 Plantations SOCFINAF Ghana Ltd	Standard Operating Procedure	Version#: 1.0
	LAND ACQUISITION AND COMPENSATION	
	Reference: CER_SOP_003	Date:
		Page 1

Preamble:

Land is a very important factor in any development project. Its acquisition or access can be associated with a lot of problems including loss of money and long years of litigation if proper procedures and processes are not followed. Its acquisition therefore has to be done with the highest degree of care and diligence. Under the Socfin Group Policy for Responsible Management, all its companies are required to have a clearly defined policy in place to regulate matters of land access and compensation. It is also intended to comply with Roundtable on Sustainable Palm Oil (RSPO) requirement which seeks to ensure that land owners and occupants of land are not unduly and unfairly treated in the acquisition of land and compensation payments by corporate entities in the Agribusiness Industry.

Purpose:

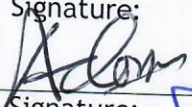
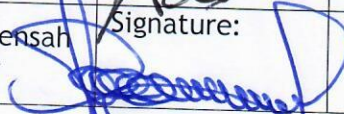
The purpose of this SOP is to establish procedures and guidelines for the acquisition of land by PSG in such a manner as to ensure that the acquisition becomes free of problems.


Scope:

These procedures and guidelines encompasses establishment of legitimate title of the seller, willingness and free consent of the owner to sell, determination of a fair value for the land, free consent of any occupants if any to relocate from the land, crops and dwellings identification on the land if any, and their fair valuation and payment, preservation of any sacred places on the land etc. and proper administration of documentation of all stages of the acquisition process.

Responsibility:

The responsibility for accessing or acquiring any land for the company and all its associated matters rests with the Managing Director (MD). However, the administration of the detailed processes is delegated to the Community Relations Manager (CRM) who performs them under the guidance of, and in close consultation with the MD.

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 Plantations SOCFINAF Ghana Ltd	Standard Operating Procedure		Version#: 1.0	
	LAND ACQUISITION AND COMPENSATION			Date:
	Reference:	CER_SOP_003	Page 2	

Detailed Procedures or Guidelines

1. Search of Legitimate Ownership of the Land

In Ghana, except forest reserve lands which are held by the state in trust for traditional stools, all other lands are owned by traditional stools, jointly by families members by or individuals. And all owners of lands are required by legislation to register their lands with the Lands Commission of Ghana which issues a Land Title Certificate to the owner of any piece of land. Therefore, the first step to accessing any land by PSG shall be for PSG to conduct a search at the Lands Commission to authenticate the legitimacy of title of the stool, family, person or persons claiming to be the owner of the land. This can be a very laborious exercise, and so PSG will seek the services of its legal counsel to perform this task on its behalf. To facilitate this search, the land owner or owners shall present to PSG, a copy of the map of that piece of land that clearly delineates its boundaries and all land mark features. If the search proves that the potential seller or sellers have tittle to the land, the processes continue, otherwise no further action shall be pursued.


2. Consent of the Seller(s)

If the search from the Lands Commission proves the legitimacy of seller(s)' title to the land, PSG shall require a Witten Consent from him or her or them stating that the land is being leased to PSG free of *coercion, intimidation or duress*. Where the land is jointly owned, all the parties shall freely consent to the lease. It is instructive to note that by legislation farm lands cannot be sold in Ghana, they are only leased, and for a tenure not to exceed 50 years, but renewable after every 50 years by consent of the parties.

3. Identification of Settlers on the Land

In Ghana, most lands are settled upon by people who are not necessarily the owners. In most cases they can be migrants from other parts of the country who by whatever arrangements, normally not written or documented, occupy the lands for subsistence farming. Where such

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	Reference:	CER_SOP_003	Date:
			Page 3

lands are acquired, it will mean that the migrant occupants will be evicted. It is very important, as a matter of prudence that such people are identified, their views sought regarding their willingness or otherwise to receive fair compensation for their huts and crops and relocate from the land. Any resistance or reservations by such people will be properly resolved; otherwise, PSG will not proceed further with the acquisition.

4. Consent of Settlers to Relocate

If the settlers agree to relocate subject to their fair receipt of compensation, PSG will require a written consent from them. Such consent shall appropriately be witnessed by the owner(s) of the land, the Chief of the town and officials of the local government authority (the District Assembly) in the area.


5. Survey of the Land

Even though the seller may have presented a map of the land, PSG will have its own internal or contracted Surveyor map the land to see whether its size matches with that shown on the seller's map. This will always be a prudent measure to ensure that PSG does not pay for land any less than the size presented by the seller. Any difference in sizes shown by the seller's map and that of PSG's survey will be reconciled before further steps are taken.

6. Crops Identification and Quantification

Any crops that may be owned by settlers on the land shall be identified and quantified. In order that this is not fraught with misunderstandings, which in most cases happen, it is important that all parties or their *duly trusted* representatives partake in this exercise. Depending on the situation and size and variety of the crops, PSG may appoint a professional Quantity Surveying Company to carry out the census on its behalf.

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	Reference:	CER_SOP_003	Date:
			Page 4

7. Identification of HCVs, Graves and Sacred Places

In the course of identifying and quantifying the crops, any areas of HCV importance, and places that are sacred to the seller must be identified so that it can be delineated on the map of the land, and the size of such area removed from the total size of the land to be eased. Such places will be protected by PSG during its development of the land.


8. Valuation of Identified and Quantified Crops and Structures

After the crops have been identified and quantified, i.e. (census taken) the next step is their valuation. Luckily in Ghana, there is an established legislative body in the country (Lands Valuation Board) that is charged with the valuation of lands and crops. At any given time, it has a list of the values for all types of crops at various stages (nursery, young and immature, mature and old). Valuation of the crops using the stipulated prices of the Land Valuation Board can avert valuation misunderstandings as it would have complied with the laws of the land. Sometimes depending on the desire and willingness of the settlers to relocate, and where PSG may find the cost to be too expensive, the stipulated prices of the Land Valuation Board may be freely negotiated downward.

To ensure broader stakeholder consultation a Compensation Negotiation Committee (CNC) shall be put in place. The composition of the committee shall be:

- Local Government Authority representative
- A representative of the Land Valuation Division
- Two qualified persons who represent PSG, the holder of the right
- Three (3) representatives of the Claimants, being farmers and affected communities, one of whom must be a woman
- A representative of the Traditional Authority in the project area
- The committee may co-opt other person(s) to serve on the committee, if mutually agreed by the parties, as at when they are needed.

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		Page 5

9. Payment of Compensations for Houses, Huts and Crops

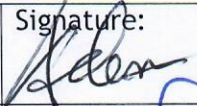

In addition to the Receipt that will be issued for the receipt of the amount paid to the person or persons involved, PSG's legal counsel will prepare a Liability Release Form to be signed by each person or persons to whom compensation is being paid. Among other things, the Liability Release Document will state the following:


- That the number houses or huts, and number and types of crops being paid for is correct
- That their valuations are fair and acceptable
- That in lieu of the amounts being received as payments, they have no further claims of whatever nature now or any future time against PSG.

This document shall be witnessed by the Chief of the town and at least one senior member of the local government (District Assembly) of the area.

10. Negotiation of the Price of the Land

Land that has crops and settlers on it definitely has a different value from land that has no crops or settlers on it. That is why it is the policy of PSG that where there are crops and or settlers on a land that is being acquired, it shall ensure that these are properly and documentarily identified, quantified, and valued before negotiations for the price of the land begins. In some instances, the settler may opt to take responsibility for the payment of the compensation of settlers houses/huts and their crops, while in other instances the buyer takes responsibility for that. It is PSG's POLICY that where there are settlers and their crops on the land, PSG will take responsibility for the payment of the necessary compensations. This is because there have been situations where a seller may have taken that responsibility only for that responsibility to be reneged, bringing untold harassments and litigations between the settlers and the buyer. Therefore the price agreed by PSG to be paid for any land shall always take into consideration, the amount that may be payable to settlers for their houses, huts and crops.

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	Reference:	CER_SOP_003	Page 6

11. Payment for Land Acquisition

In addition to the Receipt that will be issued to PSG by the Seller, PSG's legal counsel will draw up a Lease Document (Indenture) stating the terms and covenants of the lease, to which the map of the land will be attached to form an integral part. This will be signed by the Managing Director for PSG, witnessed by another senior manager of PSG, and the Seller and witnessed by his or her or their representatives. The Lease Agreement will after signature be notarized and registered at the High Court of the area where the land is leased.

12. References

Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria (4.4.2-4.4.6, 4.5.2-4.5.6, 4.6.1-4.6.4, 4.7.1-4.7.3, 4.8.1) and SOCFIN Group Responsible Management Policy.

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