

REPUBLIC OF LIBERIA)
MONTSERRADO COUNTY)

THIRD PARTY FOREST MANAGEMENT AGREEMENT

THIS **THIRD PARTY FOREST MANAGEMENT AGREEMENT**, made and entered into this 22nd day of December A. D., 2018 by and between **BONDI MANDINGO AUTHORIZED COMMUNITY FOREST**, representing the **BONDI MANDINGO COMMUNITY FOREST MANAGEMENT BODY**, located in Bopolu District, Gbarpolu County, hereinafter known and referred to as the "Community", and **Indo African Plantations Liberia Inc.**, a Company organized and existing under the Laws of the Republic of Liberia, represented by its Assistant Vice President, Mr. Chiranjib Sur, hereinafter known and referred to as the "Company", hereby:

WITNESSETH:

WHEREAS, the people of Bondi Mandingo Community Forest are the owners of the Bondi Mandingo Community Forest Authorized Community Forest located in Bopolu District, Gbarpolu County; and

WHEREAS, the people of Bondi Mandingo Community Forest have entered into an agreement with the Government of Liberia, by and through the Forestry Development Authority (FDA) for the sustainable management and use of its forest resources in line with the Forestry Laws of Liberia; and

WHEREAS, the people of Bondi Mandingo Community Forest have expressed their readiness to offer their forest for Commercial purposes in line with the requirements of the Community Rights Laws with Respect to Forest Lands, the Community Rights Law Regulations, the National Forestry Reform Law of 2006 and its attending regulations; and

WHEREAS, Indo African Plantations Liberia Inc., is a duly registered and qualified Company with a Pre-Qualification Certificate to engage directly or indirectly in logging activities in the Republic of Liberia; and

WHEREAS, Indo African Plantations Liberia Inc., has represented to the people of Bondi Mandingo Community Forest through the Bondi Mandingo Community Forest Management Body that it is disposed to manage their Community Forest for commercial purpose to further the development of the people of Bondi Mandingo Community Forest; and

WHEREAS, Bondi Mandingo Community Forest Management Body has consented and determined it to be in the best interest of the people of Bondi Mandingo Community Forest for Indo Africa Plantations Liberia Inc., to commercially manage their forest under this Community Forest Management Agreement.

NOWHEREFORE, for and in consideration of the premises, mutual promises, covenants and agreements herein contained, the Parties hereby agree as follows:

1. COMMUNITY FOREST AREA

The Community Forest Management area for the purpose of this Agreement is situated in Bopolu District, Gbarpolu County, Republic of Liberia and covers a total area of **37,222 Hectares/91,977 Acres** detailed in Annex A.

2. DURATION OF AGREEMENT

This Community Forest Management Agreement shall be in full force and effect for a period of fifteen (15) years which shall commence immediately upon the signing of this Agreement between the **Bondi Mandingo Community Forest Management Body (BMCFCM)** and the Company. It is mutually understood and agreed that the Social Agreement (which forms an integral part of this agreement) and the fiscal consideration shall be subject to review by the parties hereto after five (5) years of implementation of this agreement. This agreement shall be deemed terminated if the Company failed to commence harvesting operation within eighteen months after the signing of this agreement

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3. FISCAL CONSIDERATION

The Parties hereto have accepted and made the following fiscal considerations for this Community Forest Management Agreement:

- 3.1 **Indo Africa Plantations Liberia Inc.**, shall pay the amount of US\$ 1.25 (One Dollar Twenty-Five Cents United States Dollars) per hectare annually for land rental fee in accordance with the National Forestry Reform Law. This fee shall be paid directly to the Forestry Development Authority (or its agent). The FDA in accordance with the Community Rights Law with Respect to Forests Land shall remit fifty five percent (55%) of the collected Land Rental to the Community in a timely manner. **Indo African Plantations Liberia Inc.** shall inform the Bondi Mandingo Authorized Community Forest Management Body of its payment of the Land rental at the time of each payment.
- 3.2 **Indo African Plantations Liberia Inc.**, shall pay the amount of US\$ 2.50 (Two Dollar Fifty Cents United States Dollars) for every cubic meter of log. This payment shall be made three(3) months after shipment. **Indo African Plantations Liberia Inc.**, shall furnish the Community with copies of Log Data Form (LDF), which shall serve as the official source to determine actual volume felled. Payment of all royalties or fees due the Community (excluding land rental) shall be deposited directly into the Community's bank account. The Community shall furnish **Indo African Plantations Liberia Inc.**, Company with its bank's account number and other banking information required for such deposit(s)

4. REQUIREMENTS BEFORE COMMERCIAL FELLING

It is mutually understood and agreed by **Indo African Plantations Liberia Inc.** and the Community that no commercial felling shall commence until the completion of the Community Forest Management Plan, and the completion of the Environmental Impact Assessment and other felling requirements established by the FDA.

5. SOCIAL AGREEMENT

The people of Bondi Mandingo Authorized Community Forest, having identified their representative body, firstly the Bondi Mandingo Authorized Community Assembly and the Bondi Mandingo Community Forest Management Body (BMCFMB), to represent it in accordance with the Community Rights Law with Respect to Forest Land and its regulations, shall ensure no other person outside of the BMCFMB shall in anyway represent himself/herself/themselves as the authorized representatives of the people of Bondi Mandingo Community Forest in relation to any terms of this Agreement, including financial payments or social obligations. It is mutually understood and agreed by **Indo Africa Plantations Liberia Inc.** and the Community that:

1. BMCFMB has the power to negotiate on all affected community's behalf
2. BMCFMB shall provide a list of its members and be responsible to inform the Company of any change to its membership immediately.
3. BMCFMB and the Company hereby agree and stipulate that the social commitment to the people of Bondi Mandingo Community Forest shall follow the guidelines as prescribed by the Forestry Development Authority.
4. The Company agrees to design its logging operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plants sites, hunting grounds, to the extent that they will respect the traditional practices, laws and regulations of the people of Bondi Mandingo Community Forest.
5. BMCFMB agrees to inform the Company of all relevant traditional practices and regulations to ensure compliance.
6. The Company agrees to ensure that water collection points (rivers and creeks) are protected and maintained. Additionally, the Company shall install two (2) hand pumps in each community. The pumps installation shall commence in the second year of operation and all hand pumps shall be installed by the end of the fourth year of operation. The Community shall determine the site/location for the pumps installation.

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7. The Company agrees that its timber operations shall be timed to minimize disruption to subsistence agricultural activities.
8. The Company agrees that its timber operations shall respect the community's or its member's rights to the existing cash crops within the Community Forest Management Area. The Company shall compensate for the value of destroyed crops and any other damage resulting from destroying cash crops. Additionally, the Company agreed to invest in agricultural initiatives in the community, and will build a factory in the Community to help process the most economic agriculture crop produced by its initiative in the Community.
9. The Company agrees to participate substantially in community development programs. The Company shall do the following:
 - A. **Scholarship Fund:** The Company shall make an annual contribution of US\$35,000.00 towards the Community's Scholarship program annually. Payment shall be made in August of each year into the Community's Accounts. The determination of beneficiaries shall be the sole responsibility of the Community.
 - B. **Community Health Care:** The Company shall support the provision of quality health care in the affected community by providing US\$25,000.00 annually to the community through the BMCFMB. The amount shall be used solely for medical supplies and/or medical support activities in the affected community.
 - C. **Construction of Youth Center:** The Company shall construct a modern youth center in the Community. The youth center shall be completed by the end of the fifth year of operation. The site/location of the youth center shall be determined by the Community which will be a public land.
 - D. **Construction of BMCFMB and Executive Committee's Office:** The Company shall construct a building in a location/site to be determined by the community. The building shall contain no less than five office spaces and shall be completed by the end of the third year of the company operations (or implementation of this agreement).
 - E. **Latrines:** The Company shall construct six (6) modern latrines, each containing four toilet rooms. The company shall construct two latrines in one year beginning in its second year of operation. The site/space for the construction of the latrines shall be identified by the Community.
 - F. **Road Projects:** The Company shall recondition/maintain the road from Bamboo Town to Bopolu City annually. The Company shall build at least three concrete bridges in the affected community. The location of the bridges shall be identified by the community and the bridges shall be completed no later than the end of the fifth year of implementation of this agreement. The Company shall also in addition to the road mentioned above, recondition and maintain major roads and bridges in the affected community. All roads reconditioned or constructed shall be continuously maintained by the company during the life of this agreement.
10. The Company agrees not to harvest palm trees for processing, bridge construction and/or export.
11. The Company agrees to build company camps near existing towns or dependent areas, to the extent feasible.
12. The Company agrees to have BMCFMB representative(s) monitor and verify production. All expenses of this representative(s) shall be at the expense of the BMCFMB.
13. The Company agrees to provide first preference for employment for skilled and unskilled labor to the forest dependent communities in the boundaries of the commercial logging area. The Company shall build the capacity of unskilled community members on the recommendation of the BMCMB and at no cost to the Community to enable them acquire the necessary skill for employment in the Company's workforce.

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14. The Company agrees to afford equal opportunities for the employment of women in the skilled and unskilled labor force in the commercial logging area.
15. BMCFMB agrees that it shall operate completely within the guidelines and regulations prescribed by Forestry Development Authority.
16. BMCFMB agrees that the Community shall be educated to avoid the expansion of subsistence agriculture activities within the commercial area and that where possible assist any existing agricultural activity to relocate.
17. The Company shall facilitate the holding of quarterly meetings between the Company and the Community. The BMCFMB shall facilitate monthly meetings with members of the Community.
18. BMCFMB agrees to educate the community to discourage unnecessary fire disposal and encourage fire safety practices especially in the contract area.

6. NON-TIMBER FOREST PRODUCTS

This agreement does not cover the harvesting of non-timber forest products. The Community retains exclusive right over the use and harvesting of non-timber forest product or the contracting of its use or harvesting to a third party.

7. OBLIGATIONS OF INDO AFRICA PLANTATION LIBERIA INC.

- 7.1 **The Company** must ensure that all of its operations and activities are in full compliance with the laws of Liberia.
- 7.2 **The Company** must ensure respect for all local customary laws.
- 7.3 **The Company** must ensure transparent reporting to BMCFMB at all times during the life of this Agreement.
- 7.4 **The Company** must construct one **sawmill** in the concession area during its first year of operation in order to add value to harvested timber and create additional job opportunities within the Community.

8. OBLIGATIONS OF BONDI MANDINGO AUTHORIZED COMMUNITY FOREST

- 8.1 The Community shall ensure that the BMCFMB shall be the sole entity responsible for official interaction with **the Company**, to avoid any misunderstanding.
- 8.2 The Community shall ensure that it performs and maintains full education and information to its clan members to avoid confusion arising from operation.
- 8.3 The Community must ensure full access to **the Company** to the contracted area at all times for the duration for this Agreement.
- 8.4 The Community shall protect **the Company** from any challenges to its right to manage the contractual area, whether legal, cultural or otherwise, that may arise during the life of this agreement. It shall ensure that the Community refrains from chair sawing in the contracted area.
- 8.5 The Community shall ensure where possible, that materials, such as sand, gravel, etc., be made available without charge of any kind for **the Company's** use for building camp sites, housing units, building and road work within the community forest area.

9. FORCE MAJEURE

The parties mutually agree that in the event **the Company** is prevented from performing this Agreement as contemplated and provided herein due to force majeure, this Agreement shall be extended by the period of such force majeure on the request of **the Company**. Force majeure as used herein is defined as any event beyond the reasonable

control of a party, including, but not limited to Acts of God, war, elements of war, civil commotions, armed incursion, armed insurrection, land dispute(s) and fire not attributed to the conduct or negligence of a party, its management, agent and/or affiliate, which the party could not have reasonably anticipated or could have been expected to prevent or control.

10. DISPUTE SETTLEMENT

- 10.1 Any dispute connected with the performance, interpretation, nullification, termination or invalidation of this agreement or arising from, or related to this agreement in any manner whatsoever which cannot be resolved through the direct consultations and negotiations by and between the parties shall be referred to arbitration by the affected party.
- 10.2 Arbitration shall be conducted by an arbitral panel of three (3) persons; one (1) arbitrator shall be named by each party hereto. The third arbitrator, who shall act as chairman of the arbitral panel, shall be the Managing Director of the Forestry Development Authority or his/her designated representative.
- 10.3 The Arbitration shall be conducted in keeping with arbitral rules under Liberian laws. Each Party shall be responsible for, and shall pay the fees expenses of its appointed/designated arbitrator. The fees and expenses of the third arbitrator shall be shared on equal basis by the parties, while the cost and expenses of the arbitration proceeding itself shall be assigned by the arbitral as it fit and shall be paid by the party adjudged liable to the other or in default of Agreement.
- 10.4 A decision by the majority of the arbitral panel shall be binding on the parties and enforceable in court of law without delving into the merit of the dispute or the award
- 10.5 In invoking arbitration, a party of this Agreement shall give written notice to other party, stating the nature of the dispute and appointing its arbitrations. The other party must appoint its arbitrator and state its responses to the dispute as stated by the party giving the notice of arbitration within ten (10) days after notice to the chairman, the arbitral panel shall commence its work and shall work every day until a decision is arrived at and rendered.

11. GOVERNING LAW

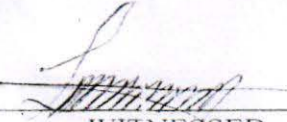
The relevant laws of Liberia, including, but not limited to, the National Forestry Reform Law, Community Rights Forest Law with Respect to Forestlands and other local laws shall govern this agreement.

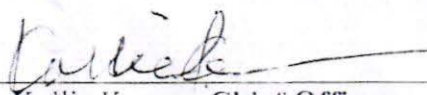
12. BINDING EFFECT

This Agreement shall be binding on the parties, their successors in office as if they were physically present at the execution of this instrument.

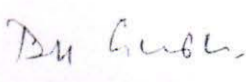
IN WITNESS WHEREOF, WE HAVE HEREUNTO AFFIXED OUR SIGNATURES ON THE DAY AND DATE FIRST MENTIONED ABOVE.

For: Bondi Mandingo Authorized Community Forest


WITNESSED

By: 
Kollie Kaman, Chief Officer
Bondi Mandingo CFMB

For: Indo Africa Plantations Liberia Inc.,


WITNESSED

By: 
Mr. Chiranjib Sur, Assistant Vice President
Indo Africa Plantations Liberia Inc.,

Attested by: 
Forestry Development Authority

ANNEX I:

TECHNICAL DESCRIPTION OF BONDI MANDINGO COMMUNITY FOREST AREA

Bondi Mandingo Authorized Community Forest lies within latitude (315100-802337) North of the equator and longitude (315166-777929) West of the Greenwich meridian and it located in Bopolu District, Gbarpolu County.

Commencing at a point (315909-783072); a line runs N32°E for 3,701meters to a point (317913-786078); thence a line runs N41°E for 3,541meter to a point (320251-788638); thence a line runs N61°E for 2,414meters to a point (322374-789760); thence runs N42°E for 6,437meter to a point (326596-794427); thence a line runs N1°W for 1,931meters to a point (326596-796319); thence a line runs N61°E for 5,159meters to a point (331049-798768); thence line runs N88°E for 1,770meters to a point (332718-798768); thence a line runs N85°E for 2,575meters to a point (335279-798991); thence a line runs runs N65°E for 4,828meters to a point (339620-800995); thence a line runs N73°E for 1,448meters to a point (340956-801329); thence runs S29°E for 2,414meters to a point (342069-799325); thence a line runs S75°E for 1,287meters to a point (343225-799037); thence runs S12°E for 9,817meters to a point (345258-789593); thence a line runs S23°E for 322meters to a point (345378-789354); thence a line runs S83°E for 1,770meters to a point (347141-789132); thence a line runs S73°E for 805meters to a point (347959-788884); thence a line N68°E for 483meters to a point (348334-788991) On a stream; thence a line runs Northward along said stream for 2,627meters to a point (350357-789957); thence a line runs S68°E for 644meters to a point (350928-789720); thence a line runs N6°E for 805meters to a point (351053-790552); thence a line runs S68°E for 1,287meters to a point (352209-790090); thence a line runs S30°E for 1,931meters to a point (352971-788298); thence a line runs S81°E for 483meters to a point (353479-788198); thence a line runs S22°E for 805meters to a point (353787-787451); thence a line runs S33°E for 1,448meters to a point (354508-786351); thence a line runs S67°W for 9,495meters to a point (345744-782715); thence a line runs S83°W for 7,242meters to a point (338632-781814); thence a line runs N18°W for 10,622meters to a point (335343-791729); thence a line runs S56°W for 10,783meters to a point (326448-785902); thence a line runs S26°E for 4,023meters to a point (328193-782308); thence a line runs S47°W for 3,862meters to a point (325421-779715); thence a line runs S84°W for 4,345meters to a point (321190-779268); thence a line runs N54°W for 6,598meters to the point of commencement; embracing a total of 37,222 Hectares/91,977Acres **AND NO MORE.**