

TOMAITI. K. (PARAMOUNT CHIEF)

Annex 6 - Kamlapar Holdings-NIHT proposed Forest carbon sink & carbon credit sale agreement 2020

FOREST CARBON-SINK MANACEMENT and CARBON CREDITS SALE  
AGREEMENT,

RECITALS;

Both, NIHT and KHL are to collaborate or work together to;

- (A) make sure that this agreement, accords with the Constitution of the Independent State of Papua New Guinea, the Fairness of Transaction Act of Papua New Guinea and the Common Law of England(as adopted in the Constitution of PNG), respectively;
- (B) make sure that prior to signing of this agreement, the following, amongst others, that would make this agreement unfair/unconscionable, are avoided at all costs;
- one of the parties to this agreement is in a position of dominance or power,
  - the other party is in a position of vulnerability, due to, amongst others, lack of education, illiteracy, lack of understanding of commercial matters, failure to be given explanation about certain matters when explanation is necessary, poverty, illness, age, etc.,
- and
- the stronger party exploits its dominance to its advantage and to the detriment of the weaker party:-the unjust or unfair terms and conditions are the result of unfair and manipulated contractual negotiation;
- (C) have at the back of their mind that, the major issue that we all face is the survival of human beings as persons who are fit to live with the earth and survival of the earth which is fit for persons to live in.
- What kind of world do we want to leave to those who come after us, to children who are now growing up? Leaving behind an inhabitable planet to future generations, is first and foremost up to us. It is a test of our dignity;
- and
- (D) have at the back of their mind that prior to the Constitution coming into effect on Independence Day ,that is 16<sup>th</sup> September 1975, the State of PNG or the people of PNG, had established, adopted and had given to itself/themselves, the Constitution, and in so doing, it/they set before itself/themselves, the five(5) National Goals and Directive Principles that underlie the Constitution:-eventually, the Independent State of PNG or the people of PNG proclaimed the five(5) aims as its/their National Goals, and directed all persons and bodies, corporate and unincorporated, to be guided by the declared Directives in pursuing and achieving its/their aims/goals, and the aims/goals are;
- the second Goal with the title "Equality and Participation" calls for meaningful participation of all people in every aspect of the life of the country and that efforts be made to achieve equitable distribution of incomes and other forms of development such as services,
  - the third Goal with the title "National Sovereignty and self-reliance" provides for citizens and governmental bodies to have central of bulk of economic enterprise and production. Foreign investment and assistance of any sort must in no way compromise or undermine sovereignty and self-reliance,

-the fourth goal, "Natural Resource and the Environment" requires that wise use be made of the country's natural resources and the environment, in the best interests of current development and in trust for future generations,

- the aim of these goals is to develop a political structure, which ensures that the resources and the appropriated services that the country develops are equally distributed amongst all the citizens in all areas. Which foreign investment is not strictly forbidden, it is to be strictly managed, being aware of the real risk of manipulation and exploitation by multinational companies or countries. In terms of management of the nation's vast and varied resources, responsible stewardship is required including replenishment of used resources being ever mindful of the responsibility to future generations and self-reliance are the clear focus. The reality is that 44 year after independence, these goals for the best interest of integral human development have not been achieved. Remote areas lack services and facilities. There is a shortage of medicines in our health facilities. Many people experience a poor standard of living in informal settlements on a minimum of just K3.50 per hour. Further, there has not been strict control of foreign investment nor the careful management of the environment.

NOW, THEREFORE, NIHT and KHL agree that;

- (1) both would protect, conserve and/or preserve the biodiversity and/or natural environment relating to and/or forming a part of the surveyed-7000 ha and the over 51,480 ha un-surveyed communally-owned customary/traditional/cultural-land (with virgin forest), and their surrounding air, sea, fresh-water, etc., situated/located in the Lak and Kadas-areas, with-in the Konoagil LLG-area, Namatanai District, New Ireland Province, PNG.
- (2) both would assist the PNG Government's Sustainable Economic Growth Policy initiative, through/via REDUCED EMISSIONS FROM DEFRESTITATION AND FOREST DEGRADATION (REDD) strategies, and through this agreement, both agree that NIHT would sell carbon credits, for and on behalf of KHL, and the income generation from the sale, would have to benefit NIHT (and its share-holders) and Kamlapar Land Group Inc. (and its financial-members).
- (3) both would have access to the information on the development of scientific methodological framework for REDD, National Carbon Assessment, Accounting and Monitoring.
- (4) both would assist, with-in their power and capability, at the strengthening of the human and institutional capacity of the REDD institutions in PNG.
- (5) both would assist, with-in their power and capability, at the improvement of the mechanism for the delivering of the REDD benefits to the rural population, through projects and cash incentives to address poverty and the millennium development goals of PNG.
- (6) the National Forest Authority-surveyed 7000 ha and over 51,480-land and always been and will always be a communally-owned customary/cultural/traditional-land, the ownership-right over and above which, has always been and will always be with and/or in the hands of the Kamlapar-clan, and the members of the said clan, have always been and will always be, the stewards and/or trustees, for and on behalf of themselves and their relatives yet-to-be-borned.
- (7) NIHT would sell the volume of carbon from the National Forest Authority (NFA)-surveyed 7000ha-land and the 51,480ha-surveyed land.
- (8) whoever is responsible for doing the payment in relation to the payment in relation to the sale of the carbon done by NIHT, would have to make the payment in the US Dollars(\$US), and the

payment has to be deposited into KHL's account with the relevant bank in PNG, and the payment has to be in cheque form.

- (9) upon KHL's receipt of the payment, if (KHL) shall then pay NIHT for the work done towards efficiently accomplishing each carbon-sale.
- (10) the total payment made by KHL to NIHT, in relation to each sale, shall be inclusive of NIHT's mark-up of between 10 and 15%.
- (11) NIHT shall make available to KHL, all the invoice and/or relevant.
- (12) NIHT is solely responsible for NI Holdings Ltd (hereinafter referred to as NIHL for short) or vice versa, in relation to the engagement of each other, for the purpose of and/or in relation to this CARBON CREDITS SALE-BUSINESS (CCS-BUSINESS) and any financial and/or economic benefit arising from the CCS-BUSINESS.
- (13) KHL is solely responsible for itself and its share-holders, Kamlapar Land Group Inc. (number 12493) and its financial-members and in relation to this CCS-BUSINESS and any financial and/or economic benefit arising from the CCS-BUSINESS.
- (14) KHL, as a legal entity is not liable or responsible for any expense/cost and/or liability met or incurred by NIHT, anyone and/or any other legal entity in the past, pursuant to any agreement, oral or written, and/or any understanding, to which KHL was not a party and/or a part, on any work done in the past, until the signing of this agreement, relating to timber operations and timber-cutting and carbon credits in relation to the surveyed-7000ha and the over 51,480 ha un-surveyed land referred to in (1) above.
- (15) in the future, NIHT would be at total liberty to invite KHL to discuss the expense/cost and/or liability referred to in (14) above, but the discussion will only eventuate or happen after KHL has received the first-payment for the first carbon credit-sale.
- (16) the share-holders of Kamlapar Holdings Ltd, are the individual financial-members of Kamlapar Land Group Inc.(number 12493).
- (17) this agreement supersedes or prevails over and above all previous agreement, oral and/or written, and/or understanding between NIHT, on the other.
- (18) from the date in which we sign/execute this agreement, its(this agreement) life-time of the CCS-BUSINESS.
- (19) if the business', financial and/or economic interests of one of the two(2) parties to this agreement is adversely or negatively affected, and the adverse/negative effect is attributed to anything or any of the provisions in the adversely-affected party is at total liberty to request review by both parties of this agreement at anytime, for amendment purposes.
- (20) this agreement is inclusive of everything under, "RECITALS" SIGNED for and behalf of

, NIHT Incorporated

) By: \_\_\_\_\_

) Signature: \_\_\_\_\_

) Title/Position: \_\_\_\_\_

) Date: \_\_\_\_\_

in the presence of

) By: \_\_\_\_\_

) Signature: \_\_\_\_\_

) Title/Position: \_\_\_\_\_

SIGNED for and on behalf of  
, Kamlapar Holdings Ltd.

in the presence of

) Date: \_\_\_\_\_

) By: \_\_\_\_\_

) Signature: \_\_\_\_\_

) Title/Position: \_\_\_\_\_

) Date: \_\_\_\_\_

) By: \_\_\_\_\_

) Signature: \_\_\_\_\_

) Title/Position: \_\_\_\_\_

) Date: \_\_\_\_\_