

## **Memorandum of Understanding**

Between

Clever Henry Gotosa

ID Number: 63-159391 L 07 CIT M

and

Simbarashe Tatenda Makuni

ID Number: 58 202489 Z 15

and

Henry Masimba Gotosa

ID Number: 63-2286427E07

This Memorandum of Understanding (MOU) sets the terms and understanding between Clever Henry Gotosa (First Party), Simbarashe Tatenda Makuni (Second Party) and Henry Masimba Gotosa (Third Party) collectively known as "The Parties" to partner in conducting farming activities on Plot 1 Cecil Farm Norton Zimbabwe.

### **BACKGROUND**

Whereas, the First Party is the legal possessor of Plot 1 Cecil Farm (The Farm) for over 17 years, it has become imperative for him to enter into a partnership with the Second and Third parties in various farming activities to ensure increased productivity and profitability of The Farm.

Whereas, the Second Party has been conducting goat farming in Concession he desires to expand his farming operations to include crop farming and other forms of farming through partnering with the First and Third parties.

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Whereas, the Third Party has supported the First Party in conducting farming activities at the Farm over the years he intends to become fully involved in all activities at The Farm by partnering with the First and Second parties.

## **PURPOSE**

The Parties agree to identify commercial projects that can be undertaken on The Farm and conclude the necessary partnership and shareholding agreements based on each party's fairly valued contribution to those projects.

As at the time of drafting this MOU, The Parties have agreed to engage in goat farming and Soya Bean production on 10 hectares of arable land in the 2022/2023 cropping season.

The above goals will be accomplished by undertaking the following activities:  
(List and describe the activities that are planned for the partnership and who will do what)

Repairing and ensuring that all equipment that is necessary for farming is in good working order.	Second party
Purchasing all the farming inputs for soya bean production	Second party
Valuation and creating an asset register for equipment and assets that will be considered as the first party equity contribution to Company (B).	First and second party
Managing and running the operations of both companies on the ground.	Second party
Drafting shareholders agreement	Second and third party
Managing director remuneration	First and third party
Drafting a dividend policy	Second and third party

## **GOAT FARMING**

It is agreed that the Second Party will move his goat farming operation to The Farm on or before 31 December 2022.

The Parties will form a company (A) in which the First Party will have a 20% shareholding whilst the Second and Third parties will have 40% each. This company will be for the goat farming project and other commercial projects that they would have identified on The Farm.

The Third Party will raise his equity in the company through contributions, monetary or otherwise that match the contribution made by the Second Party. Through payment of a

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minimum of 1500 USD and covering employee salaries for the months on October 2022, November 2022, December 2022 and January 2023.

The First Party will raise his equity through stock, equipment and land and facilities usage.

### **SOYA BEAN PRODUCTION**

The Parties will form a company (B) to conduct cropping and other commercial projects that they would have identified on The Farm. The proposed equity will be 50% each between the first and second party but with a provision for the third party to also raise equity in future by purchase of shares at the market value at the time of request.

The assets currently available at the farm should be valued using a professional neutral organization to determine the value of the assets. The second party will also raise his equity in the company through financial contributions required to fix, repair, and run the operations of the farm. Where there is a difference in value the difference will be considered as a loan to the business which must be retired according to an agreed payment plan by the parties.

Whilst the Third Party has elected to seat out the 2022/2023 cropping season, the First and Second Parties have commenced activities with regard to this venture.

The Second Party has started repairing a tractor owned by the First Party and is working to replace the electricity transformer at The Farm.

### **IMMOVABLE ASSETS**

The parties agree that the first party's contribution in developing and building the immovable assets on the Farm should be fairly recognized as part of his equity in Company B.

The parties agree to consult professionals on the prospects of transferring the ownership of the immovable assets on The Farm to Company B.

In the event that such transfer is not feasible the parties agree to determine the monetary value of the use of these assets to the company for the purpose of determining the First Party's contribution to the Company B.

### **OTHER COMMERCIAL ACTIVITIES**

The parties agree to consult each other before starting any new commercial activity on The Farm.

Prior to the third party raising his stack in Company B, the parties agree to give him the opportunity to participate in the activities of Company B via a joint venture agreement. The parties may elect to use Company A to undertake such activities.

### **MANAGING PARTNER RENUMERATION**

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The parties agree to make provision for the remuneration of any elected managing partner.

Such remuneration will be market related and based on the performance of the companies.

#### MONTHLY PERFORMANCE AND MANAGEMENT ACCOUNTS REVIEW

The parties agree to hold monthly meetings to review the performance and management accounts of both companies.

Each parties monetary contribution should be recorded accurately and professionally.

#### ASSIGNMENT

Neither party to this Memorandum of Understanding may assign or transfer the responsibilities or agreement made herein without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.

#### ENTIRE UNDERSTANDING

The herein-contained Memorandum of Understanding constitutes the entire understanding of the Parties pertaining to all matters contemplated hereunder at this time. The Parties signing this MOU desire or intend that any implementing contract, license, or other agreement entered into between the Parties subsequent hereto shall supersede and preempt any conflicting provision of this Memorandum of Understanding whether written or oral.

#### MOU SUMMARIZATION

*FURTHERMORE*, the Parties to this MOU have mutually acknowledged and agreed to the following:

- The Parties to this MOU shall work together in a cooperative and coordinated effort, and in such a manner and fashion to bring about the achievement and fulfilment of the goals and objectives of this agreement. \_\_\_\_\_.
- It is not the intent of this MOU to restrict the Parties to this Agreement from their involvement or participation with any other public or private individuals, agencies or organizations.

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- The Parties to this MOU have the right to individually or jointly terminate their participation in this Agreement provided that advanced written notice is delivered to the other party.
- Upon the signing of this MOU by The Parties, this Agreement shall be in full force and effect.

### **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of Zimbabwe.

### **AUTHORIZATION AND EXECUTION**

The signing of this Memorandum of Understanding does not constitute a formal undertaking, and as such it simply intends that the signatories shall strive to reach, to the best of their abilities, the goals and objectives stated in this MOU.

Signature: 

Date: 14/10/2022

First Party

Signature: 

Date: 14/10/2022

Second Party

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

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

Third Party

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