

RESIN TAPPING AGREEMENT

THIS AGREEMENT is dated this 26th day of July, 2022.

BETWEEN:

GRL Tanzania Limited, a limited liability Company incorporated in Tanzania under the Companies Act Cap. 212, of **P.O. Box 108 Mafinga**, Iringa (hereinafter referred to as "the Owner" which expression shall where the context so admits include its Assigns and Successors in title) of the other part.

AND

CFID FORESTRY LIMITED a limited liability Company incorporated under the Companies Act No. 12 of 2002 of **P.O. Box 75401, Dar Es Salaam (hereinafter referred to as "Harvester")** which expression shall where context so permits include its assignees and successors of the on the other part.

WHEREAS, the Owner owns pine trees plantations and intends to usufruct to the Harvester the right to tap resin from the pines trees from the Owner's pine trees plantation for the duration of this contract for a consideration as agreed hereunder.

WHEREAS, the Owner agrees and allow the Harvester to enter and count pines trees in the locations indicated under Appendix **1a/b** "The Premises" stated for the Resin Tapping purpose only.

AND WHEREAS, the Parties are willing to reduce into writing the terms and conditions governing this usufruct resin taping in this Agreement as hereunder:

NOW THEREFORE PARTIES HEREIN AGREE AS FOLLOWS;

1. Location

The Owner agrees to allow the Harvester enter its pine trees plantation located in **Mapanda Plantation** (the "premises") for extraction of resin purpose attached herewith in "**Appendix 1a/b**". The list of compartments allocated to this contract is attached to this Contract as "**Appendix 2a/b**". Within the premises, the Harvester shall tap resin from pine trees estimated to **390,000 trees** (the "Rented trees") for extraction of resin.

2. Term and Duration

This contract shall be for a term of five (5) years and three (3 months) with the starting date being **1st August 2022**, and termination date being **1st Nov 2027 (the "Term")**. That upon signing of the contract there shall be a grace period of 3 months for each "**Phase**" to allow the harvester to count the trees which shall be tapped by the Harvester for resin. The term of this Agreement (without grace period) may be further renewed subject to mutual acceptance from both parties in writing.

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3. Deposit, Rent, and Payment

3.1 The rental fees/charges payable to the Owner under this Agreement shall be per the number of trees tapped in a **Term** as per **"Appendix 3"** to this Agreement.

3.2 The Harvester shall pay rental fee to the Owner as scheduled in **"Appendix 4a"** and **"Appendix 4b"**

3.3 The Harvester shall deposit of **Tanzania Shillings Seventy Million Only (TZS 70,000,000.00)** within **15days** of signing the contract upon which, the Owner shall grant the Harvester access to the compartment in **"Appendix 2a/b"** and as per schedule **"Appendix 4a/b"** for the purposes of commencing resin tapping exercise beginning with the cleaning of compartment and trees. The deposit shall be deducted from the first installment.

3.4 The first installment shall be payable after counting and recording of the exact number of trees within the given period of 3 months in **"Appendix 5a/b"**. If the number of trees are not counted within the period, an amount equal to 100% of the estimated number of trees in **"Appendix 2a/b"** will be paid. A tree with a bag will be counted and considered a rented tree.

3.5 The remaining installments shall be paid according the payment schedule attached in **"Appendix 4a/b"** and the Seller will raise an invoice on the last day of the month in accordance to the said.

3.6 The Buyer shall be required to make payments within 30 (Thirty) days after receipt of the invoices.

3.7 Tree rent Pricing may be reviewed periodically (every 1 year) however future prices will not drop below initial contract prices attached in **"Appendix 3."**

3.8 Any amount not paid within 60 (Sixty) days from the date of the invoice shall accrue interest at the rate of 15 % per annum (but in no event higher than the maximum rate permitted by the applicable law), calculated daily and compounded monthly in arrears.

3.9 If payments are not timely made, the Owner may suspend the resin tapping exercise under this Agreement until such payments are made.

3.10 The parties agree that the prices indicated under **"Appendix 3"** are exclusive of Value Added Tax and will be charged on all the purchases and the Owner will be liable to pay the same.

3.11 Banking details are the following:

Name of Bank:	CRDB BANK PLC, TANZANIA
Account Number:	0150492406200
Account Name:	GRL LIMITED
Branch & Address:	MAFINGA, P. O. Box 485, Mafinga
Branch Sort code:	3509
SWIFT Code:	CORUTZTZ

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4. Owner's Covenants

The Owners covenants and warrant the Harvester as follows:

4.1 Owner guarantees that his ownership allows resin tapping from the trees and Owner shall indemnify and hold Harvester harmless from and against loss caused by any dispute to his right of ownership of the premises. This indemnity shall survive the Term.

4.2 Owner shall guarantee all the pine trees in the premises are at least 10 years of age.

4.3 Owner shall guarantee to make available a minimum of **390,000 trees** for resin tapping purposes. This equates to approximately **376 ha's** with an average of **1,000 trees** per ha.

4.4 Owner shall not proceed thinning and harvesting during the first year of the term. After the first year of the term, Owner shall give **sixty (60) days'** notice to the Harvester should any thinning or harvesting be required within the premises during the term but no more than 30% of the total area per annum.

4.5 The Owner shall deduct the rent from the harvested trees from the invoice issued to the Harvester following the day on which the notice is issued. In the case where there is no additional invoice pending, the Owner will refund the Harvester the rent for the specific trees from the day the notice is issued until the expiry of the phase of this Agreement.

4.6 Owner shall provide reasonable assistance and ease of access to the available resources and any reasonable support to Harvester, should such request be deemed reasonable and within contract framework.

5. Harvester's Covenants

The Harvester covenants and warrants to the Owner as follows;

5.1 The **Harvester** agrees and shall comply with the **Owners** policies; **Code of ethics and conduct, General Terms and conditions, Environmental Policy, Health and Safety Policy, Fire-Risk Index, Transport herewith attached in Appendix; 7, 8, 9, 10, 11, and 12 which form part of this Agreement.** Failure to comply by **Harvester** may terminate this Agreement basing on Clause 6.

5.2 The harvester acknowledges that the ownership of all the trees tapped by the Harvester remains vested with the Owner.

5.3 After receiving notification from the Owner of the intention to harvest of thin trees under this Agreement the Harvester has 60 days to avail the compartment for this purpose by removing nails and plastic bags from the trees and compartments

5.4 The Harvester has the usufruct of all allocated pine trees on the premises for the purpose of resin extraction and removal only.

5.5 That without permission from Owner, Harvester shall not cut down any pine trees in the premises.

5.6 That should the Harvester's resin harvesting work causes more than 3 percent of total pine trees to die per year, the Harvester shall purchase the full volume of dead pine trees. The purchase price shall be equal to Tanzanian shilling ten thousand (TZS 10,000) only per tree. The inventory and purchasing of dead pine trees

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shall be done once per year in June. After purchasing, the number of rented trees shall be deducted. If the Owner decides to disposal dead trees by himself, the Harvester has no obligation to purchase or compensate for the dead trees.

5.7 The Harvester shall have responsibility for necessary fire prevention work in the premises as directed by the Owner.

5.8 The Harvester shall have responsibility for necessary pruning work in the premises as directed by the Owner up to a maximum height of 4.5 meters.

5.9 The Harvester shall not remove more than 60% circumference of the bark on the stem at any point of the trees as part of the process of harvesting resin.

5.10 The Harvester shall not make cuts deeper than 5mm to the stem of the tree and only at the area of the tree debarked for the purpose of extracting resin.

5.11 The Harvester shall not debark to a height of more than 2.7 meters of the stem measured from the ground for the purpose of extracting resin.

5.12 Harvester shall clean all waste, shrubs and bushes within the premises as directed by the Owner.

5.13 If workers from Harvester have injuries in the local working place, Harvester shall take all the responsibilities of such injuries.

5.14 It is the duty of the Harvester to ensure that their employees are equipped with the necessary PPE at all times as per "Kit 10" in "Appendix 13", failure of Harvester's Employees to use the PPE, the penalty of **Tanzania Shillings Thirty Thousand (Tzs. 30,000/=)** for each of the Harvester's employee in breach.

5.15 Continued failure of the Harvester workforce to use PPE may result in suspension and or cancellation of the contract.

5.16 At the completion of the "phase" the Harvester shall remove all metal object used to anchor the bags to the tree. Any metal object attached to the tree after completion of the "phase" will attract the penalty of Tanzanian shilling ten thousand only per tree (Tzs 10,000/=) VAT Inclusive

5.17 At the completion of the "phase" the Harvester shall have removed all plastic and other waste related to the process of harvesting resin. Each compartment is signed off by the Owner and Harvester using the form attached in "Appendix 6". Any compartment not in compliance with the conditions in the said appendix and signed off by both parties will attract a penalty of **Tanzanian Shilling Five Million (Tzs. 5,000,000/=)** per compartment.

6. Termination

6.1 Either party may terminate this contract upon giving **90 days' written notice** received by the other party. On the termination day, the party who launched the termination appeal shall compensate the other party one fourth of the yearly rent established using the number of trees recorded in "Appendix 5" and in active "phase" at the time of termination. The compensation above shall not be deemed to bar the other party from raising any claims for payment of any monies accrued from the performance of its obligations under the Agreement which are due to such party





6.2 In the event of termination of the Agreement as a result of non-compliance by a party, the non-compliant party, though not being the party commencing the termination process shall not be entitled to the one fourth yearly rent compensation from the other party. Clause on termination based on non-conformance.

Notwithstanding the cause of the termination, the Harvester shall still be entitled to clean the respective compartment(s) in accordance with the stipulated standards herein, failure of which will attract penalties in accordance with Clauses 5.16 and 5.17 above. If Owner and Harvester are unable to reach consent on the number of trees being tapped at the end of the grace period, the contract shall terminate automatically. Owner shall return all deposits to Harvester.

7. Notices

All notices under this Agreement shall be deemed as duly served and received if communicated as to reach the following persons.

For the Owner

Name: Hampus Hamilton
Address: Sao Hill, P.O. Box 108, Mafinga
Position: GM-Forestry
Email: hampus.hamilton@greenresources.no

For the Harvester

Name: Longhua Wang
Address: PLOT No. 84 KINONDONI ACACIA ESTATES
Position: CEO
Email: longhuawang@cfid-ug.com

8. Governing Law and Dispute Resolution

This Agreement shall be construed and interpreted in accordance with the Laws of the United Republic of Tanzania. Any dispute arising out of interpretation of this Agreement shall be resolved amicably by the Parties, and in the event of failure of amicable settlement, the dispute shall be adjudicated by Court of competent jurisdiction in the United Republic of Tanzania.

9. Force Majeure

In the event that the Seller or Buyer shall be prevented from performing its respective obligations hereunder by the reasons of fire, pandemic, flood, riots, civil commotion, war, labor strikes or work stoppages, embargos, weather conditions or restrictions under environmental laws, epidemics or acts of sabotage or any other such cause or causes (whether or not of similar nature) beyond the reasonable control of either the Seller or the Buyer (each of the foregoing a "Force Majeure Event"), such party shall not be held in breach hereof, but shall be excused for such nonperformance to the extent and during such time that such Force Majeure Event exists.

However, each party shall use commercial reasonable efforts to minimize the duration and consequences of any failure or delay in delivery or acceptance of obligations resulting from a Force Majeure Event and shall give notice of the occurrence of a Force Majeure Event as soon as commercially practicable after the occurrence thereof, which notice shall include the expected date when the party affected by such Force Majeure Event will no longer be affected thereby.

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10. General Provisions

- 1. All relevant copies of identifications and certificates, (including but not limit to ID/Passport and certificate of Incorporation for both Parties, proofs of Owner’s Land licensing and/or ownership right) shall be attached with this contract. Signatures are required for these documents.
- 2. All counted trees are signed off and agreed by the both parties using **appendix 5**.

IN THE WITNESSTHEREOF, the Parties through their authorized representatives have executed this Agreement in the manner and date first appearing.

SEALED with the **COMMON SEAL** of the said **GRL Tanzania Limited** and delivered at **Iringa**, in the presence of us this 26th day of July 2022.



Name: Hans Lemm

Signature: *Hans Lemm*

Address: 7th Fl. Amverton Towers, Dar es Salaam

Qualification: Group CEO

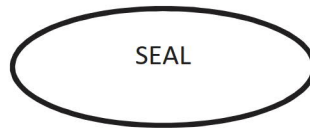
Name: Hampus Hamilton

Signature: *Hampus Hamilton*

Address: Sao Hill, P.O. Box 108, Mafinga

Qualification: GM - Forestry

SEALED with the **COMMON SEAL** of the said **CFID FORESTRY LIMITED** and delivered at **Iringa**, in the presence of us this _____ day of _____ 2022.



Name: Longhua Wang

Signature: *Longhua Wang*

Address: PLOT No. 84, KINONDONI ACACIA ESTATES

Qualification: CEO

Name: _____

Signature: _____

Hampus Hamilton

Longhua Wang