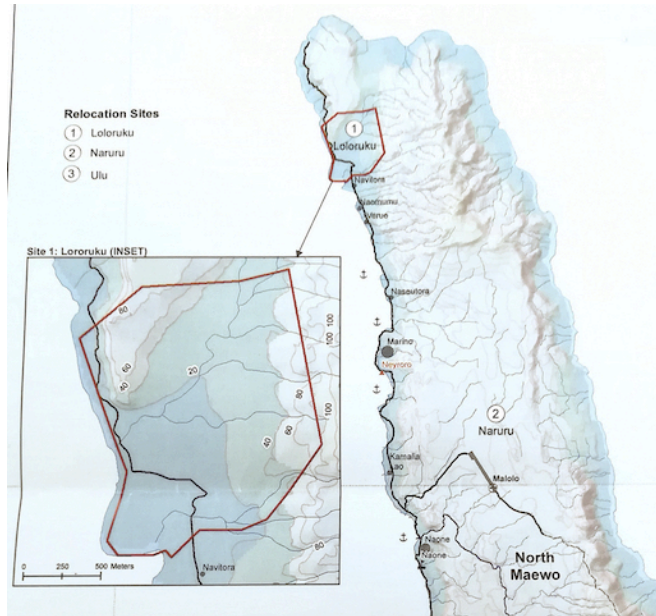


Maewo Second Home – Land Tenure

Compulsory Acquisition of “Site 1”, Loloruku – North Maewo

Title # 06/0113/001

July 2018



Land Area: 209.16 ha

Total Market Value: 166,000,000 Vatu = 80 Vatu / m²

Customary Owners: identified (On record: Gregory Taranban, Paterson Tari, Walter Roy, Kilbert Arosinga, Daisy Rolin; to be included in record: Loren Stevens, Merian Liu)

Lessee: identified (Harold Thomas Stephens)

Compensation Value to Customary Owners: 134,500,000 Vatu

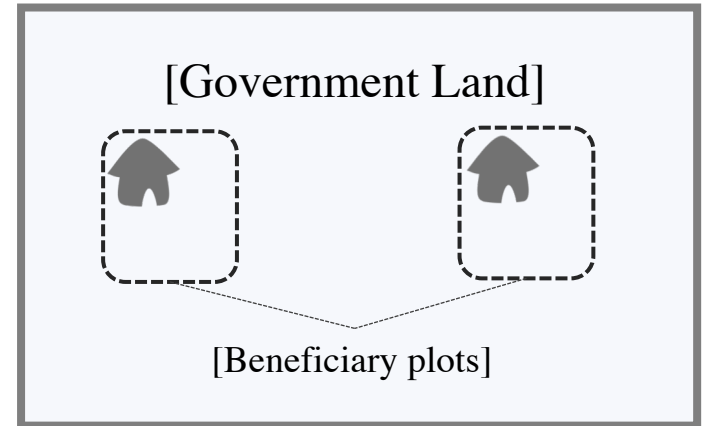
Compensation Value to Lessee: 63,800,000 Vatu

Total Compensation Value: 198,300,000 Vatu

Maewo Second Home: Land Tenure Options

Assumptions

- ✓ Each individual household enters into a formal lease with Government
- ✓ Individual plots = 4,000 m² (0.4ha)
- ✓ 450 Beneficiaries
- ✓ Leases duration go from 5 to 75 years
- ✓ Plot value estimated at 320,000 Vatu (1m² = 80 Vatu)
- ✓ Rent estimated at 2% of plot value = 6,400 Vatu



Loloruko Site

Option 1

- Ambae beneficiaries receive rent and tax exemption for the lease period, up to 75 years
- In case of lease transfer or sublease, rent and tax exemptions are cancelled (i.e. acquiring lessee/sublessee must pay both)

Option 2

- Ambae beneficiaries pay rent and tax in full, from first occupancy up to 75 years
- In case of lease transfer or sublease, rent and tax exemptions are cancelled (i.e. acquiring lessee/sublessee must pay both)

Option 3

- Ambae beneficiaries exempt of rent and tax for the first 5 years. After 5 years, pay rent/tax in full, up to 75 years
- In case of lease transfer or sublease, rent and tax exemptions are cancelled (i.e. acquiring lessee/sublessee must pay both)

Option 1: Perpetual rent/tax exemption

- Site 1, in Loloruko, will be subdivided in individual 0.4ha (4,000m²) plots.
- Each beneficiary household from Ambae will be allocated one individual plot, entering into a formal lease with GoV.
- The lease duration is 75 years.
- Lessees will be exempt of rent and taxes for the full term of the lease, on the condition that they don't sell or sublease their plot.
- Leases are transferable and mortgageable.
- If transferred or sublet, the rent and tax exemptions shall be cancelled, and the acquirer/sublessee shall pay rent and taxes in full.

Option 2: Rent/tax fully paid

- Site 1, in Loloruko, will be subdivided in individual 0.4ha (4,000m²) plots.
- Each beneficiary household from Ambae will be allocated one individual plot, entering into a formal lease with GoV.
- The lease duration is 75 years.
- Lessees shall pay rent and taxes for the full term of the lease.
- Rent is estimated at 6.400 Vatu (equivalent to 2% of the individual plot value, according to the official valuation).
- Leases are transferable and mortgageable.

Option 3: Five years rent/tax exemption

- Site 1, in Loloruko, will be subdivided in individual 0.4ha (4,000m²) plots.
- Each beneficiary household from Ambae will be allocated one individual plot, entering into a formal lease with GoV.
- The lease duration is 75 years.
- Lessees will be exempt of rent and taxes for the initial 5 (five) years, on the condition that they don't sell or sublease their plot.
- After 5 years, beneficiaries shall pay rent and taxes for the remainder of the lease term.
- Rent is estimated at 6.400 Vatu (equivalent to 2% of the individual plot value, according to the official valuation).
- Leases are transferable and mortgageable.
- If transferred or sublet before 5 years, the rent and tax exemptions shall be cancelled, and the acquirer/sublessee shall pay rent and taxes in full.

Land Tenure Options for Maewo Second Home

Option	Assumption	Transferable	Demarcated boundaries	Registration required for each plot	Incentive to relocate	Level of tenure security
1 Perpetual Rent/Tax exemption	Formal lease Plots = 4,000 m ² 450 beneficiaries	Yes	Yes	Yes	High	High
2 Rental/Tax fully paid	5 to 75 yrs lease Plot value = 320,000 Vatu (1m ² = 80 Vatu)	Yes	Yes	Yes	Low	Low
3 5 yrs Rental/Tax Exemption	Rent = 6,400 Vatu (2%)	Yes	Yes	Yes	Medium	Medium