

CONTRACT FARMING JOINT VENTURE AGREEMENT

Made and entered into by and between

DEBRAH MARUFU

I.D No. 29-135334-Q25

Leopards Vlei farm in Mazowe district

(Hereinafter referred to as farm owner)

And

INAMO AGRI (PVT) LTD (Pvt) Ltd

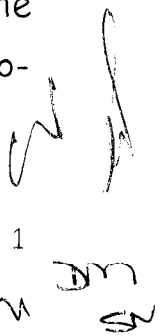
represented by **GARY ESTCOURT PARHAM**

I.D. No 63-729642-Z00

(Hereinafter referred to as the investor)

WHEREAS, the farmer is the lawful holder of a valid 99 year lease to occupy, use and possess Leopards Vlei farm in Bindura district measuring 574.8500 hectares, dated the(hereinafter referred to as the farm).

WHEREAS, the investor is a duly registered company in terms of the Laws of Zimbabwe and the investor is a company that deals in agro-business.



WHEREAS the farm owner intends to engage the investor to carry out farming operations on 400 hectares potentially arable land of the farm (hereinafter referred to as the project farm).

WHEREAS, the farm owner and the investor have wilfully entered into a joint venture farming agreement to grow on the project farm.

NOW THEREFORE, the parties enter into this agreement in terms of the terms set out herewith as follows;

1. COMMENCEMENT AND DURATION

1) This Joint Venture shall commence on the 1st of August 2019 and shall remain in operation for the duration of 15 years until the 30th November 2034. The Joint Venture shall be renewable for another 15 year period unless otherwise agreed by the parties in writing which notification shall be done in 10th year, failure which the agreement is deemed renewed.

2. FARMER'S OBLIGATIONS

- 1) To provide the investor with undisturbed and unfettered access to the project farm and all infrastructure related therewith for purposes of operating this Joint Venture agreement.
- 2) To provide accommodation for the investor or his appointee or labour which the joint venture may wish to employ or where such accommodation is not readily available to grant the investor permission to construct such accommodation as may be reasonably required.
- 3) To be fully liable and responsible for her individual tax obligations.
- 4) To ensure that her farm rentals owed to the State outside the project farm are up to date and fully paid up. Failure which the Investor is empowered to pay the rentals and deduct such payment from the farmer's income.



3. CONTRACTOR'S OBLIGATIONS

- 1) To secure financing, capacitation and inputs for the Joint Venture operations.
- 2) To erect Irrigation systems, infrastructure development or upgrading and maintenance etc. and to be responsible for the full mechanisation and equipping of the project to achieve the best results.
- 3) To train the farmer and his employees on good farming practices which training involves provision for skilled and certified training for the farmer or any one of his managerial employees at a registered school of agriculture.
- 4) To conduct periodic meetings and updates with the farmer on the progress of the projects and all matters incidental thereto which the farmer may reasonably be expected to know.
- 5) To present full and detailed annual financial reports for the project clearly highlighting the annual capital and operational expenditure and the annual yield/output and income of the project.
- 6) To appoint a farm manager in consultation with the farmer for purposes of the J.V.C.

4. SPECIAL PROVISIONS

- 1) Upon signing of this agreement, the Investor shall pay the farmer a commitment fee of 7% of the farmer's projected income share in instalments commencing on the 1st of January 2020 and quarterly thereafter for the duration of the Joint venture.
- 2) The 7% commitment fee referred to above shall be deducted from the farmer's income when it becomes due.
- 3) Both parties shall agree on any other infrastructure that may be necessary to be erected for purposes of the Joint Venture project.
- 4) Upon termination of the term of this agreement, only immovable infrastructure contributed by the investor which has been on the farm for at least 15 years will be transferred to farmer by the investor free of charge.

- 5) The investor or his manager shall keep a proper and accurate record of the Joint Venture project financial books and shall keep both parties updated about the project.
- 6) The commencement and continued existence of this project shall be conditional upon the investor being able to obtain funds from its financiers.

5. INCOME SHARING

- 1) Due to its contribution of the farm, infrastructure and ancillary equipment, the farm owner shall be entitled to 7% of the gross sales that accrue from all the joint venture projects conducted on the farm.
- 2) However on specialised and high value export crops the parties will agree in writing on the income sharing percentages as and when the crops are planted.
- 3) The income share due to the farm owner shall be less the quarterly payments that were made by the investor in clause 4(1) above.

6. GENERAL

- 1) All parties herewith shall display the highest degree of co-operation and good faith in all matters relating to this agreement.
- 2) All communication relating to this agreement shall be conducted during normal working hours i.e. between 8am and 5pm every day.

7. OPERATING COSTS

- 1) It is agreed between the parties that the Investor is not responsible for any costs or utility bills such as Rural District Council taxes ZETDC/ZESA, ZINWA etc. incurred by the farmer before the commencement date of the joint venture.
- 2) Without prejudice to the above and in its sole discretion the Investor shall be entitled to contribute towards any liability for rates, electricity, water charges etc, relating to the farm which were incurred prior to the commencement of this agreement, save that any

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sums so contributed shall be automatically offset against any sums due to the farmer.

3) It is further agreed that the Investor is only responsible to pay for direct operating costs such as ZETDC /ZESA, water usage permits and the annual land rentals and levies.

4) The Investor will recruit labour as they require in order to fill their obligations in this contract. Should any labour be entitled to a wage package at point of employment transfer to the Investor, the farmer's redundancies after the Investor has employed any staff, all payment packages owed to the staff up to the time of employment by the Investor, must be paid by the farmer. The Investor is not responsible for any back pay or wage package owed to any employee pre the employment of any staff by the Investor.

8. NOTICE PERIOD & TERMINATION OF AGREEMENT

- 1) Each party shall give 2 years written notice to terminate, alter or amend any part of this agreement.
- 2) It is agreed between the parties that this agreement shall only be terminated upon irrevocable breach of contract by either party.
- 3) Should the agreement be terminated before the agreed 15 year period by the farm owner, the Investor has the authority to remove any infrastructure they have invested in the project such as irrigation pipes, farming equipment, tractors, irrigation pumps, generators, dryers and sheds.
- 4) The Farm owner agrees that in this event, it hereby irrevocably gives its unconditional consent that, all assets owned by the Investor being removed forthwith.
- 5) All infrastructure installed by the Investor for the benefit of the Joint Venture will remain the Investor's property at all times and will not be considered as the property of the Joint Venture, or the property of the Farmer.

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- 6) Should the joint venture be terminated by the farmer prior to the 15 year period specified above the Investor shall be entitled to compensation for all improvements and infrastructure erected on the farm for purposes of the joint venture at the prevailing depreciated market value and shall only vacate the farm upon receiving full payment of the compensation herewith.
- 7) All crops in the J.V.C shall be harvested and sold before the J.V.C is deemed to be terminated.

9. VARIATION AND CANCELLATION

- 1) No agreement varying, adding, deleting from or cancelling this agreement and no waiver whether specifically implicitly or by conduct of any right to enforce any terms of this agreement shall be effective, unless reduced to writing and signed by or on behalf of all the parties. It is recorded that there exists no collateral and/ or other agreements and that is the sole agreement entered into by and between the parties.

10. EXISTING INFRASTRUCTURE

- 1) It is agreed between the parties that fixed infrastructure such as ZETDC transformers, pipelines, pumps, boreholes, storage sheds, workshops that are already in place at the farm are allowed to be utilized by the Investor on condition that from the date of commencement of this contract, the Joint Venture is solely liable for maintenance and operating of costs of these assets.

11. LAND/ ENVIRONMENTAL

- 1) Should the agreement be terminated by either party, the Investor is responsible for leaving the land and environment in the state which he found it in.

12. MANAGEMENT OF JOINT VENTURE

- 1) The management of the project shall be conducted by the Investor in consultation with the Farmer through a Board of Directors who shall comprise of 3 appointees of the Investor and 3 appointees of the Farmer.
- 2) The Board shall conduct meetings at least quarterly in a year to discuss the business of the project as referred to in this agreement.
- 3) The Investor undertakes that he or any of his appointees shall not participate in any political engagements which might have the effect of tarnishing the name of the Farmer.

13. COSTS

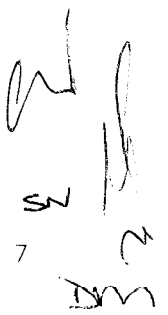
Each party hereto shall bear its own legal costs and expenses associated with the negotiation, settling and execution of this agreement.

14. ARBITRATION

In the event of a dispute the parties agree to the dispute being referred to a binding arbitration process held in terms of the Arbitration Act (Chapter 07:15) and convened by the Commercial Arbitration centre.

15. BREACH

- 1) Should either party be in breach of its obligations or the terms of this agreement, the aggrieved party shall make known in writing his grievance to the other party within seven (7) days of the breach.
- 2) Should the other party fail to remedy such breach within 14 calendar days of receipt of such grievance, the aggrieved party may terminate the contract or refer the matter for Arbitration of choice.
- 3) All parties herewith shall be jointly and severally liable for the performance of their obligations under this agreement.

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16. ASSIGNMENT, CESSION AND DELEGATION

- 1) Neither of the parties to this agreement shall be entitled to assign, cede, delegate or transfer any rights, obligations or interest acquired in terms of this agreement, in whole or in part, to any other party or person without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

17. WHOLE AGREEMENT

- 1) This agreement constitutes the entire agreement between the two parties. No amendments to this agreement shall be valid unless it is reduced to writing and signed by both parties.

19. DOMICILLIA CITANDI

The parties choose their *domicillia citandi* as specified below

The farmer

Leopards Vlei farm

Bindura

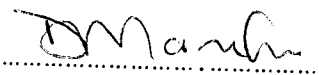
The Investor

12 Silwood Road

Chisipite, Harare

Thus agreed to and signed by the parties at Harare on this day of July 2019.

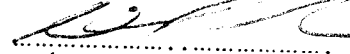
Signed by the farmer


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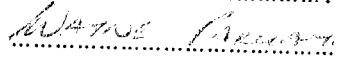
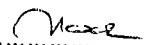
DEBRAH MARUFU

AS WITNESSES:


NAME

(1)  (2) NICOLETTE HAZZEL

SIGNATURES

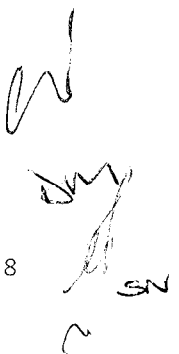
(1)  (2) 

Signed by the Investor


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GARY PARHAM

AS WITNESSES



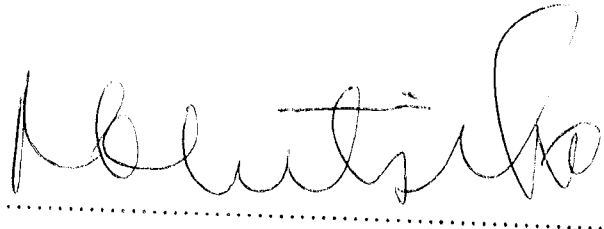
NAME (1) SRO NKALA (2) CHIEF MARSHAL
SIGNATURES (1) [Signature] (2) [Signature]

APPROVED BY

.....
HON. AIR CHIEF MARSHAL (RTD) P. SHIRI
MINISTER OF LANDS, AGRICULTURE, WATER, CLIMATE &
RURAL RESETTLEMENT

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Approved and Signed by the Permanent Secretary for and on Behalf of the Minister of
Lands, Agriculture, Water, Climate and Rural Resettlement



A handwritten signature in cursive script, appearing to read 'P. Butz', is written over a horizontal dotted line.

30.01.20

Dr. P. Butz
Permanent Secretary