

# AGREEMENT TO PURCHASE LIVESTOCK

## **Definitions of the Agreement**

Farmer – person who owns the farm and is responsible for growing the livestock.

Farm – place where purchased livestock is located and being taken care of.

Livestock - any animal grown or raised on the field of the farmer

Insurance – the insurance of the livestock against the decease and other emergencies beyond farmers' power.

Owner – person who purchases the livestock

Livestock growing - feeding, breeding, tending, herding and management of livestock and its acquisition and disposal and other related activities having its goal to protect the livestock.

Livestock growth period – growth period of the livestock since the date of purchase till maturity.

Maturity– date when livestock is fully-grown and ready for sale

Option – buyers will to sell, hold or pick up the livestock at the farm once he becomes the owner of the livestock.

## **Introduction.**

Through this PURCHASER - SELLER agreement for the purchase of the livestock, the Purchaser, Mr. \_\_\_\_\_, and the Seller, **Bio Agro Ltd.** acting on behalf of the Farmer establish the following arrangements:

**Bio Agro** sells livestock to the Purchaser and is responsible to grow it to maturity on behalf and at the place of the Farmer that is contracted with Bio Agro under contract farming model.

### **1. Objectives of the agreement.**

1.1 The intent of the agreement is to allow Purchaser buy and grow his livestock at Seller's farm and benefit from the profit of selling the grown up livestock at maturity.

1.2 The Bio Agro declares to be the legal owner, without any kind of ownership limitations, of the livestock described below, which would be placed for growth

at rural property denominated \_\_\_\_\_,

located at \_\_\_\_\_,

The livestock is \_\_\_\_\_

Total units \_\_\_\_\_ Price per unit \_\_\_\_\_ Total price \_\_\_\_\_

Age of the units \_\_\_\_\_ Growth period till maturity \_\_\_\_\_

Forward sell price of matured livestock per unit \_\_\_\_\_

## **2. Conditions of sale**

2.1 The aim of this agreement is to define the sale and supply of the livestock to the Purchaser on the conditions stipulated in the agreement.

2.2 Since the date of the purchase Purchaser becomes the Owner of the livestock.

2.3 The Livestock is sold to the Owner in its incumbent stage with Farmers responsibility to keep the livestock at the Farm till maturity.

2.4 Purchase price includes the cost of the livestock and cost of growing livestock at Bio Agro's farm till maturity.

## **3. Buyers options**

### **3.1 Option to sell.**

Buyer can exercise option to sell livestock to Bio Agro at maturity at forward contract price.

Through exercising this option Owner receives profit from the difference of purchase price and forward contract price.

### **3.2 Pick up at location.**

Owner can pick up his livestock from the Farm at any time since the date of purchase. Contrary to previous option Owner is not bound to wait till maturity date to pick up his livestock in full or partially.

### **3.3 Option to hold the livestock after Maturity.**

Buyer can choose to hold the livestock at the Bio Agro Farm after maturity date. Owner pays the costs involved with keeping Owner livestock at Farm after maturity if Owner does not want to sell or pick up the livestock. In case of non-paying holding costs by the Owner after maturity, the livestock would be sold under sell option provision with all proceedings transferred to the Owner.

### **3.4 Option to deliver the livestock.**

The option to deliver the livestock in whole or by parts is applied to certain types of livestock or produce where delivery is economically feasible. The Owner pays delivery costs unless other is specified in the agreement.

## **4. Ownership and growing of the livestock**

4.1 Livestock belongs to the Owner till it is sold or picked up by the Owner or unless otherwise is agreed herein.

4.2 The growing of the livestock is responsibility of Farmer with him subject to the rights and interests pursuant to this Agreement. In particular livestock may not be sold or disposed without the written consent of the Owner.

## **5. Farmer's rights and obligations**

5.1 Farmer at which farm livestock is held has the obligation to grow and take care of the livestock provided by Owner.

5.2 Farmer accepts full responsibility for the livestock and is liable for any issues throughout the growth period.

5.3 Farmer agrees to work with good faith and due diligence in terms of putting maximum effort to preserve sound hormone free growth of the livestock.

5.4 Farmer is agreed to provide food and care for the livestock of the Owner at the level better or equal to his own livestock and according to specifications and standards for growing the livestock.

5.5 Farmer does not have any rights on the livestock except ones stipulated at this agreement.

5.6 Farmer is obliged to provide all the information about the livestock upon request to the owner.

5.6 Farmer agrees to grow livestock at the farm in compliance with local laws and regulations and on the terms stipulated herein.

5.8 Risk of damage or loss of the livestock. Risk of damage or loss of the livestock shall remain with Farmer unless it happened due to circumstances beyond farmer's power. If that occurs damaged or lost livestock is primarily deducted from Farmers own livestock not affecting the livestock of the Owner.

5.9 Farmer shall keep true records of all farming and other operations related to the growing of the livestock.

5.10 Farmer is obliged not to do any structural alterations with the premises nor make any alterations whatsoever in internal arrangements except with prior notification and consent of the livestock Owner.

5.11 Farmer shall not use the premises for the purpose other than growing his livestock for Owner's livestock.

5.12 Farmer is obliged to keep all premises directly or indirectly related to growing of the livestock in good conditions and notify the owner in case any deterioration or change.

5.13 Farmer agrees to provide full access to the livestock of the Owner upon one-day notice.

## **6. Miscellaneous**

6.1 The present agreement is irrevocable and not retractable and obliges not only the parties as well as its successors but all third parties involved herein.

6.2 Any tolerance among the parties, relative to the fulfillment of the obligations assumed in this instrument, shall not result in contractual innovation or alteration, tacit or expressed, nor shall inhibit the requirement of other rights originating from this agreement.

6.3 The Owner has a right to transfer this agreement to third parties, independently of Farmer's consent.

6.4 All disputes, which arise between the parties arising from this contract both while in force and after its termination and which can not be resolved through negotiation may be submitted to and determined by arbitration.

6.5 The arbitrator shall have the powers conferred upon an arbitrator under the Arbitration Act, 1955, as amended, or re-enacted in some other form from time to time, but shall not be obliged to follow the procedures described in that Act and shall be entitled to decide on such procedures as he may consider desirable for the speedy determination of the dispute, and in particular he shall have the sole and absolute discretion to determine whether and to what extent it shall be necessary to file pleadings, make discovery of documents or hear oral evidence.

Purchaser

Bio Agro Ltd.

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C.E.O.

Azad Asadov

