

**ADDENDUM # 2 TO  
MEMORANDUM OF UNDERSTANDING (MOU)  
Between  
Action for Enterprise (AFE) &  
Company Alpha Omega Ltd. (CAEL)**

This document constitutes an addendum to the agreement between **AFE** and **CAEL** signed on the 5<sup>th</sup> day of August, 2010.

**I. Objective & Activity**

The objective of this amendment is to describe the roles, responsibilities, and financial contributions of each party regarding the visit of one person from CAEL (Mr. Kaiser Ahmed, Managing Director) to India on an exchange visit. The purpose of this visit will be to observe the potato contract farming and procurement systems of processing companies and also to observe the factory operations for processed potato products. The team will visit the potato chips factory of PepsiCo in Kolkata and French fries factory of McCain in Gujarat province during 23<sup>rd</sup> to 29<sup>th</sup> January 2011. The specific objectives of CAEL's visit in India are to: (i) observe and understand the organized potato production and procurement system being used by the processing companies and (ii) observe the factory operations of the processing companies and (iii) take the opportunity to discuss any with them and ask questions.

**II. Terms of Agreement**

**AFE** agrees to provide the following cost share (based on actual expenditures) for one person from CAEL:

- Arrange and provide all costs of local transportation during the visit (at actual).
- 70% of total costs for airfare and hotel accommodations in India for the visit described above. The total expected cost-share from AFE shall not exceed Tk. 48,020 only. Payment methods are detailed below.

**CAEL** agrees to the following:

- 30% of total budgeted costs for airfare and hotel accommodations in India for the visit described above.
- Be responsible for all costs above and beyond AFE cost-share detailed above.
- Be responsible for all logistical coordination for international travel arrangements and initial payment of all expenses (i.e., visa, transportation to and from the airport in Dhaka, air ticket, hotel bill, and meals).
- Provide (copies of) receipts, boarding passes and justification for exchange rate for all items cost-shared by AFE (airfare and hotel accommodations) along with a detailed trip report and invoice within two (2) weeks of returning to Bangladesh.
- Submit an implementation plan to AFE.

**III. Budget:**

The budget for this activity is as follows:

Particulars	Unit	Per Unit (in BDT)	Total (in BDT)	Based on Actual	CAEL Pays Initially
Air ticket (Dhaka-Kolkata-Gujr Kolkata-Dhaka)	1 person	35,000	35,000	*	*
Hotel rent: 1 person	6 nights	5,600	33,600	*	*
Local transportation	6 days	14,000		Provided by AFE	
		<b>Total</b>	<b>68,600</b>		

<b>AFE Cost-share</b>	<b>70% of select line items</b>	<b>48,020</b>
<b>CAEL Cost-share</b>	<b>30% of select line items</b>	<b>20,580</b>

#### **IV. Payment & Reporting:**

##### Payment Modalities

CAEL will be responsible for initial full payment of all costs related to this visit. Copies of actual receipts and an invoice are required in order to get reimbursement from AFE.

AFE will then reimburse CAEL for any outstanding cost-share amounts (based on actual expenditures) not to exceed the following:

- Airfare – AFE cost-share of up to a maximum of Tk. 24,500 only (for actual economy round-trip airfare between Dhaka-Kolkata-Gujrat-Kolkata-Dhaka)
- Hotel – AFE cost-share of up to Tk. 23,520 only

##### Reporting & Invoicing

Payment to CAEL will be made on the submission and approval of a detailed invoice that presents all of the actual expenditures (airfare and hotel bill) and includes copies and/or originals of all associated receipts as well as the submission of a detailed trip report within two (2) weeks following completion of the visit. The detailed report shall include the following:

- Visitation schedule with factory location and their full contact details.
- Description of activities done, major lessons learned, and decisions taken based on trip findings.
- Description of business contacts / relationships formed and expected outcomes, if any.
- Action plan for how to implement the decisions taken as a result of this visit.

All terms and provisions from the original MOU also apply to this amendment.

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the ----- day of January, 2010.

**Scott Jones**  
AFE Country Director  
Bangladesh

**Mr. Kaiser Ahmed**  
Managing Director  
CAEL, Dhaka

Signature and date:

Signature and date:

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**Visitation Schedule:**

<b>Date</b>	<b>Day</b>	<b>Purpose</b>	<b>Location</b>	<b>Remark</b>
23/01/2011	Sunday	Travel to India	Dhaka- Kolkata	We will reach Kolkata around 5:00 PM and stay in Hotel
24/01/2011	Monday	Visit Head office / factory-PEPSICO and if time permits we would like to visit / meet other actors involved in contract farming (i.e. insurance company, bank, input seller etc.)	Kolkata	Whole day with PEPSICO
25/01/2011	Tuesday	Visit field to see contract farming operation of PEPSICO and meet farmers and other actors	Kolkata	Whole day with PEPSICO
26/01/2011	Wednesday	Leave for Gujarat, Ahmadabad	Kolkata- Gujarat	Any meeting if needed between 9 AM-11AM and then we leave for Airport and will reach Ahmadabad around 6:30 PM and stay in Hotel
27/01/2011	Thursday	Visit Head office / factory-McCain and if time permit we would like to visit / meet other actors involved in contract farming operation like insurance company, bank, input seller etc.	Gujarat	Whole day with McCain
28/01/2011	Friday	Field visit to see contract farming operation of McCain and meet farmers and other actors	Gujarat	Whole day with McCain
29/01/2011	Saturday	Leave for Bangladesh	Gujarat- Kolkata- Dhaka	We will leave Gujarat around 11 AM