

## **Kwamtili Estate: summary of proposals**

The aim of the proposed arrangements is to create a financially viable Kwamtili Estate that preserves the Kwamtili Forest and can be sold at some stage if Dennis or his successors so wish, subject to certain conditions such as a commitment by the new owners to continue to preserve the forest.

### **1. Association**

The proposal is to create a Swiss-based association (The Kwamtili Forest Sanctuary Association) that would be a member of UsitawiNetwork International with the UsitawiNetwork Foundation that is ultimately responsible for UsitawiNetwork having certain obligations. Draft statutes for the association have been sent to Dennis.

### **2. Share transfer**

The association would be set up once the majority shareholder's shares are transferred to the association.

Transfer of the shares would require two Kwamtili Estate Ltd (KEL) board members to sign new share certificates.

Since W.J Tamé has been a board members since KEL's foundation, under the KEL articles of association an inheritor of Jane Tamé's estate is a board member and can sign share certificates. So Dennis as the KEL Managing Director would need to inform Alex Tamé, Jane Tamé's sole inheritor, that Alex is recognised as a member of the KEL Board.

Of course, if Alex does not cooperate there would be no transfer of shares.

### **3. Recovery of Dennis's shares**

An agreement between the association and Dennis would specify that Dennis's shares would be returned upon request from safekeeping upon the repayment of agreed expenses paid for and accounted for by UsitawiNetwork. This would allow Dennis or his successors to sell his KEL shares at any time.

Such an agreement is already in place under an ad hoc arrangement whereby any expenses that Peter feels should be charged to KEL are agreed with Dennis and booked to an UsitawiNetwork account.

The only expenses that have been booked so far are the auditor's fees for the 2013 and 2014 KEL accounts.

This is to say that Dennis, or his successors, would only need to refund to UsitawiNetwork those expenses and investments that the association's board agrees are to be treated as reimbursable upon the return of Dennis's KEL shares.

### **4. Accounts**

Aside from the auditor's fee, Peter has made personal contributions to KEL covering such items as fees to Bakari Ali for administration, to Bakari senior for deliveries and other services, to Abdallah Jongo, the auditor, for bookkeeping and translation fees, etc.

Accounts are kept by Abdallah. Of the 2014 licence fee paid by the Kwamtili Group and the income from tenants (both cash and paid in-kind payments in maize), about half has been invested in making the Tamé house in Tanga watertight in exchange to use a room at the house as a store for tenants' maize.

The balance of the income has been loaned to Peter since at present there is no reliable way to hold cash in Tanga (the auditor does not want to be taxed for maintaining a cash escrow account and using the KEL bank account would mean that all the remaining cash would simply be used to cover bank fees).

## **5. Other shares**

In order to acquire the three-quarters of founder shares needed for a board decision Alex Tamé would need to agree to transfer the W.J. Tamé shares to the association.

Also, for the Tanga Enterprises shares, Peter would ask Somiah's brother, who lives in London, if he would agree to transferring the shares to the association. Tanga Enterprises still operates and the brother is responsible. However, he does not have the share certificates so these would need to be reissued following a request by Somiah.

In arranging for the transfer of these shares to the association, it would be specified that transferred shares would be returned to the original owners (W.J. Tamé and Tanga Enterprises) if Dennis or his successors recovers Dennis's shares from the association.

However, it should be noted that it may be the case that in the event of Dennis recovering his shares, while the Tamé and Tanga Enterprise shares would be returned to Alex and Somiah, Dennis would still be required to refund all of the UsitawiNetwork agreed expenditures.

If Dennis was able to sell his KEL shares, he would presumably want to recover some monies from Tamé and Somiah. He could do this by arranging with Tamé and Somiah that if he sells his shares, he also sells the Tamé and Somiah shares and deducts the UsitatwiNewtork agreed expenses.

## **6. Management of Kwamtili Estate**

With the association as the majority shareholder in KEL, KEL could continue to operate as normal.

There would need to be a Managing Director, and this could continue to be Dennis in exchange for some remuneration paid by KEL.

Local administration is needed and this could be Bakarai Ali as the administrative assistant who is paid a retainer by KEL (as opposed to currently being paid by Peter as a personal contribution on a piece-work basis with expenses).

An association board member would probably need to act as the liaison between the board and Bakarai.

KEL accounts would continue to be kept in the normal way with income from licence fees, tenants' rents, tourism, etc. booked along with the usual expenses.

The basis for operating Kwamtili Estate would be as at present: the Kawamtili Group is a) licensed to maintain and pick the cocoa in exchange for a license fee; and b) manage tourism in exchange for

a share of revenues. KEL however remains responsible for collecting rents. The aim is not to have in place traditional, and very expensive, estate management and not to get involved in supplying expensive transport and equipment.

The only significant obligation on KEL is to maintain in working order the cocoa factory and possibly in the future tourism facilities.

## **7. Association's role**

The association's board representing the majority shareholder in KEL (assuming Tamé and Somiah shares are acquired) would be responsible for Kwamtili Estate.

The board would probably have members from Dennis's family, UsitawiNetwork International and the UsitawiNetwork Foundation.

One would hope that the UsitawiNetwork group charged with supporting the association would be able to raise sufficient funds to allow board members to meet from time to time, aside from virtual meetings by telephone.

Peter  
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