



FarmKonnnect

— Agriculture is peace —

**PARTNERSHIP AGREEMENT TOWARDS
SPONSORSHIP
OF
SNAIL PRODUCTION
AT
IGBEJA SNAIL VILLAGE
BETWEEN**

OKPALAIBENNE STANLEY UGOCHUKWU

AND

FARMKONNECT AGRIBUSINESS NIGERIA LIMITED

RC: 1440623

JUNE 2020

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THIS AGREEMENT (hereinafter referred to as **“the Agreement”**), is made this __10th__ day of **AUGUST**, 2020 (the **“Effective Date”**)

BETWEEN

INVESTOR, OKPALAIBENNE STANLEY UGOCHUKWU of **27 Opesanwo street, Satellite Town Lagos**, a private individual (hereinafter referred to as **“Investor”** which expression shall include his heirs and assigns.

And

FARMKONNECT AGRIBUSINESS NIGERIA LIMITED, a company duly incorporated under the laws of the Federal Republic of Nigeria whose principal place of business is No. 69 Ashi-Bodija Road, Ashi, Ibadan, Oyo State. (Hereinafter referred to as **“FarmKonnnect”** which expression shall include its successors-in-title, affiliates and assigns),

Both FarmKonnnect and Investor are hereinafter jointly referred to as **“Parties”** and individually as **“Party”**.

WHEREAS

- a. FarmKonnnect carries on the business of investing in different aspects of Agricultural Value Chain with a focus Heliciculture, which is the rearing of edible snails within the context of this agreement as described in Schedule 1 to this Agreement (the **“Farms”**).
- b. Investor is interested in investing in snail project which involves the provision of the operations cost of running the snail facility at Igbeja Snail Village with a view to producing snail and selling for profit.
- c. Investor has agreed to sponsor a portion of the Snail Farming Facility at the Igbeja Snail Village.

d. FarmKconnect is to set up of the Snail Breeding facility otherwise referred to as **“the facility”** (regardless of quantity) at Igbeja in accordance with the standard of Touchstone Snail Technology Limited, Cyprus.

e. The parties have agreed to play their respective roles towards the timely delivery of the facility as well as the commencement of the operations.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

1. NATURE AND ADDRESS OF THE BUSINESS

a. That FarmKconnect Nigeria has the expertise in heliciculture and therefore embarks on an agricultural real estate project, wherein several individual owners can invest in portions of a massive snail facility with a view to producing snails for local and international markets.

b. That an individual may sponsor as many facilities as available under this program.

c. That the produce for the establishment of this agreement shall be snails, the *Helix Aspersa Muller* and any other culture-able species and that the species, source and customers notwithstanding.

d. That FarmKconnect shall ensure the setup of the facility within the promised time, except when inevitably hindered by uncontrollable situations such as natural disasters, government policies, litigations and court orders, terrorism and other insecurities, nonpayment by client or death or sickness of key personnel in the construction and set up.

e. The Facility will be located at Igbeja Snail Village, Okemesi, Ekiti State, Nigeria.

f. The sponsorship shall solely be for the production of snail, therefore the investor has no ownership of the facility.

g. FarmKconnect shall:

- (i) Ensure the construction, erection and setup of the Farm at its own cost.
 - (ii) Ensure the Farm is of good quality and in accordance with the development specification governing and prevailing within the agricultural sector; and as required by the franchising company.
 - (iii) Use all reasonable endeavours to ensure the completion and erection of the Farm for the investor without delay.
- h. That the construction will include the complete setup of the facility including important fixtures and sensors.
- i. The Agreement shall be considered a covenant between the Parties in all respect and in no event, shall this Agreement be construed to create a shareholding right in either party's respective businesses or companies.
- j. The Agreement shall not limit FarmKonnnect's authority and power to engage in other activities necessary to conduct the project and provide support for same including entering into contracts and employment of staff and doing all things reasonably incidental to the development and management of the project and its business.
- k. Nothing shall restrict FarmKonnnect from relocating the Business to another location as may be decided and agreed upon by the Parties provided such relocation will not result in grave loss to the parties.

2. CONSIDERATION

The following shall be the consideration for the partnership.

- a. FarmKonnnect shall construct, set up and manage the facility in accordance with Good Agricultural Practices to facilitate premium market acceptability.
- b. FarmKonnnect shall build and set up the facility to become operational within 60 days from the time of payment. Thereafter, sponsor has 12 months of waiting before receiving the initial Return on Investment (ROI).

- c. The Snail Facility shall have a life span of 5 years; however, the validity of this agreement shall be 10 years. FarmKconnect therefore is to maintain the facility to ensure the sustainability of the farms for the period of this agreement validity.
- d. FarmKconnect shall ensure that the facility remains as productive as necessary to enable the Investor make profit as often as contained in this agreement.
- e. The Investor shall bear the risks associated with this project, however, insurance is in place to mitigate the associated risk and further protect the investor. The insurance shall cover the Horizon Risks and shall be provided by Nigerian Agricultural Insurance Corporation.
- f. Regardless of 2.e above, FarmKconnect shall be responsible to account for the failure of the facility and be liable, should the failure be due to human errors such as negligence, sabotage or fraudulent practices, provided that the cause(s) of such failure directly involves FarmKconnect management, staff or assigns and are not as result of uncontrollable circumstances like natural disaster, terrorism, government policies or any other force majeure.
- g. FarmKconnect may take initiative towards adjustment of production, facility setup and any other activity that may warrant the facility to remain productive, peradventure there is a drastic shift in the business climate and models.
- h. Due regards shall be had to inflation rates, depreciations, market dynamics and other factors that FarmKconnect or the Investor may not have influence upon.
- i. The Investor understands and agrees that regardless of viability of business as at the time of this agreement, there may be future shifts in business which may warrant a change of business model, produce, products, market targets, and so on, or in extreme situation, result in total slowdown or stoppage of this project.
- j. Regardless of 2.i above, both parties agree to do all possible and incidental to keep the business and investment safe, including actions and decisions that may completely deviate from the terms of this agreement, in order to limit, mitigate or avoid major risks of liquidation or bankruptcy.

3. CONTRIBUTION, EQUITY AND DISTRIBUTION OF PROFIT

- a. This agreement is void until confirmation of payment.
- b. Investor agrees to provide the sum of **Three Million and One Hundred Thousand Naira Only** for the setup of a **Duo Pack of Snail Breeding Facility**
- c. FarmKconnect guarantees the investor ROI of **1,700,000 Naira** per **Duo Pack** per cycle of production of 12 Months.
- d. Without prejudice to 3c Above, FarmKconnect may be inhibited from meeting up with guarantee or time as a result of unforeseen circumstances, such as disaster and terrorism, which may gravely interrupt operations of the farm.
- e. FarmKconnect guarantees the investor due consideration of inflation rate and price hike, which may result in the need to commensurately increase the guaranteed payment over time.
- f. The facility is to be self-sustaining and no additional fund is demanded by FarmKconnect for this project.
- g. The profits generated from the business of the Farm in respect of each cycle of production shall be applied in the following preference:
 - (i) Firstly, payment of the day to day costs and expenses associated with the operation of the Farm;
 - (ii) Secondly, payment of the Guaranteed ROI for the Investor and the Beneficiaries; and
 - (iii) The remainder sum shall accrue to FarmKconnect as consideration for their obligations under this Agreement.
- h. The investor agrees to the following mode of payment:

- i. All payments shall be through the virtual wallet, to which FarmKconnect shall credit all due payments; it is from the wallet that the investor shall make cash withdrawal to bank accounts.
 - ii. The investor shall wait for **12** months for the initial Return on Investment, after which he will receive monthly ROI.
 - iii. From the second year, FarmKconnect shall begin to refund the capital quarterly over a period of 9 years; this shall be 2.8% of capital quarterly without affecting the ROI.
 - iv. The initial ROI shall be 850,000 Naira for a pack or 53.1% ROI on the capital after the initial 12 months after which, the investor gets 13.275% quarterly for 9 years (equivalent to 53.1% per annum).
 - v. At the end of 10 years, FarmKconnect will have refunded the full capital of the investor as well as all accrued profit.
- i. Investor holds no equity in FarmKconnect or any other facility of FarmKconnect that may be co-located.
 - j. FarmKconnect shall not divert Investor's fund into any other project except the project for which the money is meant.

4. CONSTRUCTION AND MANAGEMENT OF THE FACILITY

- a. Except as the Parties may otherwise agree in writing, all actions and decisions concerning the management, operation and control of the facility shall be as stated in this agreement.
- b. Either Party retains the right to appoint an independent representative to oversee the project in the Agreement and to monitor the operation of the business on its behalf.
- c. The provision of 4(b) above does not give the appointees of Investor an executive or managerial right over the representatives, staff or other contractors of FarmKconnect or vice versa.

- d. Where an independent representative is appointed pursuant to Article 4(b) above, such representative shall be vested with right to make decisions to the extent of his principal's power and shall be deemed to speak for such principal.
- e. Conflict amongst parties shall be resolved between FarmKconnect and Investor and not with the representative.
- f. Subject to 4a and without prejudice to 4b above, FarmKconnect shall be responsible for the day-to-day operations.
- g. The proposed facility is for farming of snails using the curtain method under the franchise of Touchstone Snail Technology Limited. The snails produced in this project will be sold to local or international market.
- h. FarmKconnect may take initiative towards adjustment of production, facility setup and any other activity that may warrant the facility to remain productive, peradventure there is a drastic shift in the business climate and models.
- i. Physical security of the facility is the responsibility of FarmKconnect.
- j. FarmKconnect agrees to continuously insure the facility as agreed.
- k. The facility will be insured against hazards, pests, diseases, fire and theft. The insurance shall be as comprehensive as possible within the limit of the capacity of the insurance company.

5. LAND AND FACILITY

- a. The land to be used for the facility is provided by FarmKconnect and remains the property of FarmKconnect.
- b. The Investor agrees to pay a sum of **Ten Naira (N10) Only** per square meter per month. This is part of the total cost estimated.

- c. The land shall be free from any form of litigation and shall have all necessary legal documents to ensure that the construction of the facility will not be disrupted.
- d. FarmKconnect undertakes to pay all rates and taxes due on the land to be used as appropriate.
- e. FarmKconnect will situate the facility at Igbeja Snail Village, Okemesi, Ekiti State.
- f. The facility has tenure of about 10 years. As broken down below.

6. TERM, COMMENCEMENT AND TERMINATION

- a. The Agreement shall commence on the Effective Date and shall continue, unless earlier terminated in accordance with this Agreement, until the **Tenth** anniversary of the Effective Date when it shall terminate automatically without notice.
- b. The investor may decide to terminate his investment cashing out his capital and terminating the agreement in written form or through any of our electronic means.
- c. This Agreement may be reviewed every three years with respect to market, political, economic and operational dynamics.
- d. The investor may decide to terminate his investment by liquidating his package with FarmKconnect.
- e. Upon the issuance of the Notice of Termination, Parties shall together and within the Notice period take stock of the project and immediately reconcile the project transactions, and liquidate on the best meeting point.
- f. At the point of termination, FarmKconnect shall evaluate the balance of the capital to be refunded to the investor, and remit such to the investor within 60 days from the day of termination.

g. After termination, profit shall no longer accrue on the capital, and FarmKconnect shall only be liable to refund the remnant of Capital.

7. LEGAL TITLE TO COMPANY/BUSINESS PROPERTY

a. The legal title to the Snail facility shall be held in the name of FarmKconnect. However the capital invested remains the property of the sponsor.

b. This agreement is valid for 10 years and within this period, the facility shall be tagged with the name of the sponsor or any name the sponsor might have determined; such sponsor shall have access to visit physically or virtually his farm, provided such does not impair productivity of the farm.

8. NON - EXCLUSIVITY

a. No exclusivity is formed by this Agreement and neither Party shall be obligated to first make offers to the other related to any other similar contracts.

b. Without limiting the foregoing it is expressly recited that either Party shall be at liberty to engage in and possess any interest in any business or venture other than the Business, independently or with other persons provided such business will not directly affect the project negatively the project to the extent of adversely affecting the progress and success of the project and none of the Parties shall have any right by virtue of this Agreement to any such independent business or the income or profits derived therefrom.

9. INDEMNITY

a. Each party shall indemnify and hold harmless, jointly and individually, FarmKconnect and The Agreement against any loss, demands, judgment sum, claims (whether pre-existing or new) and/or proceedings arising out of a prior commitment, transaction or agreement entered into with a third party by Investor regarding his investment.

b. In the event of a claim or demand each party shall immediately and independently, without recourse to the other or the Project, ensure that any such claim is settled without any adverse effect on the project, the operations and the running of the facility.

- c. Each Party warrants not to, in any way act in a manner damaging to the smooth running of the project.
- d. FarmKconnect shall not be held liable for the negligence of and/or consequence of negligence of procedure or regulations by investor or any direct staff or representative or appointee of Investor which may adversely affect this project.
- e. FarmKconnect shall not be held liable for the consequence of unauthorized disclosure of classified information by investor or any representative of Investor which may result in grave adverse effect on the Business.
- f. Each Party warrants not acting in any fraudulent manner using the contract as a front and thereby exposing the project and the other Party to criminal investigation, criminal prosecution and/or third-party claims.
- g. FarmKconnect shall not be held liable for the consequences of any interference in the proper management and operations of the facility during any phase by investor or any of the staff, appointee or representative of the Investor which may affect or result in poor productivity of the facility.
- h. FarmKconnect shall not be held liable for the loss that may be incurred due to unforeseen circumstances such as disaster, terrorism, or other of such incidences that may be uncontrollable to FarmKconnect alone, either of or both parties.
- i. FarmKconnect shall not be held liable for the culmination of project, occasioned by drastic change in technology which renders greenhouses obsolete or undesirable for agriculture in the future of this partnership.
- j. Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for one (1) month, the party not affected

may terminate this Agreement by giving five (5) days' written notice to the affected Party.

10. NOTICES

Any and all notices, offers, acceptances, requests, certifications and consents provided for in this Agreement shall be in writing and shall be given and be deemed to have been given when personally delivered against a signed receipt or mailed by registered or certified mail, return receipt requested, to each Party's respective address as stated in the heading of this Agreement or by email to each Party's address as set out below

For **Investor**

Name: **OKPALAIBENNE STANLEY UGOCHUKWU**

Email: **usokpalaibenne@gmail.com**

For **FarmKonnnect Nigeria:**

Name: FarmKonnnect Nigeria.

Email: support@farmkonnnect.com.

11. CONFIDENTIALITY

a. Confidential Information shall mean and include all information, data, programs, schedules, writings, correspondences, and any other information regarding this Agreement and the roles of the Parties hereto and also the technical, financial, commercial, operational and business activities of Parties to this Agreement and the business contemplated in this Agreement.

b. The Parties undertake that they shall not, whether during the period of this Agreement or at any time thereafter, disclose to any person, company, firm or third party any Confidential Information acquired by it from the other Party.

c. This provision shall remain valid at all times and shall survive the expiration or termination of this Agreement for a period of 3 years.

d. The Parties may disclose Confidential Information within their knowledge where such disclosure is demanded by an order of a court of competent jurisdiction, or a tax authority, directive of any government or government

authorized agencies or a lawful constituted commission or panel of inquiry provided that it shall give prior notice of the disclosure to other Party and co-operate with it in any endeavors relating to the said disclosure.

12. ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding between the Parties, superseding all prior contemporaneous communications, representations, agreements, and understandings, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may not be modified in any manner except by written amendment executed by each Party hereto.

13. MISCELLANEOUS PROVISIONS

a. This Agreement shall be binding upon, and inure to the benefit of, all Parties hereto, their personal and legal representatives, guardians, successors, and their assigns to the extent, but only to the extent, that assignment is provided for in accordance with, and permitted by, the provisions of this Agreement.

b. The Parties agree that they and each of them will take whatever action or actions as are deemed by counsel to the Business to be reasonably necessary or desirable from time to time to effectuate the provisions or intent of this Agreement, and to that end the Parties agree that they will execute, acknowledge, seal and deliver any further instruments or documents which may be necessary to give force and effect to this Agreement or any of the provisions hereof, or to carry out the intent of this Agreement, or any of the provisions hereof.

c. Throughout this Agreement, where such meanings would be appropriate: (a) the masculine, feminine and neuter genders shall each be deemed to include and refer to the other two, and (b) the singular shall be deemed to include the plural and vice versa. The headings herein are inserted only as a matter of convenience and reference, and in a way, define, limit or describe the scope of the Agreement, or the intent of any provisions thereof.

d. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. If there is any conflict between any

provision of this Agreement and any statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the later shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to conform with said requirement of law. If any part, article, section, paragraph or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

e. Paragraph headings used in this Agreement are for reference only and shall not be used or relied upon in the interpretation of this Agreement.

f. Nothing contained in this Agreement shall be deemed to constitute any Party the agent of the other except to the extent as contemplated in this Agreement.

14. GOVERNING LAW AND DISPUTE RESOLUTION

a. This Agreement shall be governed by the laws of the Federal Republic of Nigeria.

b. Any dispute relating to this Agreement shall be referred first to the Multi Door Court House of Oyo State Where either party is dissatisfied with the decision from the MDCH a suit can be filed at the appropriate court for resolution of dispute between parties herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement by causing their hands and seal to be affixed the day and year first above written.

The signature of

OKPALAIBENNE STANLEY UGOCHUKWU

Was affixed hereunto

In the presence of:

Signed, Sealed and Delivered by the within named



Azeez Oluwale S
CMO/FARMKONNECT