

SIGNED this 15th day of April, 1977.

SIAKA STEVENS,  
*President.*

LS

No. 3



Sierra Leone

1977

**The Concession Agreement for Gola Forest East and Gola Forest West, Forest Reserves (Ratification) Act, 1977** Short title.

Being an Act to Ratify and Confirm the Agreement signed on the 30th day of January, 1975 by representatives of Sierra Leone Government of the one part and the Managing Director of SILETI of the other part establishing a joint venture to exploit the Gola Forest

[28th February, 1975.] Date of commencement.

WHEREAS an Agreement was made on the 30th day of January, 1975 Between SHEKU AHMED TEJAN KOROMA, esquire, Minister of Agriculture and Natural Resources acting for and

on behalf of the Government of Sierra Leone, hereinafter referred to as the Government, of the one part and Doctor GUISEPPE LAMARCA Managing Director of SILETI of 169 Pietro Cossa, Turin, Italy acting for and on behalf of the Concessionaire of the other part:

AND WHEREAS it is desirable that the aforesaid Agreement should be ratified and confirmed:

BE IT THEREFORE ENACTED by the President and Members of Parliament in this present Parliament assembled, as follows:—

Commence-  
ment.

1. This Act shall be deemed to have come into operation on the 28th day of February, 1975.

Confirmation  
of Agree-  
ment.

2. The aforesaid Agreement set out in the Schedule hereto is hereby ratified and confirmed and all rights and obligations purported to be conferred or imposed thereby are hereby declared valid any law to the contrary notwithstanding, and notwithstanding anything in any law contained the Minister assigned with responsibilities for matters relating to Agriculture and Natural Resources or any other persons shall have power to do on behalf of the Government of Sierra Leone any act which the aforesaid Agreement may require or allow in the name of the said Minister or of the Government of Sierra Leone.

## THE SCHEDULE

### ARTICLE 1

#### TERMS OF AGREEMENT

##### *1.1 Home and legal address of Concessionaire and the Company*

THIS AGREEMENT made the 30th day of January in the year of Our Lord one thousand nine hundred and seventy-five BETWEEN SHEKU AHMED TEJAN KOROMA the Honourable Minister of Agriculture and Natural Resources for and on behalf of the Government of the Republic of Sierra Leone hereinafter called the GOVERNMENT on the one part and the SIERRA LEONE TIMBER INDUSTRY & PLANTATION COMPANY LIMITED (hereunder called the COMPANY) on the other part, whose registered office is situate in Freetown.

WHEREAS the Government of the Republic of Sierra Leone and Dr. Giuseppe Lamarca of 169 Pietro Cossa, Turin, Italy, signed an Agreement which was registered in Volume 18 page 51 dated June 20, 1973 of the Books of Agreement in the office of the Registrar-General, to establish a joint venture

to be known as the SIERRA LEONE TIMBER INDUSTRY & PLANTATION COMPANY LIMITED and to grant to the said Company exclusive right of exploitation of the GOLA FOREST EAST and GOLA FOREST WEST FOREST RESERVES:

AND WHEREAS the said Company has been duly established in Sierra Leone with Certificate of Incorporation No. CF/32/1973 dated December 31, 1973:

NOW THEREFORE this Agreement witnesseth as follows:

The lands delimited in the First and Second Schedules to this Agreement as the GOLA FOREST EAST FOREST RESERVE and GOLA FOREST WEST FOREST RESERVE shall form the Concession area the subject of this Agreement.

## *1.2 Definitions*

Unless a contrary intention appears, the following terms used in this Agreement shall have the respective meanings set forth below:

### *1.2.1 Affiliate*

A person shall be considered as an affiliate of another person if the first person directly or through any third party or parties controls, is controlled by or is under common control, with the second person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or by contract or otherwise. In all events "control" shall be deemed to include ownership directly or indirectly, of an aggregate of 10% (ten per cent) or more of either the voting power or equity interests.

### *1.2.2 Chief Conservator of Forests*

Chief Conservator of Forests means the professional head of the Forestry Division of the Ministry of Agriculture and Natural Resources appointed as such by the Public Service Commission.

### *1.2.3 Concessionaire*

The term "Concessionaire" shall mean the Sierra Leone Timber Industry and Plantation Company Limited, its assigns, transferees and successors in title: PROVIDED however, that assignments, transfers and right of succession shall be governed by Article 1. Section 1.10 of this Agreement.

### *1.2.4 Date of approval*

The term "date of approval" means the date on which this Agreement was approved by the Cabinet.

### *1.2.5 Effective date*

The term "effective date" means the date this Agreement was signed by the parties concerned and after such signature the "effective date" is retroactively held to be the "date of approval".

### 1.2.6 Government

"Government" includes all branches, divisions, instrumentalities and agencies of the Government.

### 1.2.7 Infrastructure

The term "infrastructure" means non-movable assets of the following types:

- (a) Transportation and Communication facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft, garages, canals, aerial tramways, pipelines and radio, telephone and telegraph facilities).
- (b) Port facilities (including docks, harbours, piers, jetties, breakwaters, terminal facilities and warehouses, loading and unloading equipment).
- (c) Electrical power, water and sewerage facilities (including electrical generating plants and transmission lines, dams, water drains, water supply systems and systems for the disposal of plant waste and sewerage).
- (d) Public welfare facilities (including schools, hospitals and public halls).
- (e) Miscellaneous facilities in connection with the operation of the foregoing (including offices, machine shops, foundries, repair shops and warehouses).

### 1.2.8 Merchantable timber

"Merchantable timber" means timber cut for commercial use as more particularly defined in Appendix C to this Agreement.

### 1.2.9 Minister

"Minister" means the Minister for the time being charged with responsibility for matters relating to Agriculture and Natural Resources or the Minister responsible for matters affecting that particular section of the Agreement whichever is appropriate.

### 1.2.10 Occupier

"Occupier" in relation to land means the person in actual lawful occupation of the land who has the right to exercise general control over such land and actually resides thereon.

### 1.2.11 Owner

"Owner" in relation to land means:

- (a) in the case of private land, the person in whose name such land is registered in a deeds register; or in the case of land in the Provinces in accordance with provisions of the Provinces Land Act Cap. 122.

- (b) in the case of land vested in a municipal or town council, the person appointed for the purpose by the municipal or town council as the case may be;
- (c) in the case of state land, the Minister of Lands;
- (d) in the case of land which is under the provision of any law deemed to be a Protected Forest or a Forest Reserve as defined in the Forestry Act, the Minister.
- (e) in the case of land in the Provinces, the Paramount Chief or family or other person or authority as the case may be who has the right by customary law to exercise general control over such land.

#### *1.2.12 Permit*

"Permit", in relation to wild animals, means a permit granted under the Wildlife Conservation Act, No. 27 of 1972 or the regulations made thereunder.

#### *1.2.13 Plant and equipment*

The term "plant and equipment" means the following assets (other than infrastructural assets) necessary or desirable for operations hereunder:

- (a) Timber felling and extraction equipment;
- (b) facilities and equipment to saw, cut and otherwise process timber;
- (c) facilities and equipment in connection with the operation of the foregoing including offices, machine shops, foundries, repair shops and warehouses;
- (d) Facilities and equipment for the maintenance of personnel (including dwellings, stores, mess halls and recreational facilities), and
- (e) movable equipment, including motor vehicles and railroad rolling stock necessary or desirable for use in connection with the infrastructure.

#### *1.2.14 Person or persons*

The term "person or persons" includes corporations, partnerships, unincorporated partnerships, firms and companies.

#### *1.2.15 Sierra Leone currency*

"Sierra Leone Currency" means the currency used in Sierra Leone.

#### *1.2.16 Timbering area*

The term "timbering area" means the initial area as described in Article 1, Section 1.7 of this Agreement.

#### *1.2.17 Timber and forest products*

The term "timber and forest products" shall have the same meaning as attributed to them in the Forestry Act.

### *1.3 Terms of the Agreement; periodic review*

This Agreement shall be for a term of 25 (twenty-five) years from the effective date as defined herein PROVIDED, however, that not more often than five years the parties hereto shall consult together in Sierra Leone for the purpose of considering such changes or clarification or modifications to this Agreement as either party deems to be appropriate.

Whenever reference is made to the Forestry Division of the Ministry of Agriculture and Natural Resources, that expression shall be taken to mean where the context so permits "the Chief Conservator of Forests".

### *1.4 Effective date*

This Agreement shall be deemed to come into force on the 28th day of February, 1975.

### *1.5 Renewal of Concession*

If the CONCESSIONAIRE, not more than two years and not less than three months before the expiration of this Agreement applies in writing to the Minister of Agriculture and Natural Resources for a renewal of the Concession the subject of this Agreement and if it shall have paid all taxes, fees and rents due and shall have satisfactorily performed all its obligations under this Agreement up to the date of such application, the GOVERNMENT shall consider renewal of this Agreement for a further period of 25 (twenty-five) years on terms and conditions then to be agreed upon PROVIDED, however, that such of those terms and conditions as relate to taxes, royalties, fees, duties and rents then offered by GOVERNMENT to the CONCESSIONAIRE shall not be less favourable than those offered to other timber concessionaires within three years immediately prior to the date of the CONCESSIONAIRE'S application.

### *1.6 Performance bond and required minimum expenditure*

It is covenanted and mutually agreed that the CONCESSIONAIRE shall within 30 (thirty) days after the signing of this Agreement deposit with the Ministry of Finance an irrevocable and clean Letter of Credit from an acceptable bank operating in Sierra Leone amounting to Le10,000 (ten thousand leones) in favour of the Government of Sierra Leone warranting that the CONCESSIONAIRE shall faithfully and promptly commence operations within six months from the Effective Date of this Agreement and continue the performance of all the terms and conditions of this Agreement and should the CONCESSIONAIRE fail to perform in accordance with the provisions of this Section then this Agreement shall become null and void with the Irrevocable Letter of Credit forfeited to the GOVERNMENT of Sierra Leone. The Ministry of Finance shall release the said Irrevocable Letter of Credit within two years after the Effective Date PROVIDED that the CONCESSIONAIRE shall have fulfilled all the requirements and obligations of this Agreement.

The CONCESSIONAIRE shall provide all the liquid capital and equipment incidental to the operations of the Company.

### *1.7 Rights granted*

In consideration of the undertaking by the CONCESSIONAIRE to pay all surface rents, compensation through the Chieftom Council to the local people for loss of rights and taxes hereinafter prescribed and to perform and observe the terms and conditions of this Agreement, the GOVERNMENT hereby grants and demises unto the CONCESSIONAIRE subject to the limitations and restrictions hereinafter contained and to the provisions of the Forestry Act and the Forestry Regulations exclusive permission:

- (a) to enter in and upon the GOLA FOREST EAST FOREST RESERVE constituted by the Forestry (Forest Reserve) (Gola Forest East) Order No. 9 of 1926 and the GOLA FOREST WEST FOREST RESERVE constituted by the Forestry (Forest Reserve) (Gola Forest West) Order No. 10 of 1926 described in the First and Second Schedules and shown on the map attached and hereinafter referred to as the Concession area and to harvest, utilise, process transport and market timber and other forest products and to conduct related operations within the Concession area;
- (b) to make timber surveys to construct and operate logging roads, bridges, logging camps, houses for employees, office facilities, etc;
- (c) to establish a wood processing unit or units and all facilities which are required to operate it;
- (d) to carry out operations of forest management as specified in the Management Plan.

### **PROVIDED**

#### *1.7.1 Essential Works*

That the right is reserved to the GOVERNMENT to take such logs, lumber or firewood as are required for the essential works of the GOVERNMENT if the CONCESSIONAIRE cannot supply these requirements on commercial terms.

#### *1.7.2 Mining rights*

- (a) That the GOVERNMENT reserves the right of access to the Concession area for the purpose of any subsoil investigation (or other reasonable investigation) it wishes to make on condition that if damage results to the CONCESSIONAIRE'S property from such investigation, the GOVERNMENT agrees to provide fair and reasonable compensation to the CONCESSIONAIRE for such damage;
- (b) that part or the whole of the area may be granted for prospecting for oil or minerals with prior notification to the CONCESSIONAIRE;

- (c) that part or all of the area may be included in any form of mining concession granted to third parties;
- (d) that GOVERNMENT shall give a final decision if disagreements between a mining company and the CONCESSIONAIRE cannot be settled mutually.

#### *1.7.3 Hunting and fishing rights*

- (a) That hunting and fishing are to be undertaken only according to the laws and regulations and with a valid permit;
- (b) that hunting and fishing for supply of local labour force may be allowed by special GOVERNMENT permission.

#### *1.7.4 Right of way*

That the following rights of way are hereby granted in the Concession area:

- (a) right of way for the general public on main roads in the area;
- (b) right of way for other private companies such as mining firms.

#### *1.7.5 Rights of the local population*

- (a) Gola Forest East: The native of Tunkia and Makpelli Chiefdoms shall be entitled to enter the Forest Reserve at all times without fee, let or hindrance for the purpose of hunting and fishing, gathering fruits, palm products and honey and collecting building materials.
- (b) Gola Forest East: The natives of Makpelli, Tunkia, Barri and Koya Chiefdoms shall be entitled to enter the Forest Reserve at all times without fee, let or hindrance for the purpose of hunting and fishing, gathering fruits, palm products and honey and collecting building materials.
- (c) The local population shall also have the right to collect other minor forest produce such as latex, gum, resin, fruits, nuts, medicinal plants, etc, from the Concession area PROVIDED that in exercising the rights under this sub-section and sub-sections (a) and (b) above they do not interfere with the principal aims of this Agreement.

#### *1.8 Danger Zones*

The COMPANY shall put up 'Danger' signs and shall do all in its power to indicate to the natives those areas which, on account of its operations, are from time to time danger zones.



*1.9 Processing of timber and other forest products*

The Board of Directors of the COMPANY, taking into consideration local as well as international requirements for forest products shall, from time to time determine the percentage of logs to be processed for export in the interest of the COMPANY.

*1.10 Assignment of Concession*

The CONCESSIONAIRE shall at all times maintain a majority interest in the Concession and shall not assign the Concession nor any part thereof granted under this Agreement nor rights, privileges, liabilities or obligations granted or imposed by this Agreement, nor any interest in the Concession without the previous consent in writing of the GOVERNMENT.

For the purpose of this section, the term "assign" shall include the admission into partnership of any third party in the activities and operations of the CONCESSIONAIRE under this Agreement and shall include the mortgaging of any rights, privileges, liabilities or obligations granted or imposed by this Agreement.

*1.11 Surrender of all or part of the Concession by the Concessionaire*

The CONCESSIONAIRE may at any time during the term of this Agreement or any renewal thereof surrender the rights granted by this Agreement in respect of the whole or part of the Concession area by giving the Minister of Agriculture and Natural Resources 12 (twelve) months' notice in writing. Such surrender shall be without prejudice to any obligation or liability imposed by or incurred under this Agreement.

If the CONCESSIONAIRE, its agents, servants or workmen shall fail to observe any of the covenants on the part of the CONCESSIONAIRE herein contained or if during the term of the CONCESSIONAIRE shall become insolvent or go into liquidation whether voluntary (save for the purpose of amalgamation or reconstruction) or compulsory or its business shall be wound up then and in any of the said cases it shall be lawful for the GOVERNMENT by notice in writing to declare that the said term of years is determined and thereupon this grant shall absolutely determine but without prejudice to the right of action of the GOVERNMENT in respect of any prior breach or non-observance of the CONCESSIONAIRE'S covenants herein contained.

*1.12 Government inspection*

Any person or persons authorised by the Minister of Agriculture and Natural Resources or the Minister of Trade and Industry or any other competent Government authority shall be entitled at all reasonable times to enter into and upon any part of the premises of the CONCESSIONAIRE and to inspect:

- (a) The CONCESSIONAIRE'S activities and operations under this Agreement for the purpose of ensuring full compliance with the provisions of this Agreement;

- (b) in the offices of the CONCESSIONAIRE the records of the CONCESSIONAIRE relating to its activities and operations under this Agreement in order to determine the accuracy of reports rendered by the CONCESSIONAIRE;
- (c) the boundaries and delineations of the Concession area;
- (d) the quantity, quality and type (including species and variety) of timber and timber products being harvested, transported, processed and marketed under this Agreement.

## ARTICLE 2

### OPERATIONS OF THE CONCESSIONAIRE

#### *2.1 Forest Management Plan*

The Managing Director shall operate in accordance with the Management Plan approved by the Board of Directors which Plan shall be valid for three years and shall form part of this Agreement.

The Management Plan shall be prepared by the Managing Director but shall follow the outline prepared by the GOVERNMENT. The Plan shall include the afforestation of the Concession area acre for acre, in accordance with the Memorandum and Articles of Association of the CONCESSIONAIRE and shall follow the outline found in Appendix B to this Agreement.

##### *2.1.1 Revision of Plan*

Revision of the Plan will be submitted for approval six months before it ends.

##### *2.1.2 Approval of Revised Plan*

Approval of the Revised Plan will be deemed as given if the Plan has been duly submitted and no action has been taken to approve or disapprove it up to the beginning of the new management period.

#### *2.2 Annual allowable cut*

The Management Plan shall in every case provide for an allowable cut of not more than 1.5 million (one-and-a-half million) Hoppus feet per year, that is to say approximately 54,000 m<sup>3</sup> (fifty-four thousand cubic metres) per year.

##### *2.2.1 Revision of allowable cut*

The annual allowable cut shall be revised together with the revision of the Management Plan but EACH PARTY shall have the right to require the revision of the annual allowable cut if the basic factors of wood supply have changed. In any case any revision shall not reduce the annual allowable cut stated in Section 2.2.

*2.2.2 Enforcement of allowable cut*

THE CONCESSIONAIRE may harvest the allowable cut with a tolerance above or below this volume of 20% (twenty per cent). Over-cutting or under-cutting in one year shall be balanced within a specified period of 3-5 (three to five) years.

*2.2.3 Emergency case*

The CONCESSIONAIRE may reduce its cutting substantially, say to 50% (fifty per cent) of the allowable cut, in the event of a serious recession of prices of wood or wood products which may be considered as an emergency and is so agreed by the GOVERNMENT in writing.

*2.3 Payment of royalties and fees*

Measurements shall be computed and royalties and fees thereon shall be charged in accordance with the rates prescribed under the Forestry Act. Due payment shall be made by the COMPANY within three months of the date of invoice failing which the COMPANY shall be liable to pay interest on the outstanding amount at the rate of 6% (six per cent) per annum.

*2.4 Salvage logging*

The CONCESSIONAIRE may conduct salvage logging from land which is not to remain permanently under forest cover or from any other land declared a salvage area provided that the volume of timber harvested from such area shall not increase the allowable cut in any one year by more than 50% (fifty per cent).

*2.4.1 Stumpage fee*

Stumpage fee shall be paid per unit of removed volume of trees felled outside the Concession area in accordance with the tariff in force under the Forestry Act. For this purpose measurement for stumpage shall be based on roundwood volume in Hoppus feet measured under bark. Payment of stumpage shall be made every three months.

*2.5 Collected data*

All data collected by the CONCESSIONAIRE, on which the Management Plan is based, shall be made available to the GOVERNMENT. The same shall be the case for the results of all forest research and experiments conducted by the CONCESSIONAIRE.

*2.6 Annual budget for forest management*

The Managing Director shall submit an annual budget for approval by the Board of Directors which specifies in detail the amount of money to be spent for the various management operations. The budget will be set up in accordance with a specified outline and shall be binding on the Managing Director when approved by the Board of Directors.

The annual budget for the reafforestation programme will be prepared by the Managing Director and submitted to the Board of Directors for payment of the total amount to GOVERNMENT not later than three months after the submission.

### *2.7 Equipment and Installations*

The CONCESSIONAIRE shall provide such equipment, buildings or other installations for forest management purposes, such as forest nurseries, dwellings for forest guards, as may from time to time be prescribed in the Management Plan.

### *2.8 Employment of technical staff*

The CONCESSIONAIRE shall provide its own professional and technical personnel which will be responsible for the COMPANY'S logging operations in accordance with the Approved Plan.

The forest management aspects of the Plan will be the responsibility of the Forestry Division of the Ministry of Agriculture and Natural Resources.

### *2.9 Annual coupes*

The CONCESSIONAIRE is allowed a felling area of 71,808 (seventy-one thousand eight hundred and eight) acres of the Concession area to be known as the Felling area divided into 20 (twenty) annual coupes, one coupe for each year of felling and all exploitation operations in the Concession area shall be mainly confined to that area.

### *2.10 Felling of merchantable timber*

The CONCESSIONAIRE shall fell and extract all merchantable timber as defined in Appendix C to this Agreement in its Felling area by intensive annual fellings during a period of 20 (twenty) years of this Agreement but at no time shall the total area in which the felling by the CONCESSIONAIRE has ceased under Section 2.19 of this Article exceed the total area of one annual coupe multiplied by the number of years of the period of this Agreement which have elapsed at the time except in the last five years of the period of this Agreement.

### *2.11 Minimum annual extraction volume*

PROVIDED that felling shall be commenced within 12 (twelve) months from the date of commencement of this Agreement and that at the end of five years from that date five annual coupes shall have been felled and that should the rate of working thereafter fall more than one year in arrear of the normal rate of one annual coupe a year without the express permission of the Chief Conservator of Forests the CONCESSIONAIRE shall be deemed to have broken the terms of this clause requiring intensive annual fellings.

### *2.12 Felling and extraction*

Logging shall be carried out in accordance with the Management Plan. The Managing Director shall submit a logging plan by the end of June of each year and receive approval of the Board of Directors before logging operations of a new year may start. Approval shall be assumed if the CONCESSIONAIRE receives no comment by the end of November of the respective year.

### *2.13 Felling restrictions*

Felling and extraction may be restricted or special logging and skidding methods may be prescribed if this is necessary in order to ensure proper soil and water conservation.

#### 2.14 *Utilisation standards*

All marketable trees of commercial species shall be used to their fullest extent.

From time to time GOVERNMENT shall publish in the *Gazette* a schedule of species to be considered as commercial grades of trees to be considered marketable and shall fix the minimum diameter (in case of clear cutting) to be utilised. Standards of marketability and the minimum requirements of utilisation shall be revised from time to time by mutual agreement. Species which do not belong to the commercial category may be utilised if this is not prohibited by the Management Plan or by Law.

Production shall not be restricted to the exploitation of particular species of trees except to the extent explicitly provided in this Agreement.

#### 2.15 *Felling and extraction damages*

Unnecessary damage to remaining trees and forest produce especially trees that have been marked as future crop trees or seed trees shall be avoided in felling and extraction operations. Any such tree or forest produce so damaged may be measured by the Chief Conservator of Forests who may charge royalty and fees on such trees at twice the normal rate which shall be paid by the CONCESSIONAIRE in compensation for the damage.

#### 2.16 *Slash disposal*

All slash shall be disposed of and dead trees shall be felled (snag felling) in order to prevent fire hazard and damage from insects or fungi. All roads, other communication lines and boundary lines shall be cleared of fallen trees and branches immediately after felling and thereafter kept clear.

#### 2.17 *Clearance near roads*

The CONCESSIONAIRE shall remove all trees within 50 (fifty) feet of buildings, logging camps, etc, roads, railways and bridges.

#### 2.18 *Selection and exploitation of timber harvesting tracts*

Selection of timber harvesting tracts shall be in accordance with the following provisions:

- (a) The Chief Conservator of Forests shall at the expense of the CONCESSIONAIRE cause those parts of the Concession area which the CONCESSIONAIRE considers exploitable to be divided into compartments each of which shall be clearly defined on the ground by natural features, cutlines and cement pillars as may be necessary.
- (b) After the division of the exploitable area of the Concession area into compartments the CONCESSIONAIRE shall nominate contiguous compartments having a total area of not more than 3,590 (three thousand five hundred and ninety) acres in which the CONCESSIONAIRE is desirous of conducting felling during the first year of the term.

- (c) Six months after the commencement of the term the CONCESSIONAIRE may nominate further compartments approximately equivalent to the area exploited during the first six months of the term.
- (d) Additional compartments may be nominated by the CONCESSIONAIRE at the end of each further period of six months so that the total area of nominated unexploited compartments shall not be more than 3,590 (three thousand five hundred and ninety) acres.
- (e) The CONCESSIONAIRE shall not without obtaining in writing the consent of the Chief Conservator of Forests fell and extract merchantable timber from another compartment until it has completely felled and extracted all merchantable timber from the nominated compartment in which it was last operating. Such permission should not be unreasonably withheld.
- (f) The CONCESSIONAIRE shall give not less than one month's notice in writing of its intention to terminate its felling operations in a compartment and to commence felling operations in another compartment.
- (g) The CONCESSIONAIRE shall on completion of the exploitation of any compartment to the satisfaction of the Chief Conservator of Forests clear the boundaries of that compartment of all branch wood and other debris resulting from the CONCESSIONAIRE'S operations within the compartment.

#### *2.19 Stop operation in annual coupe*

The CONCESSIONAIRE shall cease felling and abandon all work in each annual coupe of its Felling area except as permitted or required by the Chief Conservator of Forests at the end of three years from the date on which it commenced work in that coupe but all fellings and extraction shall cease on the termination of this Agreement. Any timber remaining in a coupe shall be at the disposal of the Chief Conservator of Forests.

#### *2.20 Advanced fellings by special permission*

Permission to carry out advanced fellings of over-mature trees may be requested by the CONCESSIONAIRE from the Chief Conservator of Forests but must be approved and marked by the Government Forest Officer in charge of the Working Plan operations before felling. Advanced felling may also be required by this Forest Officer for reason of forest improvement and the CONCESSIONAIRE shall not refuse to do so without good reasons.

#### *2.21 Measurement and marking of tree logs*

All felled trees shall be marked and measured by the CONCESSIONAIRE at the place where they are felled and the logs from such trees shall not be moved or caused to be moved until and unless the same shall

have been measured and the log and the stump of the tree from which the log was cut have been hammer-marked with a hammer of the GOVERNMENT.

The property mark or marks to be used for the Concession area the subject of this Agreement shall be:

*"SILETP"*

The CONCESSIONAIRE shall record all measurements or weights in an official felling list which must be submitted regularly to the GOVERNMENT. The felling list shall indicate serial number, species, mid-girth, length and volume of each tree or log that has been removed and the trunk numbers.

*2.22 Property rights*

The CONCESSIONAIRE shall acquire property rights to each piece of felled timber that has been duly marked and measured or weighed according to the specified procedure, and in the case of trees felled outside the Concession area after prior permission of the owners of the land and after the payment of the stumpage fee.

*2.23 Forest Protection*

The CONCESSIONAIRE shall:

- (a) co-operate in all aspects of forest protection with the Forestry Division of the Ministry of Agriculture and Natural Resources;
- (b) report illegal acts of third parties such as illegal felling, forest destruction by shifting cultivation and burning of forest to the Forestry Division of the Ministry of Agriculture and Natural Resources;
- (c) take measures to avoid the risk of forest fires;
- (d) co-operate with the Ministry of Agriculture and Natural Resources in carrying out an education programme for the local population on the dangers of forest fires;
- (e) take all practicable steps to prevent and fight forest fires;
- (f) take measures concerned with fire-fighting and detection, such as the division of the Concession area into fire control sections, of jeep roads and trails for rapid access and of fire look-outs and landing strips for small aircraft and the establishment of a radio communication system;
- (g) give preference of employment to people within the Concession area wherever possible;
- (h) carry out a special programme to combine shifting cultivation with the establishment of forest plantations (*taungya*) system or agro-forestry.

### *2.24 Silvicultural treatment or afforestation by Concessionaire*

The CONCESSIONAIRE shall provide GOVERNMENT with funds within its annual budget for GOVERNMENT to carry out or cause to be carried out such reafforestation practices and measures as will ensure the perpetual use of the forest within the Concession area. Such afforestation practice shall be in accordance with generally accepted silvicultural methods and practices and shall be in accordance with the rules and regulations from time to time made by the Forestry Division of the Ministry of Agriculture and Natural Resources.

## ARTICLE 3

### OTHER RIGHTS OF THE CONCESSIONAIRE

#### *3.1 Occupation of surface and easement*

*3.1.1* Subject to the provision of this Agreement the CONCESSIONAIRE shall have the right to enter and occupy any land within the Concession area for the purpose of undertaking operations and activities under this Agreement PROVIDED however, that with regard to land within the Concession area which is privately owned the CONCESSIONAIRE shall comply with the provision of sub-section 3.1.4 below.

*3.1.2* Subject to the provision of subsections 3.1.3 and 3.1.4 below, the CONCESSIONAIRE shall have the right to occupy and utilise for the duration of this Agreement or for a lesser period the surface of such suitable areas outside the Concession area as may be necessary for the construction and operation of roads, ports, railways and pipelines necessary for its activities and operations under this Agreement.

*3.1.3* With regard to public land lying outside the Concession area, the CONCESSIONAIRE shall apply to the Government for the right to use such land. The right to use such land shall not be unreasonably denied by GOVERNMENT. The CONCESSIONAIRE shall apply for the use of such land to the Ministry responsible for matters relating to land which shall determine the terms and conditions under which the easement or other rights may be exercised including the annual land rental to be charged.

*3.1.4* No lease, right of way or easement shall be granted if it substantially interferes with operations of another previously granted concession and provided that nothing in this Agreement shall be construed to permit interference with any tribe, village, person or group of persons or of any right to forest produce other than timber held by any tribe, village, person or persons through law or custom.

*3.1.5* No blasting or other dangerous operations may be conducted within half-a-mile of any public works or permanent building without the previous consent of the GOVERNMENT and subject to such regulations in force



### 3.2 *Accessory works and installations*

3.2.1 Subject to the prompt payment of adequate compensation to any person whose rights are thereby affected and with the prior approval of the appropriate authority, the CONCESSIONAIRE shall construct, maintain, alter and operate:

- (a) a sawmill with a capacity of at least 750,000 (seven hundred and fifty thousand) cubic feet per year sawn output which shall be in operation by the end of the second year of the Concession.

Plans for the layout of such a sawmill and any other mill shall be submitted by the COMPANY for the prior approval of the Minister of Trade and Industry who may require the COMPANY to modify or improve its plans and equipment in the interest of efficiency or to ensure that the requirements of this Agreement are complied with.

- (b) Adequate facilities for seasoning and storage of sawn timber as required by the Minister of Trade and Industry and shall carry out such preservation treatment as may be required by rules under the Forestry Act.
- (c) Industrial buildings and installations including processing facilities, saw, veneer, plywood and other mills, loading and pumping stations, warehouses, storage places and storage tanks;
- (d) wharves, shipping terminals, ports and port sites and provide facilities for shipping;
- (e) means of communications, including telephone lines and wireless stations;
- (f) facilities for landing strips for aircrafts;
- (g) living accommodation and amenities including hospitals, schools and recreational facilities for the CONCESSIONAIRE'S employees and workers;
- (h) other building installations and works necessary or useful for the operations and activities of the CONCESSIONAIRE under this Agreement.

3.2.2 It is clearly understood that the construction of any railroad or electric generating facilities, wireless or telephone, ports or wharfage facilities shall require prior approval of the appropriate authority.

3.2.3 In the case of lands required for sidings, stations, yards and other rail transportation installations, the right of way of the CONCESSIONAIRE'S railroads shall be in accordance with rules laid down by the Law.

### 3.3 *Right to take and use water*

The CONCESSIONAIRE may appropriate and take free of charge for domestic and industrial use and for purposes necessary to the CONCESSIONAIRE'S operations and activities under this Agreement, any water

within the public domain within ten miles of the Concession area. PROVIDED however, that the CONCESSIONAIRE shall not deprive any lands, villages, houses or watering places for animals of a reasonable supply of water in so far as such water has through custom been utilised for such land, villages, houses or animals.

In using water under the provisions above the CONCESSIONAIRE shall not interfere with fishing or other riparian rights of persons in the locality.

### *3.4 Rights to take and use gravel, sand, clay or stones*

The CONCESSIONAIRE may appropriate and use free of charge gravel, sand, clay or stone found within the Concession area for purposes necessary or useful to the CONCESSIONAIRE'S operations and activities under this Agreement. PROVIDED however, that such gravel, sand, clay or stone shall be sold only with the prior approval of the Minister and subject to such conditions as he may impose (including conditions relating to fees to be paid to the GOVERNMENT) and provided further that upon termination of this Agreement any excavation shall be filled in or levelled and left by the CONCESSIONAIRE as far as may be reasonably practical in its original condition and if so required by the Minister, fenced or otherwise safeguarded as circumstances may require.

### *3.5 Agents or independent contractors*

The CONCESSIONAIRE may exercise any of the rights and powers conferred by the Agreement (save where the context otherwise requires) through agents or independent contractors. PROVIDED however, that the CONCESSIONAIRE may not through the employment of agents or independent contractors avoid any of its obligations or liabilities under this Agreement.

## ARTICLE 4

### REPORTS, RECORDS, NOTICES AND COMMUNICATIONS

#### *4.1 Reports concerning surveys, exploitation and development*

*4.1.1* The CONCESSIONAIRE shall keep the Minister of Agriculture and Natural Resources and the Minister of Trade and Industry fully informed, through quarterly reports beginning with the first quarter following the effective date of this Agreement, as to the progress and results of the CONCESSIONAIRE'S survey and development operations and activities under this Agreement. Such report shall include:

- (a) the results of any general reconnaissance of the various sites of proposed operations and activities under this Agreement;
- (b) information concerning the selection of routes for roads or railways from the harvesting area to a suitable harbour for the export of timber or other forest products;

- (c) information concerning the planning of and/or wood-working installations and town sites including information of suitable water supplies for the town sites and other facilities;
- (d) information concerning forest inventory and preparation of the Management Plan, infractions by third parties within the granted area, protection, nurseries, total volumes of wood removed, road construction, etc;
- (e) such other plans and information as to the progress of operations in the Concession area as the Minister may from time to time reasonably require.

4.1.2 The CONCESSIONAIRE shall furnish to the Ministers of Agriculture and Natural Resources and Trade and Industry an annual return of timber produced and sold under the terms of this Agreement specifying the species and quantities of logs and of sawn timber produced and sold in the 12 (twelve) months preceding the first day of January each year and the quantities of any other wood-based product as may be required. Such return shall be submitted to the Ministers by the first day of March each year.

4.1.3 Upon request by the Ministry of Agriculture and Natural Resources and the Minister of Trade and Industry the CONCESSIONAIRE shall provide any and all such other information and returns as may reasonably be required including:

- (a) An annual statement of accounts.
- (b) The number and description of timber harvesting tracts which were exploited at the end of the preceding year (indicating which are in commercial production).
- (c) The number and description of tracts on which work was begun during the year and which were placed in commercial production during the year.
- (d) The number and description of tracts abandoned during the year, the production from such tracts, regardless of whether in commercial production or not with a full description of the kind and quality.

#### 4.2 *Reports to be confidential: cost of reports*

4.2.1 Any information supplied by the CONCESSIONAIRE shall (except with the consent in writing of the CONCESSIONAIRE which shall not be unreasonably withheld) be treated by all persons in the service of the Government of Sierra Leone as confidential, but GOVERNMENT shall nevertheless be entitled at any time to make use of any information received from the CONCESSIONAIRE for the purpose of preparing and publishing aggregated returns and general reports on the extent of timber and forestry operations in Sierra Leone and for the purpose of arbitration or litigation between GOVERNMENT and the CONCESSIONAIRE.

4.2.2 All records, reports, surveys, plans, maps, charts, accounts and information which the CONCESSIONAIRE is or may be from time to time required to supply under the provision of this Agreement shall be supplied at the expense of the CONCESSIONAIRE.

## ARTICLE 5

### FISCAL OBLIGATIONS

#### *5.1 Government tax on net income: Accounting principles*

5.1.1 The CONCESSIONAIRE shall pay tax on its net income deriving from its operations and activities under this Agreement in accordance with the provisions of the Income Tax Act PROVIDED that it shall not pay for the period for which the Development Certificate grants exemptions.

5.1.2 In determining the net income of the CONCESSIONAIRE generally accepted accounting principles shall be employed and all payments, deductions, charges for expenses and other items should be reasonable and consistent with general practices being followed in projects of a similar nature. PROVIDED however, that where more than one accounting practice is found by GOVERNMENT to be applicable with regard to any one item GOVERNMENT shall determine which practice is to be applied with regard to that particular item.

5.1.3 In no event shall GOVERNMENT be bound by the CONCESSIONAIRE'S characterisation of any transaction with an affiliate for accounting purposes. In the event that GOVERNMENT finds that any payment, deduction, charge for expenses or other transaction with an affiliate is not fair, reasonable and consistent with the general practice that would have been followed by independent parties in connection with a transaction of a similar nature GOVERNMENT may for the purpose of determining the CONCESSIONAIRE'S income tax liability substitute the payment, deduction, charges for expenses or transaction which would have prevailed had the transaction occurred between independent parties.

#### *5.2 Duties and Excise*

The CONCESSIONAIRE shall be subject to the Customs and Excise duties Laws in force and to any charges of general application for use of ports, harbours, wharfage or other services or facilities but subject to exemptions for such periods as shall be specified in the Development Certificate.

## ARTICLE 6

### EMPLOYMENT CONDITIONS

#### *6.1 Health and safety of employees*

6.1.1 The CONCESSIONAIRE shall install and utilise such recognised safety precautions for its employees in its forest operations as are required by the Laws of Sierra Leone.

6.1.2 The CONCESSIONAIRE shall likewise observe internationally recognised modern measures for the protection of the general health and safety of its employees and all other persons having legal access to the area

covered by this Agreement. The CONCESSIONAIRE shall comply with such instructions as may from time to time be given in writing by the Minister.

6.1.3 The CONCESSIONAIRE shall provide such free medical care to all its employees and their dependents and to all Government officials and their dependents working in connection with the operations of the CONCESSIONAIRE in the area covered by this Agreement as is reasonably adequate in the circumstances. PROVIDED however, that whenever the CONCESSIONAIRE employs more than 3,000 (three thousand) employees in any one region it shall maintain a hospital headed by a medical officer.

- (a) Where the CONCESSIONAIRE'S own medical service is established medical treatment either as an out-patient or as a patient in hospital and ambulance transport when available shall be provided free of charge to employees of the CONCESSIONAIRE.
- (b) In the case of an emergency illness or accident where an employee has not been able to consult the CONCESSIONAIRE'S nominated doctor the CONCESSIONAIRE will only refund the expenses involved PROVIDED a certificate is obtained from the qualified medical practitioner who treated the employee stating that the treatment was provided as a matter of urgency.
- (c) Operation fees will not normally be paid for by the CONCESSIONAIRE except in cases of accident arising during work or operations necessitated by illness which can be directly attributed to the employee's work.
- (d) Dental treatment will not be provided nor will spectacles or eye-glasses, limbs, artificial teeth and other surgical appliances.

6.1.4 The Workmen's Compensation Act of the Republic of Sierra Leone shall apply to accidents occurring to employees of the CONCESSIONAIRE.

## 6.2 Education

The CONCESSIONAIRE shall provide school buildings and equipment for the children of employees and Government officials working in connection with the CONCESSIONAIRE'S operations in the Concession area. Rules, regulations and standards relating to buildings and equipment established by the Ministry of Education shall be followed.

## 6.3 Use of local labour: Applicability of Labour Law

6.3.1 The CONCESSIONAIRE shall not import unskilled labour for carrying out any operations or activities under this Agreement.

6.3.2 Subject to the foregoing restrictions and to any applications of the Immigration Laws of Sierra Leone all persons deemed by the CONCESSIONAIRE to be required for the prosecution of its operations and activities under this Agreement shall be allowed to enter and reside in the Republic of Sierra Leone and to depart therefrom.

6.3.3 In selecting any employees to carry out its operations under this Agreement the CONCESSIONAIRE shall give preference to competent qualified citizens of Sierra Leone.

6.3.4 No officer or employee of the CONCESSIONAIRE who is not a citizen of Sierra Leone (even though he may for the time being be a resident of Sierra Leone) shall be subject to the payment of any direct tax not levied or imposed upon permanent residents of Sierra Leone. Subject to the foregoing, the payment of Income Tax to the Government for the taxable years by any such officer or employee of the CONCESSIONAIRE shall be governed by the Income Tax Laws of Sierra Leone in force and to the provisions of any treaty or agreement in respect of double taxation as may be concluded between GOVERNMENT and the Government of any country of which such officer or employee is a subject or a citizen.

6.3.5 The CONCESSIONAIRE shall conform with the provisions of the Labour Law in effect during the term of this Agreement or of any extension or renewal thereof.

#### *6.4 Training of Sierra Leonean citizens*

6.4.1 The CONCESSIONAIRE shall provide for the training of Sierra Leoneans in order to qualify them for higher technical or administrative posts in the CONCESSIONAIRE'S operations and activities in Sierra Leone.

6.4.2 The minimum number of Sierra Leoneans employed in technical or administrative positions shall within five years of the commencement of operations under this Agreement reach at least 75% (seventy-five per cent) of the total number of persons employed in such operations; and shall within ten years from the date of commencement of operations under this Agreement reach at least 95% (ninety-five per cent) of the total number of persons employed in such positions by the CONCESSIONAIRE in Sierra Leone.

6.4.3 The CONCESSIONAIRE shall provide for the training of Sierra Leoneans in order to qualify them for supervisory and senior managerial posts. The minimum number of such Sierra Leoneans shall reach 90% (ninety per cent) within ten years from the date of commencement of operations under this Agreement.

### ARTICLE 7

#### OTHER OBLIGATIONS OF THE CONCESSIONAIRE

##### *7.1 Disposal of wastes: Avoidance of pollution*

The CONCESSIONAIRE shall provide for the proper disposition of sawdust, mill and other waste so as to avoid the pollution of rivers streams and other waterways and to prevent such wastes from becoming a nuisance or injurious to persons and property and to avoid contamination of the environment as may be required by the Minister.

*7.2 Prevention of damage to Concession area*

The CONCESSIONAIRE shall use all reasonable efforts to prevent encroachment by unauthorised persons into the Concession area and to prevent damage to trees and other forest products except trees and forest products which the CONCESSIONAIRE may fell or extract under the terms of this Agreement.

*7.3 Government and Third Parties' rights to use Concessionaire's facilities*

The CONCESSIONAIRE shall:

- (a) allow the individual public to use free of charge any roads constructed and/or maintained by the CONCESSIONAIRE PROVIDED however, that such use shall not unduly prejudice nor interfere with the CONCESSIONAIRE'S operations hereunder and entirely at their own risk;
- (b) allow the public and the GOVERNMENT to use the CONCESSIONAIRE'S wharf and harbour facilities on such reasonable terms and reasonable charges as the CONCESSIONAIRE shall impose PROVIDED however, that such use shall not unduly prejudice the CONCESSIONAIRE'S operations hereunder;
- (c) allow the GOVERNMENT and third parties to have access over the Concession area PROVIDED that such access does not amount to encroachment as provided for in section 7.2 hereof and does not unduly prejudice nor interfere with the CONCESSIONAIRE'S operations hereunder;
- (d) allow the GOVERNMENT to place, free of charges at its own expense, telegraph and/or telephone wires on the poles of the lines of the CONCESSIONAIRE PROVIDED that such installations do not interfere with the CONCESSIONAIRE'S efficient use of such poles and lines.

*7.4 Scientific exploitation: Protection against waste and negligence*

*7.4.1* The CONCESSIONAIRE shall carry on all its operations and activities under this Agreement in accordance with good timbering practices and in accordance with modern and accepted scientific and technical principles applicable to timber and forestry operations and processing. All operations and activities under this Agreement shall be conducted so as to avoid waste and loss of natural resources; to protect natural resources against damage.

*7.4.2* The CONCESSIONAIRE shall take the necessary measures to prevent damage to the rights and property of GOVERNMENT and third parties. In the event of negligence or carelessness on the part of the CONCESSIONAIRE or its agents or of any contractor carrying on operations or activities for the CONCESSIONAIRE under this Agreement they shall be liable for such injuries in accordance with the laws of the Republic of Sierra Leone generally applicable.

### *7.5 Shipping preference*

In engaging any ships for the transportation of logs, timber or processed products under this Agreement the CONCESSIONAIRE shall give preference to ships in the following order:

- (a) ships owned by the Sierra Leone Government,
- (b) ships owned by citizens of Sierra Leone,
- (c) ships owned by shipping companies owned by Sierra Leone citizens,
- (d) ships registered in Sierra Leone.

PROVIDED however, that such preference shall be given only if the rates and competitive prevailing market rates. For the purpose of this section the term 'ship' shall include any vessel suitable for the shipping of logs, timber or processed products under this Agreement.

## ARTICLE 8

### LAWS AND PENALTIES

#### *8.1 Governing Law*

This Agreement shall be governed, construed and interpreted only in accordance with the laws of the Republic of Sierra Leone.

#### *8.2 Laws of general application*

Unless specifically provided herein to the contrary, the CONCESSIONAIRE its shareholders and employees and all persons dealing with any of them shall be subject to all Sierra Leone laws of general application. No person shall be deemed or is intended to be a third party beneficiary under this Agreement unless specific provision to that effect is contained herein.

#### *8.3 Compliance with Forestry Law*

The CONCESSIONAIRE shall comply with the provisions of the general Forestry Law (Laws of Sierra Leone 1960, Forestry Act, Chapter 189) in force from time to time.

#### *8.4 Penalties for breach of Agreement*

Unless otherwise specifically provided and without prejudice to the GOVERNMENT'S right of revocation under Article 9, section 9.3 hereof, the penalty for any breach of this Agreement shall be damages which shall be fixed by agreement or if agreement cannot be reached then damages or specific performance as fixed by the arbitration tribunal.

#### *8.5 Prohibited transaction*

The CONCESSIONAIRE shall not directly or indirectly engage in:



- (a) any transaction with respect to timber products produced with any state which the GOVERNMENT has by law or by official pronouncement declared to be hostile or unfriendly, or

- (b) any transaction prohibited by law.

#### 8.6 *Indemnification*

The CONCESSIONAIRE shall at all times indemnify and hold the GOVERNMENT and its officers and agents blameless from all claims and liabilities for death or injury to persons or damage to property from any cause whatsoever arising out of the CONCESSIONAIRE'S operations or activities hereunder or as a result of the CONCESSIONAIRE'S failure to comply with any law or regulation.

#### ARTICLE 9

##### FORCE MAJEURE:

*Conciliation and arbitration; Government's  
power of revocation for cause; termination*

##### 9.1 *Force majeure*

9.1.1 Failure on the part of the CONCESSIONAIRE or of the GOVERNMENT to fulfil any of the terms and conditions of this Agreement other than the CONCESSIONAIRE'S obligations to make payments of money shall not give either party to this Agreement any claim against the other party or be deemed to be a breach of the Agreement in so far as such failure arises from *force majeure*.

9.1.2 If through *force majeure* the fulfilment by the CONCESSIONAIRE of any term and conditions on this Agreement be delayed the period of such delay shall not be counted in reckoning periods prescribed by this Agreement.

9.1.3 The party failing to fulfil the terms and conditions of this Agreement because of *force majeure* shall give notice in writing of such *force majeure* as soon as possible after the occurrence to the other party.

9.1.4 For the purposes of this section the term '*force majeure*' shall include war, civil commotion, financial crisis, strikes, lock-outs accidents, epidemics and any other event of any nature or kind wheresoever beyond the control of the CONCESSIONAIRE which directly or indirectly hinder or prevent the CONCESSIONAIRE from commencing or proceeding with its operations.

9.1.5 Any party who fails because of *force majeure* to perform its obligations hereunder shall upon the cessation of the *force majeure* take all reasonable steps within its powers to make good and resume with the least possible delay compliance with those obligations.

## 9.2 Conciliation and arbitration

9.2.1 If at any time during the continuance of this Agreement or thereafter there shall be any question, complaint or dispute with respect to the construction, meaning or effect of this Agreement or arising out of this Agreement or concerning the rights or obligations hereunder, the parties shall have the right to require the dispute to be settled by conciliation and if that fails by arbitration under the provisions of the Arbitration Act of the Laws of Sierra Leone.

9.2.2 Notwithstanding anything else in this Agreement to the contrary any dispute concerning the proper application or interpretation of the Laws of Sierra Leone of general application (including without limitation any regulations, orders, decrees or procedures pursuant to such laws) whether or not such laws are expressly made applicable by the provisions of this Agreement shall in no event be subject to arbitration. Such disputes shall be resolved solely in accordance with the administrative and judicial procedures provided by Sierra Leone Law.

## 9.3 Government power of revocation for cause, procedure or termination

### 9.3.1 In the event that:

- (a) The CONCESSIONAIRE fails to commence operations as required in the first paragraph of section 1.6 Article 1 hereof or fails to meet its expenditure obligations within the period specified in the second paragraph of section 1.6, Article 1 hereof, or
- (b) any rent, royalty, fee, stumpage fee or Income Tax payable by the CONCESSIONAIRE under this Agreement shall be in arrears or unpaid for a period of six calendar months, or
- (c) the CONCESSIONAIRE assigns to a third party the whole or part of the rights held by it under this Agreement without the previous consent of the GOVERNMENT as provided in section 1.10 of Article 1 hereof, or
- (d) the CONCESSIONAIRE fails to comply with any final decision of the arbitral tribunal in a controversy arising between GOVERNMENT and the CONCESSIONAIRE, or
- (e) the CONCESSIONAIRE intentionally extracts any natural resource other than timber and other forest products without express authorisation by the GOVERNMENT, or
- (f) there is any other breach or non-observance by the CONCESSIONAIRE of any of the terms, obligations or conditions of this Agreement or any law of Sierra Leone not superseded by this Agreement, or

- (g) the CONCESSIONAIRE makes or enters into any Agreement for composition with its creditors or goes into liquidation whether compulsory or voluntary (other than for the purpose of reconstruction) or if a receiver is appointed,

then the GOVERNMENT may, subject to the provision of this section, revoke this Agreement.

9.3.2 In the event that GOVERNMENT deems it desirable to revoke this Agreement pursuant to sub-section 9.3.1 above for any breach or non-observance by the CONCESSIONAIRE of any term, obligation or condition of this Agreement the GOVERNMENT shall give to the CONCESSIONAIRE notice in writing specifying the particular breach or non-observance complained of and requiring the CONCESSIONAIRE within three calendar months of such notice (or within such extended time as may seem fair to the Minister having regard to the circumstances of the particular case) to remedy the same or make reasonable compensation to the GOVERNMENT in a manner acceptable to the Minister.

9.3.3 If the CONCESSIONAIRE shall fail to comply with the said notice the Minister may after the expiration of the said three calendar months or extended time revoke this Agreement PROVIDED however, that if:

- (a) the CONCESSIONAIRE disputes whether there has been any failure to comply with any term, obligation or condition hereof, and
- (b) such dispute is arbitrable under section 9.2 hereof, and
- (c) the CONCESSIONAIRE has within the period of three months or extended time referred the dispute to arbitration and has thereafter diligently prosecuted its claim thereunder then the GOVERNMENT shall not terminate this Agreement except as the same may be consistent with the terms of the arbitration award.

9.3.4 Upon termination of this Agreement by the GOVERNMENT every right of the CONCESSIONAIRE hereunder shall cease (save as specifically otherwise provided hereunder) but subject nevertheless and without prejudice to any obligation or liability imposed or incurred under this Agreement prior to the effective date of termination and to such rights as GOVERNMENT may have under law.

#### 9.4 *Non-waiver*

The failure of either party at any time to require performance by the other party of any provisions hereunder shall in no way affect the party's rights to enforce any of the provisions of this Agreement; nor shall the

waiver by EITHER PARTY of the breach of any provisions hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

#### *9.5 Approval and consent to be reasonable*

Any approval and consent required under the terms of this Agreement (whether or not expressed to be at the discretion of any individual or Government authority) shall not be unreasonably withheld nor granted subject to conditions which are unduly onerous or discriminative against the CONCESSIONAIRE.

#### *9.6 Removal of property at termination*

9.6.1 Upon the expiration or earlier termination of this Agreement or any part thereof and of any extension or renewals thereof the CONCESSIONAIRE shall leave in good and safe running order all fixed assets such as buildings, roads, railroads, airstrips, harbours and docks constructed by the CONCESSIONAIRE under this Agreement and the same shall revert to GOVERNMENT.

9.6.2 All plant and equipment and movable assets necessary to be continued operation under this Agreement shall be offered by the CONCESSIONAIRE for sale to the GOVERNMENT at the book values shown in the CONCESSIONAIRE'S accounts after depreciation. In the event that GOVERNMENT fails to exercise such right of purchase within 90 (ninety) days of the termination of the Concession the CONCESSIONAIRE may remove all such plant and equipment and movable assets.

9.6.3 Subject to any claims which the GOVERNMENT may have against the CONCESSIONAIRE arising under this Agreement or otherwise all normal stockpiles and other liquid assets used by the CONCESSIONAIRE in connection with its operations and activities under this Agreement shall remain the property of the CONCESSIONAIRE and may be freely withdrawn, exported, sold or otherwise disposed of subject to the controlling Sierra Leone Revenue and Finance Law.

PROVIDED however, that the GOVERNMENT shall have the right of first refusal to purchase any such stockpiles or other liquid assets at a fair price to be determined between the parties.

In the event that GOVERNMENT fails to exercise such right of purchase within 90 (ninety) days after the termination of the Concession the CONCESSIONAIRE may remove such a stockpile and other liquid assets.

#### APPENDIX A

#### DEFINITION OF MERCHANTABLE TIMBER AND MERCHANTABLE TREES

##### *1. Periodic revision*

The terms in this Appendix may be amended from time to time by agreement between the CONCESSIONAIRE and the GOVERNMENT acting on the advice of the Chief Conservator of Forests.

## 2. *Merchantable trees*

Merchantable trees for the purpose of this Agreement mean all those Class I and Class II trees of species listed by name in column 2 of Table I in Schedule A of the Forestry (Amendment) Order in Council 1960 and subsequent amendments thereof which contain merchantable timber as defined below. The species concerned are listed in Appendix B.

## 3. *Merchantable timber*

Merchantable timber for the purpose of this Agreement means any tree bole or part of a bole or log which has a minimum length of 12 (twelve) feet and a minimum girth of 36" (thirty-six inches) measured under bark at its small end which is straight and without major defects as defined below.

PROVIDED that any log with not more than the following deviations from the straight in one direction only shall be considered as straight for the purpose of the above definition:

- (a) For logs less than eight feet mid-girth under bark: one quarter-inch deviation for each foot in length.
- (b) For logs between eight and ten feet mid-girth under bark: one half-inch deviation for each foot in length.
- (c) For logs between 10-12 (ten to twelve) feet mid-girth under bark: three quarters-of-an-inch deviation for each foot in length.
- (d) For logs over 12 (twelve) feet mid-girth under bark: one inch deviation for each foot in length.

PROVIDED ALSO that any log which deviates from the straight in two directions shall be considered as straight if the sum of actual deviations measured in each direction is less than the deviations allowed in 3 (a) and 3 (d) above.

PROVIDED ALSO that if a tree bole is not so felled or cross-cut as to ensure that it is not damaged on felling and that as much merchantable timber as possible is obtained from it, its contents shall be assessed as if it had been so cross-cut and any portion not utilised by the CONCESSIONAIRE shall be liable to application of the provision of section 2.14 of Article 2 of this Concession Agreement.

## 4. *Major defects*

- (a) That a log shall not be classed as merchantable if in the case of a log less than nine feet mid-girth under bark more than one-third of its volume is subject to a major defect as defined in section 3 of this Appendix or in the case of a log more than nine feet mid girth under bark more than half its volume is subject to the said major defects.

- (b) Volume of heart wood: That a log shall not be classed as merchantable if the volume of its heart wood is less than two-thirds of the volume of the log under bark.
- (c) Branch knot, decayed knot, etc: That a log shall not be classed as merchantable if the diameter of any branch knot, decayed knot or hole or decayed burr or the sum of the diameters of such defects exceeds half the gross diameter of the log under bark at the small end. Pin knots shall not be considered a defect.

5. *Definition of major defects*

Major defects for the purpose of proviso 4 (a) above are the following:—

- (a) Heartshake, heart decay, hole, splits, shatters, calcification, dry-rot, decay, parasitic damage measured by the volume of timber affected by such defect.
- (b) Ringshake measured by the volume of timber outside the ringshake where this defect is nearer to the circumference of the log than the centre or measured by the volume of timber within the ringshake if the ringshake is nearer to the centre than the circumference of the log:

PROVIDED that where a log has two or more defects none of which in itself would exclude a log from classification as merchantable under section 4 (a) of this Appendix, the log shall not be classified as merchantable if the total volume of timber subject to such various defects is greater than one-third of its gross volume in the case of logs less than nine feet mid-girth under bark or one-half of the gross volume in the case of logs more than nine feet mid-girth.

6. *Determination of merchantable volume*

The volume of merchantable timber shall be assessed in cubic feet by multiplying the length of the log measured from end to end at its shortest length to the nearest foot by the square of the quarter girth measured under bark at the middle point between the two ends of the log in inches to the nearest inch, the quotient being divided by 144 (one hundred and forty-four). The girth of a log misshapen at its mid-point shall be the average of its girth on either side of the malformation. A fluted log may be trimmed so that its true girth can be measured:

PROVIDED that the volume of timber not classified as merchantable under this Appendix but nevertheless removed from the forest or sold in the forest by the CONCESSIONAIRE shall be measured by the method described in section 6 of this Appendix in the case of timber removed in the log but in all other cases as true volume of sound timber free from defects as defined in section 5 and from branch knots, decayed knots, or holes or decayed burrs, but sapwood shall not be classed as a defect for the purpose of this proviso if the timber is removed from the forest or sold in the forest together with its sapwood.

## APPENDIX B

OUTLINE OF MANAGEMENT PLAN FOR CONCESSION AREA  
GRANTED TO THE SIERRA LEONE TIMBER INDUSTRY  
AND PLANTATIONS COMPANY LIMITED (SILETI)

The term 'forest management' covers for the purpose of this Concession Agreement all activities which aim at a rational utilisation of the standing timber and at the conservation or augmentation of the yield of the forest. The Plan must cover all important management aspects in the Concession area and should be concerned with operations such as:

- (a) Protection of the forest resources involving, say, fire prevention and control of shifting cultivation.
- (b) The rational utilisation of the raw material including the determination of an annual allowable cut and the prevention of wasteful logging methods.
- (c) Systematic working of the Concession area, e.g. by felling according to the "coupe system".
- (d) Proper planning of the road system.
- (e) The treatment of stands in order to favour the valuable species in lower diameter classes.
- (f) Restocking of the logged-over areas with commercial species.

The following outline of the Management Plan when approved will form part of this Concession Agreement:

## INTRODUCTION

Chapter I *General aspects: Name of granted area*

Location of boundaries, total area, ownership, history, altitude, topography, drainage, precipitation and temperature, soils, ecological classification, general vegetation, forest types, road system (present situation and future development).

Chapter II *General aspects of forest inventory*

## 2.1 Objectives of inventory

2.1.1 *Quantity and quality definitions*

2.1.2 *Stratification*

2.1.3 *Volume of average tree*

## 2.2 Inventory method

2.2.1 *Available maps and aerial photographs*

2.2.2 *Sample plots*

2.2.3 *Data collected*

## 2.3 Previous inventories

2.3.1 *Granted area*

2.3.2 *Adjacent areas*

- Chapter III     *Results of inventory*
- 3.1 Volume
    - 3.1.1 *Total coverage*
    - 3.1.2 *Location of sample plots*
    - 3.1.3 *Error calculation*
    - 3.1.4 *Total average volume per hectare, volume per diameter class, volume per species for the whole unit.*
  - 3.2 Stratification according to economically important species:
    - Total area of distribution, average volume per hectare, sampling error for this volume, total exploitable volume in the unit.*
  - 3.3 Stratification according to species which eventually may be utilised
    - (Same information as in Section 3.2 for each of these species).*
- Chapter IV     *Silvicultural treatment*
- 4.1 Objective of management
  - 4.2 Species represented and distribution of diameter classes for each species
  - 4.3 General description of silvicultural conditions
  - 4.4 Aims of future silvicultural treatment
  - 4.5 Silvicultural methods to be applied
  - 4.6 Regeneration problems
- Chapter V     *Exploitation operations*
- 5.1 Basic information
    - 5.1.1 *Average volume per acre for the most important species*
    - 5.1.2 *Area of different forest types*
    - 5.1.3 *Cutting cycle*
    - 5.1.4 *Minimum cutting diameter for the different species*



- 5.2 Calculation of the annual exploitation volume for the different species
- 5.3 Exploitation system
- 5.4 Cutting rules

Chapter VI *Economical aspects*

- 6.1 Markets
- 6.2 Consumption centres
- 6.3 Labour force
- 6.4 Costs:

*Technical studies for forest management, technical supervision and forest policy, forest administration, felling and bucking, road construction, tractors, nursery, regeneration and cleaning, transport to processing unit, stumpage payments.*

Chapter VII *Administration, control and protection*

- 7.1 Administration
- 7.2 Control and protection

Chapter VIII *Summary of the most important data and requirements*

The Management Plan will be complemented by additional documents which cover the following activities in more detail:

- (a) Plan to determine the annual felling areas
- (b) Plan for reafforestation operations
- (c) General plan for road construction
- (d) Schedule for the installation of fire-fighting facilities
- (e) Forest inventory of area covered by the Management Plan
- (f) Forest products production schedules.

## APPENDIX C

## MERCHANTABLE SPECIES SHOWING MINIMUM GIRTH LIMITS

Class	SCIENTIFIC NAME	VERNACULAR NAME		Minimum Girth Limit in feet
		Mende	Temne	
I	<i>Azelia africana</i> ..	Kpendei-deli	Ka-konta	8
	<i>Antiaris africana</i> ..	Vawi	—	8
	<i>Chlorophora regia</i> ..	Semei	Ka-tema	9
	<i>Cordia platythyrsa</i> ..	Puli	Ka-fundoba	7
	<i>Detarium senegalense</i> ..	Kpuyai	Ka-kita	7
	<i>Entandrophragma spp</i> ..	Njilei	Ka-randa	10
	<i>Fagara macrophylla</i> ..	Sowuli	Ka-ran	6
	<i>Guarea cedrata</i> ..	Njawa-njilei	—	8
	<i>Khaya anthotheca</i> ..	Kanyan-njilei	Ka-randa	10
	<i>Lovoa trichilioides</i> ..	Wusumei	—	8
	<i>Mimusops heckelii</i> ..	Gorfilei	—	10
	<i>Nauclea diderrichii</i> ..	Bundui	Ka-tholna	8
	<i>Tectona grandis</i> ..	Teak	—	6
II	<i>Albizia ferruginea</i> ..	Gani-kpakpei	—	6
	<i>Anisophyllea laurina</i> ..	Kanti	Ka-kant	6
	<i>Antrocaryon micraster</i> ..	Gbadue	—	6
	<i>Berlinia confusa</i> ..	Sakpei	—	6
	<i>Berlinia occidentalis</i> ..	Gbehe	—	6
	<i>Brachystegia leonensis</i> ..	Bodgei	Ka-basam	8
	<i>Bridelia micrantha</i> ..	Kui	Ka-ta	6
	<i>Bussea occidentalis</i> ..	Hilei	—	6
	<i>Calpocalyx brevibracteatus</i> ..	Kolei	—	6
	<i>Canarium schweinfurthii</i> ..	Billi	—	8
	<i>Carapa procera</i> ..	Kowe	Ka-kundi	6
	<i>Chrysophyllum pruniforme</i> ..	Teyei	An-longko	6
	<i>Chrysophyllum welwitschii</i> ..	Helelahin	—	6
	<i>Combretodendron africanum</i> ..	Tufa	—	6
	<i>Cryptosepalum tetraphyllum</i> ..	Hele-bolei	—	6
	<i>Cylicodiscus gabunensis</i> ..	Mbeli-deli	—	8
	<i>Daniellia thurifera</i> ..	Gbessei	Ka-gbongbo	8
	<i>Didelotia sp.</i> ..	—	—	8
	<i>Erythrophloeum guineense</i> ..	Gogbei	Ka-lepo	8
	<i>Erythrophloeum ivorense</i> ..	—	—	8
	<i>Erythroxylum mannii</i> ..	Bimini	—	6
	<i>Gmelina arborea</i> ..	Yemane	—	—

APPENDIX C  
MERCHANTABLE SPECIES (Continued)

Class	SCIENTIFIC NAME	VERNACULAR NAME		Minimum Girth Limit in feet
		Mende	Temne	
	Guibourtia copallifera ..	Kobo	Gbenkai	5
	Hannoa klaineana ..	Bovui	Ka-diyombo	8
	Homalium spp ..	Kotowuli	Koli-gale	6
	Klainedoxa gabonensis ..	Gbewei	—	10
	Lophira alata ..	Hendui	Ka-renka	8
	Macrolobium spp ..	Duanguli	Gongoi	6
	Mitragyna stipulosa ..	Mboi	Am-bop	6
	Nesogordonia papaveri- fera ..	Majagei	Ka-bakam	6
	Ochrocarpus africanus ..	Kaikombe	—	6
	Oldfieldia africana ..	Kpaolai	Ka-tosa	6
	Parinari excelsa ..	Ndawei	Am-bis	8
II	Parkia bicolor ..	Gumui	Ka-kulbei	6
	Pentaclethra macrophylla	Fawei	Am-fal	5
	Phyllanthus discoideus ..	Tijui	Ka-saka	6
	Piptadeniastrum africa- num ..	Mbele-guii	Ka-bari	9
	Piptadeniastrum deighto- nii ..	Mbele-deli	—	9
	Pterygota macrocarpa ..	Yawi-hini	—	6
	Pycnanthus angolensis ..	Kpoyei	Ka-wor	6
	Ricinodendron heudelotii	Gholei	—	6
	Sacoglottis gabonensis ..	Kpowuli	—	6
	Tarrietia utilis ..	Yawi	Ka-folfol	5
	Terminalia ivorensis ..	Baji	Ka-ronko	8
	Terminalia superba ..	Kojagei	Ka-ren	8
	Triplochiton scleroxylon	—	—	8
	Uapaca esculenta ..	Koondi	—	6
	Vangueriopsis discolor ..	Nyegali/Totenga	Ka-sonko	6
	Xylopia staudtii ..	Yengetomei	—	5
III	Others .. ..			No mini- mum

## THE FIRST SCHEDULE

## GOLA FOREST EAST FOREST RESERVE

Beginning from Boundary Stone No. 1 which is situated on the ZIMI-GORAHUN road in the MAKPELLI Chiefdom of the PUJEHUN District in the Southern Province and distant about 14,000 yards from the District Commissioner's house at ZIMI; thence by a series of measured lines as shown in the following table:

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
1	2	125	2,070
2	3	165	3,990
3	4	130	1,304
4	5	139½	490
5	6	100	2,610
6	7	162½	1,316
7	8	122	2,388
8	9	180	7,212
9	10	123½	3,200
10	11	200	625
11	12	123½	12,384
12	13	149	1,857
13	14	240	5,256
14	15	158½	7,893
15	16	113½	4,485
16	17	110	3,916
17	18	170	459
18	19	110	2,438
thence up-stream along the right bank of the MANO river:			
	19a	—	5,250
thence:			
19a	19b	343	3,354
19b	19c	5	150
19c	19d	32	3,360
19d	19e	345	926
19e	19f	59	2,005
19f	19g	120	2,086
19g	19h	80	2,700
19h	19i	360	1,057
19i	19j	80	3,718
thence up-stream along the right bank of the MANO river:			
	20	—	23,665

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
thence: 20	21	335	625
21	22	40	1,548
22	23	332	2,715
23	24	340	496
24	25	12	2,924
25	26	90	5,212
26	27	122½	11,581

thence up-stream along the right bank of the MANO river to its junction with the MORRO river, distant 8,745 feet from Boundary Stone No. 27; and thence up-stream along the right of the MORRO river to Boundary Stone No. 28, distant 37,245 feet from Boundary Stone No. 27; thence by a series of measured lines as shown in the following table:

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
28	29	328	3,800
29	30	55	834
30	31	9	397
31	32	323	240
32	33	250	161
33	34	9	593
34	35	55	824
35	36	328	6,790
36	37	271	19,497
37	38	180	4,698
38	39	220	2,349
39	40	290	2,730
40	41	240	3,246
41	42	245	6,564
42	43	307	7,728
43	44	326	6,864
thence along the TIGWEMA-LA road:	45	—	3,855
thence: 45	46	220	4,788
46	47	273	13,356
47	48	236	4,200
48	49	303	5,073
49	50	255	2,400
50	51	311	13,467
51	52	237½	3,129
52	53	335	7,245

thence along the GORAHUN-ZIMI road for 21,048 feet to Boundary Stone No. 1, which is described above.

*Exclusions:*

The land within the following boundaries is excluded from the Reserve, that is to say, beginning from Boundary Stone No. 54, which is situated on the BUNJEIMA-BANGUIHUN road, 6,690 feet south of the point where the road crosses the Reserve boundary between Boundary Stone No. 48 and Boundary Stone No. 49; thence on a magnetic bearing of 344 degrees to Boundary Stone No. 55, distant 1,586; thence on a magnetic bearing of 226 degrees to Boundary Stone No. 56, distant 2,565 feet; thence up-stream along the right bank of the MAHU river to Boundary Stone No. 57, distant 4,950 feet; and thence on a magnetic bearing of 296 degrees to Boundary Stone No. 54 which is described above.

## THE SECOND SCHEDULE

## GOLA FOREST WEST FOREST RESERVE

Beginning from the Boundary Stone No. 1 which is situated on the ZIMI-GORAHUN road in the MAKPELLI Chiefdom of the PUJEHUN District in the Southern Province and distant 22,311 feet from the District Commissioner's house at ZIMI; thence by a series of measured lines as shown in the following table:

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
1	2	308	709
2	3	275	8,300
3	4	360	9,084
4	4a	59	4,746
4a	4b	360	1,140
4b	5	58	4,000
5	6	360	11,100
6	7	14	3,031
7	8	360	3,132
8	9	310	2,933
9	10	308	8,784

which is on the left bank of the RIVER MOA, thence up-stream along the left bank of the RIVER MOA to Boundary Stone No. 11, distant approximately 3,500 feet;

thence by a series of measured lines as shown in the following table:

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
11	12	70	8,070
12	13	90	6,322
13	14	135	7,906
14	15	200	951
15	16	180	10,232
16	17	270½	2,820
17	18	211½	1,246
18	19	176	4,750
19	20	90	4,452
20	21	202½	8,407
21	22	90	576
22	23	111	3,544
23	24	180	823
24	25	140	2,488

which is situated on the GORAHUN-ZIMI road, distant 18,450 feet from GORAHUN;

thence along the GORAHUN-ZIMI road for a distance of 20,058 feet to the Boundary Stone No. 1, which is described above.

*Exclusions:*

The lands within the following boundaries are excluded from the Reserve, that is to say, beginning from Boundary Stone No. 26, which is situated on the GOBEOMA-GOLAWOMA road about one mile south of Boundary Stone No. 13; thence by a series of measured lines as shown in the following table:

<i>From Boundary Mark No.</i>	<i>To Boundary Mark No.</i>	<i>Bearing in Degrees</i>	<i>Distance in feet</i>
26	27	80	289
27	28	360	186
28	29	80	283
29	30	190	71
30	31	220	288
31	32	180	138
32	33	260	181
33	34	220	291
34	35	255	1,084
35	36	260	892
36	37	310	210
37	38	260	417
38	39	360	1,300
39	40	100	1,388
40	41	20	500

thence on a magnetic bearing of 126 degrees for 1,083 feet to Boundary Stone No. 26, which is described above.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals in Freetown the day and year first above written.

*For the Government of the Republic of Sierra Leone:*      S. A. T. KOROMA  
Minister of Agriculture and  
Natural Resources

*In the presence of:*      M. B. D. FEIKA  
Chief Conservator of Forests

*For the Concessionaire:*      DR. GUISEPE LAMARCA  
Managing Director, SILETI'

*In the presence of:*      DR. M. S. CATALANO  
Occupation:      Italian Charge' d'Affaires  
Address:      ITALIAN EMBASSY,  
FREETOWN.

Passed in Parliament this 24<sup>th</sup> day of February, in the year of our Lord one thousand nine hundred and seventy-seven.

A. M. DUMBUYA,  
Acting Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correctly printed copy of the said Bill.

A. M. DUMBUYA,  
Acting Clerk of Parliament.