

SIFA RURE DRINKING

WATER



## TIC Evaluation Report

Name of the Company  
**Sifa Pure Drinking Water Ltd.**

Post Box	Igoma Nyamhongoro, Ilemela District	COI Number	111121	Contact	Mr. Sebastian Ndege
Post Office	13334	COI Date	24/06/2013	Designation	Managing Director
Region	Mwanza	Application F. No	11021	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0764 88 88 86
		Sub Sector	Bottle Water/ Beverages	Fax	0
		File No	042478	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
lot/Block	Igoma	<table border="1"><thead><tr><th>Foreign Equity</th><th>Local Equity</th><th>Foreign Loan</th><th>Local Loan</th></tr></thead><tbody><tr><td>0</td><td>0.415</td><td>0</td><td>0</td></tr></tbody></table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.415	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.415		0	0									
Street	Nyamihongoro												
District	Ilemela												
Region	Mwanza												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Faustine Sebastian Ndege	Tanzanian	20	Plant	0.2
Casmir Sebastian Ndege	Tanzanian	20	Vehicles	0.05
Said Haruna Ndaro	Tanzanian	5	Furniture & Fittings	0
Sebastian Sisa Ndege	Tanzanian	55	Pre-expenses	0
			Others	0.015
			Working Capital	0.05
			Total	0.415

Employment	100	Evaluated By	,wf officer3
Capacity	xxxxx	Drawn By	wf registry1
Project Turn Over		Project Type	Local

### Description

To establish and operate manufacturing plant of bottled water and other beverage

### Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

### Decision

Approved. *[Signature]* 27.06.13

TICC/PP.10/042478/3

27<sup>th</sup> June, 2013

We wish you every success in the implementation of the project.

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**



Juliet R. Kairuki

**EXECUTIVE DIRECTOR**

**Copy to:** Permanent Secretary,  
Ministry of Finance,  
P. O. Box 9111,  
**DAR ES SALAAM**

Permanent Secretary,  
Ministry of Industry, Trade and Marketing,  
P.O. Box 9503,  
**DAR ES SALAAM**

Commissioner General,  
Tanzania Revenue Authority,  
P. O. Box 11491,  
**DAR ES SALAAM**

3

TICC/PP.10/042478/3

27<sup>th</sup> June, 2013

Managing Director,  
Sifa Pure Drinking Water Ltd.,  
P.O. Box 13334,  
**Mwanza.**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT AND OPERATING MANUFACTURING PLANT OF  
BOTTLED WATER AND OTHER BEVERAGES**

We wish to acknowledge receipt of your project proposal to establish and operate manufacturing plant of bottled water and other beverages as presented in the TIC P.A. 1 Form No. 11021 and Feasibility Study with a projected investment of USD 0.415m.

We have studied your project proposal and we are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997.

You will be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

*Tanzania Investment Centre  
Standard Chartered Bank (T) Ltd  
US Dollar A/C 8702006002000  
T.Shs A/C 0102006002000*

.../2

refund beyond three years will be forfeited



# TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC011837

No. 006006

Received from : SIFA PURE DRINKING WATER LTD

Address P. O. Box 1334 M W A N Z A.

Received the sum of (In words): ONE THOUSAND AND ZERO CENTS ONLY



## CERTIFICATE OF INCENTIVES FEES

Being payment in respect of :

Amount : USD 1,000.00

Cash / Cheque No: 000163 of 19/6

Date : 27-Jun-2013

BUISSO

Receiving Officer



00220108

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042478

**This is to certify that**

SIFA BOTTLING COMPANY LIMITED

of address P.O. BOX 13334

MWANZA

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXXXXXXXXXXXXXXXX~~ enterprise known as

SIFA BOTTINLING COMPANY LIMITED

PLOT NO. 651 AND 652 BLOCK "B"

Which is located at

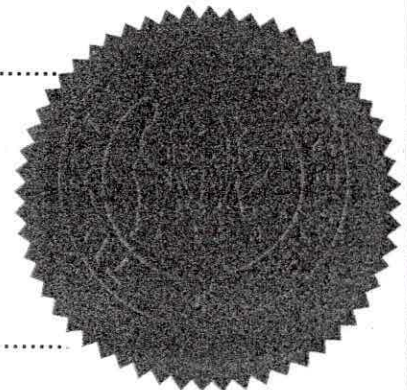
NYAMHONGORO - MWANZA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre  
P.O. Box 938, Dar es Salaam

Dated 27TH JUNE, 2013



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders  

	Nationality	Shareholding (%)
<b>Faustine Sebastion Ndege</b>	<b>Tanzanian</b>	<b>20</b>
<b>Casmir Sebastioan Ndege</b>	<b>Tanzanian</b>	<b>20</b>
<b>Said Haruna Ndaro</b>	<b>Tanzanian</b>	<b>5</b>
<b>Sebastion Sisa Ndege</b>	<b>Tanzanian</b>	<b>55</b>
2. Proposed Activities: **To establish and operate manufacturing plant of bottled water and other bevarages**
3. Sector: **Manufacturing** Subsector: **Bottle Water/Beverages**
4. Investment cost: Foreign **USD 0m.** Local **USD 0.415m.** Total **USD 0.415m.**
5. Project Financing: Equity **USD 0.415m.** Loans **USD 0m.** Total **USD 0.415m.**
6. Source, terms and conditions of loan: —
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	<b>USD 0m.</b>	<b>USD 0.415m.</b>	<b>USD 0.415m.</b>
8. Technology Agreement: **None**
9. Date of TIC Registration: **27th June, 2013**
10. Implementation period: **June, 2013 - May, 2016**
11. Operative date: **June, 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997  
(i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1996&VAT Act, 1997**  
(ii) Applicable with-holding Tax **As per Income Tax 2004 (as amended)**  
(iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives  
(i) Date of Commencement of investment has to be notified to the Centre.  
(ii) Certificate not to be transferred, assigned or amended  
(iii) Failure to commence implementation within two years invalidates Certificate  
(iv) Failure to operate investment must be notified to the Centre  
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate  
**Fished goods are not allowed under this Certificate.**

Signed   
Executive Director

# MINUTE SHEET

Dokezo  
No.

# MINUTE SHEET

Dokezo  
No.

J.0

**EXD**

Approved. *[Signature]* 10/07/13

The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 0.415 m
- (b) Legal entity has been incorporated under certificate

No. 111121 of 24/06/2013

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.

*[Signature]*  
N. Senzia

**DIF**

27<sup>th</sup> June, 2013

2.0

**EXD**

In response to the TIC letter of registration dated 27<sup>th</sup> June 2013

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Stabic Bank Ltd
- (c) Lease Agreement as evidence of land.

With the above submission ExD is requested to sign Certificate of Incentives No. 78 herein attached.

**APPROVED BY EXD**

Sign: *[Signature]*

Date: 22/07/13

19/07/2013

*[Signature]*  
DIF

①

# SIFA PURE DRINKING WATER LIMITED

P.O BOX 1334 MWANZA

19<sup>th</sup> June, 2013

To,  
The Executive Director,  
Tanzania Investment Center,  
P.O. Box 938  
Shaaban Robert Street,  
Dar es Salaam



Dear Sir/Madam,

RE: APPLICATION FOR CERTIFICATE OF INCENTIVES

We enclose herewith our application for Certificate of Incentives together with a Business plan and other supporting documents for the company's intended to invest on pure drinking water industries sector which is a priority of the investment drive of the country.

We look forward to your kind approval.

Yours truly,

A handwritten signature in red ink, consisting of a stylized 'M' and a flourish.

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For : Sifa Pure Drinking water Ltd



**Stanbic Bank**

A member of Standard Bank Group

Executive Director,  
Tanzania Investment Centre,  
P. o. box 938,  
Shaban Robert Street,  
Dar Es Salaam.

Executive Banking Suite  
1<sup>st</sup>Floor, Stanbic Head Office  
P.O. Box 72647  
Dar es Salaam, Tanzania  
Telex: 241415 or 241746  
Fax: [Fax No (255-22) 2666301]  
Telephone: (255-22) 2666430/ 2196346 / 7

Date	Direct telephone number	In reply please quote our reference	Your reference
20/06/2013	+255 22 2196346 / 7	MZ/PVT/	[June/20]3

Dear Sir/Madam,

**RE: INTRODUCTION –DR. SEBASTIAN NDEGE**

Dr. Sebastian Ndege is one of our affluent customers who opened his bank account with us 3 years ago at main branch - Private banking.

Over the period the account has been conducting to our entire satisfaction under the Bank's rules and regulations.

Please note that this information is given in strict confidence without any liability or responsibility of either the Bank or any of its officers.

Yours faithfully,

Ruth Mwaiselage

Head , Private banking.

STANBIC BANK TANZANIA LIMITED  
P. O. Box 72647  
DAR-ES-SALAAM

Stanbic Bank Tanzania Limited  
Directors:

H. Senkoro (Chairman / Non-Executive); A. Kinana (Non-Executive); G. Alliy (Non-Executive); Dr. H. Kibola (Non-Executive); J. De-Mello (Non-Executive); K. Mbathi (Non -Executive); Paul Omar (acting Managing Director)

**Investment Breakdown**

~~US\$/Tshs.M~~

Land/Building

.....100,000/=

Plant

.....200,000/=

Vehicles

.....50,000/=

Furniture & Fittings

.....

Pre-expenses

.....

Others

.....15,000

Working Capital

.....50,000

**TOTAL**

**\$ 415,000**

**Contact Details:**

Name: SEBASTIAN NDJIC Title: MANAGING DIRECTOR

Telephone: 0764-888786 Fax: .....

Email: .....

APPLICATION SUMMARY

Company Name: SIPA ~~PURE DRINKING WATER~~ BOTTLING COMPANY LIMITED

COI Number: 100.316 Status:

Post Box: 13334

COI Date: .....

Town: MWANZA

Sector: INDUSTRIES

Sub-Sector: MANUFACTURE OF BOILED WATER & OTHER BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	.....	.....	.....

Project Objectives: TO INVEST ON MANUFACTURING OF BOILED WATER AND OTHER BEVERAGE.

Capacity: \$ 415,000

Employment: Foreign: 15 Local: 85 Total: 100

Implementation Period: 2013-2013

Project Location

Site/Plot/Block No.: .....

Street: 150MA NYAMITONGORO District: ILEMELA Region: MWANZA  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>SEBASTIAN SIASA NDEGE</u>	<u>TANZANIAN</u>	<u>55%</u>
<u>SABU HARUNA NDARO</u>	<u>TANZANIAN</u>	<u>5%</u>
<u>ASMIR SEBASTIAN NDEGE</u>	<u>II</u>	<u>20</u>
<u>FAUSTINE SEBASTIAN NDEGE</u>	<u>II</u>	<u>20</u>

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tsh./US\$ 415,000

8. The month and day of the financial year end is 31 Dec

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tsh./US\$ 1000 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SEBASTIAN N DGE of Post Office Number Box 1334

MWANZA - do solemnly and sincerely declare that I am a director/duly authorized agent of SIFA PURE BOTTLING COMPANY LIMITED

**AND** that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
The 17<sup>th</sup> day of JUNE 2003 }

[Signature]  
Applicant

Before me:

[Signature]  
AMANDA EMANUEL URASS  
Advocate/Notary Public  
Commissioner for Oaths  
P.O.Box 11951, D'SALAAH

.....  
Commissioner for Oaths

Attach only where applicable, otherwise indicate "N/A"

FORM P.A. 1

SERIAL NO.:

9191

TICN:

11021



## TANZANIA INVESTMENT CENTRE

### REGISTRATION FORM FOR CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations: Regulation 42, Government Notice  
No. 318A of 2002)

Tanzania Investment Centre  
9A & B Shaaban Robert Street  
P. O. Box 938

**DAR ES SALAAM**

Tel. 2116328

Fax. 2118253

e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)

Website: [www.tic.co.tz](http://www.tic.co.tz)

(Please fill the form in duplicate)

AMANDA EMANUEL URASSA  
Advocate, Notary Public &  
Commissioner for Oaths  
P.O. Box 11951, D'SALAZAR  
*Amanda*

SIGNATURE: \_\_\_\_\_





ADDRESS: P.O. BOX 11951 DSM

QUALIFICATION: ADVOCATE

DATE: 19<sup>th</sup> June 2013

*Indemnity of  
Directors and  
officers or  
servants*

128. Subject to the provisions of the Act every Director, Managing Agent, Auditor, Manager, Secretary or officer or Servant of the Company shall be entitled to be indemnified by the Company Against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.
129. No Directors, Managing Agent, Auditor or other officers of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damages or misfortune whatsoever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

Names, addresses of Subscribers	No. of shares taken	Description of Subscribers	Signatures
1. SEBASTIAN SIASA NDEGE P.O. BOX 21416 <b>DAR ES SALAAM.</b>	55000	BUSINESSMAN	
2. SAID HARUNA NDARO P.O. BOX 1345 <b>MWANZA</b>	5000	BUSINESSMAN	
3. CASMIR SEBASTIAN NDEGE P.O BOX 21416 <b>DAR ES SALAAM</b>	20000	BUSINESSMAN	
4. FASUTINE SEBASTIAN NDEGE P.O.BOX 21416 <b>DAR ES SALAAM</b>	20000	BUSINESSMAN	

DATED this .....day of February 2013

WITNESS to the above Signatures:

NAME: \_\_\_\_\_

122. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office until the next ensuing Annual General Meeting. The Auditor's report shall be read before the Company at the Annual General Meeting and shall be open to inspection by any Member. The Auditors' duties shall be regulated in accordance with the Act. *Appointment of Auditors*
123. No Director or other officer of the Company or any person who is a partner of or in the employment of an officer of the Company, or any corporation, shall be capable of being appointed Auditor of the Company. *Directors not to be Auditors*

#### NOTICES

124. Any notice or document may be served by the Company on any Member wherever resident either personally or by fax or telex or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members, provided that if such address is outside Tanzania, such letter shall be sent by air mail. In respect of joint holdings, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members, and notice so given shall be sufficient notice to all the joint holders. *Service of Notices*
125. Any notice or other document, if sent by telefax or telex shall be deemed to have been served as soon as the message has been transmitted, and if served by post, shall be deemed to have been served Ninety-six hours after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted. *Proof of postage to be sufficient proof of service*
126. Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. *Service to be sufficient notwithstanding death or bankruptcy of Member served*

#### WINDING-UP

127. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability. *Provisions relating to liquidation*

#### INDEMNITY

## CAPITALISATION OF PROFITS AND RESERVES

117. The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any undivided profits of the Company not required for paying the fixed dividends or Preference Shares if any (including profits carried and standing to the credit of any reserve or reserves or other special account), and accordingly that the Directors be authorised and directed to appropriate the profits resolved to be capitalised to the Members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalised, and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares, debentures or securities of the Company of a nominal amounts equal to such profits, such shares, debentures or securities to be allotted and distributed credited as fully paid up, to and amongst such Members in the proportion aforesaid, or partly in one way and partly in the other.

*Power to capitalise profits*

## ACCOUNTS

118. The Directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company; and
  - (c) the assets and liabilities of the Company.
119. The books of account shall be kept at the Office or at such other place as the Directors think fit, and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Directors or by the Company in General Meeting.
120. The Directors shall once at least in every year lay before the Company in General Meeting a profit and loss account and a balance sheet containing a general summary of the capital, the assets, and the liabilities of the Company arranged under suitable heads, both made up to a date not more than six months before the meeting.
121. Every such balance sheet as aforesaid shall be signed on behalf of the Board by two of the Directors, and shall have attached to it a report of the Directors as to the state of the Company's affairs and the amount which they recommend to be paid by way of dividend to the Members, and the amount (if any) which they have carried or propose to carry to the Capital Reserve, Fund, general reserve or reserve account shown specifically on the balance sheet or to be shown specifically on a subsequent balance sheet. The balance sheet shall also have attached or annexed to it, the Auditors' report and such other documents as the Act may require.

*Directors to keep proper accounts*

*Inspection of books*

*Submission of balance sheets and profits and loss account*

*Signature of balance sheets*

## AUDIT

110. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay to the holders of any class of shares interim dividends thereon of such amounts and on such dates as they think fit. *Payment of interim dividends*
111. No unpaid dividend, bonus or interest shall bear interest as against the Company. *Dividends not to bear interest*
112. The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Retention of dividends*
113. The payment by the Directors of any unclaimed dividend into an unclaimed dividend account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company. *Unclaimed dividends*
114. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share. *Dividends due to joint holders*

#### **RESERVES**

115. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which shall at the discretion of the Directors be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purposes to which the profits of the Company may properly be applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide. *Carry profit to reserve*
116. The Directors may establish a reserve to be called the Capital Reserve, which shall not be available for dividend, but which shall be available to meet depreciation or contingencies or for repairing, improving, or maintaining any property of the Company or for such other purposes as the Directors may in their discretion think conducive to the interests of the Company, and the Directors may invest the sums standing to the Capital Reserve in such investments as they think fit, other than shares or stock of the Company, and may from time to time deal with or vary such investments and dispose of all or any part thereof with full power to employ the Capital Reserve in the business of the Company, and that without keeping it separate from the other assets and with power to divide the said Capital Reserve into separate accounts or funds if they think fit. *Power to establish and deal with a Capital Reserve*

writing under the hand of the Director making or revoking such appointment left at the office.

#### MINUTES

104. The Directors shall cause proper minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of Directors and committees of Directors and of the attendance thereat, and of the proceedings of all meetings of the Company and all business transacted, resolutions passed and orders made at such meetings, and any such minute of such meetings if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or Directors or committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.
- Records of appointments and proceedings to be kept*

#### THE SEAL

105. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board and shall be so affixed in the presence of at least one Director and the Secretary or some other person approved by the Board, both of whom shall sign every instrument to which the Seal is so affixed in their presence.
- Formalities for affixing seal*

#### AUTHENTICATION OF DOCUMENTS

106. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are else where than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.
- Power to authenticate documents*

#### DIVIDENDS

107. Subject to any special rights as to dividend attached to any new class of shares in accordance with these presents, the profits of the Company available for dividend and resolved to be distributed in respect of any financial year or other period for which the Company's accounts are made up and submitted to the Company in General Meeting shall be apportioned and paid to the Members according to the amounts paid on the shares held by them respectively during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividends accordingly.
- Payment of dividends*
108. No dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.
- Dividends payable only out of profits*
109. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or debenture stock of the Company, or paid up shares, debentures or debenture stock of any other company, or in any one or more of such ways.

minimum number fixed by or in accordance with these presents, the continuing Directors or Director may act for the purpose of filling up vacancies in the Board or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any shareholder may summon a General Meeting of shareholders for the purpose of appointing Directors.

97. If at any meeting the Chairman or Deputy Chairman, if any, shall be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting. *Chairman and Deputy Chairman of Directors*
98. A resolution in writing, signed the by a minimum of two Directors for the time being, shall be effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors. *Resolutions in writing*
99. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretion for the time being exercisable by the Directors. *Powers of meeting at which a quorum is present*
100. Without prejudice and in addition to the Provisions of Article 83, the Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. *Power to appoint committees*
101. The meetings and proceedings of any such committee, consisting of two or more members, shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article. *Proceedings at committee meetings*
102. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote. *Validity of acts of Directors in spite of some formal defect*

#### ALTERNATE DIRECTORS

103. Any Director may at any time appoint any person approved by the Board to be an Alternate Director of the Company and may at any time remove any Alternate Director so appointed by him from office. An Alternate Director so appointed shall not be entitled to receive any remuneration from the Company or to appoint an Alternate, but shall otherwise be subject to the provisions of these presents with regard to Directors. An alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of such appointor. An Alternate shall *ipso facto cease* to be an Alternate Director if his appointor ceases for any reason to be a Director. All appointments and removals of Alternate Directors shall be effected by *Provisions for appointing and removing Alternate Directors*

Register.

### **BORROWING POWERS**

91. The Directors may raise or borrow for the purposes of the Company's business such sum or sums of money as they may in their absolute discretion think fit. The Directors may secure the repayment or raise any such sums as aforesaid by legal or equitable Mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled capital, or by the issue at such price as they may think fit, of debentures and debenture stock either charged upon the whole or any part of the property and the assets (including its uncalled Capital) of the Company or not so charged, or in such other way as the Directors may think expedient. *Power to borrow and to give security*
92. Subject to the provisions of Article 77 of these presents, a Director of this Company may be or become a director or other officer of, or otherwise interested in, any company including but not limited to any company promoted by this Company or in which this Company may be interested as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as director or officer of, or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in favour of any resolution appointing it or any of its number, directors or officers of such other company. Furthermore, any Director of this Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights in a manner aforesaid. *Holding of concurrent office*
93. All cheques, promissory notes, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. *Signature of cheques and bills*

### **PROCEEDINGS OF DIRECTORS**

- 94(a). The Directors may meet together for despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes; the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors. *Board Meetings*
- (b) Provided that the requisite notices are served upon Directors and subject to the consent of a majority of such Directors, Directors can conduct their meetings on telephone, and all meetings so conducted shall be deemed to have the same status as meetings at which the Directors have physically convened.
95. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be Two. *Quorum*
96. The continuing Directors may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the *Proceedings in case of vacancies*

accordance with these presents.

*Directors*

85. The majority shareholder may by written notice to the company's registered office remove any Director before the expiration of his period of office, and may by notice in writing to be served upon the company's register office appoint another person in his stead.

*Removal of  
Directors*

### **POWERS OF DIRECTORS**

86. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in the General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

*General power of  
Directors to  
manage  
Company's  
business*

87. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, executive Directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, and any Directors of this Company may retain any remuneration so payable to them.

*Organisation of  
subsidiary  
companies*

88. The Directors may from time to time and at any time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.

*Power to appoint  
attorneys*

89. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

*Power to have a  
seal for use  
abroad*

90. The Company, or the Directors on behalf of the Company, may cause to be kept in any part of the world in which the Company transacts business, a Branch Register or Registers of Members resident there and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such

- (b) If he has a receiving order made against him or compounds with his creditors.
- (c) If he be found lunatic or of unsound mind.
- (d) If he be absent from meetings of the Directors for six months without leave and the Directors resolve that, by reason of such absence, his office be vacated.
- (e) If he be removed from office pursuant to Article 85.

80. A Director may hold any other office or place of profit under the Company (other than the office of Auditor) and may act in a professional capacity for the Company in conjunction with his office of Director, on such terms as to remuneration and otherwise as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relating thereby established, provided that the nature of the interest of the Director in such contract or proposed contract or arrangement be declared at the meeting of the Directors at which the question is first taken into consideration if his interest then exists, or in any other case at the next meeting of the Directors held after he became interested. A Director may vote in respect of any contract or arrangement in which he is interested and be counted in ascertaining whether a quorum is present, provided that he gives notice of the nature of his interest in any such contract or arrangement in the same manner as aforesaid. A general notice sufficient given to the Board by a Director to the effect that he is a member of or beneficially interested in a specified firm or company and is to be regarded as interested in any contracts or arrangements which may be made with that firm or company after the date of such notice shall be sufficient declaration of interest under this Article.
- Power of Directors to hold offices of profit and to contract with Company*
81. The Directors shall elect from amongst their own body a Chairman and if need be, a Deputy Chairman of the Board of Directors on such terms and for such period (subject always to the provisions of these presents) as they may think fit.
- Chairman*
82. Subject to any provisions to the contrary contained in the Act or in these presents, the Directors may entrust to and confer upon the Chairman and upon a Director holding any such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any such powers.
- Powers of Chairman and Executive Directors*
83. The Company in General Meeting may from time to time increase or reduce the number of Directors.
- Power to increase number of Directors*
84. The majority shareholder shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in
- Power to fill casual vacancies and to appoint additional*

form as the Directors shall prescribe. The proxy shall be deemed to include the right to demand, or join in demanding, a poll, and shall (except and to the extent to which the proxy is specially directed to vote for or against any proposal) include power generally to act at the meeting for the Member giving the proxy. A proxy, whether in the usual or common form or not shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, and need not be witnessed.

75. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- Intervening death or insanity of principal not to revoke proxy*

### DIRECTORS

76. Unless and until otherwise determined by the shareholders and by notice served upon the registered office of the company the Directors shall not be less than two or more than five in number. All Directors shall be elected and removed by the shareholders. The first directors of the company shall be:-
- Number or Directors*

1. SEBASTIAN SIASA NDEGE
2. SAID HARUNA NDARO

77. The Directors shall be paid out of the funds of the Company by way of remuneration for their services, such sum as the Company in General Meeting may from time to time determine. The Directors shall also be paid all reasonable travelling, hotel and other expenses incurred by them in connection with attending and returning from Board Meetings or otherwise in connection with the business of the Company.
- Remuneration of Directors*

78. Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.
- Extra remuneration*

79. The office of a Director shall be vacated in any of the following events, namely:-
- Vacation of office of Directors*
- (a) If (not being an Executive Director holding office as such for a fixed term) he resigns his office by writing under his hand left at the Office.

irrespective of the number of shares he holds.

66. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members. *Voting rights of joint holders*
67. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his nominee, *curator bonis*, or other person in the nature of a nominee or *curator bonis* appointed by such Court, and such nominee, *curator bonis* or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than three days before the time for holding the meeting. *Voting rights of lunatic Members*
68. No Member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. *No right to vote where a call is unpaid*
69. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. *Objections*
70. Votes may be given either personally or by proxy. On a show of hands a Member (other than a corporation) present only by proxy shall have no vote, but a proxy for corporation may vote on a show of hands. A proxy need not be a Member of the Company. *Votes on a poll*
71. Any corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represent as if he had been an individual shareholder, including power, when personally present, to vote on a show of hands. *Voting of corporation*
72. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. *Execution of proxies*
73. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office not less than twenty-four hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. *Deposit of proxies*
74. An instrument of proxy may be in the usual common form or in such other *Form of proxies*

time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

*Adjournments*

59. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by at least two Members present in person or by proxy and entitled to vote, or by a Member or Members entitled either by reason of their own holding or as representatives or as proxies, to cast one-tenth or more of the votes which could be cast in respect of that resolution if all persons entitled to vote thereon were present at the meeting. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution

*method of Voting*

60. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless the same be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman of the meeting be of sufficient magnitude to vitiate the resolution.

*Votes counted in error*

61. If a poll is dully demanded, it shall be taken at such time and in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may in the event of a poll, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The demand for a poll may with the consent of the Chairman of the meeting be withdrawn.

*How poll to be taken*

62. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

*Chairman's casting vote*

63. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately.

*Time for taking a poll*

64. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

*Continuance of business after demand for a poll*

#### **VOTES OF MEMBERS**

65. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every Member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote

*Voting rights of Members*

Company, a meeting may be convened by a shorter notice and in such manner as such Members may think fit.

51. The accidental omission to give notice to, or the non-receipt of notice by, any Member, shall not invalidate the proceedings at any General Meeting.

*Omission and  
non receipt of  
notice*

#### **PROCEEDINGS AT GENERAL MEETINGS**

52. All business shall be deemed special that is transacted at an Extraordinary Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of declaring dividends, the reading and consideration of the accounts and balance sheet and the ordinary reports of the Directors and documents required to be annexed to the balance sheet, the election of directors and appointment of Auditors and other officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration to the Directors.

*Special business*

53. Any person entitled to be present and vote at a meeting may submit any resolution or amendment to the meeting, provided that at least five and not more than fourteen clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him, containing the proposed resolution or amendment and stating his intention to submit the same.

*Notice of  
resolutions and  
amendments by  
Members*

54. Upon receipt of any such notice as in the last proceeding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution or amendments will be proposed. Any resolution or amendment of which such notice has not been given shall in the case of a resolution and may in the case of an amendment be ruled out of order, and the ruling of the Chairman shall be conclusive.

*Issue of such  
notice*

55. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business; save as herein otherwise provided two members present in person or by proxy shall be a quorum for all purposes.

*Quorum*

56. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum.

*Adjournment if  
Quorum not  
present*

57. The Chairman of the Board of Directors if any shall preside as Chairman at every General Meeting of the Company. If at any meeting the Chairman or Deputy Chairman, if any, be not present within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some Member present to be Chairman.

*Chairman*

58. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from

share premium account in any manner authorised by the Act.

*capital*

### **STOCK**

44. The Company may by Ordinary Resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination. *Conversion into stock*
45. The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. *Rights of stockholders to transfer stock*
46. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. *Other rights and privileges of stockholders*
47. Such of the regulations of the Company as are applicable, to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder". *Application of certain regulations to stock and stockholders*

### **GENERAL MEETINGS**

48. A General Meeting shall be held as the Annual General Meeting once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. The General Meetings referred to in this Article shall be called "Annual General Meetings". All General Meetings other than Annual General Meetings shall be called "Extraordinary Meetings". *Annual General Meetings*
49. The Directors may call an Extraordinary Meeting whenever they think fit and shall, on requisition in accordance with the Act, proceed to convene an Extraordinary Meeting as required by the Act. In the case of Extraordinary General Meeting called in pursuance of a requisition, unless such meeting shall have been called by the Directors, no business other than that stated in the requisition as the objects of the meeting shall be transacted. *Extraordinary Meetings*

### **NOTICE OF GENERAL MEETINGS**

50. All meetings of Members shall be called by twenty-one days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day for which it is given, and shall specify the place, the day, and the hour of meeting, and in case of special business, the general nature of such business (and in the case of a meeting convened for passing a Special Resolution, the intention to propose such resolution as a Special Resolution), and shall be given in manner hereinafter mentioned to such persons as are, under the provisions herein contained, entitled to receive notices from the Company. With the consent in writing of all Members entitled to receive notices from the *Notice of General Meetings required*

together with the certificate of proprietorship of the share under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, reallocated or disposed of, shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

#### INCREASE OF CAPITAL

40. The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe. *Power to increase capital*
41. The Company may by Ordinary Resolution direct that the new shares, or any of them shall be offered in the first instance, either at par or at a premium, to the then Members or to the holders of any class of shares for the time being, in proportion to the number of shares or shares of the class or group held by them respectively, or make any other provisions as to the issue of the new shares. *Allotment of new shares*
42. All new shares shall be subject to the provisions of these presents with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise and, unless otherwise provided in accordance with the powers contained in these presents, shall be Ordinary Shares. *Right and liabilities attached to new shares*

#### ALTERATIONS OF CAPITAL

43. The Company may by Ordinary Resolution:- *Power to consolidate shares*
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled. *Power to cancel shares*
- (c) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares. *Power to sub-divide shares*
- And may by Special Resolution:-
- (d) Reduce its capital or any capital redemption reserve fund or any *Power to reduce*

## FORFEITURE OF SHARES

33. If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses which may have been incurred by the Company by reason of such non-payment. *Notice requiring payment of Calls*
34. The notice shall name a further day (not being less than seven days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited. *Notice to state time and place for payment*
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture. *Forfeiture on non-compliance with notice*
36. When any share has been forfeited in accordance with these presents, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register of Members opposite to the entry of the shares; but no forfeiture shall be in any manner invalidated by any accidental omission or neglect to give such notice or to make such entry as aforesaid. *Notice after forfeiture*
37. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was, before forfeiture, the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may if necessary, authorise some person to transfer a forfeited share to any such other person as aforesaid. *Sale of forfeited shares*
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were payable by him to the Company in respect of the shares, with interest thereon as shall be determined by the Directors from the date of forfeiture until payment, but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture. *Rights and liabilities of Members whose shares have been forfeited*
39. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof *Title to forfeited shares*

the Company but any instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing it with the Company.

The Directors may decline to recognise any instrument of transfer unless:-

- (a) Such fee, as the Directors may from time to time require, is paid to the Company in respect thereof; and
- (b) The instrument of transfer is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

### TRANSMISSION OF SHARES

29. In case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

*Transmission on death*

30. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

*Registration of Executors and Trustees in Bankruptcy*

31. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

*Notice of Election to be registered and registration of nominee*

32. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a Member until he shall have become a Member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a Member in respect thereof within sixty days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a Member in respect thereof, and may be registered accordingly.

*Right of unregistered executors and trustees*

commercial lending rate, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

20. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the shares or by way of premium, shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. *Sums due on allotment to be treated as calls*
21. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the times of payment. *Power to differentiate*
22. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the moneys so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received the Company may pay interest at such rate as the Member paying such sum and the Directors agree upon. *Payment of calls in advance*

#### TRANSFER OF SHARES

23. Subject to the restrictions of these presents, all transfers of shares may be effected by transfer in writing in the usual common form or in any other form in writing under hand approved by the Directors. *Form of transfer*
24. The instrument of transfer of a share shall be in writing and shall be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do. *Execution*
25. The Directors may, in their absolute discretion and without specifying any ground, refuse to register a transfer of any share to any person who, in their opinion, is undesirable in the interests of the Company to admit to membership. No transfer shall be registered if by any reason thereof the number of members would exceed the limit hereinbefore prescribed. *Director's refusal to register, and closing register*
26. The Directors may refuse to register any transfer of a share where the Company has a lien on the share.
27. If the directors refuse to register a transfer, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
28. All instruments of transfers which shall be registered shall be retained by

or discharge or the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon but the Directors may at any time declare any share to be exempt wholly or partially from the provisions of this Article.

14. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the shares.

*Sale of shares  
subject to lien*

For giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

15. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

*Application of  
proceeds of such  
sale*

#### **CALLS ON SHARES**

*Calls*

16. The Directors may from time to time make calls upon the Members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on their shares, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any shares shall exceed one-fourth of the nominal amount of the share or be payable at less than fourteen days from the last call, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

17. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A call may be made payable by instalments.

*Time when made*

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

*Liability of joint  
holders*

19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding the current interbank

*Interest on calls*

8. Subject to the provisions of Article 38, unissued shares shall be at the disposal of the Directors, and they may allot, grant options over, or otherwise dispose of them to such persons, at such times, and on such terms as they think proper, but so that no shares shall be issued at a discount, except in accordance with the Act. *Unissued shares at the disposal of Directors*
9. In addition to all other powers of paying commissions, the Company (or the Directors on behalf of the Company) may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the Act and the rate of the commission shall not exceed the rate of Ten per cent (10%) of the price at which the shares in respect of which the commission is paid are issued or an amount equivalent thereto. The Company (or the Directors on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful. *Power to pay commission and brokerage*
10. Shares may be held in the Company in trust for beneficial owner. *Trustee shares*

#### CERTIFICATES

11. Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more of his shares upon payment of such sum, as the Directors shall from time to time determine. Every certificate shall be issued under the Seal. The certificate shall specify the shares or securities to which it relates and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint holders of any shares (except in the case of executors of trustees of a deceased Member), and, in case of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. *Issue of Certificates*
12. If a share certificate be worn out, defaced, lost or destroyed, it may be renewed on payment of such fee (if any) and on such terms (if any) as to evidence, indemnity and the payment of out-of pocket expenses of the Company for investigating evidence, as the Directors think fit. *Renewal of Certificates*

#### LIEN

13. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (including fully paid shares) standing registered in the name of each Member (whether solely or jointly with others) for all the debts and liabilities of such Member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such Member, and whether the period for the payment *Company's lien*

debentures of the company is prohibited;

- (d) The Company shall not have power to issue share warrants to bearer.

#### SHARE CAPITAL

4. The Share Capital of the Company at the date of registration of these Articles is Tanzania Shillings Ten Million only (Tshs.10, 000,000/=) divided into Ten Thousand (10,000) Ordinary Shares of Tanzania Shillings One Thousand (Tshs. 1000) each.

*Share Capital*

#### LOANS BY THE COMPANY

5. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares. The Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of share in the Company.

*Company's own  
shares not to be  
purchased*

#### RIGHTS OF SHARE HOLDERS

6. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided by the next following Article) any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine, and subject to the provisions of the Act the Company may issue Preference Shares which are, or which at the option of the Company are to be, liable to be redeemed.

*Issue of shares  
subject to special  
conditions*

#### MODIFICATION OF RIGHTS

7. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act, be modified or abrogated, either with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of a Special Resolution passed at a separate General Meeting of such holders (but not otherwise), and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company or to the proceedings thereat, shall *mutatis mutandis*, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-half in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every shares of the class held by them respectively.

*How rights of shares  
may be modified*

#### SHARES

## WORDS

## MEANINGS

The Act	The Companies Act No. 12 of 2002, and every other enactment for the time being in force concerning companies and affecting the Company.
These presents	These Articles of Association, as now framed, or as from time to time altered by Special Resolution.
Office	The Registered Office of the Company.
Seal	The Common Seal of the Company.
Month	Calendar month.
Year	Calendar year.
Writing	Unless the contrary intention appears, "writing" shall be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

The expressions "Debenture" and "Debenture holder" shall include "Debenture Stock" and "Debenture Stockholder", and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

Words importing the singular number only shall include the plural and the converse shall also apply.

Words importing males shall include females.

3. The Company is a private Company and accordingly:-

- (a) The right to transfer shares is restricted in manner as hereinafter prescribed.
- (b) The members of the company (exclusive of persons who are in the employment of the Company) is limited to fifty, **PROVIDED THAT**, where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single member;
- (c) Any invitation to the public to subscribe for any shares or

*Private Company*

P.O.BOX 21416 DAR ES SALAAM			
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DATED this .....day of February 2013

WITNESS to the above Signatures:

NAME: AMANDA I. URASSA

SIGNATURE: 

ADDRESS: P.O. BOX 11951 DNM

QUALIFICATION: ADVOCATE

DATE: 19<sup>th</sup> June 2013

AMANDA EMANUEL URASSA  
Advocate, Notary Public &  
Commissioner for Oaths  
P.O.Box 11951, D'SALAAM

**THE COMPANIES ACT, ACT NO. 12 OF 2002**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

*Of*

**SKYLIGHT BEACH RESORTS LIMITED**

1. The regulations in Table "A" in the First Schedule to the Companies Act (Cap 12) shall not apply to the Company

*Table "A" Not to Apply*

2. In these presents, if not inconsistent with the subject or context, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

*Interpretation*

debentures or other securities of the Company credited as paid up in full or in part or otherwise.




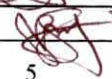
- (xxx) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuating funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances, or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and to establish and subsidise and subscribe to any institutions, associations, clubs, or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any such other company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.

**AND IT IS HEREBY DECLARED** that the word "Company" save when used in reference to this Company, in this clauses shall be deemed to include any partnership or. Other body of persons, whether domiciled in East Africa or elsewhere and the intention is that the objects specified otherwise expressed in each paragraph of this clause shall except where otherwise expressed in such paragraph be independent main objects and shall in no ways be limited or restricted by a reference to or inference from the terms of any other paragraph or the name of the company.

4. The liability of the members is Limited.
5. The authorised share capital of the Company is Tanzania Shillings Ten Million Only (Shs.10,000,000/=) divided into Ten Thousand (10,000) Ordinary Shares of Shillings One Thousand (Shs.1,000/=) each with such rights privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

We, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the numbers of shares in the capital of the company set opposite our respective names.

Names, addresses of Subscribers	No. of shares taken	Description of Subscribers	Signatures
1. SEBASTIAN SIASA NDEGE P.O. BOX 21416 DAR ES SALAAM.	55000	BUSINESSMAN	
2. SAID HARUNA NDARO P.O. BOX 1345 MWANZA	5000	BUSINESSMAN	
3. CASMIR SEBASTIAN NDEGE P.O. BOX 21416 DAR ES SALAAM	20000	BUSINESSMAN	
4. FAUSTINE SEBASTIAN NDEGE	20000	BUSINESSMAN	

which is capable of being conducted so as to directly or indirectly benefit the Company.

- (xx) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure or reciprocal concession or for limiting competition with any person or company carrying on or engaged in, any business or transaction which the company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (xxi) To vest any immovable or movable property, rights, or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- (xxii) To subscribe for, take or otherwise, and hold shares, stocks, debentures, or other securities of any other company.
- (xxiii) To invest and deal with moneys of the Company not immediately required in any manner.
- (xxiv) To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and other having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
- (xxv) To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by issue of debentures, or debenture stock perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company, both present and future including its uncalled capital, and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the company or any other person or company as the case may be.
- (xxvi) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (xxvii) To apply for, promote and obtain any act of Parliament, charter, privilege, concession, licence or authorisation of any government, state or municipality, provision order or licence of any authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
- (xxviii) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise or any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government authority, person or company any rights, privileges, charters, contracts, licences and concessions which the Company may think fit or desirable to obtain and to carry out, exercise and comply therewith.
- (xxix) To pay for any rights or property acquired by the Company and to remunerate any person or company whether by cash payment or by the allotment of shares,

interest in movable and immovable property and to act as agents for buying, letting, leasing movable and immovable property and to act as valuers of machinery, agricultural machinery, buildings, houses, properties and offices and as valuers for mortgage purposes and loans.

- (x) To carry on the business as builders, developers, managers, owners, proprietors and to lease out hotels, restaurants, clubs, motels, lodges, holiday cottages especially near the sea, ocean villas and all types of accommodations and to carry on the business as tour and travel operators and agents to all parts of the world by air, sea, rail, car or any other method of locomotion and to hire out cars.
- (xi) To carry on the business of financial advisors, capital managers, syndicated financing, asset management and all other financial related activities including being managers for banks, financial institution and generally to act as Managing Agents.
- (xii) To acquire for the purpose of investment by purchase, lease, exchange, hire or otherwise Estates and Property of any interest in the Republic of Tanzania and elsewhere.
- (xiii) To act as agents or brokers, or commission agents and as Trustees for any person and to perform sub-contracts and also to act in any of the business of the Company through or by means of agents brokers, sub-contractors or others.
- (xiv) To build, purchase, hire or take on charter vehicles or vessels of any description.
- (xv) To carry on in the Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting on hire, hire purchase or easy payment system of, manufacturers and contractors of articles and goods of all kinds.
- (xvi) To found, develop, manage, extend, establish and acquire, industrial, commercial or agricultural enterprises in all its fields and in particular workshops in all branches of work and industry whether alone or enter into partnership or into arrangement for shearing profits, union of interest, reciprocal concessions or co-operation with any person partnership or company in East African or overseas and also to form, constitute, float, lend money to and to assist and control any companies, associations or undertakings whatsoever.
- (xvii) To purchase, take on lease or in exchange, hire or otherwise acquire, any immovable or movable property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business.
- (xviii) To apply for, purchase, or otherwise acquire and protect and renew in any part of the world, any patents, brevets d'invention, trade marks, designs, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights, or information so acquired.
- (xix) To acquire, and undertake the whole or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company or which can be carried on in conjunction therewith or

**THE COMPANIES ACT, ACT NO. 12 OF 2002**

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**COMPANY LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**

**OF**

**SIFA BOTTLING COMPANY LIMITED**

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1. The name of the Company is **SIFA BOTTLING COMPANY LIMITED**.
2. The registered office of the Company is situated in UNITED REPUBLIC OF TANZANIA.
3. The objects for which the Company is established are:-
  - (i) Dealing in Hotel business and Hospitality
  - (ii) To deal in beach resorts, bar and restaurant business
  - (iii) To deal in hospitality business such as organization and arrangements of meetings.
  - (iv) To deal with hiring of hall facilities for several occasions.
  - (v) To deal with entertainment such as disco, playgrounds for kids and swimming pool.
  - (vi) To carry on the business of an Investment Company and to buy, undertake, invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Government, State, public body or authority, supreme, municipal, local or otherwise private or firm or person and to deal with and turn to account the same provided always that no investment imposing unlimited liability on the Company shall be made.
  - (vii) To carry on business of advisers on problems relating to the administration and organisation of industry and business and the training of personnel for business and industry and to carry on all or any of the businesses of industrial and business consultants.
  - (viii) To acquire, manufacture, import and supply computer products and to service the same and provide consultancy services with regard to such computer products and any other related products.
  - (ix) To carry on the business as valuers and appraisers of land, improvements of land, leases, mortgages and all other interests pertaining to immovable property and to act as land economics consultants, land development consultants and advisers on use, act as land economics consultants, land development consultants and advisers on use, improvement, selling, purchasing, letting, leasing, acquisition or disposal of any

**THE COMPANIES ACT, ACT NO. 12 OF 2002**

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**COMPANY LIMITED BY SHARES**

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***MEMORANDUM AND ARTICLES OF ASSOCIATION***

***OF***

**SIFA BOTTLING COMPANY LIMITED**

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**DRAWN BY:**  
Amanda Urassa  
Advocate,  
P.O Box 11951  
**DAR ES SALAAM**

TANZANIA



## Certificate of Incorporation

Section 15

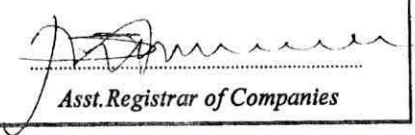
No 100316

I HEREBY CERTIFY THAT

**SIFA BOTTLING COMPANY LIMITED**

is this day incorporated under the Companies ,  
Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam

this 24TH day of JUNE**TWO THOUSAND AND THIRTEEN**  
Asst. Registrar of Companies

DAR ES SALAAM

QUALIFICATION: ADVOCATE

SIGNED and SEALED in DAR ES SALAAM by  
SIFA BOTTLING COMPANY Limited  
in our presence this 24<sup>th</sup> day of June 2013

AMANDA EMANUEL URAS  
Advocate, Notary Public &  
Commissioner for Oaths  
P.O. Box 11951, D SALAAM  
**STAMP**

Name: EDDIE MATHEUBA

Signature: 

Designation: HR-OFFICER

Name: MILLIANA MUTAGULWA

Signature: 

Designation: CHIEF OPERATIONS OFFICER

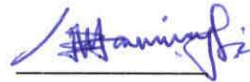
amount of unutilised rent paid up by the Lessee in addition to any other legal remedies the Lessee might have against the Lessor.

8. That any demand for payment or notice requiring to be made upon or given to the Lessee shall be sufficiently made or given if sent by the Lessor or her agents through the post by registered letter addressed to the Lessee at the demised premises, and that notice requiring to be given to the Lessor shall be sufficiently given if sent by the Lessee through the post by registered mail addressed to the Lessor at her usual or last known place of residence AND that any demand or notice sent by post in either case shall be assumed to have been delivered in the usual course of post.

9. This lease agreement shall be governed by the laws of United Republic of Tanzania.


IN WITNESS WHEREOF the Lessor and the Lessee have hereto signed this Deed on the day, month, year and the manner as hereinafter appearing.

SIGNED AND DELIVERED at Mwanza  
by the said SEBASTIAN SIASA NDEGE  
who is known to me personally/identified  
to me by.....  
the latter being personally known to me in my  
presence this 24<sup>th</sup> day of June 2013.



LESSOR

BEFORE ME:

NAME: AMANDA. E. URASSA  
SIGNATURE:   
POSTAL ADDRESS: 11951

- (v) Not to assign, sublet or part with the possession of the demised premises hereby demised without the written consent and permission of the **Lessor**.
- (vi) To comply with the City Council, Municipal Council and Health regulations relating to the demised premises.
- (ix) Not to take upon, keep, place or store any dangerous or inflammable material in the demised premises

6. **THE LESSOR COVENANTS WITH THE LESSEE AS FOLLOWS:**

- (i) To insure and keep insured the demised premises and its fixtures (per scheduled to the lease) therein against loss or damage by fire and such other risks as the **Lessor** shall deem desirable or expedient.
- (ii) To pay all the site rates, land rents and other imposition during the said term.
- (iii) The **Lessee** paying the rent hereby agrees upon observing and performing the covenants and stipulations herein on the part of the **Lessee** contained shall peacefully hold and enjoy the demised premises during the term created without interruption by the **Lessor**.

7. **PROVIDED ALWAYS** and it is hereby agreed as follows;

Whenever any part of the rent hereby agreed upon shall be in arrears for **three months (3)** after the due date or a breach of any of the covenants by the **Lessee** herein contained the Lessor may re-enter the demised premises and determine the lease.

- (i) That if the **Lessor** gives notice in writing to the **Lessee** as above, without reasonable cause and where the **Lessee** has not breached any of the covenants in this lease agreement, the **Lessor** shall pay the **Lessee**, such

**Thousands Only (US \$ 8000.00)** at the rate of **United States Dollars Eight Hundred Only (US \$ 1600.00)** per month, (hereinafter referred to as "the Rent") to be furnished in the manner and style as hereunder:

- (i) The rent herein reserved shall be paid by the **Lessee** to the **Lessor** half yearly in advance whereas the first such payment becoming due on the execution of this lease.
  - (ii) That pursuant to sub paragraph (i) above the **Lessee** shall, pay to the **Lessor** the rent hereby agreed in the manner hereby appointed either by cash or cheque.
4. At any such time not later than three months before this lease expires, the **Lessee** may serve a notice to the **Lessor** signifying its intention to renew its lease term at the time of expiry of this lease if it so wishes under terms to be agreed by both parties.
5. **THE LESSEE HEREBY COVENANTS** with the **LESSOR**:
- (i) To pay all rates, taxes and other charges for the use of water, electricity and telephone in respect of the demised premises during the said term, **EXCLUDING** property tax hereinafter-becoming payable in respect of the demised property.
  - (iii) To permit the **Lessor** and her agents and other persons authorised in writing by the **Lessor** to enter the demised premises at all reasonable times during day time with prior consent, such consent not to be unreasonably withheld, for the purposes of viewing the demised premises and undertaking any repairs necessary under the covenants hereinbefore or hereinafter contained.
  - (iv) Not to do anything that will invalidate the policy of insurance against fire or that which may increase the premium in respect of the demised premises and to pay to the **Lessor** sums paid by way of insurance premium, and any expenses incurred by the **Lessor** due to the **Lessee's** breach of this covenant.

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** made this <sup>24<sup>th</sup></sup>.....day of June 2013,

**BETWEEN**

**DR. SEBASTIAN SIASA NDEGE** a Male natural person of P.O. Box 21416, Dar es Salaam (hereinafter called "**the Lessor**" which expression and when the context so admits shall include his legal representatives, agents, assigns and successors in title) of the one part;

**AND**

**SIFA BOTTLING COMPANY LIMITED** a limited liability company incorporated in Tanzania with its registered office in Dar es Salaam of P.O. Box 76124, Dar es Salaam (hereinafter called "**the Lessee**" which expression and when the context so admits shall include its legal representatives, agents, assigns and successors in title), of the other part.

**WHEREAS**

1. The **Lessor** is the owner of a landed property situated on Plot No. 651 and 652, Block B, Nyamohongoro, Mwanza (hereinafter referred to as "**the demised premises**");
2. The **Lessor** has agreed to lease the demised premises to the **Lessee** to hold and use the same for **commercial purpose** on terms and conditions hereinafter appearing.

**NOW THIS AGREEMENT WITNESSETH** as follows:

3. The **Lessor** hereby demises unto the **Lessee** **ALL THAT** demised premises **TOGETHER WITH** the right of access **TO HOLD** unto the **Lessee** for a term of twenty (20) years commencing on the 1<sup>st</sup> day of July, 2013 to 30<sup>th</sup> June 2033 and furnishing **THEREFORE** for the said term the consideration of **United States Dollars Eight**

Our sister Company Ndege Insurance Brokers shall provide all Insurance coverage for the factory assets and Liabilities.

Classes of Insurance:

**Futur e Plans For SifaBottling**

**MANAGEMENT AND STAFFING**

**Management Team**

**FUNDS NEEDED AND THEIR USES**

In order to start and establish SIFA Bottled Water as a leading Manufacturers of quality bottled drinking waters, funding is required in the amount of \$93,500 and will be utilized as follows:

An annual marketing budget of \$25,000 has been established for the first year of operation, based on a calculation of 10% of first year sales of \$247,928.

This funding will be generated from profitable operation of the business and not from the start-up capital.

### **Competitive Advantage**

SIFA BOTTLING will quickly establish itself in the MWANZA market as a top quality provider of bottled water. The company will do this by emphasizing superior customer service in all aspects of the company operations.

One major component of ensuring that customers are delighted with SIFA PRODUCTS products and service, is the appointment of BRAND AMBASSADORS Who will be tasked to revolve around the market in Bars,Hotels,Clubs,Colleges and Public places to solicit buy in and revert feedback on customer satisfaction hence persue new bussiness.

### **OPERATING PLAN**

Sifa Bottling Limited shall be built and installed at its designated area in IgomaMwanza,the plant is expected to receive Pre treated water from Mwanza Water supply,and shall undertake Tratment procedure by Reverse Osmosis,Moulding of bottles and Packgaing for final distribution.Plastic is preferred as the bottle packaging because it is lightweight, unbreakable, and inexpensive to produce and ship.

A list of reputable distributors shall be selected carefully and contracted with specfic targets to achieve.Our distributors must be well established and aggressive.

### **Location**

The company will operate from approximately 500sqmts. of warehouse space in Igoma,Nyamhongoro area, with a portion of the plots being set aside for office space,Ware house, Parckaging space and storage. Sifa Bottling is currently working with county officials to identify and negotiate the lease on an appropriate site.

### **Distribution:**

**SIFA BOTTLING** shall ensure that we present the most attractive incentives and commissions to our Distributors both small and large scale.The main target is the ones controlling the largest market share in Mwanza (Rwenzori Distributors).Others are Mwita investments, Malboro and Lakairo Investments.

### **Insurance**

SIFA BOTTLING will offer a variety of water coolers for rent to its customer base, including standard floor models or counter top models offering choices of cold water only, hot and cold, or room temperature and cold water dispensing. However, the option of purchasing coolers shall be made available for customers.

**Customer service** —if there is ever a problem with the water cooler, SIFA BOTTLING arrives quickly to replace it, taking the faulty cooler back to the warehouse for repairs.

**Monthly billing** — For rentals, instead of weekly trips to the grocery store, customers receive a single monthly bill based on the quantity of bottles consumed.

## **MARKETING STRATEGY**

In order to effectively and quickly build its customer base, SIFA BOTTLING intends to aggressively promote its free trial program, offering new customers the use of a company cooler for a period of 30 days free of charge and includes two free bottles of water.

In addition, the company will implement a variety of other marketing methods to complement and build on the free trial offer. Since the competition has failed to utilize other marketing methods beyond the free trials, SIFA BOTTLING will quickly achieve a competitive advantage.

### **Marketing Methods**

#### **Free Trials**

Through research done by the company, this marketing approach has been found to be extremely effective in enticing consumers to try bottled water and to become used to having a cooler nearby. Once the cooler is in place, the majority of customers find it most convenient to leave it there and order additional bottles of water from the company that provided the cooler.

#### **Advertising**

SIFA BOTTLING intends to advertise its free trial offers by way of radio ads (secured through cross-promotion deals or barter arrangements), door hangers, and ads in coupon packages. Existing competitors do not currently invest in advertising, leaving the market wide open to SIFA BOTTLING.

#### **Direct Mail**

Post cards offering a 30-day free trial will also be mailed to homes and businesses in selected addresses within mwanza.

#### **Trade and Consumer Shows**

Attendance and exhibits at local home, Road shows and mall shows is also planned, to keep the SSifa Water name constantly in front of consumers.

#### **Placements**

The company will also place coolers in public places frequented by health conscious consumers, such as pharmacies and hospitals.

#### **Budget**

- Sales
- Reinvestment

### **Personal Investment**

Dr. Sebastian Negev has already invested over 10,000 USD of his personal funds during the last year in order to thoroughly research the Tanzanian, Mwanza bottled water industry and verify demand within the local Mwanza market through attendance at industry conventions and trade shows (which included attendance and travel expenses) and formal research.

Funds have also been invested in creative works, logo and label creation, and professional consulting fees in order to incorporate, register the trademark, and finalize the company business plan.

### **PRODUCT DESCRIPTION**

SIFA BOTTLING offers industrial, domestic and commercial home and office bottled drinking waters, as well as water cooler rentals, under the SIFA DRINKING WATER label.

#### **Drinking Water**

The company offers three types of water in 500ML, 1.5LIT AND 10LIT (refillable) bottles:

#### **Pure spring water**

Pure spring water is collected from protected springs and wells and contains no contaminants or additives. Consequently, it is considered to have the best taste of all drinking waters.

#### **Distilled Water**

Distilled water is produced by vaporizing water and then allowing it to condense, thereby leaving behind any dissolved minerals present in the original water.

#### **Purified Drinking Water**

Water is purified by a process of reverse osmosis, where the water is forced under pressure through membranes which remove 90% of the dissolved minerals.

Water is delivered in 500mls, 1.5lit and 10lit bottles made of plastic.

SIFA BOTTLING the only water company in the Mwanza area to offer a special new handle that makes lifting and refilling bottles much easier. Eventually, the company intends to offer smaller 250mls bottles of water.

#### **Water Cooler Rentals**

### **Competition**

There are currently 13 bottled water Manufacturers large known in Mwanza , however only 7 industries are actively engaged in production of drinking water. The other 6 industries manufacturers of related baverages other than water.

The 3 largest competitors are:

- Rwenzori(Uganda)
- Dasani
- AquaRock

However, these firms except Rwenzori , in total, control just 20% of the potential market for bottled water, according to the local Small Business Administration office. In fact, all have stated by phone that they constantly have more orders for coolers and water delivery than they can handle, indicating strong demand for bottled water that has overrun the capacity of companies already in the market.

### **BUSINESS DESCRIPTION**

SIFA BOTTLING LIMITED is a regional manufacturer of bottled waters for use in conjunction with rented water coolers. The range of products shall include PURE DRINKING WATER,NATURAL SPRING WATER and other related bevarages depending on factory options.

### **Corporate Structure**

SIFA BOTTLING Limited will be incorporated as a Private Limited Liability company by shares.

#### **Name**

The trade name SIFA is in the process of being registered, and the product logo is being finalized for imprinting on the bottles.

### **Operations**

The initial Management team has been ble to identify key operational areas as follows:

- Factory site: IGOMA INDUSTRIAL AREA-Plot number 706(5000sqmt), and 707(6000sqmts)Both Owned by Dr.SebastianNdege.
- Plant procurement-Quotations are being sought-Options are USA,China and Turkey technologies.
- Factory Construction and Plant installation
- Certification by various authorities:Ministry of industries and trade,TRA,LocalAuthority,FIRedepartment,and TBS.
- Operational logistics
- Human resource
- Raw materials
- Production
- Distribution

Mwanza area was also approximately 500 per bottle, which is what SIFA intends to charge.

After water and delivery costs of 200, each bottle generates 300 in profit per unit for the company. IN this regard, with production of 8000 Bottles per hour we anticipate a profit of 28 Million shillings for every hour of production (Given all other factors are constant).

### **Suppliers**

Preform: The business model intends to blow bottles from preform to completed corrugated bottles for use. Suppliers of Preform will be Chinese largest preform manufacturers, Techlong, Guanzhou.

The main raw material is WATER. This will be initially obtained from Mwanza Water Supply Authority as Pre-treated Water. In future stages SIFA Bottling shall look into means of obtaining water from various natural springs in view to add to its product range, Natural Spring Water.

### **MARKET OVERVIEW**

Mwanza Municipality has about 143 Industries, out of which 5 of them are bottled water producers at varied scale and quality.

Due to poor municipal water supplies facilities, there has been increase demand for safer, cleaner water from the bottling industry. Mwanza region potentially relies on mainly bottled water supplied by UGANDAN SAB MILLER (South African Company).

The most dominant (60% share) product namely RWENZORI is supplied to Mwanza Market by two Major distributors: Mkombozi Marines, Mwita Distributors. Other products are Dasani (its taste is unfavoured by consumers), Produced by Nyanza Bottling (Cocacola), Aquatech (not trusted), Aquava (not trusted).

Other bottled water products in Mwanza market are Uhai (reported to be salty) produced by Azam Industries (Dar es salaam), MAjiPoa, Maji Safi etc.

### **Potential Customers**

Sifa Bottling intends to capture both Retail and large scale distribution channels to reach its final consumers at the following sectors: Domestic, Commercial, Viosks, Groceries, Supermarkets, Industries, Hotels, Bars, Restaurants, Public events and related markets.

### **Size of the Market**

The size of the non-sparkling bottled water market for the Mwanza area is approximately 16,871,019 gallons per year, assuming a population size of 2,444,099 in the Mwanza (according to the 2012 Census).

The value of the local water market is approximately \$13,177,220, as of 2012.

Consumer demand for bottled water is expected to continue to increase, as municipal water supplies nationwide are deemed undrinkable or unhealthy. According to a survey conducted by Water AID, in 2008, more than 60% of consumers questioned about their purchase of bottled waters claimed "taste" was the primary reason for buying bottled water. Other reasons cited were safety and concerns about "too many chemicals in tap water."

### **Growth Rate**

The bottled water industry as a whole has been growing at a rate of 18-25% annually since the mid-1990s. Bottled water sales increased 20.8% from February 2012-2013, indicating a market rebound from the single digit growth of the late 2000.

### **Industry Size**

By far, the most popular type of water is non-sparkling water; In Kenya (Similar market) in 1990 sales of non-sparkling water were \$1,489,000,000, according to the *Report on World Bottled Water Manufacturing, 1991*. Total bottled water sales were \$2,222,000,000, including both domestic sparkling and imported drinking waters. Total sales of bottled water increased by more than 13% from 1989 to 1990, and have doubled in the last five years.

### **Consumption**

Per capita consumption of bottled water in Mwanza is also increasing dramatically, rising from 4.5 gallons per person in 2000 to 8.0 gallons per person just five years later, in 2005.

Approximately 1 out of every 10 households currently consumes non-sparkling bottled water as a source of drinking water. In addition, the growing Hotel and tourism Industry largely depends on bottled water. The growing Mining Industry both small and large scale largely depends on bottled water for drinking water. Other potential consumers are: Hospitals, Homecare, Hostels, and Fishery industry.

### **Delivery of Water**

Our business research has identified key distribution channels as follows

Retail grocery, Hotels and Bars, Commercial delivery, Home delivery, Restaurant purchase, and Vending. Others are Mining supplies, kioski and Side Road venting

While retail purchase accounts for the largest percentage of bottled water purchases (41.5%), 21.3% of sales are made through commercial delivery of water and 21.4% are through local vending delivery sales. The percentage of the industry that relies on water deliveries for its water is 42.7%, the largest percentage of all.

### **Cost**

In Tanzania, the average price for a 500mls delivered bottle of water is 500shs. An informal survey of local distributors showed that the average price in the

By using free trials to entice consumers to install their water coolers and complimentary bottles to large users, SIFA BOTTLING will quickly establish a customer base. The free trial offer will be advertised through a variety of media, and will be promoted at trade shows and mall events.

The marketing budget of \$25,000 will enable the company to quickly capture a large percent of the potential market. All funding for marketing activities will be generated from the business as earnings from operations, not from start-up capital, and is based on a standard 5% of first-year sales.

#### INVESTMENTS REQUIREMENTS

1.LAND Provided:Igoma Industrial Area(10,000 sqmts	
2.FACTORY CONSTRUCTION	100,000USD
3.PLANT PURCHASE AND INSTALLATION	200,00USD
4.INITIAL OPERATING EXPENSES	50,000USD
5.PERMITS AND APPROVALS	5,000USD
6.EXPERTISE AND SET UP	10,000USD
7. FACILITIES AND OTHER EQUIPMENTS	50,000USD

TOTAL TURNKEY INVESTMENT **415,000USD**

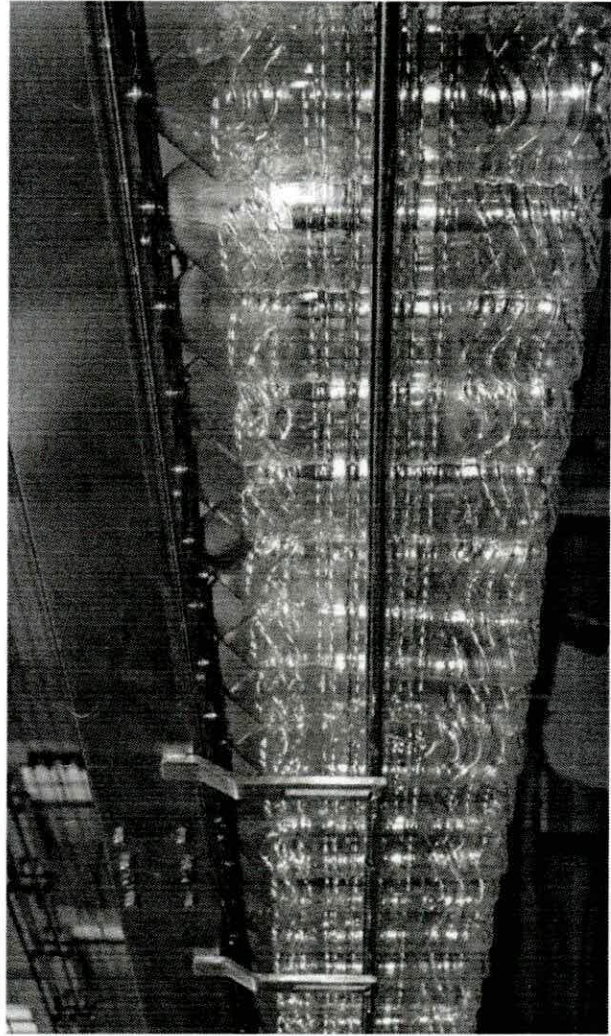
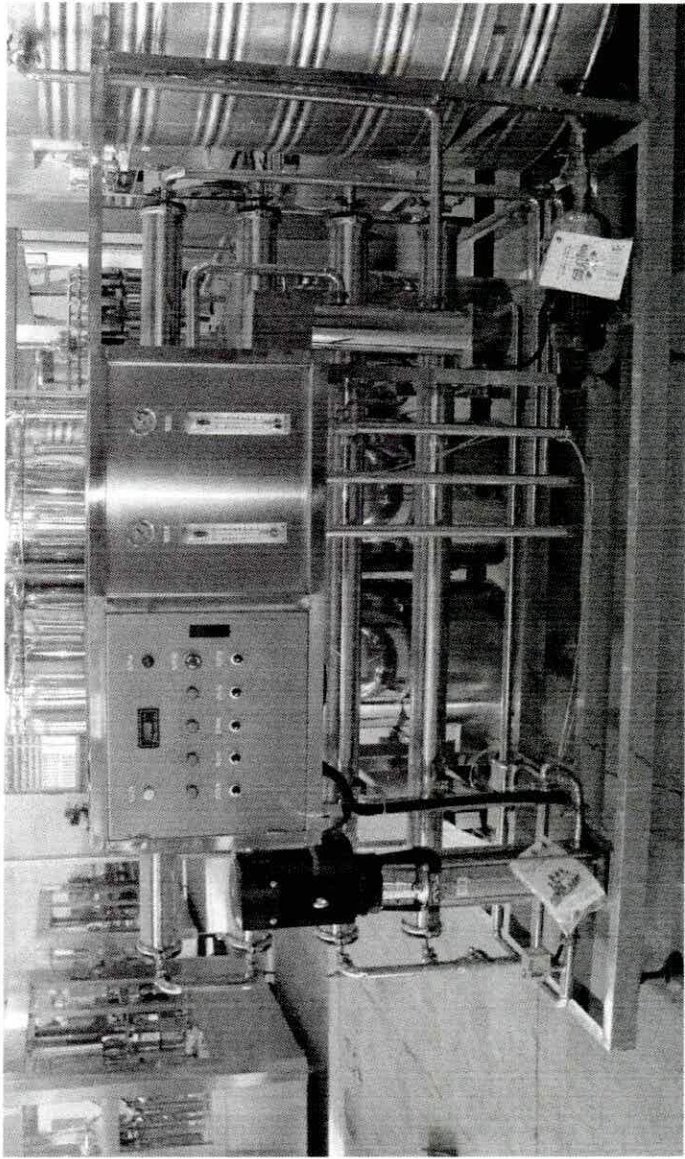
#### INDUSTRY ANALYSIS

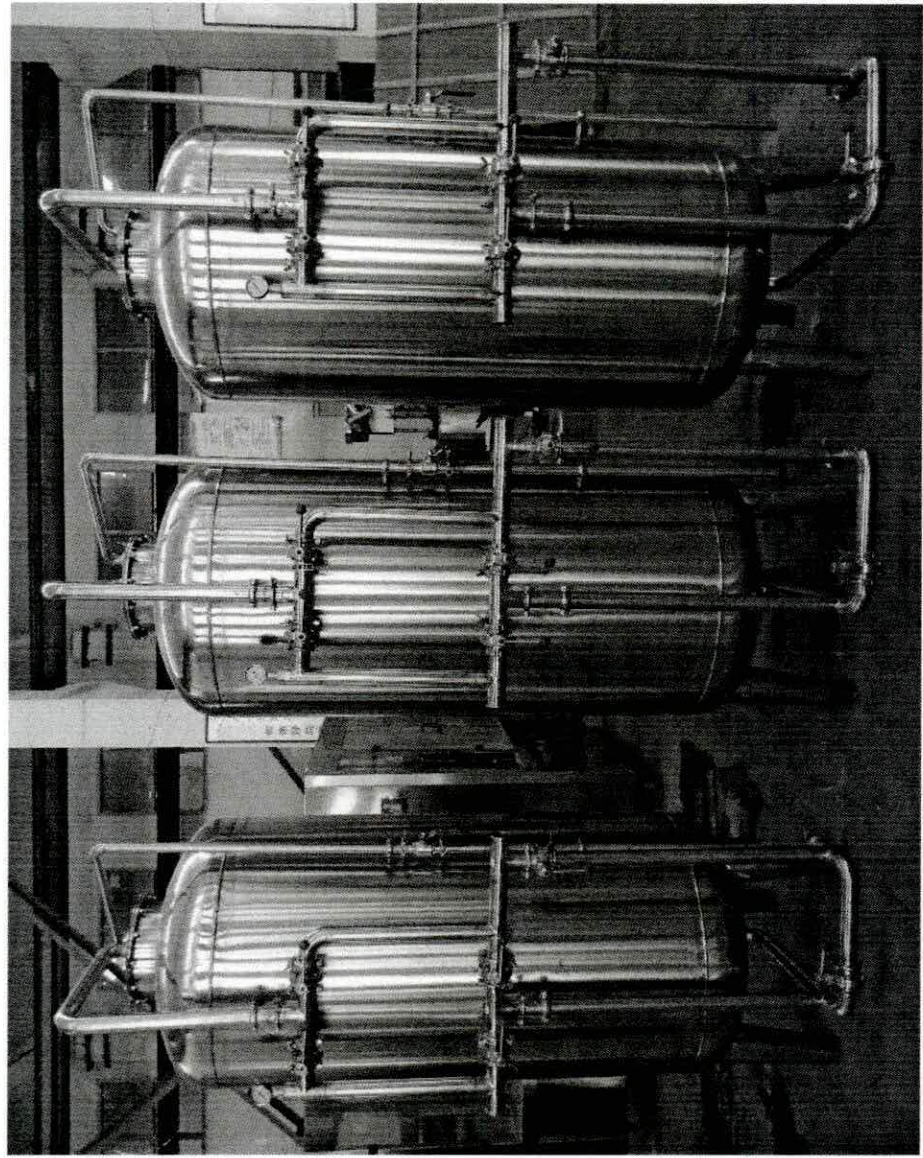
The market for bottled drinking water has been growing rapidly in Mwanza and the entire lake zone due to rapid population growth. There is also lack of trust for Mwanza Water Authority supply due to safety reasons.

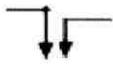
Manufacturers in Mwanza, as a result of declining consumer confidence in the safety and quality of municipal water supplies has gained a wider market coverage save to say Water is a global beverage.

This nationwide trend is evident in the Lake Zone , where SIFA BOTTLING intends to operate.

In response, individuals and businesses are purchasing bottled drinking water for use in their homes and offices. Free of contaminants and government-monitored, bottled waters are derived from protected springs or wells or are produced by purifying and processing water from public water supplies.







Precision filter → security filter → high-pressure pump → RO unit → oxide mixture tank → purified put ozone in water tank → purified water pump → drinking water PET bottle 8000b/h pure water filling & packing line

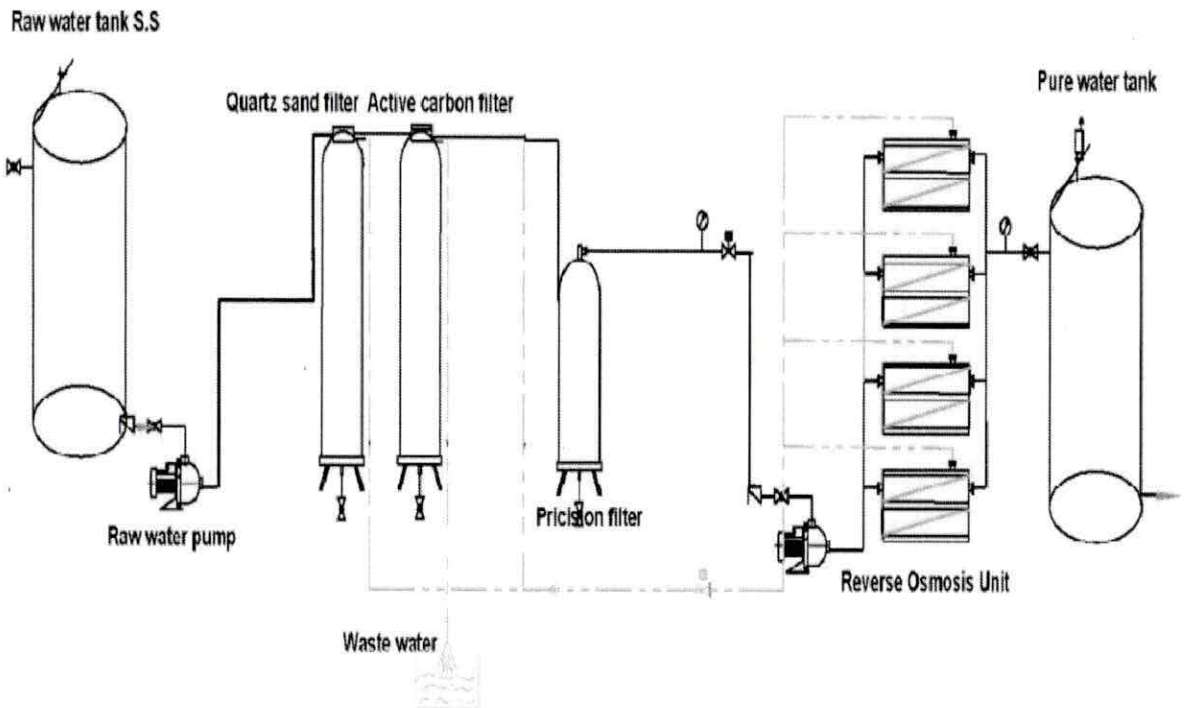
### Blowing machine

water treatment system bottle pure water

Air conveyor → 3 in 1 washing filling, capping monoblock

(cap) → cap elevator Bottle warmer → bottle drier → ink jet → light checker →

(Label) Inserting label machine → shrinking tunnel → full bottle conveyer system → shrink packager → case conveyor → (palletizer, warehouse)



Madam Renatha is a professional accountant and Financial Consultant. She is a holder of CPA and Masters in Business Administration. She is a partner at Diamond Financial Services. Her expertise in both National and international Financial and accounting Practices shall assist the Industry to make well informed decisions in both Investments and operation in view to ensure a profitable venture.

\*A complete organogram and Corporate Management structure will be formulated at later stage, based on the needs.

### **Manufacturing**

SIFA Bottled Water will be bottled PRODUCED by SIFA BOTTLING INDUSTRIES LIMITED. The production process shall involve key stages of a typical Water bottling plant namely:

#### **TREATMENT-MOULDING-BLOWING-RINSING-FILLING-PACKAGING.**

The filling process shall involve: 500mls, 1.5 litre, and 10 Litre Bottles (Subject to design of Plant).

#### **TANZANIA BUREAU OF STANDARDS CERTIFICATION:**

Packed/bottled drinking water is tested against the requirements of the following standards: ☐

1. TZS573:1999 Natural Mineral Water-Specification. ☐
2. TZS574:2008 Packed/Bottled drinking water-Specification.

#### **PROCESS FLOW:**

Technology flow chart:

Water treatment system:

Flocculant raw water → raw water tank → raw water pump → mechanical filter → activated carbon filter →

\_\_\_\_\_ ↓

scale inhibitor

chemical cleaner

## **Bottled Drinking Water**

To take advantage of this expanding market for drinking water, SIFA BOTTLING INDUSTRIES has been established to provide home and office delivery of bottled water to MWANZA and surrounding area.

After months of extensive industry and market research, the company has developed a solid business plan to enter the market for bottled water in the Lake region.

SIFA BOTTLING will generate revenue as a result of the rental and sale of water coolers, as well as for the delivery of the three types of water: Pure spring water, distilled drinking water, and purified drinking water in small and large bottles.

## **Management Team**

Dr. Sebastian Ndege is the first president and Director (Executive) of SIFA BOTTLING, bringing years of experience in business formulation and management and to the company.

The business and entrepreneurship acumen shall be a benchmark to the success of this uniquely designed business concept.

The company has applied for Registration of business name, trade marks and Industrial Licences, which is in progress in realizing the big dream.

Two other key (first) Directors of the Company are:

### **1. Mr. Simbo Jonathan (Executive)**

Mr. Jonathan is a renowned young entrepreneur and business executive specialized in the area of Industrial Energy and Power Protection. His vast experience and expertise in the area of Industrial consultancy shall become the main catalyst in ensuring accurate plant and machinery investments and its smooth and profitable running. This includes to ensure the most effective and efficient means of power source.

### **2. Mr. Chacha (Independent)**

Mr. Chacha is an Economist, Accounting and Administration specialist with high managerial repute in the area of Public sector and various business set ups. His technical knowledge, skills and experience shall provide guidance to successful business venture. Further, Mr. Chacha shall add a tremendous value to our business network, both private and government relations and most of all the wisdom and strong personal integrity that will project strength and trusted establishment.

### **3. Renatha Negev-Mushi**

high income social classes in urban areas, and since is processed from various sources, is important to examine its quality.

## **EXECUTIVE SUMMARY**

Demand for bottled drinking water has been growing rapidly since the 1990s, increasing nearly 400% in the last decade. According to report published by Water AID, it states that almost half of population of Tanzania lack access to safe water, and over 75% have no sanitation despite abundant lakes and rivers. With increased size of population in urban areas, safe water has become increasingly essential demand, particularly drinking water. It has scientifically been proven that, a person would better spend the little they have for drinking water, rather than for other uses of water (Priority ratio is 9:1). In Tanzania, there is an increased concern for tap water due to deterioration of quality of processing at government authorities, decrease in levels of water at sources, low capacity of Water authorities and extremely high levels of contamination. A study done in Tanzania has proved that people have more trust on bottled water than any other water for purpose of drinking.

Mwanza is the second largest Urban Center in Tanzania. It has two districts named Nyamagana and Ilemela, with an estimated total population of about 1.5 Million people. It is a fast growing City with population growth rate of 4.5% caused by rapid growing industrial and commercial activities. Lake Victoria a fresh water lake is the major source of piped water scheme which serves about 90% of the Mwanza City and Kisesa township population. The rest of population is served by non piped schemes such as shallow, medium/deep wells, rivers and traditional water sources. This has been a source of an increase in water borne diseases such as diarrhea, cholera and schistosomiasis.

### **Water demand**

Projected water demand of the city is about 60,000 m<sup>3</sup>/day and installed pumping capacity by the water authority is about 108,000 m<sup>3</sup>/day. The installed capacity of 108,000 m<sup>3</sup>/day was reached after completion of the new project (Water Supply Programme Regional Centres Phase I) in November 2008. This capacity has not yet attained the increasing demand for water and in particular safe water. It has been established further that people do not have trust on the safety of authority water. Therefore, for the case of domestic, office, water and private drinking water most people prefer bottled water.

## CONTENTS:

- EXECUTIVE SUMMARY
- INDUSTRY ANALYSIS
- MARKET OVERVIEW
- BUSINESS DESCRIPTION
- PRODUCT DESCRIPTION
- MARKETING STRATEGY
- OPERATING PLAN
- MANAGEMENT AND STAFFING
- FUNDS NEEDED AND THEIR USES
- FINANCIAL STATEMENTS

## BACKGROUND

Water is a useful resource for domestic, industrial and agricultural purposes and its importance to man cannot be overemphasized due to its essentiality in body metabolism and proper functioning of cells. Though, water is abundant in nature occupying 71% of the earth surface, only 1% is accessible for human consumption. Access to adequate supply of safe drinking water for all is one of the primary goals of the World Health Organization. In Tanzania, only 54% of the population has access to improved water supplies and 24% have access to adequate sanitation.

Bottled water is one of the reliable healthy drinking water in any parts of the world including Tanzania having undergone through series of treatments. Therefore, bottled water is widely accepted as potable and thereby free from physical, chemical and microbiological contaminants that could cause adverse health effects in humans when consumed.

In Africa, scarcity and water pollution constitute a major challenge for sustainable water resources management. Despite the World Health Organization's guidelines for drinking water quality, water pollution in various sources has been increasing over recent decades in most countries. On local scale in Tanzania, people depended on tap water, surface water, and groundwater which unfortunately are polluted. In addition, bottled water was widely accepted as potable and healthy

drinking water; thereby free from contaminants that could cause adverse human health effects. In recent year, different brands of bottled water have been produced using series of treatments and packaging. Though in Tanzania is mandatory to register brands of bottled water for quality production, there are influxes of replica brands into the markets which has been posing threat to people's health. Bottled water remains the highest consumable commodity especially for the middle and

**BUSSINESS PROPOSAL FOR ESTABLISHMENT OF BOTTLED WATER  
MANUFACTURING PLANT IN MWANZA CITY.**

**COMPANY NAME: SIFA MANUFACTURING LIMITED**

**LOCATION :MWANZA**

***SIFA PURE DRINKING WATER***

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*SIFA BOTTLED WATER 's business plan contains valuable financial information. Check out the Projected Cash Flow tables for the first three years of operation. The plan's owner has also included a Projected Balance Sheet and a Projected Income Statement, both of which also contain helpful information for anyone interested in participating in this project.*

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**PROJECTED BALANCE SHEETS:**

Particulars	<u>0</u> \$	<u>1</u> \$	<u>2</u> \$	<u>3</u> \$	<u>4</u> \$	<u>5</u> \$	<u>6</u> \$	<u>7</u> \$	<u>8</u> \$
Fixed Assets									
Land & Buildings	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Plant & Machinery	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Furniture & Fittings	0	0	0	0	0	0	0	0	0
Motor Vehicle	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Fixed Assets</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>
Less Accumulated Depreciation	0	(7,000)	(14,000)	(21,000)	(28,000)	(35,000)	(42,000)	(49,000)	(56,000)
<b>Net Book Value</b>	<b>350,000</b>	<b>343,000</b>	<b>336,000</b>	<b>329,000</b>	<b>322,000</b>	<b>315,000</b>	<b>308,000</b>	<b>301,000</b>	<b>294,000</b>

CURRENT ASSETS									
Cash and Bank	65,000	13,295,875	28,350,390	45,105,905	61,861,420	78,616,935	95,372,450	112,127,965	128,883,480
<b>Total Current Assets</b>	<b>65,000</b>	<b>13,295,875</b>	<b>28,350,390</b>	<b>45,105,905</b>	<b>61,861,420</b>	<b>78,616,935</b>	<b>95,372,450</b>	<b>112,127,965</b>	<b>128,883,480</b>

CURRENT LIABILITIES									
Creditors and Accruals									
Corporate Tax									
<b>NET CURRENT ASSETS</b>	<b>65,000</b>	<b>13,295,875</b>	<b>28,350,390</b>	<b>45,105,905</b>	<b>61,861,420</b>	<b>78,616,935</b>	<b>95,372,450</b>	<b>112,127,965</b>	<b>128,883,480</b>

<b>TOTAL ASSETS</b>	<b>415,000</b>	<b>13,638,875</b>	<b>28,686,390</b>	<b>45,434,905</b>	<b>62,183,420</b>	<b>78,931,935</b>	<b>95,680,450</b>	<b>112,428,965</b>	<b>129,177,480</b>
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CAPITAL AND RESERVES									
Equity	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000
Retained Earnings	0	13,223,875	28,271,390	45,019,905	61,768,420	78,516,935	95,265,450	112,013,965	128,762,480
<b>CAPITAL EMPLOYED</b>	<b>415,000</b>	<b>13,638,875</b>	<b>28,686,390</b>	<b>45,434,905</b>	<b>62,183,420</b>	<b>78,931,935</b>	<b>95,680,450</b>	<b>112,428,965</b>	<b>129,177,480</b>

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**SIFA BOTTLING COMPANY LIMITED,  
P.O. BOX 1334  
DAR ES SALAAM**

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**PROJECTED CASHFLOW STATEMENT**

Particulars	<u>Yr0</u> \$	<u>Yr1</u> \$	<u>Yr2</u> \$	<u>Yr3</u> \$	<u>Yr4</u> \$	<u>Yr5</u> \$	<u>Yr6</u> \$	<u>Yr7</u> \$	<u>Yr8</u> \$
RECEIPTS									
Equity	415,000								
Total Revenue		19,440,000	21,870,000	24,300,000	24,300,000	24,300,000	24,300,000	24,300,000	24,300,000
Total Receipts	415,000	19,440,000	21,870,000	24,300,000	24,300,000	24,300,000	24,300,000	24,300,000	24,300,000
PAYMENTS									
Land and Buildings	100,000								
Plant & Equipments	200,000								
Furniture & Fittings	0								
Motor Vehicles	50,000								
Operating expenses	0	548,750	373,550	373,550	373,550	373,550	373,550	373,550	373,550
Investment Tax		5,667,375	6,448,935	7,177,935	7,177,935	7,177,935	7,177,935	7,177,935	7,177,935
Adjustment for Depreciation		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Total Payments	350,000	6,209,125	6,815,485	7,544,485	7,544,485	7,544,485	7,544,485	7,544,485	7,544,485
Net Cash Inflow/(Outflow)	65,000	13,230,875	15,054,515	16,755,515	16,755,515	16,755,515	16,755,515	16,755,515	16,755,515
Opening cash and bank balance	0	65,000	13,295,875	28,350,390	45,105,905	61,861,420	78,616,935	95,372,450	112,127,965
Closing cash and bank balance	65,000	13,295,875	28,350,390	45,105,905	61,861,420	78,616,935	95,372,450	112,127,965	128,883,480

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**SIFA BOTTLING COMPANY LIMITED,  
P.O. BOX 1334  
DAR ES SALAAM**

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**Depreciation Schedule:**

Particulars	0	1	2	3	4	5	6	7	8
Land & Buildings	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Depreciation charge (2.00%)		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cumulated depreciation		2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000
<b>NBV</b>	<b>100,000</b>	<b>98,000</b>	<b>96,000</b>	<b>94,000</b>	<b>92,000</b>	<b>90,000</b>	<b>88,000</b>	<b>86,000</b>	<b>84,000</b>
Plant & Machinery	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Depreciation charge (2.00%)		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Cumulated depreciation		4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000
<b>NBV</b>	<b>200,000</b>	<b>196,000</b>	<b>192,000</b>	<b>188,000</b>	<b>184,000</b>	<b>180,000</b>	<b>176,000</b>	<b>172,000</b>	<b>168,000</b>
Furniture & Fittings	0	0	0	0	0	0	0	0	0
Depreciation (10%)		0	0	0	0	0	0	0	0
Cumulated depreciation		0	0	0	0	0	0	0	0
<b>NBV</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Motor Vehicle	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Depreciation		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Accumulated depreciation		\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000
<b>NBV</b>	<b>\$50,000</b>	<b>\$45,000</b>	<b>\$40,000</b>	<b>\$35,000</b>	<b>\$30,000</b>	<b>\$25,000</b>	<b>\$20,000</b>	<b>\$15,000</b>	<b>\$10,000</b>

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**SIFA BOTTLING COMPANY LIMITED,  
P.O. BOX 1334  
DAR ES SALAAM**

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**FINANCIAL PLAN**

**PROJECTED INCOME STATEMENT**

Particulars	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Annual Income</b>									
Total Revenue	0	21,600,000	24,300,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000
Cost of sales	0	2,160,000	2,430,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
<b>Total Income</b>	<b>0</b>	<b>19,440,000</b>	<b>21,870,000</b>	<b>24,300,000</b>	<b>24,300,000</b>	<b>24,300,000</b>	<b>24,300,000</b>	<b>24,300,000</b>	<b>24,300,000</b>
<b>Operating Expenses</b>									
Insurance		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Salary & Wages		348,000	172,800	172,800	172,800	172,800	172,800	172,800	172,800
Public Utilities		84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Repair & Maintenance		108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
<b>Total Maintenance &amp; Operating Expenses</b>	<b>0</b>	<b>541,750</b>	<b>366,550</b>	<b>366,550</b>	<b>366,550</b>	<b>366,550</b>	<b>366,550</b>	<b>366,550</b>	<b>366,550</b>
Operating Profit	0	18,898,250	21,503,450	23,933,450	23,933,450	23,933,450	23,933,450	23,933,450	23,933,450
Depreciation charge		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Profit Before Tax		18,891,250	21,496,450	23,926,450	23,926,450	23,926,450	23,926,450	23,926,450	23,926,450
Investment Tax (30% )	0	5,667,375	6,448,935	7,177,935	7,177,935	7,177,935	7,177,935	7,177,935	7,177,935
<b>Profit for the year</b>	<b>0</b>	<b>13,223,875</b>	<b>15,047,515</b>	<b>16,748,515</b>	<b>16,748,515</b>	<b>16,748,515</b>	<b>16,748,515</b>	<b>16,748,515</b>	<b>16,748,515</b>

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SIFA BOTTLING COMPANY LIMITED,  
P.O. BOX 1334  
DAR ES SALAAM

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**SIFA BOTTLING COMPANY LTD**

**FINANCIAL PROJECTIONS**

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**SIFA BOTTLING COMPANY LIMITED,  
P.O. BOX 1334  
DAR ES SALAAM**

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Name: AMANDA EMANUEL URASSA

Signature:.....*Amanda*.....

Designation: LEGAL COUNSEL

Date.....*24<sup>th</sup> June 2013*.....

**SIFA BOTTLING COMPANY LIMITED**

(REG. NO. 100316)

**SPECIAL RESOLUTION**

Qourum.

1. SEBASTIAN NDEGE - Director
2. HARUNA SAID NDARO - Director

The aforesaid members at a Board meeting of the Company have **RESOLVED** the following:-

At the meeting of the Board of Directors of SIFA BOTTLING COMPANY LIMITED, held on the 30<sup>th</sup> May 2013 at Sifa Bottling offices, Mikocheni Dar es Salaam, the following resolution was proposed and approved by the Board:

That the Company has resolved to apply for registration with Tanzania Investment Centre (TIC) for purposes of obtaining certificate of incentive.

That the above resolution is made without reservation and with immediate effect.

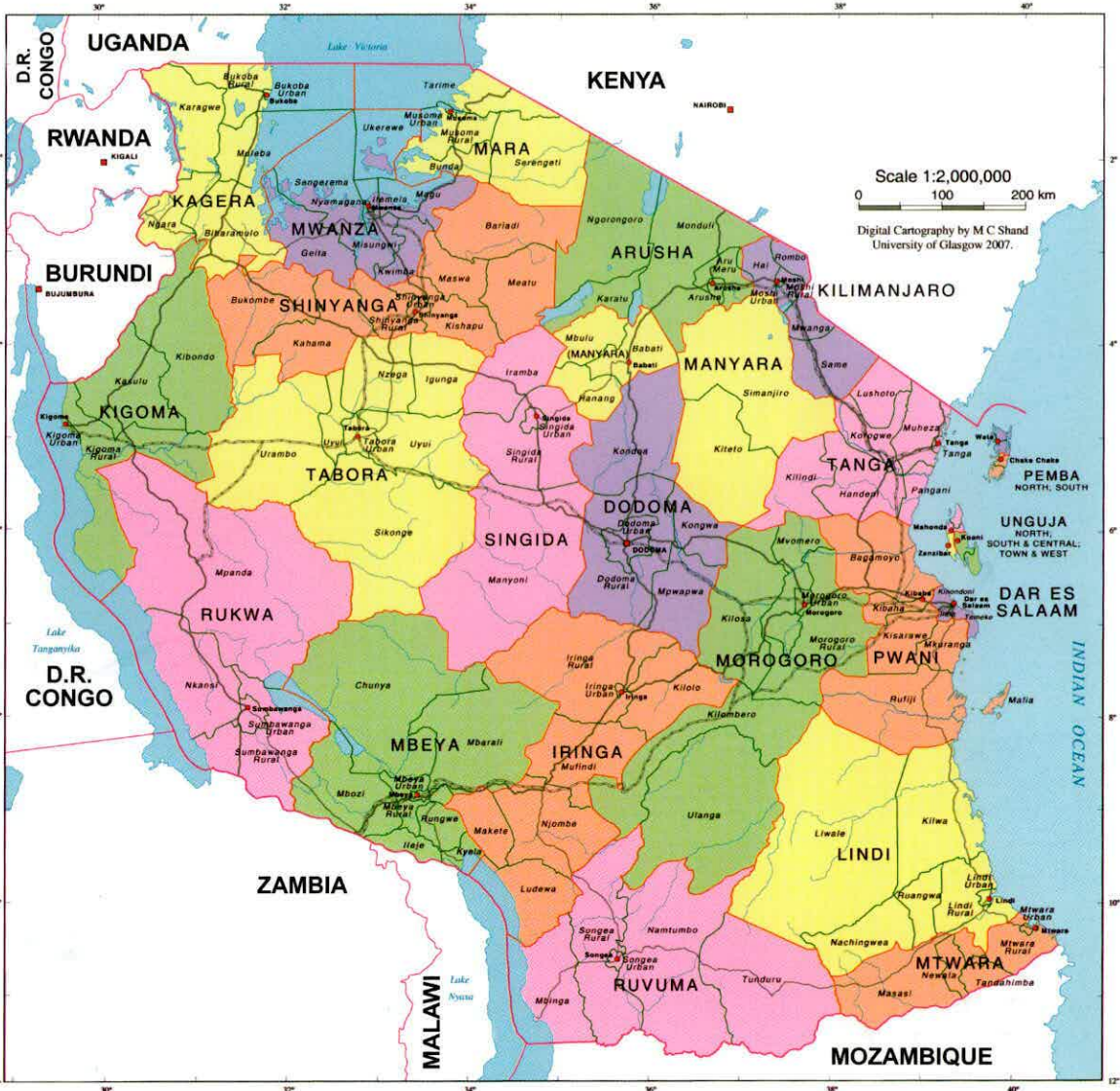
We, the undersigned hereby certify the foregoing to be a true and bona fide extract of the deliberation and resolution passed by the Board Members of the Company on 30<sup>th</sup> May 2013.

**Name: SEBASTIAN SIASA NDEGE**

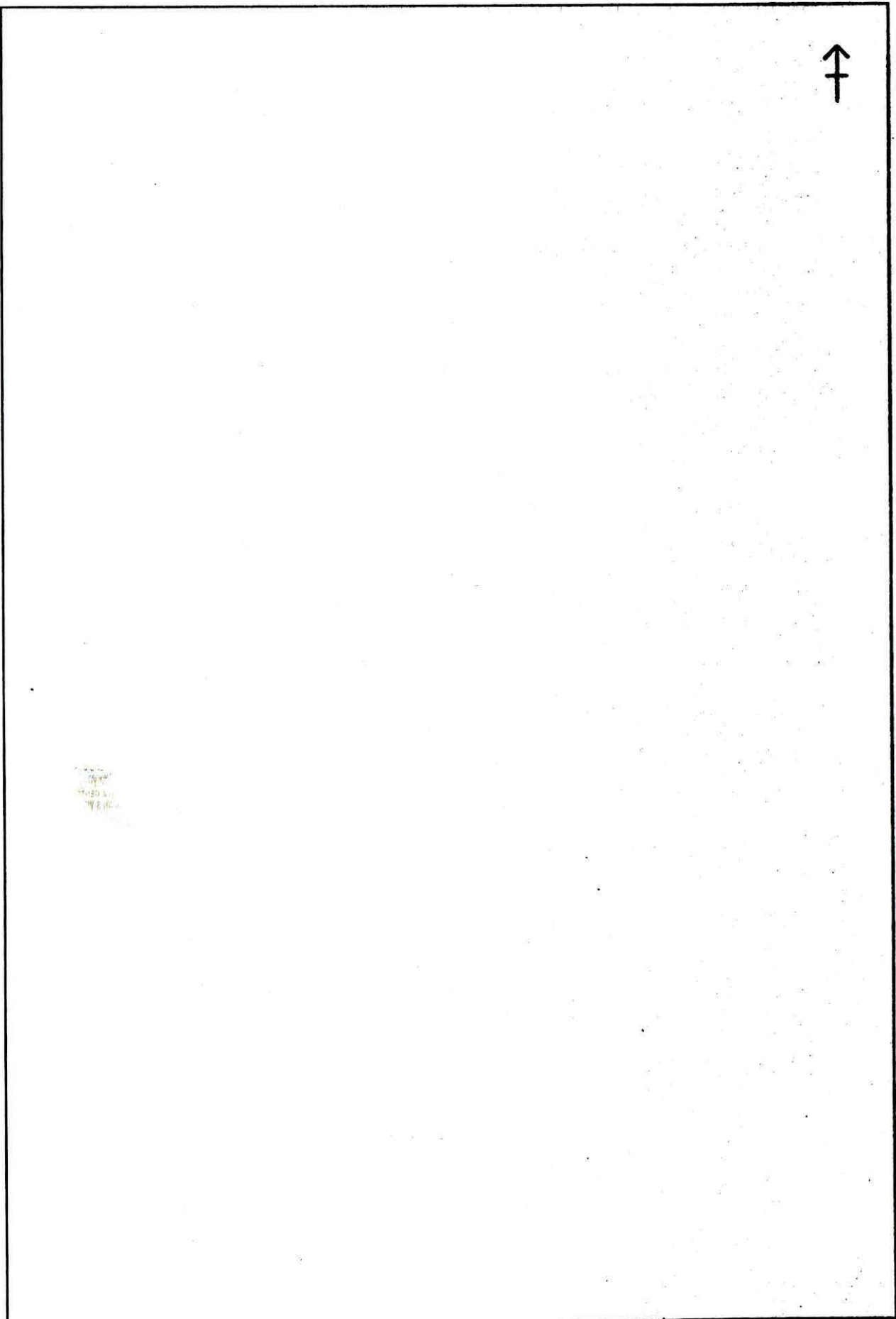
**Signature:**  .....

**Designation: DIRECTOR**

**Date:** 24<sup>th</sup> June 2013 .....



**SKETCH MAP SHOWING PROJECT LOCATION**



**Investment Breakdown US\$/Tshs.M**

Land/Building ..... Company Name: .....  
Plant ..... Certificate of Incorporation: .....  
Vehicles ..... Certificate of Incorporation: .....  
Furniture & Fittings ..... Post Box: .....  
Pre-expenses ..... Town: .....  
Others ..... Sub-Sector: ..... Sector: .....  
Working Capital ..... Investment Financing Plan in Mill: .....  
TOTAL ..... Local Loan ..... Foreign Loan ..... Foreign Equity .....

**Contact Details:**

Name: ..... Title: .....  
Telephone: ..... Fax: .....  
Email: .....

**Payments to be made payable to:**

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: SCBLTZTX  
ACCOUNT NO.: 8702006002000

## APPLICATION SUMMARY

**Company Name:** .....

**Certificate of Incorporation Number:** ..... **Status:** .....

**Certificate of Incorporation Date:** .....

**Post Box:** .....

**Town:** .....

**Sector:** ..... **Sub-Sector:** .....

### Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	.....	.....	.....

**Project Objectives:** .....

.....  
.....  
.....

**Capacity:** .....

**Employment:** Foreign: ..... Local: ..... Total: .....

**Implementation Period:** .....

### Project Location

**Site/Plot/Block No.:** .....

**Street:** ..... **District:** ..... **Region:** .....

(Attach sketch map showing project location)

Shareholders	Nationality	%
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act  
is Tshs./US\$ .....

8. The month and day of the financial year end is .....

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ..... of Post Office Number .....

..... do solemnly and sincerely declare that I am a director/duly

authorized agent of .....

**AND** that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND I** make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
..... }

The .....day of ..... 20..... }

**Applicant**

Before me:

.....  
**Commissioner for Oaths**

THE TANZANIA INVESTMENT ACT  
(No. 26 of 1997)

APPLICATION FOR REGISTRATION  
(Made under Regulation 42)

To: The Executive Director  
Tanzania Investment Centre  
P. O. Box 938  
**DAR ES SALAAM**  
Tanzania

1. I/We .....  
  
(director/directors/agent of .....  
  
(name of business enterprise) apply for registration of .....  
  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at .....

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the **implementation period**, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at .....
4. The Principal Officers of the Company are .....
5. Auditors of the Company are .....
6. The authorized share capital of the Company is Tshs./US\$ .....



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)**

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
Fax. 022 2118253  
e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

**(Please fill the form in duplicate)**