimbursement by Investor of the reasonable cost of providing such information;
- 6.6 Provide the Investor with exclusive rights to request the Responsible Government Authorities to conduct the Land Survey and to conduct the Studies in the Project Area and shall not enter into an MOU or a Concession Agreement with any other Person with respect to the Survey Area.

Article 7: Approval of the Studies

- 7.1 The Investor will first submit the Feasibility Study and ESIA Studies to the One Stop Service, who will distribute these documents to the respective Responsible Government Authorities for review as listed in Articles 7.3 and 7.4 below.

- 7.2** The report on the Land Survey and the Land Use Map shall be reviewed by and subject to the approval of the Department of Land Use Management, Ministry of Natural Resources and Environment. The Ministry of Natural Resources and Environment shall approve the Land Survey and certify the Land Use Map within thirty (30) days and following such approval and certification shall provide the Investment Promotion Department, Ministry of Planning and Investment and the Investor with the same within five (5) working days.
- 7.3** The Feasibility Study shall be reviewed by and subject to the approval of the Department of Tourism Management, Ministry of Information, Culture and Tourism. The Ministry of Information, Culture and Tourism shall either approve the Feasibility Study or return such to Investor setting out any deficiencies within fifteen (15) working days. If not approved, Investor shall have ninety (90) days after the Feasibility Study is returned to Investor to cure any identified deficiencies to the satisfaction of the Ministry of Information, Culture and Tourism. If any deficiency is not cured within such ninety (90) day period, the Ministry of Information, Culture and Tourism shall immediately inform the One Stop Service of this fact, and this MOU shall terminate in accordance with Article 9.1 (iii) herein, with the Investor having no further rights with respect to the Project.
- 7.4** The ESIA Studies shall be reviewed by and subject to the approval of the Department of Environmental and Social Impact Assessment, Ministry of Natural Resources and Environment. The Ministry of Natural Resources and Environment shall have ninety (90) days, or one hundred and eighty (180) days for complicated projects, to either approve the ESIA Studies or return them to the Investor setting out any deficiencies. If not approved, the Investor shall have ninety (90) days after the ESIA Studies are returned to cure any identified deficiencies to the satisfaction of the Ministry of Natural Resources and Environment. If the ESIA Studies are approved in accordance with the Law, the Ministry of Natural Resources and Environment shall issue an Environmental Compliance Certificate for the Project. The Environmental Compliance Certificate will be subject to conditions provided by the Ministry of Natural Resources and Environment pursuant to Article 17 of the EIA Decree. If the ESIA Studies are rejected in totality, the Department of Environment and Social Impact Assessment, Ministry of Natural Resources and Environment shall immediately inform the One Stop Service. In such circumstances, no Environmental Compliance Certificate shall be issued and this MOU shall terminate in accordance with Article 9.1 (iii) herein, with the Investor having no further rights with respect to the Project.
- 7.5** Within five (5) working days of approval and certification by the respective Responsible Government Authorities of the final versions of the report on Land Survey and Land Use Map, and the Studies, a copy of the same, with an official letter stating approval and certification, shall be provided by the relevant Responsible Government Authorities to the One Stop Service.

Article 8: Right to Concession Agreement

- 8.1** The Investor or Project Company can finalize negotiations with the Government for a Concession Agreement for the Project subject to:
- (i) Investor having fulfilled all obligations required by this MOU, including with particularity the report on Land Survey and Land Use Map and the Studies having been certified by the Responsible Government Agencies and provided to the One Stop Service and the Investor having been granted the

Environmental Compliance Certificate from the Ministry of Natural Resources and Environment;

- (ii) Investor having complied with all of the requirements of the Law, including with particularity the required consultations with, and participation, of the Project Affected People and other relevant stakeholders in preparing the ESIA Studies;
- (iii) Demonstration through the Land Survey and Studies that the Project is consistent with the requirements of Law, is in the public interest and supports the development goals of the Government;
- (iv) The Investor and/or Project Company satisfying all other requirements of Law for entry into the Concession Agreement, and
- (v) The Investor and/or Project Company and Government agreeing to the terms and conditions of the Concession Agreement in its then customary form.

8.2 Except as otherwise agreed by the Ministry of Planning and Investment, the right of the Investor and/or Project Company to enter into a Concession Agreement relating to the Project on the conditions specified in this Article 8, shall terminate in accordance with Article 9.1 (iv) if Investor and Government do not enter into a Concession Agreement within ninety (90) days of the final approval of the issuance of the Environmental Compliance Certificate.

8.3 During the Authorized Period, the Government shall not enter into a memorandum of understanding or a concession agreement with any other Person with respect to the Survey Area, without first obtaining permission from the Investor.

Article 9: Termination

9.1 This MOU shall terminate upon:

- (i) Entry of the Parties into a Concession Agreement;
- (ii) The failure of the Investor to submit the report on the Land Survey and Land Use Map and Studies to the Responsible Government Authorities for approval in accordance with the timetable attached in Schedule 1 and Article 7;
- (iii) The decision of a Responsible Government Authority not to approve, provided that the Investor has been given the permitted time to address deficiencies, the report on the Land Survey and Land Use Map and Studies in accordance with Article 7;
- (iv) Failure by the Parties to enter into a Concession Agreement for the Project within the period agreed to in Article 8.2 or any permitted extensions provided;
- (v) Failure by the Investor to pay the Guaranty Fund within the specified timeframe in accordance with Article 5;
- (vi) The commencement of any unauthorized Project related activities at the proposed project site or in the vicinity thereof in violation to Article 4.6;
- (vii) Written agreement of the Parties to terminate this MOU.

- 9.2** During the Authorized Period, this MOU may be terminated by written notice of the Government upon any material breach by the Investor of this MOU, it being understood and agreed that a failure by Investor to perform its obligations hereunder within the timetable listed in Schedule 1 shall constitute a material breach.
- 9.3** Termination shall not excuse the Investor from any liability arising from any action taken, or failure to act, prior to termination, nor prevent the Government from exercising its rights or remedies against the Investor for breach of this MOU and/or Law, including the right to enforce fines and disciplinary measures, and/or claim damages.

Article 10: State Authorities Participating in MOU

- 10.1** To promote and monitor achievements of the Project against objectives, line sectors under supervision of the Government including central, provincial, district and village levels shall coordinate and collectively cooperate in accordance with their respective mandates and scope of authority.
- 10.2** The Responsible Government Authorities with responsibilities in supporting, promoting and monitoring the implementation of this MOU shall be:

Ministry of Planning and Investment – One Stop Service and Investment Promotion Department, Provincial Department of Planning and Investment Office [INSERT PROVINCE], and District Planning and Investment Office [INSERT DISTRICT]

Ministry of Information, Culture and Tourism – Department of Tourism Management, Provincial Information, Culture and Tourism Office [INSERT PROVINCE], and District Information, Culture and Tourism Office [INSERT DISTRICT]

Ministry of Natural Resources and Environment - Department of Land Use Planning and Development, Department of Environment and Social Impact Assessment, Provincial Department of Natural Resources and Environment Office [INSERT PROVINCE], and District Department of Natural Resources and Environment Office [INSERT DISTRICT]

Provincial Administration Office [INSERT PROVINCE], District Administration Office [INSERT DISTRICT] and relevant village authorities.

Article 11: Other Matters

- 11.1 Identity of Investor:** Schedule 3 sets out the names and registered addresses of (i) Investor's shareholders, (ii) the director's and senior officers of Investor, (iii) each Person having management control of Investor, and (iv) each Person that is the ultimate beneficial owner of five percent (5%) or more of rights empowered to control Investor or the right to share in the profits of Investor, and the chain through which such rights are exercised. If there is any change in any of this information during the term of this MOU, the Investor shall notify the Government with ten (10) days of such change.
- 11.2 Establishment of a Project Company:** Investor shall establish a Project Company in Lao PDR pursuant to the Law with respect to the Project prior to entering into the Concession Agreement, after obtaining approval of the Land Use Map and the Studies and having obtained the Environmental Compliance Certificate. The Project Company shall be wholly owned by Investor except as may be otherwise agreed by

Government, and shall be a party to the Concession Agreement with its obligations guaranteed by Investor.

11.3 Liability: Investor and/or Project Company shall be jointly and severally liable to the Government or to any Person within Lao PDR for any damages resulting from Investor's activities in connection with this MOU.

11.4 Transfer of Rights: Except as provided in Article 11.2, the Investor shall have no rights to transfer its rights pursuant to this MOU to other parties, directly or indirectly, without prior written consent of Government, such consent to be given at the sole discretion of Government.

11.5 Information Disclosure:

- (i) This MOU shall be made available by the One Stop Service to all concerned line Government Authorities at the central, provincial, district and village levels.
- (ii) The report on the Land Survey and Land Use Map shall be made available by the One Stop Service, Ministry of Planning and Investment to all concerned Government Authorities at the central, provincial, district and village levels.
- (iii) The Feasibility Study shall be made available in physical and electronic form by the One Stop Service to all concerned Government Authorities at the central, provincial, district and village levels.
- (iv) The ESIA Studies shall be made public by the Investor and the Ministry of Natural Resources and Environment, except in the case of proprietary information not otherwise public and determined to be entitled to confidential protection by the Ministry of Natural Resources and Environment. In any case where proprietary information is withheld, a copy of the ESIA Studies shall be made public with such proprietary information redacted. The ESIA Studies shall be disclosed with particularity to the Project Affected People and other stakeholders, in a form and language that they can understand and stored in an easily accessible location. A printed copy of the ESIA Studies in both the Lao and English language to the public shall be accessible by the public at [INSERT PHYSICAL LOCATION], with an electronic copy of the ESIA Studies in both the Lao and English language, shall be accessible by the public on the Investor's website [INSERT INVESTOR'S WEBSITE ADDRESS].

11.6 Language of Agreement: This MOU is made in two (2) languages: Lao and English in two (2) original copies and the two (2) texts are valid. In the extent of any discrepancies, the [English] [Lao] text shall prevail and shall be considered official text.

11.7 Governing Law: This MOU shall be governed by the Law of Lao PDR.

11.8 Dispute Settlement: In the case of any dispute related to or arising out of this MOU, both Parties shall act to resolve such dispute in an amicable manner. If such dispute cannot be solved amicably, then either Party has the right to bring the case to either (i) the Economic Dispute Resolution Committee for arbitration in Vientiane Capital, Lao PDR or (ii) any court of the Lao PDR having jurisdiction.

11.9 Notice: All notices between the Parties shall be in writing to the respective addresses set out below. In the event the details listed below change during the Authorized Period, that Party shall notify the other Party within thirty (30) days and provide the new contact details.

Government:

Ministry of Planning and Investment

One Stop Service and Investment Promotion Department

Souphanouvong Road, Vientiane, Lao PDR

Tel: (856-21) 216663; Fax: (856-21) 215491

Ministry of Information, Culture and Tourism

Department of Tourism Management

Lanexang Avenue, Chanthabouly District

Vientiane, Lao PDR

Tel: (856-21) 212251; Fax: (856-21) 212769

Ministry of Agriculture and Forestry

Ministry of Natural Resource and Environment

Department of Environment and Social Impact Assessment

Chao Anou Road, Vientiane, Lao PDR

Tel: (856-21) 264921

Department of Land Planning and Development

Chao Anou Road, Vientiane, Lao PDR

Tel: (856-21) 212002

[INSERT PROJECT PROVINCE] Province:

Department of Planning and Investment

Tel: []; Fax: []

Investor:

[NAME OF COMPANY]

Contact details in Lao PDR:

[NAME OF COMPANY REPRESENTATIVE]

[COMPANY/REPRESENTATIVE ADDRESS]

[OFFICE AND PERSONAL PHONE NUMBER, FAX, EMAIL]

Contact details in country of origin:

[NAME OF COMPANY REPRESENTATIVE]

[REGISTERED ADDRESS]

[OFFICE AND PERSONAL PHONE NUMBER, FAX, EMAIL]

IN WITNESS WHEREOF, the Parties have signed this Memorandum of Understanding, through their respective duly authorized representatives, as of the date first set forth above.

**FOR THE GOVERNMENT OF THE LAO
PEOPLE'S DEMOCRATIC REPUBLIC:**

By: _____

Name:

Title: THE MINISTER OF PLANNING AND
INVESTMENT

[By: _____

Name:

Title: THE MINISTER OF INFORMATION,
CULTURE AND TOURISM

By: _____

Name:

Title: THE MINISTER OF NATURAL
RESOURCES AND ENVIRONMENT

FOR THE INVESTOR:

By: _____

Name: [INSERT NAME OF MANAGING
DIRECTOR OF INVESTOR]

Title: Managing Director

SCHEDULE 1

TIMETABLE FOR CARRYING OUT AND SUBMITTING LAND SURVEY AND STUDIES AND
LIST OF RESPONSIBLE PERSONS

Function	Responsible Person	Completion Date
Land Survey and Land Use Map		
Feasibility Study		
EIA, EMMP, SMMP		
Other social impact reports (as applicable): SIA and resettlement plan and/or ethnic minority development plan; and/or land acquisition and compensation report		

Task	Timeline for undertaking and completing Studies											
	Month (starting from Execution Date)											
	[the below timeline is a suggestion only and will may differ from project to project]											
Task	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th
Land Survey	Investor requests Land Survey to be conducted. MOICT conducts Land Survey	MOICT conducts Land Survey	MOICT submits Land Survey results to MONRE to confirm	MONRE approves Land Survey results								
Land Use Map				MONRE prepares Land Use Map based on Land Survey report	MONRE certifies Land Use Map							
Feasibility Study	Investor collects information about feasibility of the Project	Investor collects information about feasibility of the Project	Investor collects information about feasibility of the Project	Investor receives Land Survey results and incorporates into FS	Investor receives Land Use Map and incorporates relevant information into FS	Investor continues to draft FS	Investor continues to draft FS	Investor submits first draft of FS to MOICT	Investor amends FS based on MOICT feedback	Investor amends FS based on MOICT feedback	Investor amends FS based on MOICT feedback	Investor submits amended FS to MOICT. MOICT either approves or rejects FS

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<p>ESIA Studies</p>	<p>Consultant collects information about environmental and social impacts</p>	<p>Consultant collects information about environmental and social impacts</p>	<p>Consultant collects information about environmental and social impacts</p>	<p>Consultant receives Land Survey results and incorporates into ESIA Studies</p>	<p>Consultant receives Land Use Map and incorporates relevant information into ESIA Studies</p>	<p>Consultant continues to draft ESIA Studies</p>	<p>Consultant submits first draft of ESIA Studies to MONRE</p>	<p>MONRE reviews ESIA Studies</p>	<p>MONRE reviews ESIA Studies</p>	<p>Consultant amends ESIA Studies based on feedback</p>	<p>Consultant amends ESIA Studies based on MONRE feedback</p>	<p>Investor submits amended ESIA Studies to MONRE. MONRE either approves ESIA Studies and issues Environmental Compliance Certificate or rejects ESIA Studies</p>
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SCHEDULE 2

GOVERNMENT AUTHORITIES RESPONSIBLE FOR REVIEW AND APPROVAL OF REPORTS

Report	Responsible Government Authority	Time Period for Review
Land Survey	Ministry of Natural Resources and Environment: Land Planning and Development Department Ministry of Agriculture and Forestry Department of Forestry	N/A
Land Use Map	Ministry of Natural Resources and Environment Land Planning and Development Department	N/A
Feasibility Study	Ministry of Information, Culture and Tourism Department of Tourism Management	15 working days
ESIA	Ministry of Natural Resources and Environment Department of Environment and Social Impact Assessment	As set out in EIA Decree [95 working days for ordinary projects; 120 working days for complex projects]

SCHEDULE 3

LIST OF SHAREHOLDERS,

LIST OF DIRECTORS AND SENIOR OFFICERS, AND

LIST OF PERSONS HAVING 5 PERCENT BENEFICIAL OWNERSHIP