

MEMORANDUM OF UNDERSTANDING

Between

VISIONFUND MICROFINANCE INSTITUTION

And

TULIP ADDIS WATER FILTER

I. Preamble

This Memorandum of Understanding (hereafter referred to as '**MoU**'), as signed and made effective immediately after signing date of this MOU (the "**Effective Date**"), is entered by and between:

Whereas; VisionFund Micro Financing Institution SC hereafter "VF-MFI" is financial institution established in 1998 and duly licensed by the National Bank of Ethiopia with Trade Registration No95/2/03296/00. VF-MFI has 65 branch offices which operates in 4 regional states (SNNP, ANRS, ONRS and ADCA). Its principal business address is at Addis Ababa, Sub city: Bole, location at Mebrat-Hail Gerji, House No. 377/44 Tel 251-11-6463569 P.O. Box 31478 and represented by Mr. Taye Chemedessa (CEO of Vision Fund Microfinance institute) who is signatory to this MOU. VF-MFI has decided to diversify its products and services by offering financial Services and other non-financial services to facilitate utilization of WASH products.

- a) Whereas; Tulip Addis water Filter **hereafter** (the WASH product Supplier) with business licence number 50668/2004, whose registered office is A.A city,Bole Sub-city Woreda 08 H.No 307 represented by Mr. Getaw M Cherinet who is signatory of this MOU whose mission is offers a different sizes of **Tulip water Filters**.
- b) During a series of meetings organized between VF-MFI and Supplier, agreed to start a strategic and operational partnership and, collectively referred to as the "Parties" who have agreed and entered into this conditions laid down in the following articles:

2. Definitions

Whenever used in this MOU terms defined and shall have the meanings set as the following:

- 2.1. "**After-Sales Service**" refers to any services related to CSO orientation, Maintenance, Repairs, Services, Warranty and other no-warranty cases.
- 2.2. "**CEO**" Chief Executive Officer of Vision Fund Microfinance Institute S.C
- 2.3. "**WASH**" refers to Water sanitation and hygiene products technologies & facilities.

2.4. "**Final Price**" refers to the price in local currency (ETB) of the products covered by this MOU. Price includes all expenditures linked to Marketing, Delivery to the local distributors/point of sales, After-Sales Services, Commissions and Replacement Products according to the guarantee given.



- 2.5. **“Payment Modality”** refers payment mechanism that VF-MFI must avail WASH loan to the clients and clients let choose the products and must pay immediately during disbursement day to the suppliers/point of sales who give warranty and receipt for WASH product (Water filter) according to the agreement and give copy of receipts to VF-MFI.
- 2.6. **“Launch period”** refers the period from the first day of signature up to Six month full implementation period, starting with the date that both parties agree to call start date of the launch period which is immediate after signing of this MOU.
- 2.7. **“Local outlets”** refers to the local sales points of the supplier at the geographical areas where the VF-MFI has and will have operations either directly or through agents.
- 2.8. **“Products”** refers Water Filter product.
- 2.9. **“Technicians/Focal Person/Supplier representatives”** refer to supplier staff and/or associates which are responsible to provide products, give After-Sales Service who assigned by providers.

3. Objective

- 3.1 To create a framework for partnership, cooperation, and understanding between the parties with the ultimate aim to facilitate the access to WASH Product for end-users benefit in the 4 implementation regions, initially starting at 20 branches.
- 3.2 To define contractually the terms, the duration, and the general conditions of the partnership, as well as the mutual rights and obligations thereof.

4. Duties and Responsibilities

4.1. Under this MOU, the VF-MFI commits to:

- 4.1.1. Support the strategic and operational aims of this MOU with providing tailored financial products and services to the community within its service area by availing WASH loan services.
- 4.1.2. Participate in and in good faith of joint marketing and awareness raising activities with the Supplier, including online promotion and promotions at branch levels.

4.2. Under this MOU, Provider commits to:

- 4.2.1. Support the strategic and operational aims of this MOU in the area of access to quality water, solutions, and satisfactions to the clients.
- 4.2.2. Actively promote high quality standards of WASH product (facilities) and avail technical services to end-user satisfaction.
- 4.2.3. Appoint Focal Person(s) within the supplier who will be the main contact responsible for the effective implementation of the partnership and ensure the easy flow of information within the organization itself and with the VF-MFI and Regulators. The Focal Person(s) of the supplier will continuously communicate with the Focal Person(s) of the VF-MFI and at least once per month.
- 4.2.4. Orient VF-MFI staff on the key characteristics, functioning, and use of the WASH product(Water Filter)
- 4.2.5. Provide initial training to the CSOs at branch level on the key characteristics, functioning, proper use and maintenance of the WASH product (Water filter) upon delivery of the Technology to ensure and sustain client satisfaction and preclude improper use.



- 4.2.6. Provide a User Guide and warranty card with each Product, which should be adapted to a low educated population and translated in relevant languages including but not limited to Amharic and Oromifa if necessary with other local languages. Whenever and wherever needed, provide repeated training to the CSOs on the functioning and proper use of the WASH product (water filter).
- 4.2.7. Make sure that the WASH product (water filter) that this MOU covers are made available locally in due time to facilitate and sustain end-user satisfaction.
- 4.2.8. Effectively manage the stock and delivery times in-country and locally, based on information provided by the VF-MFI within 3 working days after receiving the Purchase Order.
- 4.2.9. Use VF-MFI outreaches Branches, whenever and wherever possible, for marketing and awareness rising about the WASH pro and associated Financial Products promoted through this MOU in order to facilitate client acquisition.
- 4.2.10. For any reasonable of case product failed before warranty period, the Providers shall substitute same products within 10 days according to the warranty.

5. Flow of Information among the Parties

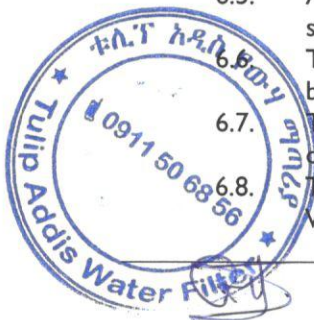
- 5.1. The flow of information among the Parties aims to facilitate the provision of the WASH product covered by this MoU to the end-user.
- 5.2. The Parties agree to adhere to the working procedures of the parties.

6. Distribution Modalities

- 6.1. The distribution modalities outline the envisioned way to provide the WASH and associated After-Sales Services covered by this MOU to the end-user arranged by supplier's sales point.
- 6.2. The WASH product covered by this MOU will be distributed by the supplier based on a minimum order request by the VF-MFI. The minimum order is set at least for 25 clients or above request for branches outside of Addis Ababa and a minimum order of 5 clients for branches in Addis Ababa.
- 6.3. The physical delivery of the WASH product to the geographical areas where the VF-MFI has and will have operations is directly performed and/or organized by the supplier within 3 working days of receiving the minimum order request from VF-MFI branches.
- 6.4. The supplier agrees to set birr 50(fifty birr) discount per water filter distributed when the a quantity of order at a time reaches at 1000 per area (See product and price least attached at the back of this MOU).

Payment Modalities

- 6.5. At the Effective Date of this MOU, WASH product (water filter) and Final Price are set forth in price list determine with this MOU. The Final Prices of the WASH product offered in the framework of this MOU shall be reviewed at most every 4 month.
- 6.7. The VF-MFI is responsible to make avail loan to the clients and clients pay immediately during the disbursement day to the suppliers and get warranty and receipts received.
- 6.8. The Provider is responsible to make available in due time and without delay the WASH product upon the agreed payment modalities arranged by VF-MFI.



7. Partnership Cost Sharing

- 7.1. The partnership between the Parties is built in good faith on a cost-sharing basis.
- 7.2. **The supplier commits**, during the whole duration of the partnership, to cover the following expenditures for their staff and related activities.
- 7.2.1. The costs of the human resources mobilized for the partnership, including Technicians and other customer relations staff.
 - 7.2.2. Expenditures linked to any and all field visits realized by the supplier staff and associates (transportation, per diem)
 - 7.2.3. Expenditures linked to the organization of training, training fees and materials.
 - 7.2.4. Expenditures linked to the printing of User Guides and warranty cards.
 - 7.2.5. Expenditures linked to the delivery of WASH products all the way to the end-user or VF-MFI branches.
 - 7.2.6. Expenditures linked to the transportation and per diem of their staff.
 - 7.2.7. Expenditures linked to the printing of flyers and professional documents for the internal use of the supplier, such as manual of procedures, etc.
- 7.3. **The VF-MFI commits**, during the whole duration of the partnership, to cover the following expenditures:
- 7.3.1. The costs of the VF-MFIs' human resources mobilized for the partnership.
 - 7.3.2. Expenditures linked to any and all field visits realized by the VF-MFI staff and associates in the frame of the partnership.
- 7.4. **The Parties jointly commit**, during the whole duration of the partnership, to jointly and equitably cover the following expenditures:
- 7.4.1. Expenditures linked to joint marketing material which promotes WASH products offered through targeted financial products (flyers, poster, roll-ups, etc.)
 - 7.5. The sharing of any other type of expenditures shall be the subject of separate negotiations between the Parties and the approval of all Parties' respective authorized representatives.

8. General Conditions

- 8.1. The Parties agree to partner, cooperate and negotiate in good faith. The environmental health and social benefits of distributing WASH product(water filter) in VF-MFI implementation areas are the main driving force for the joint collaboration. Acknowledging the vulnerable position of many if not all potential target end-users who benefit of the joint relationship set thereof, a fair and transparent way to determine prices, margins and interest rates for the Product is promoted and strongly supported by the Parties.
- 8.2. This MOU is intended to be and does constitute a legally binding obligation and commitment.



- 8.3. The Parties acknowledge herein that this MOU and its contents shall not restrict each of the Parties from entering into similar, equal or like MOUs and other arrangements with other entities.
- 8.4. Each Party may not assign its rights or responsibilities under this MOU in whole or in part, to any other entity, without prior written consent of the other Parties, such consent not to be unreasonably withheld.
- 8.5. The additional specific terms and conditions of any work which has arisen on the basis of this MOU shall be the subject of separate negotiations between the Parties and the approval of all Parties' respective authorized representatives.

9. Modification and Termination

9.01 Termination: this MOU shall not prevent submission of any claims against any party by the other or third parties emanating from the breach and non-performance of this MOU or any part thereof by giving 30 calendar days advance written notice to the other party

9.02 Applicable Law: This agreement and the right of the parties here under shall be governed by, and construed in accordance with, the laws of Ethiopia

9.03 Review: The term and condition of this MOU may be subject to review and renegotiation only underwritten documents signed by both parties.

9.04 Dispute Settlement: Any dispute arising out of this agreement will be settled by amicable discussion between the parties. However, if this is not found possible, the dispute shall be referred to arbitration in Ethiopia law, one arbitrator to be nominated by each of the parties. In case the arbitrators shall not agree, the decision of an arbitrator, to be appointed by the two arbitrators shall be final and binding up on both parties

Notice: All notices under this agreement shall be given in written forms and sent by hand delivery or by registered post only.

9.05 Evaluation: The parties agreed to evaluate and monitor their activities in scheduled manner. The Agreement shall be reviewed annually by the parties to determine its continuation and/or need for modification.

9.06 Effectiveness: This MOU become effective upon signing by all parties and will commence instantly. It will remain in effect until modified or terminated by any one of the partners by mutual consent.

9.07 Modification: This MOU may be modified by written mutual consent of the parties at any time.

This MOU will be effective on the date of _____ 2019.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of understanding signed in their respective names as of the day and year written above.



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[Handwritten signature]

[Handwritten signature]



MOU

For -Tulip Addis water filter

For-Vision Fund Microfinance Institution

S.C

Name Getaaw M. Cherinet

Name Paze Chemdesa

Signature [Signature]

Signature [Signature]

Date 22/02/2019

Date 26/02/2019

Witnesses name and signature

1. Fasil Reta
2. Betachew Akeg
3. Hekiel Agnalen

