

# MEMORANDUM OF UNDERSTANDING

July, 20 2018

**Memorandum of Understanding (MoU)** between **GiroVani-Export LTD** incorporated in Madagascar and the [REDACTED] incorporated in the United Arab Emirates, which are respectively the seller and the buyer.

**The two** parties hereby agree to develop a collaboration that will respect the following principles: confidentiality in the exchanges, visibility of the collaboration, responsibility of each one within the framework of collaborative projects, search for the mutual benefit.

**Both parties** agree to develop collaboration in the following areas:

- Import / export of products from Madagascar that may be derived from agriculture or logging for ultimate delivery to buyer in specified ports, mutually determined by both parties.

It is agreed that this list is not exhaustive and that it may be added any other area of collaboration deemed interesting by both parties.

**As per** discussions both parties agree that, at their actual level of cooperation, the common arrangements developed will respect, in their development and implementation, the following modalities:

## 1. Defining the objectives to be achieved, the schedule and the action plan

- Buyer is interested in the import of Malagasy wood timber for ultimate delivery to his customers in China vis-a-vis ports, mutually determined by both parties due to sensitivities discussed via email.

The seller can supply a limited stock of the merchandise needed by the buyer. The seller has to inform the buyer in advance and before any payment at the occurrence of problems (shortage, quality, delay ...) which could have a negative impact on the good progress of a project.

- The buyer agree to buy 40% of the payment in advance to be remitted from the buyer's bank account in Mauritius to the seller's own account or that of an account nominated by the company or its representative. The remaining 60% will have to be paid once the merchandise is full loaded on the boat and ready for shipment. These banks accounts may change depending on sensitivities involved.

- Destination ports have been set in Kenya by the seller: Mombasa port. The price validated by the buyer includes the delivery of his cargo in Kenya.

Shipment can be done via a private boat affiliate to the seller (more secured solution -price of this option included in additional fees-) or by a Sea Company. The Seller can provide an option allowing the buyer to track his cargo during transportation up to the final port.

The seller will use Vohemar port in Madagascar as loading port. The final port is located at Mombasa in Kenya. CMA CGM for transport -if a sea company should be used- product declared: vanilla beans.

## 2. Specific arrangements that may include other partners

- Due to sensitivities of some products and identity of some partners involved which details have already been discussed via email, some specificities of this transaction won't be explicitly disclose in this MoU.

- Depending on orders, a percentage of the products which the buyer needs (10 to 20%) may be purchased by the seller from other suppliers not included in this contract. This remaining volume is to be verified for quality control by the seller.

# MEMORANDUM OF UNDERSTANDING

- For the transaction about sensitive products needed by the buyer, the cargo is to be labeled "high-grade vanilla & service fees" on export for the purposes of customs. Payment may also be made via vanilla products for legal sensitivities - that is, purchasing a ton of vanilla at its true cost-per-ton with the additional cost of the specific product needed -.

- Girovani LTD is the official exporter of goods discussed by mail under vanilla labeling.

- Seller contacts in Kenya could be activated only at the buyer request if he thinks he needs it to retrieve his cargo more easily. It's a free service.

### 3. Identification of costs and eventually their repartition

- Buyer agree to the price of 25 000 USD per ton (USD/ton) from seller including: 12 000 USD/ton for the raw product (Malagasy wood which details have been already discussed by mail), 3 000 USD/ton for intervention costs, 5 000 USD/ton for freight and 5 000 USD/ton for payment to relevant officials and partners in the export network.


Additional fees (up to 5 000 USD/ton) can be asked by sellers to the buyers depending of the location of the final port and the boat selected for shipping.

### 4. Definition of the responsibility and the ownership of each in this collaboration

The seller have to take care of products supplied up to their boarding. The buyer is the ownership of all his purchases.

Sensitive products purchased are not covered by any warranty. As soon as they are loaded onto the ship and ready to be transported to the final predefined port, these products (the cargo) are exclusively the property and under responsibility of the buyer.

**The parties** undertake to settle by consultation any disputes that may arise in the application of this agreement. The respondents (representatives) for each of the parties are the following interlocutors:

 Those representatives are the only persons authorized to discuss, modify or decide terms governing this contract.

**Both parties** recognize that the signature of this Memorandum of Understanding does not entail any obligation on the part of the signatory organizations and constitutes only a declaration of their intention to collaborate, according to the principles and modalities set out above. The signatory parties declare that they have established this MoU in good faith and that as a result, they will do everything in their power to bring it to a successful conclusion.

**This MoU** enters into force on the day of its signature, for a defined period set in advance by the interlocutors of both parties.

**The agreement** can be mutually voided by both parties if the quality of service or product is found wanting by giving a written notification to the other parties. However, none of those notifications should be detrimental to ongoing projects (especially shipping or buy already committed) involving different parties.

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Signature:

Signature:

[Redacted Signature]

(Authorized Representative)

[Redacted]

[Redacted Signature]

(Authorized Representative)

Girovani-Export LTD