

SOCIAL AGREEMENT
Between the
Geblo Logging Inc.
And the
Community Forestry Development Committee (CFDC)
Of
Forest Management Contract (FMC) Area-I,
Sinoe County
Liberia



FORESTRY DEVELOPMENT AUTHORITY

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LEGAL REQUIREMENT FOR THE FORMATION OF CFDC

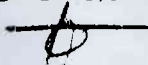
This Social Agreement (Agreement) is hereby made and entered into by and between the Geblo Logging Inc., and the communities of Sinoe County Community Forest Development Committee, hereinafter referred to as the Communities, for Forest Management Contract Area "I", and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the FDA, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

TECHNICAL DESCRIPTION OF THE CONTRACT AREA

The Forest Management Contract Area "I" lies within Latitude 5°36'0"-6°0'0" North of the Equator and Longitudes 8°12'0"-8°36'0" West of the Greenwich meridian and is located in Grand Gedeh and Sinoe Counties-Liberia.

Metes and Bounds

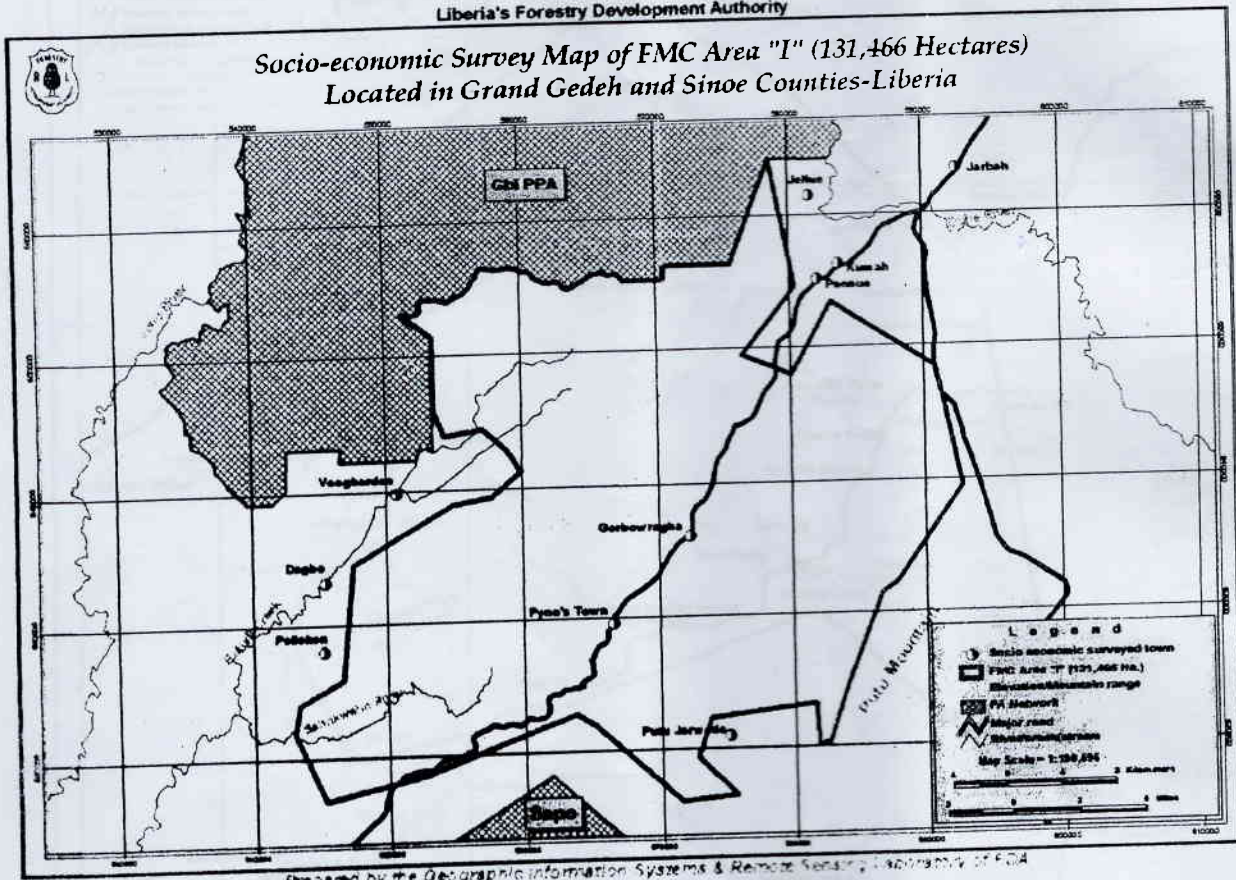
Starting from the town of Jellue, (5°59'00.42"N - 8°15'46.50"W) thence a line runs N 46° W for 4,132 meters to the point of COMMENCEMENT. (6°00'33.90"N-8°17'23.58"W); thence a line runs S 10° E for 9,988 meters to a point (5°55'15.30"N-8°16'25.40"W); thence a line runs S 38° W for 6,458 meters to a point (5°52'31.38"N-8°18'35.86"W); thence a line runs S 68° E for 4,022 meters to a point (5°51'42.03"N-8°16'35.10"W); thence a line runs N 29° E for 6,245 meters to a point (5°54'38.29"N-8°14'55.50"W); thence a line runs S 57° E for 7,350 meters to a point (5°52'26.09"N-8°11'36.28"W); thence a line runs S 12° W for 3,203 meters to a point (5°50'43.86"N-8°11'59.20"W); thence a line runs S 78° E for 2,906 meters to a point (5°50'25.35"N-8°10'25.77"W); thence a line runs S 1° E for 6,468 meters to a point (5°46'54.71"N-8°10'22.42"W); thence a line runs S 28° W for 7,774 meters to a point (5°43'12.73"N-8°12'21.00"W); thence a line runs S 55° W for 1,449 meters to a point (5°42'46.25"N-8°13'00.11"W); thence a line runs S 21° W for 11,993 meters to a point (5°36'41.90"N-8°15'17.86"W); thence a line runs N 85° W for 1,634 meters to a point (5°36'46.32"N-8°16'11.71"W); thence a line runs N 2° E for 2,701 meters to a point on the (5°38'14.58"N-8°16'07.30"W); thence a line runs Due west for 7,245 meters to a point (5°38'15.46"N-8°20'04.76"W); thence a line runs S 14° W for 4,026 meters to a point (5°36'09.25"N-8°20'38.31"W); thence a line runs S 73° E for 4,379 meters to a point (5°35'28.65"N-8°18'21.48"W); thence a line runs Due South for 2,618 meters to a point (5°34'04.80"N-8°18'24.13"W); thence a line runs Due West for 5,211 meters to a point (5°34'02.15"N-8°21'14.50"W); thence a line runs N 42° W for 4,989 meters to a point (5°36'03.07"N-8°23'03.08"W); thence a line runs N 87° W for 5,869 meters to a point on the (5°36'11.90"N-8°26'13.76"W); thence a line runs Due North for 2,999 meters to a point (5°37'48.98"N-8°26'13.76"W); thence a line runs S 72° W for 17,445 meters to a point (5°37'48.98"N-8°26'13.76"W); thence a line runs N 30° W for 5,650 meters to a point (5°37'29.28"N-8°36'41.64"W); thence a line runs N 9° E for 2,219 meters to a point (5°38'41.51"N-8°36'30.62"W); thence a line runs N 62° E for 3,894 meters to a point


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5°55'38.90"N-8°23'19.47"W); thence a line runs N 89° E for 2,972 meters to a point (5°55'40.87"N-8°21'42.67"W); thence a line runs Due North for 978 meters to a point (5°56'12.55"N-8°21'42.67"W); thence a line runs Due East for 4,973 meters to a point (5°56'12.23"N-8°19'00.59"W); thence a line runs N 20° E for 8,635 meters to a point of COMMENCEMENT (6°00'32.78"N-8°17'25.08"W); embracing (One Hundred and Thirty One Thousand Four Hundred and Sixty Six) 131, 466 hectares of forest land and no more.

Liberia's Forestry Development Authority

**Socio-economic Survey Map of FMC Area "I" (131,466 Hectares)
Located in Grand Gedeh and Sinoe Counties-Liberia**



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around the Forest Management Contract Area "I" that they intended to negotiate a social agreement in good faith with the winner of the competitive bid. A social agreement was signed for five years which ended 2015. The Community and Geblo Logging Inc. has negotiated the terms and conditions of another five year.

I. PURPOSE:

The Social Agreement is a agreement between the contract holder and the affected communities around a given logging contract area which establishes the relationship between community and company.

The Social Agreement is a requirement by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Social Agreements shall:

- a) Only be established between companies that have been authorized by the FDA through the competitive bidding or Sole Source process and affected communities;
- b) Establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) Establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.
- d) Be negotiated directly between companies and local communities;
- e) Be attested to and regulated by the FDA. However, the FDA does not play an active role in the negotiation process beyond serving as a facilitator or mediator if discussion breaks down.

II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

Geblo Logging Inc. and the Forest Management Contract "I" Community Forest Development Community of Sinoe County, strive to engage in a mutually beneficial relationship by agreeing to the terms of this Agreement. Working cooperatively in the on-going implementation of the Forest Management Contract Area "I" will allow the affected communities and Geblo Logging Inc. to achieve their respective goals.

In consideration of the above premises, the parties hereto agree as follows:

III. DUTIES AND RESPONSIBILITIES OF GEBLO LOGGING:

Geblo Logging Inc. shall identify its representative designated by it to represent it in negotiating the terms of the Agreement. Geblo Logging Inc. representatives must include:



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(1) Persons whose names are maintained on the list of names identified in its pre-qualification documents or has such documentation to verify his employment with Geblo Logging Inc. and has the power to negotiate on its behalf; and

(2) In the event that this person is unable to negotiate with the Affected Community, any other person that Geblo Logging Inc. may designate, is subject to the requirements of Count one above.

Geblo Logging Inc. shall maintain a list of community representatives (CFDC) of Sinoe County for Forest Management Contract Area "I".

Geblo Logging Inc. shall address the following issues, rights and responsibilities as negotiated and agreed with the Community.

- That Geblo Logging Inc. agrees to design its operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting grounds, non-timber forest products sites.
- That Geblo Logging Inc. agrees that its operations protects and maintains existing water collection points.
- Geblo Logging Inc. shall build two hand pumps in the affected community every year.
- That Geblo Logging Inc. agrees that its timber operations are timed to minimize disruption to subsistence agricultural activities.
- That Geblo Logging Inc agrees that its timber operations respect the existing cash/food crops.
- That Geblo Logging Inc agrees to participate in Community Development Programs.
- Geblo Logging Inc agrees to pay the 50% of the total cubic meter fee for logging season April 2015- April 2016 on 26 April 2016 and the balance 50% shall be paid on May 26, 2016. Any default in this payment term shall rather this contract none and void.
- That Geblo Logging Inc. agrees to pay six thousand (\$6000.00) every year to the CFDC for human resource capacity building for citizens of the affected community. This amount will be paid on December 31 of every year.
- That Geblo Logging Inc. agrees to build one road in their concession areas. This road network will commence from Voogbadee to Pyne Town. This road construction will commence in the 3rd month of the 2nd year of Geblo operation which is 2018. The Ministry of Public Work will also be involved in the road construction project.
- That Geblo Logging Inc. agrees to respect the rights of its employees consistent with the Labor Laws of Liberia.
- That Geblo Logging Inc. agrees to build subsequent camp in agreed area chosen by both the community and the contract holder.
- That Geblo Logging Inc agrees to provide housing/accommodation, food, medical and other basic social services for her workers.
- That Geblo Logging Inc agrees to provide transportation to the Communities during emergency situation and major development activities.

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- That Geblo Logging Inc agrees to give first preference for employment for skilled and unskilled locals from the affected communities.
- That Geblo Logging Inc agrees to recondition and maintain roads adjacent to its annual operational areas.
- That Geblo Logging Inc agrees not to harvest palm trees for processing, bridge construction and or export.
- That Geblo Logging Inc agrees to allow the Community to use, free of charge, any roads constructed and/or maintained by it; provided that such use shall not unduly prejudice nor interfere with either party.
- That Geblo Logging Inc agrees to allow the Community Forest Development Committee (CFDC) representatives to verify its production.
- That Geblo Logging Inc agrees to provide where need be timber products to community during community development projects.
- That Geblo Logging Inc agrees to convene quarterly meetings with the CFDC and the Communities on the last Friday of the last month in every of each quarter. In addition to quarterly meetings, Geblo Logging Inc. agreed to hold emergency meetings with the CFDC and affected community to discuss any issues affecting the community when the need arises.
- That Geblo Logging Inc agrees to pay \$1.50 USD/cubic meter to the Community Forestry Development Committee apart from the payment of 30% land rental (\$2.50 per acre) to the Community benefit sharing scheme.

IV. DUTIES AND RESPONSIBILITIES OF THE AFFECTED COMMUNITIES:

The Affected Communities shall identify their representatives elected by them to the Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of this Agreement. The CFDC agreed to and shall abide by the following conditions:

- (a) A Community Forestry Development Committee must consists of at least five members who are residents of the Community or communities they represents;
- (b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community or communities represented by the CFDC;
- (c) Prior to the disbursement of funds, a CFDC must be incorporated under the laws of the Republic of Liberia.
- (c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women, youths and elders, to have their views heard and considered;
- (d) Prior to the disbursement of funds, a Community Forestry Development Committee must be incorporated under the laws of the Republic and should have a bank account at a recognized bank in Liberia

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(e) The CFDC shall receive 10% of the annual revenue to the Communities (area and production based / fees) as compensation and shall be distributed based on positions according to Annex 4 .

(f) The 10% of the area based fee benefit will be paid directly by the National Benefit sharing Trust Board every month but the 10% of the production/base fee compensation shall be received at the end of the year.

(g) CFDC must hold a monthly meeting with the community members for briefing, update and grievances, if any.

(h) CFDC shall maintain a list of Geblo Logging Inc. representatives for FMC "I".

Code of Conduct

- The Community agreed to avoid the expansion of subsistence agriculture activities within the Contract Area. Hence community shall promote and encourage low land agriculture development.
- The community agreed to discourage unnecessary fire disposal and encourage fire safe practices especially in the Contract Area;
- Existing cash crops will be identified and the company will be informed duly by the community to not conflict with company's harvest operation;
- The communities agreed to channel all her grievances through the CFDC, and shall abide by this Social Agreement.

The Forestry Development Authority shall:

- Ensure that Forest Management Contract (FMC) "I" is authorised after fulfilling all set requirements so that all terms and conditions of the license are met.
- Ensure that the Operations of Geblo Logging Company are in compliance with the FMC "I" contract signed by them and the government of Liberia.
- Make available, where need be copies of the Contract to the Parties to this Agreement.

VI. MUTUAL AGREEMENT

IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:

A. PRINCIPAL CONTACTS. The principal contacts for this agreement are:

Geblo Logging Inc.
MacDonald A. Wento
Phone: (+231)888008200/886856896
Email: macdonaldwento@yahoo.com

**Community Forest Development
Committee Chairperson**
Fredrick B. Solo Sr.
Phone: (+231)886104149

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Email:

Forest Development Authority Contact

Hon. Harrison S. Karnwea Sr.
Managing Director
Phone: 0886513358/0777513358
Email: hkarnwea@yahoo.com

- B. It is the intent of this agreement that the parties may modify this agreement by mutual agreement. The FDA will need to attest to its completeness prior to any modifications going into effect.
- C. The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in implementing the social agreement. The update should specifically provide information as to the volume of logs removed to date.
- D. The parties will hold an annual meeting with representatives of the Community Forest Development Committee, FDA and authorized representatives of the FMC Holder to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.
- E. The parties may provide support and assistance to each other in seeking grant and alternative funding opportunities via letters of support and work on grant applications.

SECTION VII. REAL PROPERTY IMPROVEMENTS.

Any improvements (facilities, roads, etc.) developed as a result of this agreement and at the direction of either of the parties, shall thereupon become the responsibility of the affected communities, and shall be subject to the same regulations and administration as other similar improvements of a similar nature. No part of this Agreement shall entitle Geblo Logging Inc. to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

SECTION VIII. PARTICIPATION IN SIMILAR ACTIVITIES.

This agreement in no way restricts the Geblo Logging Inc. or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

SECTION IX. DISPUTE RESOLUTION.

In the event of any issue of controversy under this agreement, the parties will initially seek to resolve their differences with the assistance of the FDA. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered as neutral parties in a third-party mediation process, provided their neutrality is so proven in said conflict. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement and the interpretation thereof are the laws of Liberia. The arbitration shall



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take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with interpreter provided for local languages.

X. AUTHORIZED REPRESENTATIVES

By signing below, the Chairperson of the Community Forest Development Committee certifies that the individuals listed in this document are representatives of the Affected Communities and are authorized to act in their respective areas for matters related to this agreement. Also, by signing below, the assigned representative of Geblo Logging Inc. certifies that this individual is authorized to act in this capacity for matters related to this agreement.

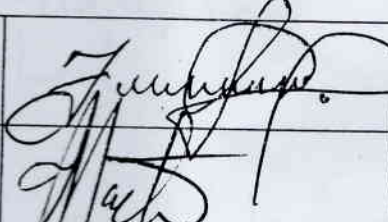

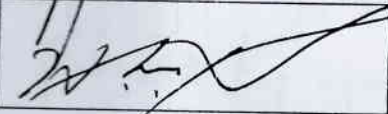
XII. COMMENCEMENT/EXPIRATION DATE.

This agreement is executed as of the date of the last signature and is effective for 5 years.

The authority and format of this agreement has been reviewed and approved for signature.

This Agreement shall be binding on the parties, their heirs, administrators, assigns, successors in office as though they were physically present when this Agreement was signed.

In witness whereof, the parties hereto have executed this agreement as of the last date written below.

Fredrick B. Solo Sr. Chairperson Community Forest Development Committee		Date 16/4/16
MacDonal A. Wento CEO/FOUNDER Geblo Logging Company		Date 16/04/2016
HARRISON S. KARNWEA Sr. Managing Director Forestry Development Authority		Date 6 May 2016