

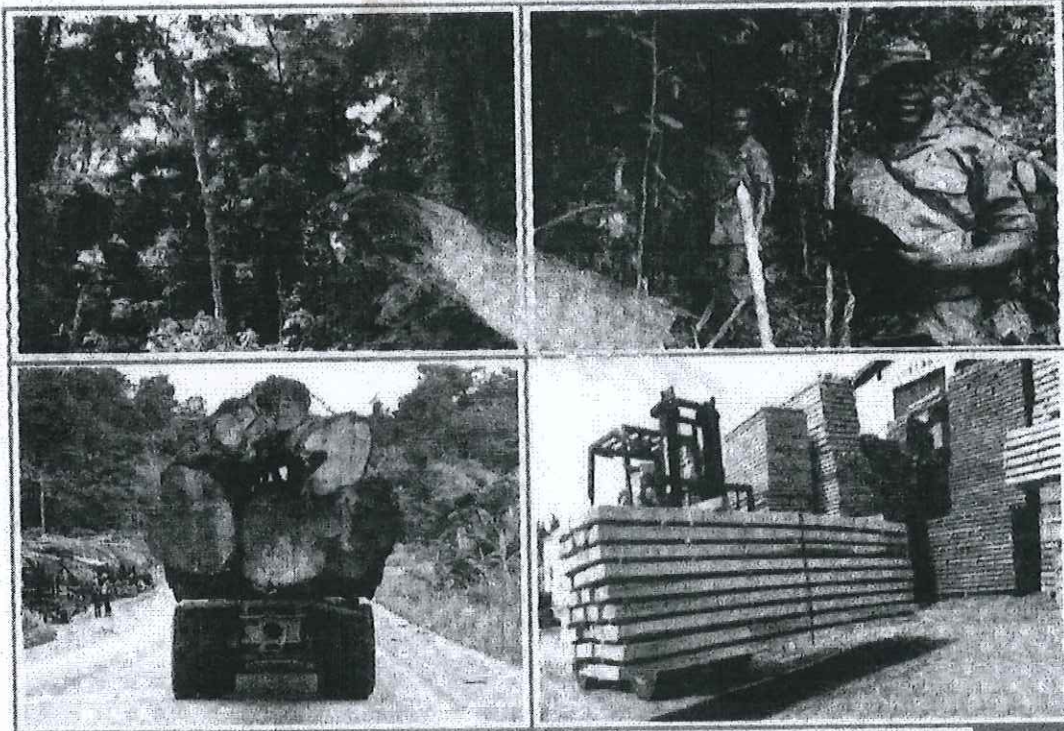


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PARLIAMENT OF GHANA Forestry Commission
PARLIAMENT HOUSE
OSU – ACCRA

TIMBER UTILISATION CONTRACT (LARGE SCALE)



FOREST RESERVE

MINISTRY OF LANDS AND NATURAL RESOURCES

TIMBER UTILISATION CONTRACT

BETWEEN

THE GOVERNMENT OF GHANA

AND

Forestry Commission

KAN ROYAL TIMBERS

IN

MPAMESO FOREST RESERVE

DATED 25TH DAY OF JULY 2022.

THIS TIMBER UTILISATION CONTRACT ("Contract") is made this 25th day
of JULY, 2022.

BETWEEN

The **GOVERNMENT OF GHANA** acting by the **MINISTER FOR LANDS AND NATURAL RESOURCES P. O. Box M212 Accra** (herein referred to as the "Minister") which expression shall where the context so admits or requires, include his successors in office or his or her duly authorized officers of the one part

AND

KAN ROYAL TIMBERS a duly registered company under the laws of Ghana, whose business is situate at **ABUAKWA-KUMASI** with GPS/ Digital address **AH-1192-7988** (herein referred to as "the Timber Rights Holder") which expression shall where the context so admits or requires includes its assigns, officers or duly authorized representatives on the other hand.

WHEREAS:

1. The Government of Ghana is desirous of regulating the grant of Timber rights in a manner that secures the sustainable management and utilisation of the timber resources of Ghana;
2. To achieve the sustainable management and utilisation of the timber resources of Ghana, the Timber Resource Management and Legality Regulations, 2017 (L.I. 2254), which stipulates that all existing timber rights be converted into a Timber Utilisation Contract within six (6) months of the coming into force of the regulation was passed;

of Contract for the prescribed period in line with the Logging Plan.

“Holder” - means the Holder of the timber rights that is the contracting party

“Logging Manual” - means a set of rules intended to guide the activities of persons who harvest timber in the forest.

“Manual of Procedures”- means the manuals issued by the Commission which describe in detail the activities to be performed by holders of rights to harvest Timber.

“Minister” - means the Minister responsible for Lands and Natural Resources.

“Notice of Approval of Conversion”- means the notice issued by the Minister pursuant to a successful conversion process informing the applicant of the timber rights award and specifying the activities that are required to be performed by the successful applicant to the satisfaction of the Chief Executive.

“On Reserve” - means an area of land within a Forest Reserve.

“Parties” - means the Holder and the Minister and where the context permits include their successors in title or office

“Professional Forester” - means a person who holds a university degree in forestry or related discipline acceptable to the Ghana Institute of Professional Foresters.

“Social Responsibility Agreement”- means the agreement between a Holder and the local communities and inhabitants of the traditional authority of whose land encompasses the forest from which the timber is to be harvested whereby the Holder undertakes to assist such local communities and inhabitants with amenities, services or benefits, the cost of which agreed amenities and services shall not be less than 5% of the value of stumpage fee from the timber that is harvested.

“Stumpage Fee” - means the fee payable by holders of timber rights in respect of the harvesting of timber and it represents royalties which provide a basic return to the landowner and contributes to the cost of forest management and timber regulation and it is calculated in accordance with the formula specified in the Fifth Schedule of L.I. 2254.

“Timber” - includes standing, fallen and felled trees, wood for industrial purposes, logs and sawn wood.

“Timber Rights” - means the rights to harvest trees and extract timber from a specified area of land under a Timber Utilisation Contract.

“Timber Rights Fee” - means the one-off fee payable by a Holder for the right to harvest timber.

“Timber Utilisation Contract” - means a written Agreement that specifies the terms of timber rights granted in respect of an area of land for a fixed period of time.

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA

9 Timber Rights Granted

Pursuant to the legal requirement in L.I. 2254 and subject to the completion by the Timber Rights Holder of all the requirements stipulated in the Regulation, the Minister, acting for and on behalf of the Government of Ghana hereby grants to the Holder the unexpired timber rights in respect of the area of land specified herein on the terms and conditions set forth in this Contract.

- 2 The Timber Rights Holder hereby accepts the conversion of the unexpired timber rights into a Timber Utilisation Contract on the said terms and conditions.
- 3 Upon fulfillment by the Timber Rights Holder of all the requirements stipulated in the Notice of Approval of the Conversion, the Timber Rights Holder shall continue to operate within the designated Contract area.

10 Ratification by Parliament

- 3.1 This Contract shall be subject to ratification by Parliament in accordance with Article 268 of Constitution and Section 9 of the Timber Resources Management Act, 1997 (Act 547).
- 3.2 Pursuant to 3.1 above the Minister shall upon execution, present all counterparts of the Contract to Parliament for ratification.

4.0 Area and Duration

- 4.1 Upon this Contract becoming effective the Timber Rights Holder shall maintain its rights for the period beginning on the 24TH day of MAY 2019 and ending on the 23RD day of MAY 2019 within the area of land situate in and more particularly described in the Schedule hereto and hereon referred to as the Contract area.

4.2 The Timber Rights Holders shall have no right to enter unto and to harvest timber from an area of land which falls outside the said Contract area.

4.3 The Timber Rights Holder shall cease to harvest timber from its Contract area after the expiry of time stipulated in clause 4.1 of this Contract

5.0 Reduction of Contract Area

5.1 The Minister hereby undertakes to maintain intact the boundaries of the Contract area; PROVIDED ALWAYS THAT any reduction of the area that the Minister may require shall be accompanied with a corresponding reduction in the timber rights fee and the Minister shall communicate in writing to the Holder the reason for such action.

6.0 Timber Rights Fee

6.1 In consideration of the Timber Rights hereby granted, the Timber Rights Holder has paid to the Commission the one-off Timber Rights Fee of **GH¢131,535.00** in respect of the Contract Area in Mpameso Forest Reserve.

7.0 Stumpage Fee

7.1 The Timber Rights Holder shall pay in respect of any timber harvested by it under this Contract stumpage fees which shall be calculated in accordance with the formula specified in the Fifth Schedule of L.I. 2254.

7.2 The Timber Rights Holder who harvests under a Timber Utilisation Contract shall pay the stumpage fee in respect of the harvested timber within thirty (30) days of billing, failing which interest shall be paid on the outstanding amount payable at the prevailing Bank of Ghana Treasury Bill rate.

8.0 Contract Area Rent

8.1 The Timber Rights Holder shall pay an annual rent of **GH¢1.8/ha** in respect of the Contract area as set out in the Sixth Schedule of L.I. 2254 to

- (a) the Administrator of Stool Lands in the case of stool lands; and
- (b) to the owner of the land in any other case.

9.0 Management of Timber Operations

9.1 The Timber Rights Holder shall, in respect of its timber operations and related activities, have at all times throughout the duration of this Contract, a manager who shall be a Professional Forester.

10.0 Suspension and Termination of the Contract

10.1 This Contract may be suspended by the Minister, if:

- (i) The Timber Rights Holder loses over a period of six months the ability financially or otherwise to manage the timber resources efficiently; or
- (ii) The area of the land falling within Contract area or a part of it is under review to determine its suitability for the operations; or subject to the Contract a part of it is under review to determine its suitability for the operations; or
- (iii) The Holder commits a forest offence under the laws, procedures, rules and regulations of the forestry and wildlife sector.

10.2 This Contract may be terminated by the Minister, if:

- (i) The area of land falling within the Contract area or a part of it is no longer suitable for the operations under a Timber Utilisation Contract;
- (ii) The Timber Rights Holder is charged with or convicted of an offence under Act 547.

- 10.3 Upon suspension or termination of this Contract, the rights of the Timber Rights Holder shall cease but without prejudice to any cause of action or remedy of the government or any person in respect of any prior breach, non-performance or non-observation of any condition.
- 10.4 Upon suspension of the Timber Rights Holder's timber rights under clause 10.1 the Holder may, after rectifying the breach or if the reasons for the suspension have been redressed, petition the Minister for the removal of the suspension.
- 10.5 Upon termination of this Contract whether by written notice or expiry of term, the Timber Rights Holder shall immediately cease to harvest timber from the Contract area.
- 10.6 Notwithstanding the provisions of clause 10.5 the Commission may at its discretion, allow the Holder a further period in which to remove any timber trees felled prior to the termination that have been included in the approved yield and for which stumpage fees have been paid.
- 10.7 Upon the termination of this Contract, the Holder shall immediately commence to remove any buildings and/or equipment that it may have placed on the Contract area and shall complete such removal within three (3) months after the termination date.

11.0 Transfer of Timber Rights

- 11.1 No rights over or interest in timber granted under this Contract shall be transferred or assigned without the written consent of the Minister given on the recommendation of the Commission and the consent to assign or transfer shall not be unreasonably withheld or delayed.
- 11.2 An application for a transfer or assignment shall be evaluated by the Timber Rights Evaluation Committee.

11.3 A holder who transfers or assigns his timber rights under this Contract contrary to subsection (1) of this section commits an offence and shall be liable to a fine of not less than 300% of the annual rent payable in line with section 16 (3) of Act 547. The Minister, notwithstanding the fine may terminate the Contract.

12.0 Non-Renewability of Timber Rights

12.1 The Timber Rights granted under this Contract is not renewable.

13.0 Monitoring and Audit

13.1 The activities of the Timber Rights Holder shall be regularly monitored by the District Manager of the District or his/her authorised representative who shall report to the Chief Executive any detected non-compliance by the Timber Rights Holder of the terms of this Contract.

13.2 The Timber Rights Holder shall keep a record of the timber trees cut or felled or removed within the Contract area and shall submit this record to the District Manager for the District within which the Contract area falls not later than 15 days after the end of each month.

13.3 The Timber Rights Holder shall supply such information as the Commission may request for the purpose of monitoring its activities including annual and other reports.

13.4 The activities of the Timber Rights Holder under this Contract shall be audited, at intervals of not more than five years, by a qualified organisation assigned by the Chief Executive to undertake such an audit and the Holder shall co-operate with any such audit.

14.0 Inspection of Timber Operations

- 14.1 The timber operations of the Timber Rights Holder under this Contract may be inspected by any Forestry Officer and the Holder shall co-operate with any such inspector and provide any records or information requested by such Forestry Officer.
- 14.2 Any instruction given by a Forestry Officer to suspend operations within the Contract area shall be in writing stating the reasons thereof. The Timber Rights Holder shall have right of appeal to the Chief Executive or in the alternative to an officer of the Commission duly designated and authorized by the Chief Executive.

15.0 Logging Manual and Manual of Procedures

- 15.1 The Timber Rights Holder shall, in its timber operations under this Contract, adhere to the Logging Manual and Manual of Procedures issued by the Commission and with any requirement or instruction given by a Forestry Officer.

16.0 Harvesting Plan

- 16.1 The Timber Rights Holder, shall prepare and submit to the Commission a Harvesting Plan in accordance with the Logging Manual that describes the proposed timber operations in its Contract for the first five year period and shall submit to the Commission an updated Harvesting Plan every five years thereafter.
- 16.2 The Commission shall conduct inspection of the Contract area to validate each Harvesting Plan and prior to its approval of that Harvesting Plan shall request the Holder in writing to make such modifications that the Commission deems appropriate.
- 16.3 If the Timber Rights Holder's Harvesting Plan is not approved by the Commission, the Holder shall suspend all timber operations in the Contract area until the Holder has made such modifications as requested and approved by the Commission.

17.0 Annual Logging Plan

- 17.1 Upon the request of the Timber Rights Holder the Commission or its agents shall in co-operation with the Holder carry out a tree stock survey to enumerate all harvestable trees within those compartments identified in the current Harvesting Plan for timber operations in the subsequent calendar year and shall use the results of that stock survey to calculate the Annual Yield to be granted under this Contract.
- 17.2 The Timber Rights Holder shall use the Annual Yield to prepare an Annual Logging Plan in accordance with the Logging Manual and not less than two months before completion of the current Annual Logging Plan (if any) shall submit that Annual Logging Plan to the Commission for approval.
- 17.3 The Commission shall within 14 days of receipt of an Annual Logging Plan notify the Timber Rights Holder in writing whether it has approved that Annual Logging Plan. If the Commission does not approve an Annual Logging Plan it shall notify the Holder in writing of the modifications that the Holder shall make for such approval to be granted.
- 17.4 The Timber Rights Holder shall not commence timber operations in any compartment subject to an Annual Logging Plan until its Annual Logging Plan has been approved by the Commission.

18.0 Passing of Risk

- 18.1 Upon this Contract becoming effective, the risk in the timber trees within the Contract area shall pass to the Timber Rights Holder and the Holder shall thereafter be responsible for any loss or damage to the timber trees.

19.0 Environmental Maintenance, Damage to Property and Fire Prevention

- 19.1 The Timber Rights Holder at its cost shall take due care and make every effort to minimize or avoid any adverse effect to the environment.

19.2 The Timber Rights Holder shall endeavour to exercise due care to prevent damage to all trees not included in the approved Annual Yield or to buildings, roads or other structures in the Contract area. The Holder shall be responsible for any damage to property caused by its act or default and shall make good any damage.

19.3 The Timber Rights Holder shall not set fire within the Contract area without the permission of the Forest Services Division and shall take all reasonable care to prevent damage from fire in the Contract area and the Holder shall be responsible for any loss whatsoever caused through fire attributable to its negligence.

20.0 Compliance with Laws and Regulations

20.1 The Timber Rights Holder in carrying out its operations shall comply with all laws of Ghana as applicable and with all applicable rules, regulations and requirements of governmental agencies.

20.2 The Timber Rights Holder shall ensure that all persons employed by or under its control shall, whilst engaged in its timber operations, acquaint themselves with and comply with all laws and rules and regulations relating to any matter including but not limited to, the safety of persons and the preservation of property.

21.0 Resolution of Disputes

21.1 Where a dispute arises between the parties to this Contract, all efforts shall be made by the Parties, through mutual discussions, to reach an amicable settlement.

21.2 Where parties fail to reach amicable settlement;

i. In the case of a Timber Rights Holder who is not an investor within the meaning of Act 617, the dispute shall be referred to arbitration in accordance with the Alternative Dispute Resolution Act, 2010 (Act 798);

ii. In the case of an investor within the meaning of Act 617, the dispute shall be resolved in accordance with the dispute settlement procedures provided for in Act 617.

21.3 Where the Timber Rights Holder is an investor within the meaning of Act 617 disputes that cannot be amicably settled through mutual discussions shall be resolved in accordance with the dispute settlement procedures provided for in the Timber Resources Management (Amendment) Act, 2002 (Act 617).

22.0 Insurance

22.1 The Timber Rights Holder shall, throughout the term of this Agreement, insure its equipment, staff and third parties with an insurance company approved by the National Insurance Commission against all losses, damages and risk arising out of the holder's works, operations or process pursuant to this Contract.

22.2 The Holder shall produce the insurance policy and the receipt for the current year's premium whenever required by the Commission.

23.0 Social Responsibility Agreement

23.1 The Timber Rights Holder shall negotiate and provide inhabitants of its Contract area with social facilities and amenities in accordance with the Social Responsibility Agreement where such an agreement was not executed under its holding prior to the conversion process.

24.0 Force Majeure

24.1 For the avoidance of doubt, the effects of earthquakes, floods, landslides or adverse weather conditions which but for the negligence of the Rights Holder could have been mitigated, shall not constitute Force Majeure.

25.0 Variation or Amendments

25.1 No variation or modification of the terms of this Contract shall be made except by written amendments signed by the Parties.

26.0 Applicable Law

26.1 This Contract shall be governed by and interpreted in accordance with the Laws of Ghana.

27.0 Indemnity

27.1 The Timber Rights Holder hereby undertakes to indemnify the Government of Ghana fully in respect of any loss, cost, damages, charges, liabilities and expenses whatsoever suffered or incurred by the Government of Ghana arising as a result of or attributable to any and all actions, suits, procedures, claims or any act or omissions or negligence of the Holder in connection with the carrying out of its obligations under this Contract.

27.2 Either party shall have the right to change its address by notice delivered personally or sent by facsimile or e-mail to the address stated below or such other addresses as the Parties may notify from time to time.

28.0 Waiver

28.1 Any waiver by either party of a breach of any provision of this Contract shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.

29.0 Entire Understanding

29.1 This Contract embodies the entire understanding of the parties in respect of the matters contained or referred to in it and there are no promises, terms, conditions or obligations, oral or written, express or implied other than those contained herein.

30.0 Severability

30.1 The invalidity, illegality or unenforceability of a provision of this Contract does not affect or impair the continuation in force of the remainder of such provision or the remainder of this Contract.



31.0 Counterparts

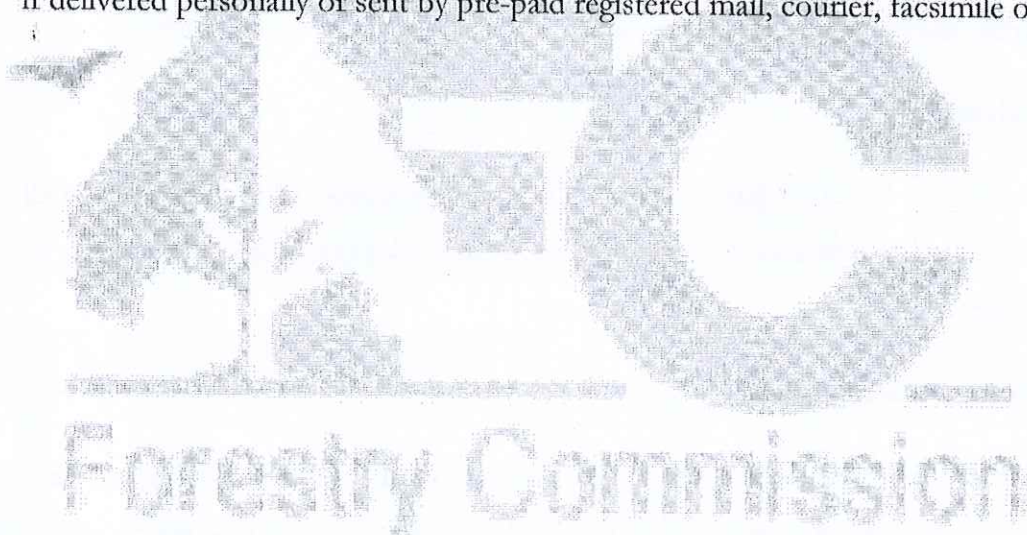
31.1 This Contract may be executed in counterparts, which together will constitute one Contract.

32.0 Headings for Convenience Only

32.1 Heading to clauses are inserted for convenience only and shall not affect the construction of this Contract.

33.0 Notices

33.1 All notices under this Contract shall be in writing and shall be sufficient in all respect if delivered personally or sent by pre-paid registered mail, courier, facsimile or e-mail.



Address to: The Timber Rights Holder at
KAN ROYAL TIMBERS
P.O. Box 1963
SUAME-KUMASI

Address to:
The Minister
MINISTRY OF LANDS AND NATURAL RESOURCES,
P. O. BOX M212,
ACCRA.

- 33.2 Either party has the right to change its address by notice delivered personally or sent by facsimile or e-mail to the address stated above or such other addresses as the parties may notify from time to time

Forestry Commission

SIGNED, STAMPED AND DELIVERED BY:

[Handwritten signature]

MINISTER FOR LANDS AND NATURAL RESOURCES
ON BEHALF OF THE GOVERNMENT OF GHANA

MINISTER
MINISTRY OF LANDS &
NATURAL RESOURCES

IN THE PRESENCE OF:

NAME:

Prof. Patrick Aboesinyale

POSITION:

Chief Director

ADDRESS:

MLNR

SIGNATURE:

[Handwritten signature]

CHIEF DIRECTOR
MIN. OF LANDS & NATURAL
RESOURCES

SIGNED, STAMPED AND DELIVERED BY:

[Handwritten signature]

MANAGING DIRECTOR OF KAN ROYAL TIMBER



IN THE PRESENCE OF:

NAME:

Dennis Asonani

POSITION:

SE1963 Suame Kumasi

ADDRESS:

SIGNATURE:

[Handwritten signature]

ANNEXES

- Annex 1 - Contract Area
- Annex 2 - Topographical Map
- Annex 3 - Social Responsibility Agreement



ANNEX 1: CONTRACT AREA

The boundary contract area is shown edged in Red on Topographical Map attached hereto as Annex 2



ANNEX 1

CONTRACT AREA DESCRIPTION

MPAMESO FOREST RESERVE TUC AREA (PORTION)

ALL THAT piece or parcel of land containing an approximate area of 26.47 square kilometers lying North of Latitude $7^{\circ} 8'$ and $7^{\circ} 8'$, South of $7^{\circ} 4'$ and $7^{\circ} 4'$, West of longitude $2^{\circ} 52'$ and $2^{\circ} 48'$, then longitude $2^{\circ} 52'$ and $2^{\circ} 48'$ in the Dormaa Municipal Assembly of the Bono Region of the Republic of Ghana which piece or parcel of land is more particularly delineated on the plan annexed hereto for the purpose of identification and not of limitation.

ANNEX 2

TIMBER UTILISATION CONTRACT FOR KAN ROYAL TIMBERS

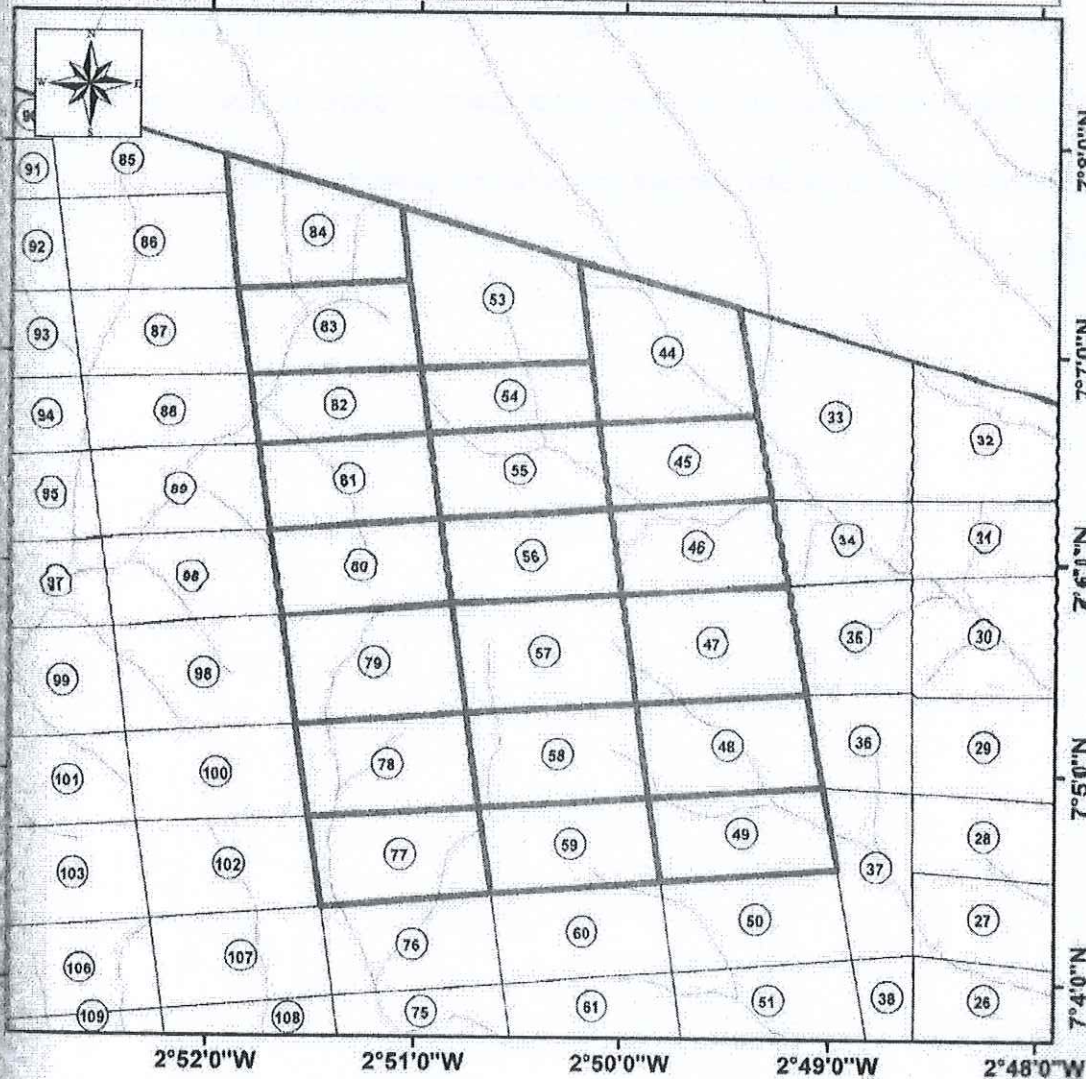
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Total Area = 26.47 SQ KM

Scale 1:50,000

LOCALITY	FOREST DISTRICT	REGION
MPAMESO FOREST RESERVE	DORMAA	BONO



LEGEND	
FOREST RESERVE BOUNDARY	-----
LOCALITY BOUNDARY	-----
DEPARTMENT NO.	12
ROAD	~
TRAIL	·
RIVER / STREAM	~

Prepared by Forestry Commission - June 2020

ANNEX 3

MODEL SOCIAL RESPONSIBILITY AGREEMENT

This Social Responsibility Agreement is made this 11 day of JUNE, 2011. BETWEEN the Stool, acting by its lawful attorney, the Paramount Chief/Divisional Chief/ Sub-Chief, of KRAMA TRADITIONAL AREA hereinafter called the "Stool" AND the District Assembly, acting by its lawful attorney, the District Chief Executive and witnessed by Assembly Member of KRAMA MUNICIPAL ASSEMBLY hereinafter called "Assembly" of the one part and METU GINS DIRECTOR acting by its lawful attorney, KAN ROMA SECURE STONE & IRON LIMITED hereinafter called the "Contractor") of the other part.

RECITALS

- A. WHEREAS the Chief Executive of Forestry Commission (the Grantor") has granted the Contractor the right to harvest timber (the "Grant") in 21 Comp 44-49, 53-59, 77-84 which area is situated within MRAMA Forest Reserve.
- B. WHEREAS it is a condition of the Grant that the Contractor execute this Agreement with the Stool and the Assembly in order that the Contractor shall for the benefit of communities and inhabitants of KWAMEASHA, TRADUNG ETC. represented herein by the Stool and Assembly (the "Community") contribute financially to the provision of social and economic amenities, services or benefits (the "Assistance").
- C. WHEREAS the Contractor desires to provide the Community with such Assistance and the Stool and Assembly desire to receive such Assistance on behalf of the Community.
- D. WHEREAS the parties hereto desire to be bound by this Agreement pursuant to the terms hereof.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
PROVISION OF SERVICES

- 1.1 Nature of Obligation: The Contractor acknowledges and agrees that it is executing this Agreement and providing the relevant Assistance as a condition of, and in consideration for, the Grant by the Minister of the Timber Utilisation Contract and further acknowledges and agrees that the Contractor's obligation to provide such services shall be binding on the Contractor and inure to the benefit of the Stool and the Assembly, for and on behalf of the Community.
- 1.2 Services To Be Provided: Subject to the terms and conditions of this Agreement, during the term of this Agreement, the Contractor agrees to provide the following Services to the Stool and the Community:
- 1.2.1 Clinic: The Contractor shall
- Construct and equip a modern clinic to provide medical Services to the Community. The Contractor agrees that the size, dimensions and structure of such clinic and the type and specifications of equipment procured for use in such clinic shall conform in all respects to acceptable standards.
- 1.2.2 Water pump/Storage System: The Contractor
- Shall install a water pumping and storage system (the "System") for potable water in the Community. The Contractor shall install a System which has, in all material respects, acceptable specifications.
- 1.2.3 Other types of service or amenity to be provided. E.g. Furnished School Buildings; Electric Generator; Library plus supply of books; Community Center; Lump Sum Payment to Educational Endowment Fund.
- 1.3 Selection of Services: The selection of the Services to be provided hereunder and of the place(s) in the Community where such Services will be located shall be determined jointly by the Stool and the District Chief Executive, acting in consultation with the Assembly.
- 1.4 Use of Local Inputs and Resources: To the fullest extent possible, where any input or supplies used in or required for the provision of the Services or a component thereof, including labour, can be obtained readily at a competitive price and quality from suppliers or their agents located within the Community, the Contractor shall use or employ such locally available input or supplies in the provision of the Services.

- 1.5 Limitation on Investment: The Contractor hereby specifically covenants and undertakes to assist the Community with the (Services) identified and set forth in clause 1.2 hereof to the extent and degree required hereunder; provided, however, that the cost of the agreed amenities, services or benefits shall be 5% of the value of stumpage fee from the timber that is harvested;
- 1.6 Escrow Deposit: As security for the Contractor's performance of its obligations hereunder, the Contractor shall, within (30) days of the receipt of each invoice from the Government in respect of stumpage fees, deposit an additional amount equal to 5% of each invoice with a financial institution (the "Escrow Agent") designated by the Stool, which Annual Investment Amount shall be held and disbursed by the Escrow Agent upon the receipt of joint written instructions from the Stool and the Contractor.

ARTICLE II

PERFORMANCE STANDARD

- 2.1 Performance: The Contractor shall be responsible for, and shall fully and completely perform and discharge, any and each obligation the Contractor now has or may hereafter have under or with respect to this Agreement punctually as and when due, in accordance with the terms hereof; provided however that, notwithstanding Section 6.5 of this Agreement, the Contractor may hire a contractor or sub-contractor to undertake the provision of the Services on behalf of the Contractor.
- 2.2 Duty of Care; Faith Business Judgment: The Contractor shall perform the Services with the care, and to the standard, respectively, that a prudent company experienced in providing such Services would take for itself or others, and in any event with a standard of care and performance not less than the standards applied to other amenities owned, managed or controlled by the Contractor, it being understood that in order to do so, and in so doing, the Contractor (i) shall be entitled to such cooperation and assistance from the Stool and the Community as the Contractor may reasonably request and (ii) shall not be liable to the Stool for its reasonable reliance on the advice of its professional advisors and agents selected by it in good faith beyond the Contractor's obligation to cure, contained in Clause 2.6 hereof.
- 2.3 Right of Inspection: The Contractor shall subject itself to examination with respect to the performance of the Services and shall cooperate fully with all supervisory authorities having jurisdiction over any part of the activities of the Contractor (including the Stool) and shall make available to representatives of such authorities all such information and such rights of inspection in respect of the performance of the Services pursuant to this Agreement as shall be required by any applicable law or as they shall reasonably request.

- 2.4. No Encumbrance: The Contractor covenants and agrees that where the amenity or other Service to be provided in the performance of the Services is capable of being encumbered, until such time as such amenity or other Service is transferred to the ownership of the Stool and Community (the "Completion Date") it shall not directly or indirectly create incur, assume or suffer to exist any encumbrance attributable to it that attaches to the amenity or other Service arising as a result of (i) claims against the Contractor that are not related to or contemplated by this Agreement or (ii) claims against the Contractor with respect to taxes or expenses associated with the performance of the Services.
- 2.5. Completion Timetable: The Contractor covenants and agrees that it shall use its commercially reasonable efforts to ensure that the performance of the Services shall be rendered in a timely manner and, in particular, the Contractor shall adhere to completion timetables.
- 2.6. General Guarantee: Notwithstanding anything to the contrary contained in Clause 2.2 hereof, the Contractor shall remedy or cause its agents or contractors performing the Services on its behalf, as the case may be, to remedy any defect in the Services provided due to faulty material or workmanship and pay for any damage to other work resulting therefrom which shall be brought to the notice or attention of the Contractor within the period of two years from the Completion Date.
- 2.7. Change Orders: The Contractor agrees not to make any changes in the schedule of work, design, or of the specifications set forth on Schedule A attached hereto and made a part of this Agreement without the written consent of the Assembly and the Stool.
- 2.8. Further Assurances: Without prejudice to the express provisions of this Agreement, each of the Contractor, the Stool and the Assembly agree to consult with each other from time to time to develop a framework appropriate to the performance by the Contractor of the Services, including without limitation, due consideration of the types and amounts of expenses to be incurred and standard of performance to be achieved by the Contractor. The parties further agree to do all things reasonably necessary to carry out the purposes of this Agreement.

ARTICLE III

MANAGEMENT OF (SERVICES)³

- 3.1. Management and Maintenance: (The Assembly shall be responsible for the Management and Maintenance of the amenity or other Services provided by the Contractor pursuant to this Agreement.)
- 3.2. Costs: The Assembly shall be responsible for the costs associated with the management and maintenance of the amenity or other Service provided, however that where the value of the amenity or other Service is less than the Investment

Amount, the difference between the value of the amenity or other Service and the Investment Amount (the "Difference") shall be remitted to the Assembly to fund the Management Costs; provided, further that the Assembly shall be obligated to use the Difference exclusively to defray the Management Costs and shall not apply the Difference to the Assembly's recurrent expenditure or other budget item.

ARTICLE IV


DISPUTE RESOLUTION

- 4.1 Negotiation: The parties hereto shall in the first instance exert their best efforts to arrive at an amicable settlement of any dispute which may arise between them with respect to this Agreement.
- 4.2 Suits for Enforcement: In case negotiation (as required in Clause 4.1 hereof) does not result in the settlement of a dispute, either party hereto may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings, whether for the specific performance of any covenant or Agreement contained in this Agreement or for an injunction against a violation of any of the terms hereof, or to recover damages for the breach thereof, or in aid of the exercise of any power granted herein or to enforce any other equitable or legal right of such party.
- 4.3 Remedies Cumulative: No right, power or remedy herein conferred is intended to be exclusive of any other right, power or remedy and each and every such remedy shall be cumulative and shall be in addition to every other right, power or remedy given hereunder, or now or hereafter existing at law or in equity or by statute or otherwise.
- 4.4 Remedies not Waived: No course of dealing among the parties hereto or any delay or omission on the part of any party hereto in exercising any rights hereunder shall operate as a waiver of any rights of any party hereto.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

- 5.1 The Contractor represents and warrants that:
 - 5.1 (a) The Contractor is a business entity duly organized, validly existing and in good standing under the laws of Ghana, and has the power to own, operate and lease properties and assets and to carry on its business and to execute and deliver this Agreement and consummate the transactions contemplated hereby. The



Contractor has full power, authority and legal right, and has taken all legal and other action necessary or advisable to authorize this Agreement, to execute and deliver this Agreement and to perform and observe the terms and conditions hereof;

5.1 (b) All permits, orders authorizations and approvals (collectively, "Permits") of the Government of Ghana or of any agency, department or instrumentality thereof which are necessary (i) to the conduct of the Contractor's business (ii) to authorize the execution and delivery of this Agreement and the performance and observance of the terms and conditions of this Agreement and (iii) for the validity, binding effect and enforceability of this Agreement have been obtained and are binding and enforceable in full force and effect and no notice of any material violations of any such Permit has been received by the Contractor, except for any such violations that have been cured, and no proceeding is pending or, to the knowledge of the Contractor, threatened to revoke or limit in any material way such Permit;

5.1 (c) No law, ordinance, decree or regulation of the state of incorporation of the Contractor or any agency, department or instrumentality thereof would be contravened, and no breach or default would occur under any Agreement or other instrument binding on the Contractor, by its execution and delivery of this Agreement or its performance and observance of the terms and conditions hereof;

5.1 (d) All Obligations and responsibilities of the Contractor contained in this Agreement constitute the unconditional, direct obligations of the Contractor which are valid, binding and enforceable on it in accordance with its terms.

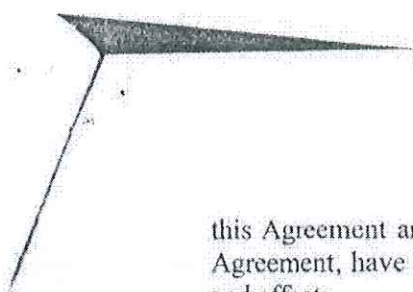
5.2 Each of the Stool and the Assembly represents and warrants that:

5.2 (a) The Stool and the Assembly will provide, and will use their best efforts to ensure that the Community provides, such co-operation and assistance as the Contractor may reasonably request in the provision of the Services;

5.2 (b) The Stool and the Assembly hereby acknowledge and undertake to respect the right of the Contractor to harvest timber under the terms of the Grant and will use their best efforts to ensure that the Community provides such co-operation and assistance as the Contractor may reasonably and lawfully require to secure and protect its rights under the Grant;

5.2 (c) Each of the Stool and the Assembly has full power, authority and legal right, and has taken all legal and other action necessary or advisable to authorize this Agreement, to execute and deliver this Agreement and to perform and observe the terms and conditions hereof;

5.2 (d) All authorizations and approvals of each of the Stool and the Assembly or of any agency, department or instrumentality of each of the Stool and the Assembly which are necessary (i) to authorize the execution and delivery of this Agreement and the performance and observance of the terms and conditions of



this Agreement and (ii) for the validity, binding effect and enforceability of this Agreement, have been obtained and are binding and enforceable and in full force and effect;

5.2 (e) No constitutional provision, law, ordinance, decree or regulation of the Republic of Ghana, the Stool or the Assembly (as the case may be) or any agency, department or instrumentality of each such person would be contravened, and no breach or default would occur under any agreement or other instrument binding on each of the Stool and the Assembly by its execution and delivery of this Agreement or its performance and observance of the terms and conditions hereof;

5.2(f) All obligations and responsibilities of each of the Stool and the Assembly constitute the unconditional, direct obligations of each of the Stool and the Assembly which are valid, binding and enforceable on it in accordance with their respective terms;

5.2 (g) Under the present laws of the Republic of Ghana, or any political subdivision or taxing authority thereof, there is no tax, levy, deduction or withholding on or in connection with the execution or delivery of this Agreement, or on any payment to be made to each of the Stool or the Assembly hereunder.

ARTICLE VI


LAWS AND REGULATIONS


The Contractor shall observe and abide by all applicable laws and the rules and regulations of any lawful regulatory agency with authority to act hereunder or in connection with the Services to be provided hereunder. The Assembly shall notify the Contractor of any such legal and/or regulatory requirements in connection with this Agreement.

ARTICLE V


GENERAL PROVISIONS

- 7.1 Notices: Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by recognized private or commercial overnight courier, or mailed by Republic of Ghana registered or certified mail, addressed to the other party at the address shown in the beginning of this Agreement or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as such party gives the other party written notice of in accordance with this Clause. Any such notice will be effective as of the date of receipt.

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- 7.2 Force Majeure: A party will not be deemed to have materially breached this Agreement to the extent that performance of its obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government, or any other cause beyond the reasonable control of such party (a "Force Majeure"); provided that the party whose performance is delayed or prevented promptly notifies the other party of the Force Majeure cause of such prevention or delay; and provided further, that if the prevention or delay of such party's performance of this Agreement continues for more than thirty (30) days, then the parties may seek other ways of implementing the objectives of this Agreement by amendment hereof.
- 7.3 Independent Contractors: The parties will operate as, and have the status of, independent contractors and will not act as or be an agent, partner, co-venturer or employee of the other party. No party will have any right or authority to assume or create any obligations or to make any representations or warranties on behalf of any other party, whether express or implied, or to bind any other party in any respect whatsoever.
- 7.4 Waiver Modification: Any waiver of any right or default hereunder will be effective only in the instance given and will not operate as or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver or modification of this Agreement or of any provision hereof will be effective unless in writing and signed by the party against whom such waiver or modification is sought to be enforced.
- 7.5 Assignment: Neither party will be entitled to assign its rights or delegate its obligations under this Agreement to any third party without the prior written consent of the other party. Any attempted or purported assignment of delegation without such required consent will be void. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the parties and their respective permitted successors and assigns.
- 7.6 Governing Law: This Agreement will be governed by and construed in accordance with the laws of the Republic of Ghana, excluding that body of law related to choice of laws.
- 7.7 Severability: In the event any provision of this Agreement (or portion thereof) is determined by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, then such provision will, to the extent permitted by the court, not be voided but will instead be construed to give effect to its intent to the maximum extent permissible under applicable law and the remainder of this Agreement will remain in full force and effect according to its terms.
- 7.8 Sections and Headings: The headings contained herein are for the convenience of reference only and are not intended to define, limit, expand, or describe the scope or intent of any clause or provision of this Agreement.

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- 7.9 Entire Agreement: This Agreement, together with all exhibits hereto, constitutes the entire agreement and understanding of the parties relating to the subject matter hereof and supersedes all prior negotiations and understandings between the parties, both oral and written, regarding such subject matter.
- 7.10 Counterparts: This Agreement may be signed in counterparts and all signed copies of this Agreement will together constitute one original of this Agreement.
- 7.11 Construction: This Agreement will be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either of the parties.
- 7.12 Legal Expenses: The prevailing party in any legal action brought by one party against the other and arising out this Agreement will be entitled, in addition to any other rights and remedies available to it at law or in equity, to reimbursement for its reasonable costs and expenses (including court costs and reasonable fees for attorneys and expert witnesses) incurred with respect to bringing and maintaining any such action.

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA



Schedule A

Description of Services

Counsel should set forth herein a description of the Services to be provided to the Stool and the Community in sufficient detail to reflect the expectations of the Parties. For example, where the Investment Amount may cover two district projects both should be described in detail under headings A1 and A2 etc. It is intended that this Schedule A capture the full scope of Contractor's obligations under the Agreement.

[Timetable] or [Timeline]

Counsel should set forth herein the definitive project timeline or timetable (as appropriate) for the Services to be provided to the Stool and the Community. This should be structured to capture milestones or targets inherent in the project or delivery of the Services.

IN WITNESS WHEREOF, the duly authorized representatives of each of the parties hereto have executed this Agreement effective as of the day and year first written above.

THE [CONTRACTOR]

By: [Signature]

Name: KWAME NIN

Title: 0243 575423

[TRADITIONAL STOOL]

By: [Signature]

Name: O O Agyemang Badu II

Title: Dormaaahene

USEGTEFO OSEADUO
AGYEMAN BADU II
[DISTRICT ASSEMBLY] DORMAAHENE

(C)

By: [Signature]

Name: MUNICIPAL CHIEF EXECUTIVE

Title: District Chief Executive

[WITNESS]

By: _____

Name: _____

Title: _____

Endorsed By:
FORESTRY COMMISSION
(Acting as Grantor of Plantation Timber Rights)

By: [Signature]

Name: NIFRASCIRE CHRIS ANI TUS

Title: _____

DISTRICT MANAGER
FOREST SERVICES DIVISION
P. O. BOX 94
DIAHENKRO

OATH OF PROOF

I PROF PATRICK K. AGBESINYALE of M L N R
.....MAKE OATH and SAY that on the 25TH day of
JULY 2022 was present and saw **HON. SAMUEL A. JINAPOR (MP)**,
the Minister for Lands and Natural Resources duly execute the instrument now produced to me and
that the said **HON. SAMUEL A. JINAPOR (MP)** can read and write,

Sworn at Accra this day of 20.....

Before me

.....
REGISTRAR OF LANDS

[Signature]
DEPONENT

This is the instrument referred to in the Oath of

Sworn before me, this day of 20.....

.....
REGISTRAR OF LANDS

On the day of 20..... atO'clock in the
.....noon this instrument was proved before me by the Oath of the within named
..... to have been duly executed by the within named
HON. SAMUEL A. JINAPOR (MP)

.....
REGISTRAR OF LANDS

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA