

KUKAYE CASHEW INVESTMENT AND FUNDING AGREEMENT

This agreement is made this day of 2024

BETWEEN

KUKAYE LIMITED a company duly registered under the laws of the United Republic of Tanzania whose address is at Plot No.1359, Mzinga way Road, House No.6,Oysterbay, Dar es salaam, Tanzania (hereinafter referred to as "KUKAYE") the expression which, when the context permit, shall include its assignees and successor in title of the one part.

AND

[.....], an individual/entity duly registered under the laws of [Insert Jurisdiction], having its principal place of business at [Insert Address], hereinafter referred to as the "Investor", the expression which, when the context permit, shall include its assignees and successor in title.

In this agreement "Parties" means both the "Sender" and "Receiver" under this contract.

RECITALS

WHEREAS, KUKAYE is the owner of land measuring over 6,000 acres situated in Mtwara, Tanzania, with only 2,000 acres developed as of the date of execution of this Agreement;

WHEREAS, the Investor has reviewed the Investment Summary as presented in Annex 1 and is desirous to invest with KUKAYE's cashew farming business;

WHEREAS, the Parties agree that the initial investment shall be in cashew trees, with each acre consisting of 34 trees costing EUR 100 per tree, totaling EUR 3,400 per acre, as per the terms outlined in this contract;

WHEREAS, operational costs as outlined in the Investment Summary as presented in Annex 1 of this agreement;

WHEREAS, the Investor agrees to invest EUR [Insert Amount] (hereinafter referred to as the "Investment Amount"), which is equal to [Insert Number] trees covering [Insert Number] acres.

THE PARTIES ENTER INTO THIS AGREEMENT in accordance with the following terms:

1. INVESTMENT DETAILS:

1.1 The Investor agrees to invest EUR [.....] in cashew trees, as detailed in Investment Summary of Annex 1, where the Investment Amount shall cover the cost of [Insert Number] trees, which will be planted on [Insert Number] acres of on the KUKAYE Farm.]

1.3 Should trees produce before the indicated time, the Investor will be informed, and Parties will mutually reassess the investment period and the expected harvest date can be adjusted accordingly.

1.4 The parties agree that after the cashew nut harvest, any other part of the cashew tree (cashew apple and cashew nut shell) shall be capitalized for further profit generation, and the cost and profit allocation shall be within the the same calculation as the cashew kernel process as stipulated in annex 1.

1.5 KUKAYE shall, in line with its expansion plan, build and install a cashew processing plant and factory that will explore all the opportunities mentioned in 1.4 and ensure that no part of the cashew tree is left uncapitalised for further benefits between the parties.

1.4 The Parties agree that the investment amount shall be paid to KUKAYE upon signing this agreement to KUKAYE's bank account bearing the below details:

Beneficiary Name:	Kukaye Limited
Beneficiary Account Number:	1950599101500
Beneficiary Bank Name:	CRDB Bank Plc
Swift Code:	CORUTZTZXXX
Currency:	Euros

1.5 Upon establishing the facilities for distilling cashew alcohol from cashew apple and cashew butter/milk milling, Investors will be informed of the further progress and immediate steps on how all Parties will benefit from it.

1.6 The Parties agree that up until the initial investment from the Investor has been made (break-even point) KUKAYE management will only retain total management costs. Only

after the break-even point will KUKAYE management charge 35% of the Investor's net income.

1.7 The parties agree that the business between the parties shall end after a tree has reached its final production years that is 40-45years old.(Organic trees vary from tree to tree)

2. OBLIGATIONS OF KUKAYE:

2.1 KUKAYE shall take care of all the farm operations, management, including but not limited to exceptional farming practices, timely updates on growth, hiring of the required technical personnel, purchasing necessary resources and equipment, and proper maintenance of the farm.

2.2 KUKAYE, as the cashew farmer shall oversee the course of the investment period, establish modern facilities for processing cashews. This includes building state-of-the-art factories equipped with machinery for shelling, grading, and packaging cashew nuts.

2.3 KUKAYE shall invest in setting up a distillation plant specifically for processing cashew apples into various products such as juice, concentrate, or alcoholic beverages.

2.4 KUKAYE shall act in the best interest of the Investor and shall obtain insurance coverage over the investment to mitigate any potential risks at the cost of the Investor.

2.5 KUKAYE shall issue ownership certificates to the Investors indicating the value and magnitude of the investment which shall indicate the number of tree, value and other pertinent details. For avoidance of doubt, the certificate is transferrable upon written consent by KUKAYE which shall not be reasonably withheld.

2.6 KUKAYE shall after every 6 months and upon request by the Investor, provide annual reports to the Investor regarding the progress of the cashew farming operations, including financial performance and any significant development.

2.7 KUKAYE shall ensure that the Investment complies to the laws and regulations of the united republic of Tanzania and shall further ensure that all permits, approvals, licenses are valid at all times.

2.8 KUKAYE shall develop innovative processing methods to transform these by-products into marketable goods. This involves investing in specialized machinery, conducting product trials, and establishing quality control measures to ensure consistency and consumer satisfaction.

2.9 KUKAYE shall identify profitable markets for its products shall:

2.10.1 Conduct market research to identify lucrative opportunities for selling its processed cashew products.

2.10.2 Explore potential markets both domestically and internationally, considering factors such as consumer preferences, competition, and distribution channels.

2.10.3 Develop strategic marketing plans, negotiating contracts with buyers, and building relationships with distributors to ensure the successful penetration of KUKAYE products into target markets.

3. OBLIGATIONS OF THE INVESTOR:

3.1 The Investor shall make timely payments as per the terms outlined in this agreement. This includes but is not limited to adhering to the agreed-upon the magnitude of the Investment, schedule of payments, ensuring that funds are transferred in the specified manner, and providing confirmation of payment when requested by KUKAYE.

3.2 The Investor shall not interfere with the day-to-day operations of the cashew farm unless mutually agreed upon by both Parties. This entails refraining from making unilateral decisions or implementing changes that could disrupt the normal functioning of the farm. Any advise or directives alterations to operations must be communicated in detail to KUKAKE who shall have the final decision.

3.3 The Investor shall have all rights to visit the farm upon booking his/her visit at least one month in advance and shall be entitled to stay at KUKAYE Tourist Lodges for two consecutive nights free of charge. Any additional nights beyond the initial two nights shall be subject to a 25% discount on the standard rate. Alternatively, the Investor may choose to finance their stay at their own expense should they require an earlier visit.

3.4 The Investor shall cooperate with KUKAYE in providing any necessary documentation required for the successful execution of this Agreement. This encompasses furnishing all relevant paperwork, records, reports, or other documentation requested by KUKAYE in a timely manner.

3.5 The Investor agrees to where requested, may assist KUKAYE in any administrative tasks related to documentation, such as completing forms, obtaining signatures, or verifying information, as needed to facilitate the smooth progression of the Investment.

For avoidance of doubt, the Investor can increase his/her investment in the number of cashew trees within two years of their initial investment.

4. INVESTMENT COSTS AND PROFIT SHARING:

4.1 The Parties agree that profits generated from the cashew farming operations shall be shared in accordance with the terms outlined herein. Parties agree that the profits shall be realized after deduction of all costs (farming, operational, labor, and management fees as presented in Investment Summary in Annex 1).

4.2 Parties agree that profits shall be made towards the Investor's bank account with the below details as soon as KUKAYE has received payment from Investors and has accounted for all expenses as agreed under this agreement.

Account Name:

Account No.:

Bank Name:

Swift Code:

5. TERM AND TERMINATION:

5.1 This agreement shall commence on the date of execution and shall remain in full effect until the completion of the cashew farming project, unless terminated earlier as provided herein.

5.2 Neither Party shall terminate this agreement prior to the expiry of the investment agreement period as outlined in the Investment Summary in Annex 1, except under extraordinary circumstances agreed upon by both Parties in writing, which shall require 90 days written notice in advance.

5.3 In the event that the Investor terminates this agreement prior to the expiration of the agreed investment period without just cause as determined by both Parties, the Investor shall compensate KUKAYE for the loss of future earnings and expected income that KUKAYE would have received had the agreement been fulfilled until the end of the agreed investment period. However, KUKAYE has the right to terminate this agreement due to any material breach and any monies received, shall be accounted and any remaining sum will be remitted back the Investor within 90 days from the date of such termination.

The compensation for loss of future earnings and expected income shall be determined based on the projected profits outlined in the Investment Summary in Annex 1, and any additional damages incurred by KUKAYE as a result of the premature termination of the agreement.

5.5 The Parties agree that the compensation shall be paid within [7] days from the date of termination of this agreement failure to which the same shall attract a delay penalty increment of 5 % per each 30days.

5.6 Notwithstanding any provision herein, the Investor shall not be relieved of its obligations under this agreement until full compensation has been made to KUKAYE as per the terms outlined in this clause.

6. OWNERSHIP OF THE PROJECT PROPERTY:

6.1 The Parties agree that ownership interest in the property where the Investment shall be conducted shall remain vested solely with KUKAYE.

6.2 The Investor's interest shall be limited to the portion of cashew trees invested in accordance with the terms outlined herein.

6.3 The Investor acknowledges that they do not acquire any ownership rights, title, or interest in the underlying property itself, but only in the cashew trees invested as specified in this agreement.

6.4 KUKAYE retains full ownership and control over the property, including any improvements, developments, or changes made thereto during the term of this Agreement.

6.5 Parties agree that KUKAYE may dispose of its interest in land should the Investment made by the Investor exceed 300,000 EUR. The price for the land shall be as per a separate agreement made between KUKAYE and the Investor.

7. FORCE MAJEURE AND RISK MITIGATION:

7.1 In the event of force majeure, pandemic diseases, outbreaks, wars, or any other unforeseen circumstances beyond the control of either Party that significantly impact the performance of this agreement, the affected Party shall promptly notify the other Party in writing, providing details of the event and its expected duration.

7.2 KUKAYE shall take reasonable measures to mitigate the effects of such events on the investment project. Upon resolution of the force majeure event, the Parties shall resume their obligations under this agreement. If the force majeure event persists for a period exceeding one harvest season or as it shall be in the opinion of KUKAYE that its investment shall be adversely affected, then either Party may terminate this agreement with immediate effect without liability by issuing 90 days prior notice.

8. CONFIDENTIALITY CLAUSE:

8.1 Both Parties agree to maintain strict confidentiality regarding any proprietary, financial, technical, or other sensitive information disclosed for the duration of this agreement. This includes but is not limited to business strategies, trade secrets, financial data, and any other information marked or identified as confidential ("Confidential Information").

8.2 Each Party shall take all reasonable precautions to prevent the unauthorized disclosure or use of Confidential Information and shall only disclose such information to employees, agents, or representatives on a need-to-know basis.

8.3 This confidentiality obligation shall survive the termination or expiration of this agreement.

9. DISPUTE RESOLUTION

9.1 Any dispute or disagreement arising out of or relating to this agreement shall be resolved through amicable negotiations between the Parties. The Parties agree to initiate discussions within 30 days of either Party providing written notice of the dispute. During this period, both Parties shall endeavor to resolve the dispute in good faith.

9.2 If the dispute cannot be resolved through amicable negotiations within the initial 30-day period, the Parties agree to submit the dispute to mediation in Tanzania. The mediation shall be conducted by a mutually agreed-upon mediator within 30 days of the commencement of the mediation process. Both Parties shall cooperate in good faith with the mediator to reach a mutually acceptable resolution.

9.3 If the dispute remains unresolved after mediation or if either Party refuses to participate in mediation, the dispute shall be finally settled by arbitration in accordance with the laws of the United Republic of Tanzania.

9.4 The arbitration shall be conducted by the Tanzania Institute of Arbitrators who shall specify the choice of law and rules of procedure and the decision of the arbitrator(s) shall be binding upon both Parties.

9.5 The arbitration proceedings shall be conducted in the English language and held in Dar es Salaam. Each Party shall bear its own costs associated with the arbitration, unless otherwise determined by the arbitrator(s).

10. APPLICABLE LAW

This agreement shall be construed in its meaning and effect and generally governed in accordance with the law for the time being in force in the United Republic of Tanzania.

11. MISCELLANEOUS PROVISIONS

11.1 Upon termination of this agreement for any reason, the Investor agrees to transfer at no cost all its interest on the Investment Amount not limited to the cashew trees or intellectual property acquired or developed during the term of this agreement to KUKAYE within 30 days.

11.2 Assignment

This Agreement or any rights and/or obligations arising under it may only be assigned to a Third Party with the written consent of the other Party. For avoidance of doubt such written consent should not be unreasonably withheld.

11.3 Severability

If any term, condition or provision of this agreement is held to be a violation of any applicable law, statute or regulation it shall be deemed to be deleted from this agreement and shall be of no force and effect and the remaining provisions of this agreement shall remain in full force and effect as if that term, condition or provision had not originally been contained in this agreement.

This agreement constitutes the complete KUKAYE Cashew Farming Investment and Funding agreement between the Parties and replaces any other agreements the Parties might have had prior to this agreement. This agreement shall be read together with the annexes and any amendments to this agreement should be in writing in order to be binding for both Parties.

IN WITNESS WHEREOF the Parties have executed and delivered this agreement in three (3) originals on the day and the year above written.

SIGNED AND DELIVERED by
who is personally known/
introduced to me by.....on
this _____ day of _____ 2024.

} INVESTOR

BEFORE ME:

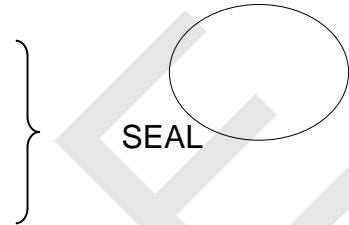
NAME: _____

SIGNATURE: _____

ADDRESS: _____

DESIGNATION: _____

SEALED with the COMMON SEAL of
KUKAYE LIMITED in our
presence on this day of 2024



NAME:

SIGNATURE:

QUALIFICATION: DIRECTOR

Annex 1

Total costs, would in this case mean all the underlying costs as follows:

- 1.1 land clearing**
 - 1.2 Tree planting**
 - 1.3 Tree maintenance**
 - 1.4 Cashew apple gathering**
 - 1.5 Separating the shelled cashew nut from the cashew apple**
 - 1.6 Cashew nut/cashew apple storage in the respective warehouses**
 - 1.7 Cashew nut drying(cashew processing)**
 - 1.8 De-shelling,peeling and gradind**
 - 1.9 Packaging**
 - 1.10 Labour costs and equipment replacement**
 - 1.11 Organic fertilizer ie cowdung**
- 2 Investor net profit can be calculated as follows:**
- 2.1 Before break even**
Total revenue acquired from all cashew tree products-total costs-taxes and fees charged
 - 2.2 After break even**

Investors net profit=net profit acquired*65%