

## PROPOSAL AND FEASIBILITY STUDY FOR AGROXCHANGE

### Executive Summary

Agroxchange aims at establishing an e-commerce platform that will specialize in the end to end connection of producers of agricultural produce, products and agricultural service providers to their respective buyers, thus bridging the gap, reducing the cost, and creating a network and a database of available commodities as well as prospective buyers of such commodities. This will encourage the producers of agricultural produce, products and services to put in their best per planting season due to the increased availability of options of purchasers of such produce, products and services.

Agroxchange will host an e-commerce platform ([www.Agroxchange.com](http://www.Agroxchange.com)) which will act as a very powerful and resourceful online agricultural community that will connect buyers and sellers for a facilitated marketing and/ or exchange of agricultural produce, products and services.

Agroxchange will act as an intermediary between buyers and sellers of agricultural commodities and services; where buyers, sellers, farmers, food processing companies, transport companies, financial institutions, investors and agricultural produce, products/service providers are interlinked for a smooth exchange of produce, products and services.

### Introduction, Background/Genesis of Project

The post-2015 sustainable development agenda aims at poverty alleviation, hunger eradication, minimization of socio-economic disparities and reduction of environmental AgroXchangeage. Food is an essential commodity which is indispensable in human existence. As a sector, agriculture can contribute towards major priorities of Nigeria such as eradicating hunger, alleviating poverty, boosting intra-Nigeria trade and investments, rapid economic growth, job creation, human security and shared prosperity. Thus, to make this a reality in Nigeria, Project Agroxchange, a very resourceful agricultural platform for agribusiness, was belched forth. The platform will combine agriculture, finance, transportation, trade and technology in fostering and facilitating agricultural value chain and agribusiness in the country. The scale of operation envisaged shows that the project is very profitable, technically feasible, economically desirable and commercially viable.

### Objectives of the Project

Agroxchange objectives for the first three years are:

- To make Agroxchange an icon brand.
- To develop an effective, well placed e-business site for sales of all food items in mass of various quantities.

- To launch a laser-focused marketing campaign in a controllable and measurable market that will drive customers toward the company's website.
- To create an infrastructure for the fulfillment of Web-based sales.
- Agroxchange also seeks to ensure that food is evenly distributed in the country.

### **Mission**

Agroxchange mission is to provide the finest in food items, while using the Internet to lower the consumers' cost. We exist to connect available products to desirable customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed both the expectations of our customers and competitors.

### **Keys to Success**

Agroxchange's keys to success are:

- ✓ Marketing.
- ✓ User friendly web design.
- ✓ Product quality.
- ✓ Service.
- ✓ Robust database.

### **Feedback Process**

The customers will be able to send a notification signaling the company of his/her request(s) for either demand or supply of food items through online prompts directly on the website.

The company will collect location sensing, market data and analyses that are required for easy access of goods depending on the prevailing market activities. The company will communicate market advice, advertise new products and opportunities to its customers.

The company will incorporate an online payment platform in its website. All payments and financial involvements and commitments of its customers will be managed by experts in the company in order to minimize fraud and enhance a smooth running of financial transactions. The buyer of any food item will pay his/her fee to the company's account through the online payment platform before delivery will be made. This will provide opportunity for easy refund of money if a customer is not satisfied with the quality of products delivered.

## **Project Innovativeness**

Most of the dot-coms failed because of too easy access to capital and unproven business models with no true revenue streams. Agroxchange will overcome these problems with an easy-to-use website and an efficient distribution/delivery system. The company will grow a database that will contain Specific food stores. Each food store will contain categories of foods from which the buyer can select what he/she wants. The visitors to the site will have to sign-up as either buyer or supplier of food items so as to enrich the database of the company with the demanded information. GPS will be activated and used to ensure the approximate location of every buyer is known to aid smooth delivery of products to the buyer.

## **Technology/ Proprietary Rights**

Agroxchange will use the powerful tool of the internet to act as an intermediary between buyers and sellers of any kind of food items are interlinked for a smooth marketing experience of food.

A local GPS and a robust database will be the heart of the operation of the company. By signing up, any dealer or buyer of food products can locally be incorporated into the database of the company from any part of the country. Through its robust database, the company will monitor the position (provided address) of the individual(s) requesting to buy or sell any food item. After payment is made, the company will package the requested item(s) and will move the products to the buyer. All that its customers need is a GPS enabled device (smart-phone) that has access to the internet. The world is evolving technologically and so must we all.

## **Customers, Marketing and Sales**

Agroxchange stands to bridge the gap and create a network and a database of available food commodities as well as prospective buyers of such commodities. The aim is to ensure that Agroxchange, through its very rich database, wide connections and resourcefulness, becomes the leading e-commerce platform in Nigeria. In the next three years, Agroxchange intends to create an icon e-commerce brand through laser-focused marketing and will grow to N46,353,625 in revenue.

## **Company Summary**

Agroxchange's goal is to become the e-commerce market leader in facilitating sales and distribution of food items in the

## RELEVANCE AND BENEFITS OF PROJECT

In line with the Sustainable Development Goals, and with the understanding that a major problem facing the agricultural sector of the relatively underdeveloped Nigerian economy is that of ill distribution networks, lack of access to storage facilities, bad road network among others which leave our rural farmers with the problems of post-harvest losses, low income, limited access to the market, finance, modern farm technology amongst others. These problems are encountered basically due to the perishable nature of most agricultural goods while still in their raw forms.

From these problems, the idea of Agroxchange was belched forth to provide an interlink, a veritable database and a platform where available produce and providers of such are listed, advertisement is done, buyers are sought, and a link created thus bringing farmers to the forefront of a large market as well as easy access to finance, modern farm tools and technology. Agroxchange steps on board with a compelling opportunity for Nigerians to; boost endogenous, yet inclusive economic growth, feed themselves, and initiate a process that will lead to a phenomenal end to low agricultural production which is partially due to discouragement and unavailable market.

The idea of the Project (which was conceived in 2018) was born out of an effort to address most of the economic and human development shortcomings of Nigeria through the combined powers of agriculture and the internet. The company is aimed at facilitating and improving agricultural value chain in the country and will enable Nigerian farmers to join the export market.

Currently, Nigeria holds enormous capacity in agriculture which is estimated to be over 90 million hectares of arable land. Agricultural practice encourages the cultivation and utilization of this vast proportion of land. This simultaneously creates a large opportunity for employment generation, provisions of man's most basic physical need (food), economy diversification as well as the improvement of the welfare of the common man.

Thus with Agroxchange as a powerful online tool, great possibilities are open to most of Nigeria's populace to boost their wealth through intra- and inter-Nigeria agricultural trade. Agroxchange will provide farmers and other agribusiness entrepreneurs interested in transforming their lives and livelihood to derive meaningful economic and financial profit, thus ending socio-economic disparities, reducing poverty and ending hunger within the country.

## SWOT Analysis

### Strengths:

The strength of Agroxchange comes from several angles; first, the most prominent strength of Agroxchange is the strength of the internet with the world fast becoming a global village, the use of internet provides various opportunities for its users as well as various streams of income to the management. In addition to this it is an online platform with a user friendly interface that needs very little technological knowledge to operate. Secondly, Agroxchange vast and robust database of food items is an added advantage, as this gives the subscriber access to a vast network of food items to buy, thus encouraging them to shop more with Agroxchange; knowing a ready market awaits. Thirdly, this is a relatively developing industry with very few firms where there is actually just one major competitor that primarily deals in online food shopping. Agroxchange also offers the great advantage of a free home delivery service, thus reducing the stress of transportation cost from its customers and giving them the comfort of shopping from their homes. Agroxchange comes at a time when the aim of the country is to feed its populace, as such its economic growth potential is very visible.

### Weaknesses

Agroxchange has certain weaknesses which include; low start-up cost, this greatly limits the capability of our firm. The firm is a relatively new one, as such entering the market may be difficult.

### Opportunities

The opportunities available to Agroxchange is much on every side; the internet, is a global community waiting to hear what you have to offer, you just need have something to offer and know how to offer it. So we will use this great tool to get this business to all relevant stakeholders in the nick of time. Also with partnerships like food processing companies and the all-inclusiveness of the entire populace of the country, the long term growth potential of this business is not only visible and possible but also veritable and profitable. Lastly the social media like Facebook and the likes increases the available number of opportunities available to Agroxchange.

### Threats /Competition

Agroxchange faces the threat basically from its major competitors. But we are up to the task. The major competitors are Konga.com, Jumia, OLX etc.

On the periphery it looks like we have nothing to do to outwit this seemingly great opponents, but on a closer look you will discover certain weak points which we can leverage upon and these include;

- They are online stores that generalize their sales and engage on all sales of all commodities these include; Konga.com, Jumia, OLX etc. all these don't major in food delivery, and they are jack of all trade master of none. This gives us a point in that we focus on provision of food products.

### **LOCATION AND ACCESSIBILITY OF PROJECT FACILITIES**

Agroxchange Headquarters building facility (rented for the first three years of operation) will be located in Makurdi, Benue State Nigeria. From here it will oversee its activities with a vast and robust server to accommodate those both far and wide, in and across Nigeria. The location is chosen because of its proximity to a train station which will be a veritable means of distribution of ordered produce and products to customers.

### **WORK PLAN FOR PROJECT EXECUTION**

The company will hire experienced personnel in computer programming, online marketing and stock brokering, finance, agricultural extension services and business management. The company will specifically hire agricultural extension workers and agricultural professionals around and over Nigeria who would act as assets in the field that will gather the relevant data about its customers and have them registered in order to build a strong database.

### **Marketing Strategies**

We have identified a market niche that we feel is being under-served by existing online websites. We will be able to cross-sell food items to fill this underserved area around the country. We will offer the following staffing services to clients for daily, weekly, and monthly rates. At the beginning of the business, the management team will go round the nation to meet with relevant stakeholders which includes; food processing companies, wholesalers of food items from the highest to the lowest. Our website will also be used to advertise our products and the free delivery service that we render, showing the goods, the available seller and the reliable buyers. In addition to this approach, as it is a dot-com, we have the advantage of using search engines to advertise our website. We will also use Facebook, Twitter, Whatsapp and all other social media platforms to make sure that all parties and friends of parties get to hear and with this, we expect that before long the whole Nigerian society will be notified of the services we provide.

Our website will be open to food retailers and potential buyers. The food retailers can get themselves registered with their required data and pay a registration fee of N50,000. In addition to this, a prepaid monthly renewal fee of N5,000 which will be deducted on the 1<sup>st</sup> of every month (regardless of when the

registration fee payment of N50,000 was made) also apply. For the first two months of the company's operation, shop owners will sign-up and own a shop at AgroXchange for free. At the expiration of the two months, the registration fee of N50,000 will apply.

When the company completes a business transaction for its shop owners, a 5% portion of the money involved in the transaction is deducted from the shop owner's income. The buyer pays 100% of his/her total expenses into the company's online account and only 95% is forwarded into the shop owner's account. All financial transactions of members of the AgroXchange community will be conducted online on an e-payment platform which is incorporated into the AgroXchange.com platform.

#### **SELLER'S PROFILE INFORMATION**

**Name of seller:**  
**Address of shop**

**Age :**  
**Picture:**  
**Phone:**  
**Email:**

**Account number:**  
**Account name:**  
**Delivery capacity:**

#### **BUYER'S PROFILE**

**Name of Buyer**  
**Address of buyer**  
**phone**  
**Email**  
**Picture**

**Account number**  
**Account name**

Customers will be allowed to update their information anytime so as to have a current information of them.

Sign-up as



A Farmer	A Seller of Agricultural produce/ product	A Buyer of Agricultural produce/ product	A Food processing company	A Provider of Agricultural implements, chemicals or service as well as Financial institutions and investor.
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BUY AGRO-CHEMICALS AND PRODUCTS	ASK FOR TECHNICAL SERVICES OR FINANCIAL ASSISTANCE	SELL YOUR AGRICULTURAL PRODUCE
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RAW FARM PRODUCE	PROCESSED PRODUCTS
<b>Tubers</b> Yam Water yam Cassava Cocoa-yam Sweet potato Irish potato Plantain	<b>Tubers</b> Flour Garri
<b>Grains/cereals</b> Sorghum Millet Rice Maize Soya beans Wheat Beni-seeds Beans Cow pea	<b>Grains/cereals</b> Flour Flake
<b>Vegetables/ spices</b> Carrot Green leaf Tomatoes Garden eggs Carbbages Tobacco Onion pepper Garlic Cabbage Cucumber Ginger Lettuce Lemon grass Mushroom Okra Aloe vera	<b>Vegetables/ spices</b> Vegetable oil Tomato paste Powdered pepper Powdered ginger
<b>Fruits</b> Mangoes Oranges Pineapple	<b>Fruits</b> juice drinks



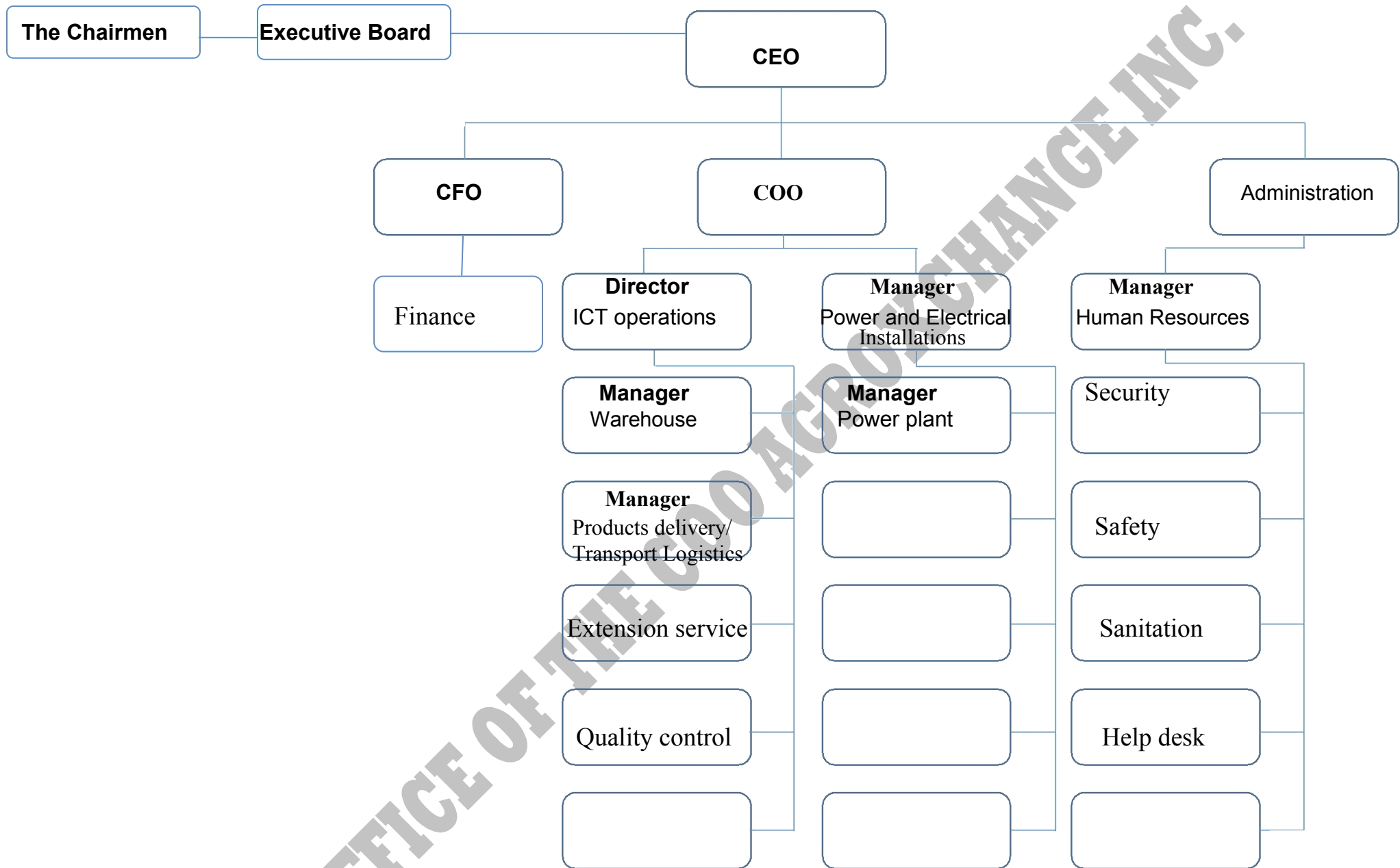
<b>SUPPLY /BUY AGRO CHEMICALS/ MACHINES</b>
<b>Improved seed varieties</b>
<b>Fertilizers</b>
<b>Herbicides</b>
<b>Insecticides</b>
<b>Pesticides</b>
<b>Agricultural Implements/Machines</b>
<b>Tractor Plough Harvester Sprayer Harrower</b>
<b>Livestock supply</b>
Fingerlings Chicks Piglets
<b>Livestock feeds and medications</b>

Crustacean Snail Fresh fish Dry-fish Prawn Octopus	
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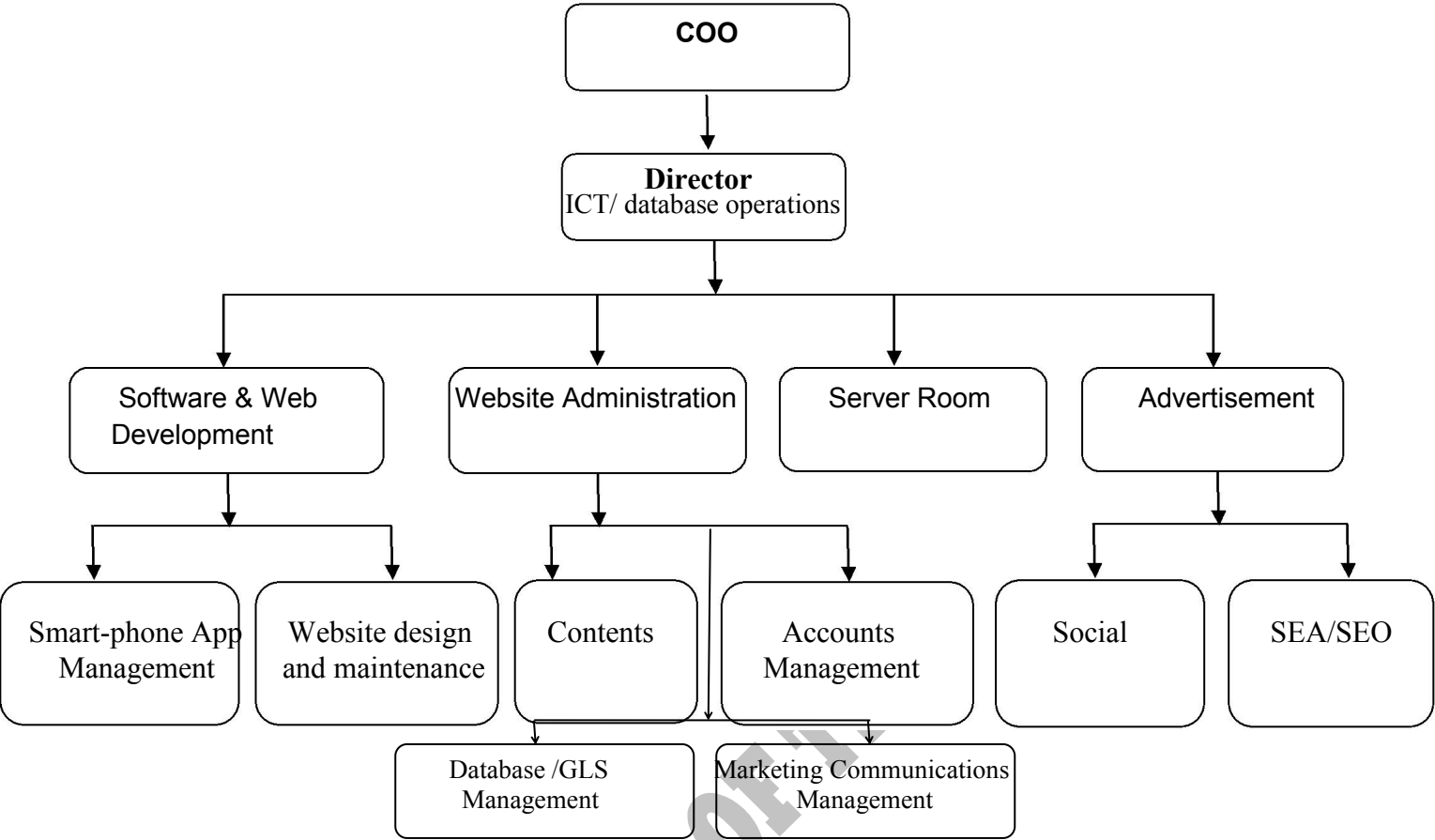
<b>Livestocks</b>	<b>Diary products</b>
Poultry Goat Sheep Pig Cattle Rabbit Snake Snail Bee fishery	Milk Egg Meat Honey
<b>Horticultural produce</b>	<b>Horticultural products</b>

<b>ASK OR RENDER AGRO SERVICES</b>
Planting of seeds and crops Harvest of produce Processing of harvested produce Ploughing of farmland Spraying of insecticides and herbicides Fertilizer application Transportation service
<b>Agricultural financing</b>
Loan Grant Insurance Capital investment

**OFFICE OF THE COO AGROXCHANGE INC.**



Organogram for ICT/database Operations



## ICT/ DATABASE OPERATIONS.

The department is headed by the **Manager**. He is responsible for the daily running and activities of the department. He must be an expert on ICT operations, website designing and software engineering.

**Software & Web development:** The unit holds the responsibilities of website designing and maintenance as well as design, management and maintenance of the Smart-phone application. The unit comprises of computer software engineers and programmers and phone application developers.

**Website Administration:** This unit reserves the tasks of the operations, contents, arrangement, and management of the website, database and the Geographical Position Sensing (GPS). The workers in this unit must be well skilled in ICT operations. The unit also records all market transactions of its customers. The unit monitors the activities of the customers on the site and reports valid information to the marketing department which attends to the customers' request(s) accordingly.

**Advertisement:** This unit is saddled with the task of creating awareness to the public about the company, existing and new produce, products and services. This advertisement is done on social media platforms, on search engine results and on the [www.Agroxchange.com](http://www.Agroxchange.com) website page.

## ESTIMATED COST OF PROJECT

The company envisages **N8,000,000** as the capital investment for the Project. This comprises of N5,000,000 long term loan from Central Bank of Nigeria and N3,000,000 from family and friends.

### Start-up Summary

Agroxchange will incur start-up costs on the following items:

- Legal fees for the business registration.
- Office supplies
- Web development.
- Telephone line installation.
- Desk, chair, filing cabinets.
- Shelving units for inventory storage.
- Computer system with Microsoft Office, QuickBooks Pro, CD-RW, printer,
- A 24/7 broadband Internet connection.
- Office Rent
- A 24/7 Power Generating plant

**Table: Start-up**

<i>Start-up Requirements</i>	
Legal	<b>N 200,000</b>
Web Development	<b>N 200,000</b>
Computer/ Computer accessories (modems, reuters, printer etc)	<b>N 500,000</b>
Office Rent/ refurbishment	<b>N 200,000</b>
Telephone installation/ Expenses	<b>N 150,000</b>
Packaging/Delivery service Expenses	<b>N 200,000</b>
Generator set	<b>N 100,000</b>
Electronic gadgets, lightings installation and wiring	<b>N 400,000</b>
Miscellaneous	<b>N 100,000</b>
Working Capital	<b>N 1,000,000</b>
<i>Total Start-up Expenses</i>	<b>N 3,050,000</b>

### **Expenses Details**

The **legal expense** will take care of drafting the company's constitution, terms and conditions, rules and regulations as well as the registering of the company with CAC.

**Web development expense** takes care of the web designing, website creation, data subscription and payment for web-hosting for at-least a year.

**Computers and its accessories**; this expense will be used to acquire computer sets, scanners, wireless Reuters, printers, and all other gadgets.

**Office rent/refurbishment**; the first year of this business lifespan will be on a rented property. It will be situated at Makurdi, Benue state. The company will have to refurbish the rented office to its taste as well as equip it with stationery such as chairs, tables, office equipment, shelves, and all the likes.

**Packaging/ Delivery service expenses** is to take care of the distribution logistics cost.

# Management

AgroXchange will have a start-up organizational structure that will comprise of;

- 1. The CEO, COO and CFO (Chief Executives)
- 2. Manager of ICT operations
- 3. Manager of Finance
- 4. Manager of Technical Operations
- 5. Three Online Marketers
- 6. Delivery workers

## Financial Plans And Projections

### Summary of fixed costs

Particular	N
Computer,	500,000
Generator Set	100,000
Office Rent/Refurbishment	200,000
Electronic Gadgets/Wiring Installation	400,000
Total	1,200,000

### Summary of variable costs

Particular	N
Office Expenses	50,000
Management Travelling Expense	50,000
Packaging /Delivery Service Expenses	100,000
Salaries: i. Chief Executive Officer	100,000
ii. Manager ICT operations	80,000
iii. Manager Finance	70,000

iv. Manager Technical Operations	50,000
v. Delivery Workers	50,000
vi. Online Marketers (3)	90,000
vii. Delivery workers (5)	100,000

**Total Variable Cost** **690,000 /Month**  
**Per Annum = 690,000 x 12** **8,280,000 /Annum**

### Summary Of Set Targets And Revenue

Average amount of an item sold -----	N100
Average no. of items sold per day -----	2000
Average daily Income @ 2% commission per item sold -----	N4000
Average Income per month @ 2% commission per item sold -----	N120,000
Average Revenue per annum @ 2% commission per item sold----	N1,440,000

### Profitability Analysis

This is calculated as;

**Expected Returns – Variable –Tax- Depr. (or office rent) = Profit (per annum)**

<b>E.R</b> = Expected revenue	N
Less expected costs	43, 200,000
Expected profit	<u>5, 640,000</u>
Less tax (5%)	37, 560,000
Office Rent (3 years)	<u>2,160,000</u>
Total Expected Returns	450,000
	<u>35,050,000</u>

### THREE YEARS CASH PROJECTION

Year One	N
Year Two = (35,050,000+ 15%)	35,050,000
Year Three = (40, 307,500 + 15%)	40, 307,500
	<u>46, 353,625</u>
<b>Total Profit for Three Years</b>	<b>46, 353,625</b>



## **CONCLUSION**

The project has been evaluated and is considered to be desirable to the development need of Nigerian agricultural and economic sectors. At the time when unemployment rate is rising high with its attendant social problems, the project will provide both direct and indirect employment to the teeming unemployed populace.

Establishing such a project will be a new introduction in Nigeria. It will in essence assist the development of rural area and bring about socio-economic benefit to the local communities where agriculture is mostly practiced as well as enhance national economy.

The business will supplement the ever growing demand for food and other agricultural products in Nigeria and beyond. Above all the business promises a continued growth in the food and agricultural produce and product sales without fear of saturation.

## **CONSTITUTION GOVERNING THE ACTIVITIES OF AGROXCHANGE INCORPORATED**

### **Contents of the constitution**

**SECTION 1; Establishment and objectives of AgroXchange Incorporated.**

**SECTION 2; Employment of Workers into positions and offices in AgroXchange Incorporated.**

**SECTION 3; Establishment and constitution of the Headquarters of AgroXchange Incorporated.**

**SECTION 4; Principal functions of the Executive Board of Directors**

**SECTION 5; The Chief Executive Officer of AgroXchange Incorporated**

**SECTION 6; Establishment and functions of local branches (warehouses) of AgroXchange Incorporated**

**SECTION 7; Organisation and operations of AgroXchange**

**SECTION 8; Placement and transfer of employees within branches of AgroXchange Incorporated**

**SECTION 9; Evaluation, Appraisals and report on employees of AgroXchange Incorporated**

**SECTION 10; Annual report and accounts**

**SECTION 11; Offences and penalties**

**SECTION 12; Protection of members and appeals**

## **SECTION 1; Establishment and objectives of AgroXchange Incorporated.**

(1) There is hereby established a company to be known as AgroXchange Incorporated (in this constitution referred to as “AgroXchange”) which will be owned by three shareholders (in this constitution referred to as Chairmen) namely;

(A) Ibeto Ifeanyi Daniel

(B) Abeni Paul Ogah

(C) Ode Samuel John.

They will be overseers over all the affairs of the company.

(2) AgroXchange shall adopt an online based market status as its mode of operation.

(3) AgroXchange shall with a view to-

(a) the development of Nigerian Youth and Nigeria into a great and dynamic economy;

(b) the proliferation of digital marketing and development in Nigeria and;

(c) the proper encouragement and development of the agricultural and socio-economic sectors of Nigeria:

be charged with the functions as pertaining the objectives of AgroXchange set out in subsection (3) of this section.

(4) The objectives of AgroXchange shall be to-

(a) generate adequate surpluses, develop a sense of corporate existence and create economic progress for Nigerian farmers.

(b) develop an effective, well placed e-business site for sales of all agricultural produce in mass of various quantities which will spur economic growth in the country.

(c) ensure that food is evenly distributed in the country which will in turn lower the prices and curtail hunger.

(d) create an icon e-commerce brand through laser-focused marketing in order to create multiplicative growth in revenue and wealth.

(e) Contribute to the accelerated growth of the national economy.

(5) In order to achieve the objectives in subsection (3) of this section, AgroXchange shall ensure-

- (a) The equitable employment and placement of workers and the effective utilization of their skills.
- (b) That as far as possible, youths between the ages of 17 and 36 are employed and assigned duties at AgroXchange
- (c) That such group of youths employed and assigned to duties at AgroXchange have the convincing technical, analytical, managerial and interpersonal skills representative of the mission and vision of AgroXchange.
- (d) The provision of a user friendly web design.
- (e) The provision of high Product quality.
- (f) The rendering of good and quality service.
- (g) The establishment of a robust database.

## **SECTION 2; Employment of Workers into positions and offices in AgroXchange Incorporated**

(1) Subject to the provision of this constitution, every employee shall be under an obligation, unless subsection (2) of this section or subsection (3) of this section to resume full duties as shall be assigned in the employment letter served him/her and shall work for a maximum of 16 years from the date specified in the employment letter served him or her.

(2) Notwithstanding the provisions of subsection (1) of this section, with effect from 1<sup>st</sup> January, 2018, a person shall have his/her employment at AgroXchange terminated if, after the issuance of an employment letter, it is discovered that;

- (a) He/she is over the age of 34
- (b) He/she has worked for the company for a period of 15 years
- (c) He/she has a disease or other impairment which will hinder the employee from discharging his/her duties.

(3) The executive board, with the approval and endorsement of any two or all three of the Chairmen, may at its discretion extend the application of the provisions any of subsections (a), (b) or (c) under subsection (2) of this section.

### **SECTION 3; Establishment and constitution of the headquarters of AgroXchange Incorporated**

- (1) There shall be established a Headquarters of AgroXchange (in this constitution referred to as 'Headquarters') which shall be the governing body over all the affairs of AgroXchange.
- (2) The Headquarters shall have an Executive Board of Directors which shall comprise the following members. Thus appointment into these offices will be by the approval and endorsement of all three or any two of the Chairmen, that is-
- (a) The three Chairmen
  - (b) The Chief Executive Officer
  - (c) The Chief Operations Officer
  - (d) The Chief Finance Officer
  - (e) The Director of ICT operations
  - (f) The Director of Human Resources
  - (g) The director of Procurement/ Warehouse
  - (h) The Director of Transportation/Distribution/Delivery Logistics

### **SECTION 4; Principal functions of the Executive Board**

- (1) The Executive Board of Directors shall-
- (a) draw up detailed daily schedules which shall be designed for achieving the objectives of the company;
  - (b) Ensure that such schedules are strictly adhered to;
  - (c) Maintain regular contacts with and co-ordinate all AgroXchange branches and warehouses scattered throughout the nation and abroad where applicable;
  - (d) Assign workers and employees to man warehouse/ branch office activities and functions as provided by the Headquarters;
  - (e) Assess and review, from time to time, the progress of work/ activities at all AgroXchange branches/warehouses
  - (f) Make and submit all statutory and other reports as may be required by the Chairmen.

(2) The Executive Board of Directors may delegate any of its foregoing functions to a Branch Office Board; provided that such delegation shall not prevent the Executive Board of Directors from exercising the functions so delegated.

(3) The Executive Board of Directors shall have power to appoint, (including power to appoint on promotion and transfer and of confirmation of appointments) advance, terminate and discipline employees holding or acting in any office in AgroXchange.

#### **SECTION 5; The Chief Executive Officer of AgroXchange Incorporated**

(1) There shall be for AgroXchange, a Chief Executive Officer (referred to as CEO in this constitution) who shall be appointed by the Chairmen, upon prior interview process and suggested candidates from the Human resources office.

(2) The CEO shall be the Chief Executive and shall be charged with general responsibility for matters affecting the day-to-day running of AgroXchange.

(3) The CEO shall be assisted by a Chief Operations Officer, a Chief Finance Officer and other Directors at the Headquarters of AgroXchange and General Managers at Branch offices around the nation.

#### **SECTION 6; Establishment and functions of local branches (warehouses) of AgroXchange Incorporated**

(1) There is hereby established at strategic locations, AgroXchange branch offices (in this constitution referred to as warehouses) which shall be managed by a General Manager.

(2) The general manager shall manage staff under the following departments-

- (a) Procurement
- (b) Finance
- (c) Security
- (d) Administration
- (e) Marketing

(3) The warehouses shall be responsible for-

- (a) Marketing of goods, Arranging and providing transportation for the distribution of purchased goods to customers within its jurisdiction.

(b) Assembling reports on members of staff, daily sales activities, finance and security, and sending same to the Headquarters.

## **SECTION 7; Organisation and operations of AgroXchange**

(1) There shall be for AgroXchange an organisational structure with its chain of command moving from the Executive Board of Directors presided by the CEO through the COO, the CFO and other Directors. The Executive Board shall be in charge of the management of the company and its activities, taking vital decisions and making policies as it may deem fit.

(a) The functions of the Executive Board are as spelt out in section 4 of this constitution.

(2) The development pattern of AgroXchange shall be with the consultation and professional touch of architectural design and building team.

(a) AgroXchange shall have a local, national and international outlook. There shall be an AgroXchange Headquarters building from where it will oversee all of its activities in and across the country, and around the globe.

(b) AgroXchange shall have extensions, headed by General Managers, as Local branches which shall operate a warehouse system for procurement and distribution of goods within a particular locality.

(3) AgroXchange shall operate one central account for day to day marketing and sales, one central account for salaries and wages of its workers and one central account for profits and accruals. Signatories to these accounts are-

(a) Central account for daily marketing and sales; Director of Finance, Chief Finance Officer and the CEO

(b) Central account for salaries and wages; Director of Finance, Chief Finance Officer and the CEO

(c) Central account for profits and accruals; The Chairmen (the shareholders of AgroXchange)

All signatories for each account shall mandatorily endorse for withdrawal or transfers.

(4) The operation of AgroXchange shall not be time bound. It shall operate indefinitely.

(5) AgroXchange local branches are expected to operate with the following facilities and equipments;

(a) Administrative block

(b) Security unit

(c) Warehouses

(d) ICT centre

(e) Fire fighting tanks

(f) Toilet

(g) Transport trucks and vans

(h) Official cars for principal officers

(i) Office equipment and facilities

(6) When necessary, the Executive Board of Directors may at its discretion approve the assessment of loans or grants for running the company.

(7) The profits and accruals from AgroXchange shall be shared in the following order amongst the Chairmen;

(a) 30% is reinvested into AgroXchange as the company's capital.

(b) 25% for Ibeto Ifeanyi Daniel

(c) 20% for Abeni Paul Ogah

(d) 15% for Ode Samuel John

(e) 10% for Okafor Oluoma Precious

(8) Taxes will be negotiated with the local and state government and paid directly to approved agencies in order to avoid multi-taxation

(9) There shall be a quality control section which shall ensure that all products on sale on the AgroXchange platform meet specifications set by the Executive Board.

(10) The actual take-off of AgroXchange shall be after the signing and acquisition of legal permit for operation from appropriate authorities.

#### **SECTION 8; Placement and transfer of employees within branches of AgroXchange Incorporated**

(1) The Executive Board shall approve for inter transfer of employees within the branches of AgroXchange as may be recommended by the Human resources Department.

(2) The Executive Board shall also approve for the replacement, promotion, demotion or dismissal of any employee in AgroXchange as may be recommended by the Human resources Department.

## **SECTION 9; Evaluation, Appraisals and report on employees of AgroXchange Incorporated**

(1) The Branch Management shall cause quarterly returns and reports on each employee under its management to be compiled by the Human resources unit or such officer(s) as may be designated by the Executive Board.

(2) The quarterly reports on each employee shall show-

- (a) The extent of his/her interest in the undertakings, projects and functions of the duties, post, office or Branch to which he/she has been assigned to;
- (b) The act of commitment to duties he/she engenders amongst his/her colleagues and the Branch as a whole;
- (c) Industry at work, resourcefulness and initiative;
- (d) Character, address(manner of conduct), temperament and integrity;
- (e) Leadership and readiness to accept responsibility;
- (f) Special contributions to the Branch or the AgroXchange as a whole;
- (g) Any other information which may assist in evaluating each employee at AgroXchange Incorporated.

## **SECTION 10; Regular and periodic financial report and accounts**

(1) The finance department shall prepare and submit to the Board of Chairmen through the Executive Board not later than 31<sup>st</sup> October, an estimate of its expenditure and income for the next succeeding year.

(2) The Finance department shall keep proper accounts in respect of each transaction and expenditure for each day, week, month and year, and proper records in relation to those accounts and shall cause the accounts to be audited by the Executive Board or such Committee of Auditors as may be delegated by the Executive Board as soon as may be after the end of each week's, month's and year's transactions, income and expenditures.

(3) The Executive Board shall vet, approve and submit to the Board of Chairmen at the end of each month and each year a report attached with four copies of the audited accounts of AgroXchange' transactions, income and expenditures, as well as the Committee of Auditors report.



### **SECTION 11; Offences and penalties**

(1) The Department of Human resources shall be obliged to draw up, edit and update bye-law, rules and regulations (as well as corresponding disciplinary actions for defaulters) guiding the activities, duties and conduct of employees, and such bye-laws, rules and regulations submitted through the office of the Human resources Manager to the Executive Board for approval before its implementation and enforcement.

(2) Misconduct and offences of any form by an employee in any cadre at AgroXchange shall be dealt with by the Human resources Department at the approval and endorsement of the Human resources Manager.

(3) Serious cases which may be beyond the office of the Human resources Manager shall be forwarded to the Executive Board by the Human resources manager or such officer as he may delegate and disciplinary action left to the discretion of the Executive Board.

### **SECTION 12; Protection of members and appeals**

(1) Notwithstanding the provisions of section 11 of this constitution, any employee aggrieved by any decision of the Branch management shall appeal to;

(a) The Human resources Department. If not satisfied by the decision of the Human resources shall appeal to the Executive Board.

(2) If not satisfied by the decision of the Executive Board or by the exercise of any power under this constitution by the Executive Board shall have the right of appeals to the Board of Chairmen who shall confirm or reverse the decision of the approval of the Executive Board or take such further measures in relation to the appeal as he/she may be commenced in any Court law in Nigeria.