



# FABFORMS

CHANGE YOUR THOUGHTS TO CHANGE YOUR WORLD



**FABTECH STERLING**

BUILDING TECHNOLOGIES PVT. LTD.

SPEED. STRENGTH. SAVINGS.

**Without infrastructure,  
there is no consistent development.**

**Without consistent development,  
there is no real progress.**

**Without real progress,  
there is no future... for a nation.**

## Company Profile



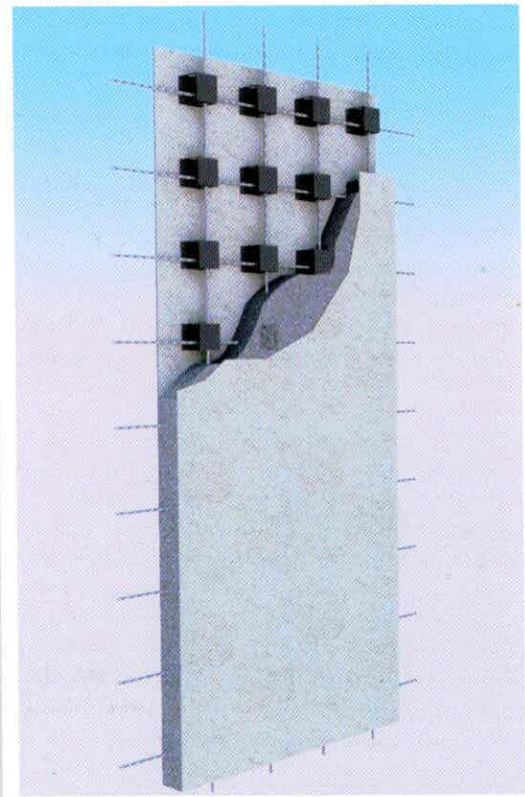
The world is witnessing a surge in infrastructure. Growing populations and their increasing demands are challenging the set norms and approach to this problem. In spite of rising income and higher expectations, traditional methods of construction are failing to deliver. The irony is, as the demand for lighter and taller buildings goes up, many economies across the globe are experiencing a slowdown. The need of the hour is far-reaching vision and sophisticated equipment.

When it comes to innovative building solutions, one name is gradually rising and creating a reputation for its high standards - Fabtech Sterling Building Technologies Pvt. Ltd., a joint venture between Fabtech Technologies International Pvt. Ltd., India and Sterling Construction and Development Corporation, Philippines.

Fabtech Sterling Building Technologies Pvt. Ltd. offers a full range of pre-fabricated and pre-engineered concrete form systems for residential, commercial and industrial applications. It now brings you, FABFORMS, a range of building systems that deliver on speed, strength and savings.

Plaswall™, Easy Build and Plaswall Lightcrete are the products launched under this umbrella brand and have found strong acceptability in Philippines, Australia, Vietnam, Qatar and India. It is spreading fast in Middle East and Africa.

## Products



### 1) Plaswall™

If you are looking for a fast, hassle-free, hygienic and economical, pre-engineered and pre-fabricated construction system, *Plaswall™* has no equal. These custom-manufactured modular walls can be made at a movable factory on site and suit any design or architectural requirement. From light weight concrete systems to thermally insulated walls especially designed for hot and cold climates, this patented technology has it all.

The modular load bearing *Plaswall™* system uses HIMI (High Impact Moulded Inserts) bonded between two hardieflex boards in situ and erected to produce a straight-to-finish wall. A monolithic structure is then created by filling the entire structure with concrete. Additional load capacity can be obtained by providing extra reinforcing bars and/or increasing the grade of the concrete.

*Plaswall™* can be made using many types of woodgrained sheets. It is also the ideal material for architectural forms like trellis, gazebo, fencing, mouldings, roof shingles, retaining walls, structural landscape products, trims and many other custom made requirements.

*Plaswall™* is an AITECH approved building system (as required by GSIS and Pagibig) and therefore, has a higher assessed value by banks and agencies, bringing faster and easier access to finance for end-users. It also complies with Philippines National Building Code, British, American and Australian Building Codes.

## 2) Easy Build:

Easy Build by Fabtech Sterling is a fast and simple method to build long lasting quality homes. All designs are made from two simple components namely plank and post. This system can be smooth jointed inside and out. It is cost effective in socialized and low cost building markets and comes as ideal solution for disaster or relocation relief projects.



## 3) Plaswall Lightcrete:

Plaswall Lightcrete, the next in the category, is made from mixing stable foam to slurry of cement, sand and water. This action incorporates small enclosed air bubbles within the mortar thereby making it lighter and possessing special properties such as low thermal conductivity and high fire resistance. Its density ranges from as low as  $500\text{kg/m}^3$  to as high as  $1600\text{kg/m}^3$  therefore allowing it to be used in a variety of applications such as high rise, commercial and industrial. Its erection takes just one-third time when compared to conventional systems which, eventually, results in quicker installation and lesser dependency on skilled labor.

Plaswall Lightcrete also saves you from the hassles of brickwork, hollow-block and plastering. It can be very well integrated with conventional columns and beams. Usage of this product leads to substantial weight reduction (dead-load), improved fire rating and maximum sound absorption. It also offers huge saving in raw material (no gravel) and in steel reinforcement in high rise. One has to see to believe the uniformly finished and thermally insulated walls with more strength and durability. These walls act as non-load bearing and will find wide acceptance for various buildings projects.



## Commercial Advantages



**Workability:** *Plaswall™* allows easy installation upto three times faster than any conventional construction. The site assembly of the main components can be done faster, reducing financing and labour costs. It is also completely scalable in terms of deploying multiple sets of equipment. One setup can produce enough numbers of *Plaswall™* for the simultaneous erection of n number of houses a day.



**Faster ROI:** Quicker installation and lower cost ensures faster and higher returns on the capital invested.



**Very Low Maintenance:** With a minimal maintenance, there are no issues of cracking or chipping. Latex paints which have five times more life span compared to normal paints add to the life of a construction.



**Pre-defined BoQ:** Bill of Quantities, defined before work, results in a predictable cost and better inventory control.



**Reduced Construction Cost:** Considerable savings in construction time and labour costs due to minimised use of skilled manpower and no requirement of heavy equipments on site.

## Green Advantages



Fabtech Sterling is a responsible member of Indian Green Building Council (IGBC) and intends to create only high performance, healthy, durable and environmentally sound buildings. The company adheres to the green norms.



**Safe and Bio Compatible:** There is no CFS (cold formed steel) in the polystyrene (in case of thermal panels) and forestry products can be avoided completely. HIMI is manufactured from 100% recycled plastic. There is no forest decimation involved in hardieflex sheets. Hence, a green product.



**Social Benefits:** Unskilled workers receive on-the-job training and thus, get better job opportunities. Secondly, at competitive costs, *Plaswall™* building system is built to exceptional standards that enhance a citizen's lifestyle.



**Minimum Wastage:** Wastage is minimized as it is prefabricated to order. The concrete and other materials' volume usage is exact and predictable.

## Technical Advantages



**Fire Resistance:** *Plaswall*<sup>TM</sup> is non-combustible and has fire resistance for one hour as determined by ASTM E 119 tests. Its excellent thermal insulation acts as a thermal shield. A 112mm thick wall will withstand fire for 2hours 20 minutes and a 162mm thick wall has fire resistance for 3 hours. In contrast, the traditional buildings catch fire relatively faster.



**Acoustic Insulation:** Its inbuilt sound reduction properties make it excellent for sound absorption and noise isolation. Concrete walls carry sounds, thus hampering privacy.



**Termite Resistance:** *Plaswall*<sup>TM</sup> is termite or vermin free whereas traditional buildings are quite vulnerable to such pests. It is also rust-proof and anti-rot.



**Humidity Resistance:** *Plaswall*<sup>TM</sup> is humidity/water proof unlike conventional building systems which absorb moisture and breed microorganisms. No flaking or crumbling occurs due to moisture seepage.



**Durability:** *Plaswall*<sup>TM</sup> is not affected by biological or chemical phenomenon whereas traditional buildings corrode or develop cracks over time. Its shear wall makes it stronger than any conventional construction.



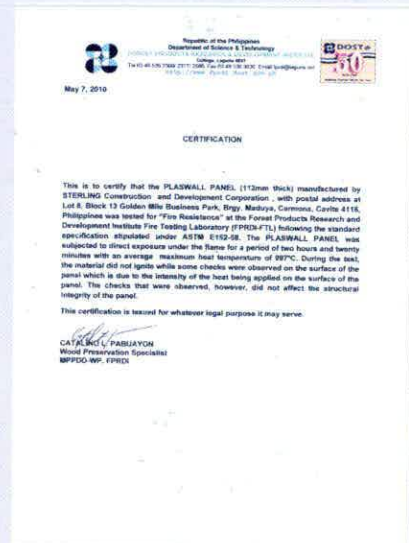
**Mobility:** The mobile factory can be stationed on-site to reduce transportation cost. The movable manufacturing unit attracts significantly less capital than a 'fixed' factory.



**Fewer Skilled Trades Involved:** This is because framing, masonry, insulation and other such skilled trades are reduced or eliminated. So, most of the work is done by unskilled labourers.



**High Quality Wall Finish:** *Plaswall*<sup>TM</sup> is simple to erect with excellent quality finish. It eliminates the need for rendering finish to the wall surfaces.

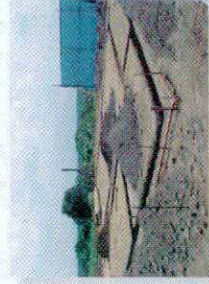


## Resourcesfulness Advances Benchmarks

	<b>FABFORMS</b>	<b>Hollow Blocks</b>	<b>Brick Work</b>	<b>Precast</b>	<b>Timber Frame</b>
<b>Fire Resistant</b>	Very Good	Good	Good	Good	Poor
<b>Flexual Strength</b>	Very Good	Normal	Good	Good	Poor
<b>Earth Quake</b>	Excellent	Poor	Poor	Normal	Poor
<b>Cyclone</b>	Excellent	Poor	Poor	Normal	Poor
<b>Contractability</b>	Easy	Skilled	Skilled	Skilled	Skilled
<b>Workability</b>	Upto 3 times faster	Skilled	Skilled	Skilled	Skilled
<b>Acoustics</b>	Excellent	Good	Good	Good	Good
<b>Application</b>	Exterior + Interior	Exterior + Interior	Exterior + Interior	Exterior	Interior

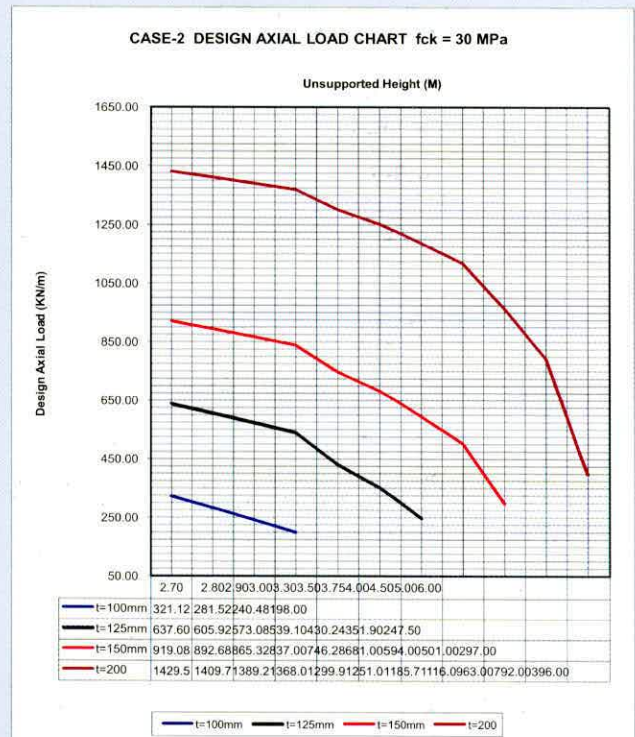
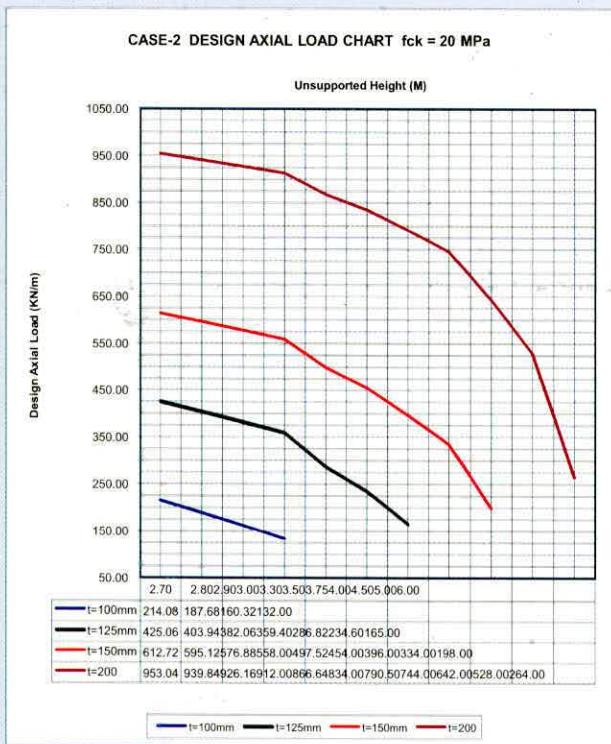


# Under Construction



# Technical Specification

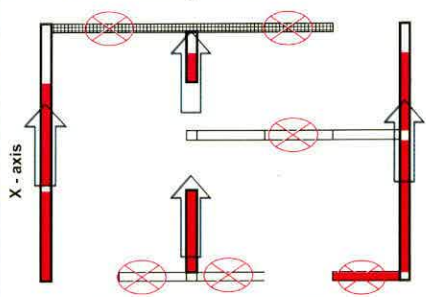
Commercial Thickness	109 mm	159 mm
	112 mm	162 mm
	134 mm	209 mm
	137 mm	212 mm
Standard Height	2440 mm to 3660 mm – be sure to verify desired Plaswall <sup>TM</sup> height as per respective country/location of the project	
Structural Concrete Fill	As per Structural Design specification and/or as per project site governing Structural Code but minimum of 20 Mpa and maximum of 30 Mpa compressive strength	



### Lateral Load Analysis:

A. Method of Analysis:

Lateral Load along X- axis



## Lateral Load along X- axis.

- Lateral load for shear walls are those parallel to the direction of lateral load being considered. All transverse walls, perpendicular to the direction of lateral load being considered are neglected.
- All openings are considered voids. Only net wall length are considered.

## Lateral Load along Z-axis:

- The same as the X-axis analysis only reverse the directions.

### Design Method:

- G+2 and below structures, by semi manual analysis. Ground floor walls are analyzed as per above method removing door & window lengths. Lintel and sills are ignored and consider as a factor of additional safety.
- G+3 and above, by software model analysis. Openings are considered as void areas. All wall connections from the slab to the wall, where starter bars are located, moments are released along the local transversal direction.

This method will provide lateral loads supported by in-plane wall members only.

- The above methods will transfer all lateral loads in a considered floor to the walls parallel to the considered direction only.

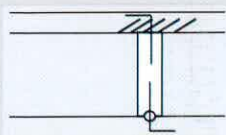
### Construction Adaptability to Design method:

- All walls are connected by single layer starter bars from the floor slab system.
- Floor slab is poured first with starter bars required, then shear walls are installed along the starter bars. This default process provides construction joint between the wall and the floor but with starter bars along the wall to transfer continuity of forces. Meaning, pin connection along transversal of the walls is the correct analysis as per applicable construction process.

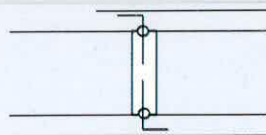
## Plaswall Design Axial Load Capacity

### 1. Types of Wall Construction:

- FIXED joint above to floor, PINNED joint below to floor slab.
- PINNED joint above to floor, PINNED joint below to floor slab.



Case 1



Case 2

Working Formula:

$$P_{uw} = 0.3 (t - 1.2 e - 2 ea) f_{ck}$$

(32.2.5 IS 456 : 2000)

where:

$$(32.2.2 IS 456 : 2000)$$

$t$  = thickness of the Shear Wall minimum Case 2  
 $e$  =  $0.05t$  discontinuous slab above  
slab " $t$ "/3 continuous slab above ( Center of Wall)  
 $0.05t$

$$ea = H^2 / 2500t$$

$$(32.2.4 IS 456 :2000)$$

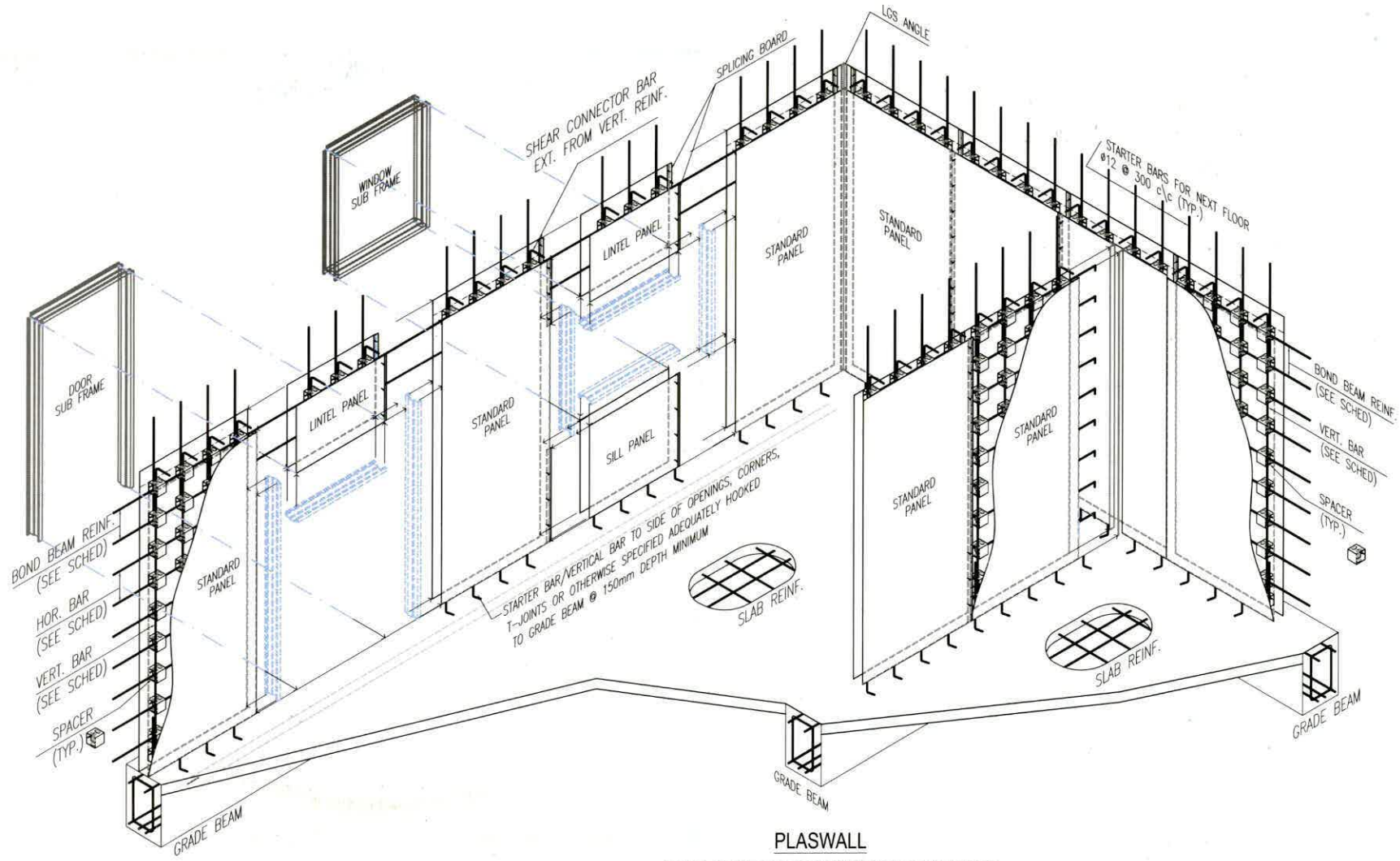
$H_w$  = unsupported height of the shrestained against rotation both ends

$H$  =  $.75 H_w$  not restrained against rotation

$1.0 H_w$

$f_{ck}$  = Concrete compressive grade (Mpa)

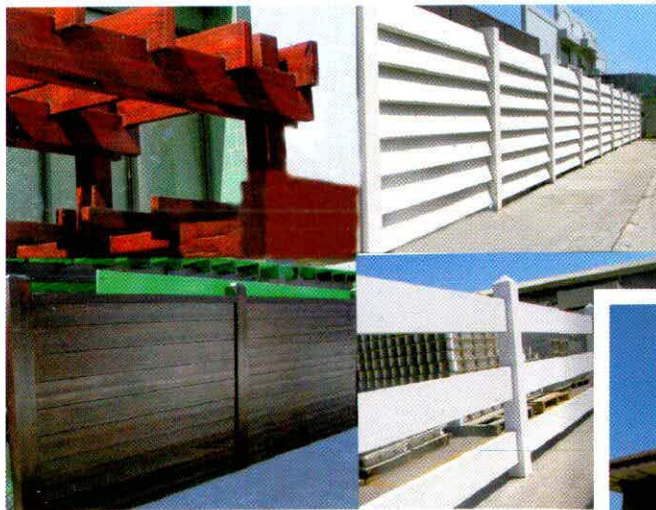
PLASWALL™ - Isometric View



PLASWALL  
EXPLODED ISOMETRIC DRAWING

## Innovation Breaks Convention

- The length and thickness of the panel can be adjusted and requires only replacing of the spacers to obtain the modified dimension.
- The resultant monolithic structure is adaptable to virtually any structural requirement or climatic, environmental or seismic condition, even extreme conditions like earthquakes and cyclones.
- Design flexibility allows any configuration imaginable, meeting all the client's requirements. It includes arches, curved walls, A-frames, balconies, verandas, retaining walls and large halls.
- *Plaswall™* saves 40% energy while heating or cooling. It can be deployed in climates varying from (-30°C) to (+40°C).
- The insulation foam core produces a thermally efficient unit (only in thermal panels).
- It is a versatile solution used in the construction of houses and apartments, low rise urban buildings as well as other commercial structures like warehouses, storage facilities and office blocks.
- It lasts life-long, similar to any conventional concrete/brick structure. Owing to the special construction methodology of *Plaswall™*, the structures require less maintenance throughout its life.
- The structure weighs less and is load bearing. Exceptional strength allows *Plaswall™* to be used for floors, walls and roofs of buildings up to any number of storeys or any height.
- Since it is lightweight, it leads to less building weight. Less weight leads to lighter foundations. Less weight and lighter foundation lead to reduced cost.



## The Applications

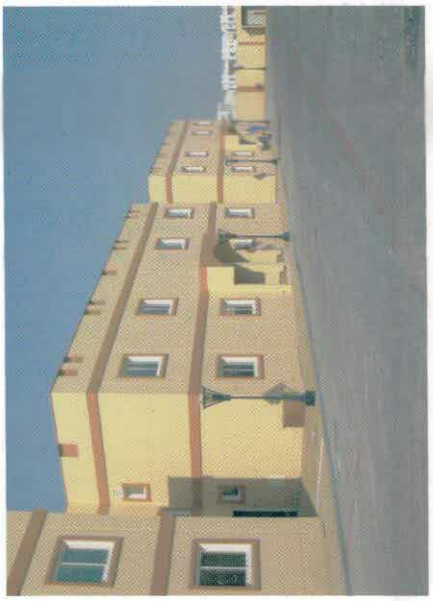
- Residential: High rises, villas, apartments
- Commercial: Hotels, office complexes, shopping malls, labour camps
- Industrial: Factories



## The Services Offered

- Designing and engineering services from architectural to engineering.
- Onsite training of contractors in use of systems worldwide.
- Complete setup and training for manufacture in any country.
- Supply of building systems globally.
- Turnkey building services (in select locations).





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# FABTECH STERLING



**Fabtech Sterling (Tanzania) Ltd**

All figures in US \$

**BALANCE SHEET**

ITEM / YEAR	2011	2012	2013	2014	2015
Equity	600,000	600,000	600,000	600,000	600,000
Revenue Reserves	(168,217)	219,364	805,730	1,831,827	3,612,048
Networth	431,784	819,364	1,405,730	2,431,827	4,212,048
Loans / Advances from Related Parties	750,000	520,000	350,000	75,000	-
<b>Total</b>	<b>1,181,784</b>	<b>1,339,364</b>	<b>1,755,730</b>	<b>2,506,827</b>	<b>4,212,048</b>
Fixed Assets					
Gross Fixed Assets	1,200,000	1,250,000	1,625,000	2,305,000	3,895,000
Less: Accumulated Depreciation	52,917	105,833	173,125	246,083	319,041
	1,147,084	1,144,167	1,451,876	2,058,918	3,575,960
Current Assets					
Stocks	195,000	343,750	515,625	773,438	1,160,156
Trade Receivables	100,000	208,333	312,500	468,750	703,125
Other Receivables	7,000	24,051	34,323	43,613	53,894
Cash & Bank Balances	7,700	25,000	37,500	56,250	60,124
Total Current Assets	309,700	601,134	899,948	1,342,051	1,977,299
Current Liabilities					
Trade Payables	250,000	380,938	558,594	837,891	1,256,836
Other Payables	25,000	25,000	37,500	56,250	84,375
Total Current Liabilities	275,000	405,938	596,094	894,141	1,341,211
Net Current Assets	34,700	195,197	303,854	447,910	636,088
<b>Total</b>	<b>1,181,784</b>	<b>1,339,364</b>	<b>1,755,729</b>	<b>2,506,828</b>	<b>4,212,048</b>
	-	(0)	(0)	0	(0)

**Fabtech Sterling (Tanzania) Ltd**

All figures in US \$

**INCOME STATEMENT**

	2011	2012	2013	2014	2014
<b>Revenues</b>					
Sales Income	100,000	2,500,000	3,750,000	5,625,000	8,437,500
Total Revenue	100,000	2,500,000	3,750,000	5,625,000	8,437,500
<b>Cost of Sales</b>					
RM / PM consumed	55,000	1,375,000	2,062,500	3,093,750	4,640,625
Utility Expenses - Electricity & Water	25,500	122,400	146,880	176,256	211,507
Production Labour Costs	35,000	168,000	201,600	241,920	290,304
Subtotal Cost of Sales	115,500	1,665,400	2,410,980	3,511,926	5,142,436
Gross Profit	(15,500)	834,600	1,339,020	2,113,074	3,295,064
<b>Operating Expenses</b>					
<b>Repairs &amp; Maintenance</b>	3,600	17,280	19,008	20,909	23,000
Admin / Mgmt Expenses	90,200	258,810	300,541	347,365	400,176
Subtotal Operating Expenses	93,800	276,090	319,549	368,274	423,175
EBIDTA	(109,300)	558,510	1,019,471	1,744,800	2,871,889
Depreciation	52,917	52,917	67,292	72,958	72,958
EBITA	(162,217)	505,594	952,180	1,671,842	2,798,931
<b>Capital &amp; Finance Charges</b>					
Bank charges	6,000	24,000	28,800	34,560	41,472
Forex Loss	-	-	-	-	-
Subtotal	6,000	24,000	28,800	34,560	41,472
Profit Before Tax	(168,217)	481,594	923,380	1,637,282	2,757,459
Corporation Tax		94,013	277,014	491,185	827,238
Profit After Tax	(168,217)	387,580	646,366	1,146,097	1,930,221
Profit/ (Loss) brought forward	-	(168,217)	219,364	805,730	1,831,827
Dividend			60,000	120,000	150,000
Profit/ (Loss) c/f to Balance Sheet	(168,217)	219,364	805,730	1,831,827	3,612,048

**Fabtech Sterling (Tanzania) Ltd**

**All figures in US \$**

**PROJECTED CASH FLOW STATEMENT**

<b>ITEM / YEAR</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>OPERATING INFLOW</b>					
Profit after Tax	(168,217)	387,580	646,366	1,146,097	1,930,221
Depreciation	52,917	52,917	67,292	72,958	72,958
Sub Total Operating Inflow	(115,300)	440,497	713,657	1,219,055	2,003,179
<b>CAPITAL INFLOW</b>					
Capital lincrease	600,000	-	-	-	-
Advances from related parties	750,000	-	-	-	-
Bank Loan	-	-	-	-	-
Sub Total Capital Inflow	1,350,000	-	-	-	-
<b>TOTAL INFLOW</b>	<b>1,234,700</b>	<b>440,497</b>	<b>713,657</b>	<b>1,219,055</b>	<b>2,003,179</b>
<b>CAPITAL OUTFLOW</b>					
Investment in fixed assets	1,200,000	50,000	375,000	680,000	1,590,000
Advances from related parties	-	230,000	170,000	275,000	75,000
Loan repayment	-	-	-	-	-
Sub- Total Capital Outflow	1,200,000	280,000	545,000	955,000	1,665,000
<b>OPERATING OUTFLOW</b>					
Dividends	-	-	60,000	120,000	150,000
Change in W/Capital	27,000	143,197	96,157	125,306	184,304
Subtotal Operating Outflow	27,000	143,197	156,157	245,306	334,304
<b>TOTAL OUTFLOW</b>	<b>1,227,000</b>	<b>423,197</b>	<b>701,157</b>	<b>1,200,306</b>	<b>1,999,304</b>
<b>NET CASH FLOW</b>	<b>7,700</b>	<b>17,300</b>	<b>12,500</b>	<b>18,749</b>	<b>3,875</b>
Opening Balance	-	7,700	25,000	37,500	56,250
Closing Balance	7,700	25,000	37,500	56,250	60,124
	7,700	25,000	37,500	56,250	60,124
	-	0	0	(0)	0

Schedules forming part of financial statements

	2011	2012	2013	2014	2015
Total Sales	<u>100,000</u>	<u>2,500,000</u>	<u>3,750,000</u>	<u>5,625,000</u>	<u>8,437,500</u>
Cost of RM/PM consumed					
Opening stock	-	195,000	343,750	515,625	773,438
Trade Purchases	250,000	1,523,750	2,234,375	3,351,563	5,027,343
Closing stock	195,000	343,750	515,625	773,438	1,160,156
	<u>55,000</u>	<u>1,375,000</u>	<u>2,062,500</u>	<u>3,093,750</u>	<u>4,640,625</u>
Inventory	<u>195,000</u>	<u>343,750</u>	<u>515,625</u>	<u>773,438</u>	<u>1,160,156</u>
Trade and other receivables					
Trade receivables	100,000	208,333	312,500	468,750	703,125
Prepayments & Other receivables	7,000	24,051	34,323	43,613	53,894
	<u>107,000</u>	<u>232,384</u>	<u>346,823</u>	<u>512,363</u>	<u>757,019</u>
Cash and cash equivalents					
Cash & Bank Balances	7,700	25,000	37,500	56,250	60,124
	<u>7,700</u>	<u>25,000</u>	<u>37,500</u>	<u>56,250</u>	<u>60,124</u>
Trade and other payables					
Trade payables	250,000	380,938	558,594	837,891	1,256,836
Other payables	25,000	25,000	37,500	56,250	84,375
	<u>275,000</u>	<u>405,938</u>	<u>596,094</u>	<u>894,141</u>	<u>1,341,211</u>
Share Capital	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Loans / Advances from Related Parties	<u>750,000</u>	<u>520,000</u>	<u>350,000</u>	<u>75,000</u>	
Utility Expenses					
Electricity	22,500	108,000	129,600	155,520	186,624
Other Utility Expenses	3,000	14,400	17,280	20,736	24,883
	<u>25,500</u>	<u>122,400</u>	<u>146,880</u>	<u>176,256</u>	<u>211,507</u>
Production Labour Costs					
Salaries & Wages	30,000	144,000	172,800	207,360	248,832
Canteen Expenses	5,000	24,000	28,800	34,560	41,472
	<u>35,000</u>	<u>168,000</u>	<u>201,600</u>	<u>241,920</u>	<u>290,304</u>
Repairs & Maintenance	<u>3,600</u>	<u>17,280</u>	<u>19,008</u>	<u>20,909</u>	<u>23,000</u>
Administrative Expenses					
Salaries	15,000	72,000	86,400	103,680	124,416
Communication Expenses	5,000	24,000	26,400	29,040	31,944
Printing & Stationery	1,500	6,300	6,930	7,623	8,385
Medical Expenses	1,200	5,760	6,336	6,970	7,667
Travelling Expenses	15,000	66,000	72,600	79,860	87,846
Audit Fees	5,000	7,500	10,000	12,500	15,000
Business Promotion	15,000	25,000	30,000	35,000	40,000
Gifts & Donations	2,500	5,000	7,500	10,000	12,500
Insurance	10,000	12,000	14,400	17,280	20,736
Miscellaneous Expenses	10,000	12,000	13,200	14,520	15,972
Postage & Courier	2,500	12,000	14,400	17,280	20,736
Staff Welfare Expenses	7,500	11,250	12,375	13,613	14,974
	<u>90,200</u>	<u>258,810</u>	<u>300,541</u>	<u>347,365</u>	<u>400,176</u>
Financial Expenses					
Bank Charges	6,000	24,000	28,800	34,560	41,472
Forex Gain / Loss					
	<u>6,000</u>	<u>24,000</u>	<u>28,800</u>	<u>34,560</u>	<u>41,472</u>

**Fabtech Sterling (Tanzania) Ltd**

All figures in US \$

	2011	2012	2013	2014	2015
<b>INVESTMENTS</b>					
Land				650,000	1550000
Office Building	400,000	-	75,000		
Plant & Machinery	725,000		250,000		
Furniture & Fixtures	25,000			20,000	
Computers	5,000			10,000	
Vehicles	45,000	50,000	50,000		40000
	<u>1,200,000</u>	<u>50,000</u>	<u>375,000</u>	<u>680,000</u>	<u>1,590,000</u>
<b>GROSS FIXED ASSETS</b>					
Land	-	-	-	650,000	2,200,000
Office Building	400,000	400,000	475,000	475,000	475,000
Plant & Machinery	725,000	725,000	975,000	975,000	975,000
Furniture & Fixtures	25,000	25,000	25,000	45,000	45,000
Computers	5,000	5,000	5,000	15,000	15,000
Vehicles	45,000	95,000	145,000	145,000	185,000
	<u>1,200,000</u>	<u>1,250,000</u>	<u>1,625,000</u>	<u>2,305,000</u>	<u>3,895,000</u>
<b>DEPRECIATION - % on SLM basis</b>					
Land	0.00%	-	-	-	-
Office Building	2.50%	10,000	10,000	11,875	11,875
Plant & Machinery	5.00%	36,250	36,250	48,750	48,750
Furniture & Fixtures	20.00%	5,000	5,000	5,000	9,000
Computers	33.33%	1,667	1,667	1,667	3,333
Vehicles	20.00%	9,000	19,000	29,000	29,000
		<u>52,917</u>	<u>52,917</u>	<u>67,292</u>	<u>72,958</u>
<b>ACCUMULATED DEPRECIATION</b>					
Land	-	-	-	-	-
Office Building	10,000	20,000	31,875	43,750	55,625
Plant & Machinery	36,250	72,500	121,250	170,000	218,750
Furniture & Fixtures	5,000	10,000	15,000	24,000	33,000
Computers	1,667	3,333	5,000	8,333	11,666
Vehicles	9,000	28,000	57,000	86,000	123,000
	<u>52,917</u>	<u>105,833</u>	<u>173,125</u>	<u>246,083</u>	<u>319,041</u>
<b>NET ASSETS</b>					
Land	-	-	-	650,000	2,200,000
Office Building	390,000	380,000	443,125	431,250	419,375
Plant & Machinery	688,750	652,500	853,750	805,000	756,250
Furniture & Fixtures	20,000	15,000	10,000	21,000	12,000
Computers	3,334	1,667	1	6,668	3,335
Vehicles	36,000	67,000	88,000	59,000	62,000
	<u>1,138,084</u>	<u>1,116,167</u>	<u>1,394,876</u>	<u>1,972,918</u>	<u>3,452,960</u>

Fabtech Sterling (Tanzania) Ltd

Details of Capital Goods

Sr No	Name	UOM	Qty	Price US \$	Amount US \$
1	Electric Drill - Dewalt	Set	36	142.10	5,115.74
2	Angle Grinder 4" - Dewalt	Set	20	160.40	3,208.08
3	Scoring Knife (Double Tip)	Pcs	200	10.81	2,162.40
4	Snip Cutter Stanley	Pcs	32	29.34	938.88
5	Cut - off Machine	Set	6	235.22	1,411.34
6	Nail Gun Tacker	Set	12	114.83	1,377.94
7	Air Compressor (1 HP)- Hose & Fitting	Set	12	447.96	5,375.52
9	Misc Service Handtools	Pcs	2	572.57	1,145.14
10	Foam Cutting Machine (Stedown Transformer)	Set	4	383.33	1,533.31
11	Plastic Palletes stock yard	Pcs	200	88.57	17,714.40
12	PU Dispenser with Nozzle Cap	Set	200	1.39	278.40
13	Drum Trolley - Faucet Filter Set and fittings	Set	4	341.74	1,366.94
14	Hydraulic Pallet Truck	Pcs	12	1,371.48	16,457.76
15	Extension Outlet lenth about 5 Mts	Set	16	139.39	2,230.27
16	manual Score & snap table	Set	2	386.23	772.46
17	8ft x 4 ft multiuse work tables	Set	8	293.48	2,347.87
18	Complete Jig Assembly with pallets	Set	40	648.08	25,923.36
19	Industrial Workfans	Set	16	337.44	5,399.04
20	Recess Assemble Machine - Table	Set	2	2,947.24	5,894.47
21	Guilotine machine	set	3	42,671.71	128,015.14
22	Plasmolite Mixers	Set	12	3,175.20	38,102.40
23	Plasmolite Pumps	Set	12	3,271.20	39,254.40
24	Plasmolite foam Generator	Set	12	2,248.80	26,985.60
25	Plasmolite Foam Concentrate -20lits per carboy	Cby	200	6.00	1,200.00
26	Measuring Bucket 1.2mm GI	Pcs	32	20.40	652.80
27	Steel Structure	Lot	3	44,949.60	134,848.80
28	75 kva Transformer	Pcs	1	83,700.00	83,700.00
29	250 KVA Generator	Pcs	1	93,900.00	93,900.00
30	Electrical Panels	Pcs	2	18,297.60	36,595.20
31	Electrical Cables	Lot		21,300.00	21,300.00
32	Accessories for machines	Lot		19,792.33	19,792.33
	<b>GRAND TOTAL</b>				<b><u>725,000.00</u></b>

## **FRANCHISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This Franchise Agreement made on 14th, day of March, 2011, by and between

FTS Building Systems LLC, a Company incorporated under the laws of Dubai Economic Department & Ministry of Finance & Industry, having its Office at Dubai Investment Park, Ware House no.65/66,Dubai, UAE (which expression shall unless otherwise stated includes its administrators, executors and assigns) (herein after referred to as the "FTS")

- And -

**Fabtech Sterling (T) Ltd**, a corporation organized and existing under Law of Tanzania and having its principal place of business or operation at Tanzania. (Which expression shall unless otherwise stated includes its administrators, executors and permitted assigns) (Herein after referred to as the "FTT");

**WITNESSETH:**

FTS, an LLC company formed in the UAE & is a JV promoted by Fabtech Technologies (FZC), W 1-29, Executive Suite, P.O. Box no 120977, Saif Zone, Sharjah, UAE (Hereinafter referred as FT) & Sterling Construction and Development Corporation, Lot 8, Block 13, Golden Mile Business Park, Carmona, Cavite 4116, Philippines, a company registered under the laws of Philippines and having its Principle place of business there at Philippines (hereinafter referred to as "sterling") and FT Franchisee holder for the Products/ Product as defined hereunder and owns a unique and distinctive Building System, Patented in the Republic of the Philippines and Australia and the patents applied in the Republic of India and the Products as and when manufactured/ acquired/ developed by the FRANCHISOR hereinafter referred to as "the Product"

WHEREAS the Product is the proprietary right of the FT and also FABTECH group and through its agreement with Sterling as described above the FT/FABTECH has taken Master Franchisee rights to the Franchisee covering all areas in India and Worldwide as mentioned in the Master Franchisee Agreement

WHEREAS, the distinctive characteristics of the Product include, without limitation to products, services, designs, specifications and procedures for operations; consistency and uniformity of products and services offered; training and assistance; advertising and promotional programs, all of which may be changed, improved and further developed by FTS from time to time.

WHEREAS, FTS identifies the Product by means of certain trade names, service marks, trademarks, logos, emblems, slogans, signage, and indicia of origin of FTS and Clients, including without limitation to marks "PLASWALL", "EASY BUILD", "PLASMOLITE" and such other trade names, service marks and trademarks as are now designated and may hereafter designated to and by FRANCHISOR in writing, for use in connection with the Product, hereinafter referred to as "Proprietary Marks".

WHEREAS, FTS continues to develop and use of such Proprietary Marks in order to identify for the public the source of service and to represent the Product 's high standards of quality, appearance and service.

WHEREAS, FTS and FABTECH intends that the material supply will be from FTS Building Systems LLC. This means that the Product under this agreement will be supplied to FTT by FABTECH.

WHEREAS, FTT desires to enter into the agreement for the Franchisee rights to be given to the FTT for the state of Tanzania for a limited trial period agreed and get the Franchise for the Products/ Systems of the FTS and other products as manufactured and available to the FTS and wishes to obtain a franchise from FTS for that purpose as well as to receive the training and other assistance provided by FTS in connection therewith.

### **STATEMENT OF GOVERNANCE & JURISDICTION**

WHEREAS, FTT understands and acknowledges the importance of FTS's high standards of quality, appearance and service and necessity of operating the franchise business in conformity with FTS's standards and specifications.

WHEREAS, the parties acknowledge that the time or period designated in this Agreement for the performance of their respective duties and responsibilities are essential to this Agreement and, thus, does not require any demand for either party to be considered in default. This Agreement shall prevail within the jurisdiction of Tanganyika.

**NOW THEREFORE**, the parties, in consideration of the undertaking and commitments of each party to the other set forth herein, hereby agree as follows:

#### **Section 1. APPOINTMENT AND FRANCHISE FEE**

- 1.1 **FTS** hereby grants to **FTT**, upon the terms and conditions herein contained, the right, license and privilege to use the Proprietary Marks patented and Non Patented IP in the Products, and **FTT** undertakes the obligation, to operate and manufacture and sell all Fabtech Sterling Products and all those products from which Fabtech has Franchise rights as per its agreement with Sterling Dated 8.10.09 , all as designated or approved from time to time by **FTS and/or Fabtech**, and to use solely in connection

therewith **FTS's and FABTECH's** Systems, as it may be changed, improved and further developed from time to time exclusively in the state of Tanganyika which covers Tanzania mainland and Zanzibar for all projects be it Private, Government or Quasi Government projects as long as this agreement in place. The date of setting up of operations means 6 months from the date of signing of this agreement. Further, on a case to case basis the **FTS** may study the possibility of the **FTT** participating in the PAN Tanzania Government or Quasi Government contracts. However if such business is through tenders then the franchisor in that state/territory may have the first right of refusal. Any qualification/bidding for such PAN Tanzania Government or Quasi Government projects must always be with prior written approval of the Franchisor.

- 1.2 In consideration of the franchise granted herein, **FTT** shall pay to **FTS** **one time franchise fee** as per Annexure 1 plus all the amounts mentioned in Annexure I towards training and supply of permanent and mobile factories Said fees in all Annexure 1 attached shall be deemed fully earned and non-refundable as consideration to **FTS** towards the right to use the technology, proprietary marks, patented IP in the Product with necessary technical support.).
  
- 1.3 This Franchisee Agreement is based on revenue models for and against supply of raw material as agreed under this Agreement namely Composite Cement Board, HIMI patented spacers, Glue, etc. the material will be supplied based on the price list which will be agreed between the **FTS** and **FTT**. In the event of **FTT** buying Composite Cement Boards and other products/raw material from alternate source (barring the substandard materials made in India and China) after due quality approval from the **FTS** and shall be approved in writing by **FTS**, then **FTT** shall pay to the **FTS** a royalty of 7% on the **FTS** price List of such products that is Composite cement board, HIMI spacer and glue as is agreed between both the Parties for the annual purchase value of such products and such 7% Revenue Fees on such purchase price shall be payable monthly by the **FTT** to the **FTS**. Where the Purchase value is materially lower than the list price of similar products published by the **FTS** then **FTS** List Price would be the deemed Purchase value at which the supply of such Products is agreed between the parties for such products.

- 1.4 **FTT** acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, **FTS** specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Product franchisee based upon the peculiarities of the particular market or market requirements but in any case no substandard material from China and India can be used.
- 1.5 In order to maintain the integrity and quality of the building systems the **FTT** is required to use any approved and quality materials supplied by the **FTS**, these materials have been developed and tested over last 10 years and are vital to the quality and performance of designed systems. However, if any dilution or change in material and substance is carried out and supplied by the **FTT** then the same shall be done / carried out at the risk of the **FTT** and **FTS** shall be indemnified for such resultant losses, claims, suits, proceedings, damages, loss of reputation, etc. arising out of the change in material and substance and the losses arising out of such event shall be borne by the **FTT** alone.
- 1.6 Materials shall be supplied by the **FTS** at such rates as may be agreed and shall be fixed annually, any increases in prices required due to market forces or global materials impacts shall be notified in writing to **FTT** 90 days in advance of change and shall be fully documented as to the impact on the base materials changes has caused and the change in rate shall only cover this substantiated cost increase, no annual or automatic increases in rates shall be allowed and only actual base materials changes shall be permitted that are outside of the **FTS** control.
- 1.10. The **FTT** agrees to keep a minimum of 10% of quarterly requirement of Composite Cement Boards and Spacers .
- 1.11. **FTS** also reserves the right of first refusal to enter in to joint venture or any other arrangement for acquisition of participation or control in the **FTT** facility/company with **FTT** and acquire or purchase the equity or controlling /non-controlling interest in the franchised facility / Company at any later date as may be mutually decided and agreed between the Parties and at the price as may be mutually decided and agreed between the parties at the time of the decision to sell the equity or controlling interest. However, such price to be decided needs to be in synchronization with the market conditions and the price for the similar stakes/equity for similar undertaking existing at the time of taking decision for such acquisition.

- 1.12. Both **FTS** and **FTT** will not appoint any sub franchisor without consulting each other in the territory of Tanganyika. Any sub franchisee will fall under the umbrella of **FTT** as may be appointed after consultation with **FTS**.

## **Section 2. TERM AND RENEWAL**

- 2.1 This Agreement shall be effective and binding for an initial term equal to Seven (7) years from the date of its execution. After the completion of the period of 7 years as stated above, this agreement will automatically be renewed for another extended 3 years at every renewal period unless it is terminated by either party as per the terms of this Agreement.
- 2.2 In the event of default/ termination due to purchase of raw material by the **FTT** from any other sources other than **FABTECH** without approval from the **FTS**, the **FTT** will have to pay the termination fees of 7% of purchase value of such products as described above on the preceding year purchases of the raw material for the purpose of this agreement to the Franchisor. The Preceding year shall mean the period of 12 months from the date of default. And in the event where the purchase value of such products as described above on the preceding year purchases of the raw material is not available or can not be found out than in that event the amount will be final for the purpose of this agreement.
- 2.3 After the expiration of the period stated in Section 2.1, **FTT** shall be granted automatic annual renewal over the same area as defined in Section 1.2 to operate a franchised facility as long as:
- i. has, during the entire term of this Agreement, substantially complied with all provisions;
  - ii. **FTT** maintains to have kept the Product standards as required by **FTS** and has complied with the mandatory raw materials supply for the Product namely being James Hardie Composite cement sheet (or **FRANCHISOR** approved equivalent), Fabtech Sterling Patented **HIMI** spacers, Fabtech Sterling supplied adhesive (or **FTS** approved equivalent), optional items such as screws and pins maybe locally sourced.

- iii. **FTT** has satisfied all monetary obligations owed by **FTT** to **FTS and FABTECH** and its subsidiaries and affiliates and has timely or in reasonable time met these obligations throughout the term of this Agreement. Reasonable time means not more than 6 months period;
  - iv. **FTT** has executed **FTS's** then-current form of Franchise Agreement;
  - v. **FTT** has complied with **FTS's** then-current qualification and training requirements; and
  - vi. **FTT** has executed a general release, in a form prescribed by **FTS**, of any and all claims against **FTS** and its subsidiaries and affiliates, and their respective officers, directors, agents and employees.
- 2.4 Preferential Right. **FTT's** preferential right over the franchise shall be conditioned upon **FTT'S** compliance with such requirements and continued compliance with all the terms and conditions of this Agreements up to the date of termination of the term, provided.

### Section 3 FACILITY LOCATION

**3.1.** **FTT** may operate the Franchised Facility at any or multiple locations within the Territories. That means that although the main location of the **FTT** will be as intimated to the **FTS** in advance only the facilities can be organized to facilitate the execution of the project in different areas within the states/areas assigned to the **FTT**. However, the **FTS** can permit the **FTT** to operate in other areas only for repeat orders from the existing clients.

Where any other FRANCHISEE is given similar Franchisee rights for use and sale of The Products for any other area, such agreements would restrict such other FRANCHISEES from operating in or undertaking any projects using the technology or products referred to in this agreement in the area allotted to the **FTT** i.e. only in state of Tanzania by **FTS**. **Similarly FTT should**

not operate or undertake any projects in areas allotted to other FRANCHISEE

- 3.2. **FTT** will be responsible for purchasing or leasing a suitable site for the principal locations of the Franchised Facility.
- 3.3 However, the **FTT** will not be allowed to make, modify or manufacture any parts or components or raw material viz. Composite cement board, HIMI spacers in the Franchise Facility other than Plaswall , easy build panel approved by the **FTS**.

#### **Section 4. EQUIPMENT, FIXTURES AND FURNITURE**

- 4.1 **FTS and/or FABTECH** shall supply **FTT** with Permanent Factory set up or Mobile Factory set up as specified and required for the manufacturing Facility. Specifications may include minimum standards for performance, warranties, design and appearance at the cost payable by the **FTT** as disclosed in clause 1.3.above.

#### **Section 5. TECHNOLOGY TRANSFER AND TRAINING ASSISTANCE**

- 5.1 **FTS** agrees to make available to the **FTT** all the existing and future technologies in relation to using of the **FTS** products in production and project execution free of cost. Only, the required training for this purpose would be provided at an extra cost.
- 5.2 **FTS** shall make training available to **FTT** and to employees of **FTT**. The training shall be held either at the Franchised Facility. **FTT** and its employees shall be required to attend and successfully complete, to **FTS'S** satisfaction a training and familiarization course, to be scheduled by the **FTS** after the signing of this Agreement .( only costs for Franchisors staff accommodation, air fare for all the staff and directors and other personals if training in Phillipines or in Mumbai and local transport to be the account on Franchisee)

- 5.3 All expenses incurred by **FTT** and its designates in attending such program, including, but not limited to travel costs, room and board expenses, and employees' salaries, shall be the sole responsibility of **FTT**.

## **Section 6. PROPRIETARY MARKS**

- 6.1 **FTT** acknowledges that **FTS** are the exclusive Franchise holders of the Proprietary Marks and Patent. **FTT** further acknowledges that **FTT's** right to use the Proprietary Marks and Patent is derived solely from this Agreement and is limited to the conduct of business by **FTT** pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by **FTS** from time to time during the term of the franchise.
- 6.2 Any unauthorized use of the Proprietary Marks and Patent by **FTT** is a breach of this Agreement and an infringement of the rights of **FTS** and its Clients in and to the Proprietary Marks and Patent. **FTT** acknowledges that all usage of the Proprietary Marks and Patent by **FTT** and any goodwill established by **FTT** or its Client's use of the Proprietary Marks and Patent shall inure to the exclusive benefit of **FTS** and its Clients, as the case may be, and that this Agreement does not confer any goodwill or other interests in the Proprietary Marks upon **FTT**. **FTT** shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Proprietary Marks or Patented or non patented IP or provisions of this Agreement applicable to the Proprietary Marks and Patent apply to any additional trademarks, service marks, and commercial symbols authorized for use by and licensed to **FTT** by **FTS** after the date of this Agreement.

- 6.3 **FTS** and Fabtech represents that he has legally binding and valid rights to provide franchise rights to the **FTT** in respect of the areas allotted under this agreement and all rights being provided to the **FTT** is within the rights available to him based on his agreement with Sterling Construction and Development Corporation and the agreement between **FABTECH** and **STERLING** the ultimate Product patent and IP Owner.
- 6.4 The **FTS** would indemnify the **FTT** if there are any legal or other claims against the **FTT** from any person as regards use of the technology or products referred to in this agreement as infringement of any copyright, trademark, patent or IP rights of such other person.

## **Section 7. CONFIDENTIAL OPERATIONS MANUAL**

- 7.1 **FTS** will issue to **FTT** during the term of the franchise, post completion of documentation of all the commercial terms including full payment of the fees as agreed in this Agreement, one (1) copy of a Confidential Operations Manual containing reasonable, mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by **FTS** for **FRANCHISOR** facilities and information relative to other obligations of **FTT** hereunder and the operation of its Franchised Facility. **FTS** shall have the right to add to and otherwise modify the Confidential Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by **FTS** for **FRANCHISOR** facilities, provided that no such addition or modification shall alter **FTT**'s fundamental status and rights under this Agreement.
- 7.2 The Confidential Operations Manual shall at all times remain the sole property of **FTS** and shall promptly be returned upon the expiration or other termination of this Agreement. **FTT** agrees and covenants that it shall not disclose duplicate or otherwise use in an unauthorized manner any portion of the Confidential Operations Manual.

- 7.3 The Confidential Operations Manual contains proprietary information of **FTS** and shall be kept confidential by **FTT** both during the term of the franchise and subsequent to the expiration or termination of the franchise for a period of 3 years.
- 7.4 **FTT** shall not make photocopies or duplicates of the Confidential Operations Manual, in any medium, without the prior written consent of **FTS**.

## **Section 8. CONFIDENTIAL INFORMATION**

- 8.1 **FTT** acknowledges that its entire knowledge of the operation of a **FTS** facility including the knowledge or know-how regarding the specifications, standards and operating procedures of **FTS** services and activities, is derived from information disclosed to **FTT** by **FTS** and that certain of such information is proprietary, confidential and a trade secret of **FTS**. **FTT** shall maintain the absolute confidentiality of all such proprietary information during the term of the franchise and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by **FTS**.
- 8.2 **FTT** shall divulge such confidential information only to the extent and only to such of its employees as must have access to it in order to operate the Franchised Facility. Any and all information, knowledge and know-how, including, without limitation, specifications and standards concerning the operation of the Franchised Facility and other data, which **FTS** designates as confidential shall be deemed confidential for purposes of this Agreement, except information which **FTT** can demonstrate lawfully came to its attention prior to disclosure thereof by **FTS**; or which, at the time of disclosure by **FTS** to **FTT**, had lawfully become a part of the public domain, through publication or communication by others; or which, after disclosure to **FTT** by **FTS**, lawfully becomes a part of the public domain, through publication or communications by others.

- 8.3 Due to the special and unique nature of the confidential information, Proprietary Marks, and Confidential Operations Manual of **FTS**, **FTT** acknowledges that **FTS** shall be entitled to immediate equitable remedies, including but not limited to, restraining orders and injunctive relief against future unauthorized disclosures in violation of this Agreement, and such other remedies as may be necessary to safeguard such proprietary, confidential, unique, and special information of **FTS**. **FTT** further acknowledges that money damages alone would be an insufficient remedy with which to compensate **FTS** for any breach of the terms of Sections 6, 7, and 8 of this Agreement. Furthermore, **FTT** agrees that all employees of **FTT** having access to the confidential and proprietary information of **FTS** shall be required to execute a confidentiality agreement in a form acceptable to **FTS**. **FTT** shall provide to **FTS** copies of all such executed confidentiality agreements.
- 8.4 **FTT** shall not use in advertising or in any other manner the copyrighted materials of **FTS** without the appropriate © copyright notice. However, the **FTT** needs to mention on letter heads, communications, advertising, banners at construction sites , etc. the acknowledgement mentioning Fabtech Sterling Plasswall Technology – in the format/drafts/words as designed and approved by the **FTS**.

## **Section 9. MODIFICATION OF THE SYSTEM**

- 9.1 **FTT** acknowledges that from time to time hereafter **FTS** may change or modify the Product identified by the Proprietary Marks, Patent and IP , including, without limitation, the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials; new programs or systems; new products, ancillary merchandise and related services and activities; new employee training or education programs and services; new equipment; or new techniques and that **FTT** will accept, use and display for the purpose of this Agreement any such changes in the System, as if they were part of this Agreement at the time of execution hereof. **FTT** will make such expenditures for acquiring such parts or products as may be supportive to the sale

of the Product as may reasonably require. **FTT** shall not change, modify or alter in any way the Product without written permission of **FTS**. **FTT** further acknowledges that **FTS** may alter the requirements of the Product to suit the particular demands of any particular market, and may therefore require **FTT** or any other franchisee to adopt such modifications as may be deemed necessary by **FTS**, as provided in this Agreement. However, the **FTT** will not be allowed to carry out any modifications in the Product or its components supplied along with the Product or procured from outside as intimated by the **FTS**.

## **Section 10. ADVERTISING**

- 10.1 Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of **FTS** facilities, **FTT** agrees as follows:

**FTT** may advertise the systems or services without prior written approval of **FTS** on both content and location or type of advertisement but only for the promotion of its products and services as defined herein and in the agreed format as defined in 8.4 above. The content of the advertising shall be approved by the **FTS** to check and avoid any miscommunication and contradiction. The advertising shall not market Plaswall but may show and promote usage of Plaswall and Fabtech Sterling System in **FTT** projects.

## **Section 11. ACCOUNTING AND RECORDS**

- 11.1 **FTT** shall establish and maintain a computerized stock taking and materials usage record keeping Product conforming to the requirements prescribed by **FTS**.
- 11.2 **FTT** will supply a **FTS** monthly a complete listing of products manufactured and approximate geographical location of their usage, this information is purely for raw materials stocking and marketing purposes.

- 11.3 **FTS** will have the right to appoint the technical and commercial auditors as per the terms of this Agreement and they shall be provided with quarterly, half yearly and yearly balances and accounts relating to the technical aspects of the products as well as all the accounts of requisitions sent and only relevant purchases carried out by the **FTT** in respect of products mentioned in this agreement or to be used in implementing the process or technology mentioned in this agreement. For Technical auditor all the details and specifications along with all supporting documents shall be kept and made available to the auditors along with any other material sourced from outside agency which are permitted under this Agreement. Such expenses on audits, etc. needs to be borne by the **FTS** only.

## **Section 12. STANDARDS OF QUALITY AND PERFORMANCE**

- 12.1 **FTT** shall comply with all requirements set forth in this Agreement, the Confidential Operations Manual and other written policies supplied to FRANCHISEE by FRANCHISOR. Mandatory specifications, standards, operating procedures and rules prescribed from time to time by FRANCHISOR in the Confidential Operations Manual or otherwise communicated to FRANCHISEE in writing, shall constitute provisions of this Agreement as if fully set forth herein and shall be reasonably and uniformly applied to all franchisees.
- 12.2 All References herein to this Agreement shall include all such mandatory specifications, standards and operating procedures and rules. FRANCHISEE shall comply with the entire Product including, but not limited to, the provisions of this Section 12.
- 12.3 FRANCHISEE shall commence operation of the Franchised Facility not later than six (6) months after execution of this Agreement and the

FRANCHISOR has supplied and completed all his obligations under this Agreement in enabling the knowledge transfer of the products, technology and process referred to in this agreement including training to the designated persons of the FRANCHISEE. Prior to the opening of the Franchised Facility, FRANCHISEE shall have complied with all FRANCHISOR's pre-opening standards and specifications. If FRANCHISEE for any reason fails to commence operation as herein provided, such failure shall be considered a default and FRANCHISOR will be entitled to levy a penalty of 10% of the Franchisee Cost to compensate for loss of business on account of delay in commencement of operations.

- 12.4 FRANCHISEE shall carry an adequate supply of raw materials to suit his manufacturing requirements and shall place orders for raw materials in due time to allow FRANCHISOR to deliver in a timely manner, a minimum of 45 days should be allowed for order processing and delivery to FRANCHISEE facility. In the event of delay in material supply by FABTECH more than the delivery period committed, it is understood that there would be project delays for the FRANCHISEE and to compensate for the same the FRANCHISOR agrees to pay penalty at max 5% of the product Value i.e. Shipment Value which is delayed beyond the delivery period specified by the FRANCHISOR for the period of delay including part of a month exceeding 15 days. However, such damages payment to and fro should not be more than 5% of that shipment value which is delayed beyond the delivery period specified by the FRANCHISOR.
- 12.5 FRANCHISEE shall secure and maintain in the force all required licenses, permits and certificates relating to the operation of the Franchised Facility and shall operate the Franchised Facility in full compliance with all applicable laws, ordinances and regulations, including without limitation, all government regulations relating to occupational

hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance and withholding payment of income taxes and social security taxes and sales, use and property taxes.

12.6 All advertising and promotional activities by FRANCHISEE in any medium shall be conducted in a dignified manner and shall accurately promote, describe and otherwise represent the type, quality and other features of the services and related support activities. Notwithstanding any approval made under 10.1 herein, FRANCHISOR may require FRANCHISEE to desist from continuing advertising and promotional activities which, in FRANCHISOR's sole judgement and on the basis of supervening events, or prior events discovered by FRANCHISOR only after approval of such advertising and promotional activities.

### **Section 13. FRANCHISOR'S OPERATIONS ASSISTANCE**

13.1 FRANCHISEE shall at all times comply with the standard prices for products as may be set by FRANCHISOR from time to time, unless FRANCHISOR expressly consents a deviation therefrom considering, among other things, prevailing market conditions. In formulating a modified pricing policy, FRANCHISOR may offer guidance to FRANCHISEE relative to prices for the ticket inventory, merchandise, accessories and products, and related services offered for sale or rental by FRANCHISOR facility that in FRANCHISOR's judgement constitutes good business practice. The pricing policy required by FRANCHISORs to be adopted and any guidance relative to a modified pricing policy will be based on the experience of FRANCHISOR and its franchisees in operating FRANCHISOR facilities and an analysis of the costs of such services, activities, merchandise, supplies, accessories and products and prices charged for competitive inventory products. FRANCHISOR, however, by setting pricing policy or offering guidance relative thereto, does not assume in whole or in part any business risk arising from the operation of the Franchised Facility

13.2 FRANCHISOR to make or decide on pricing policy of final product or of "PLASWALL" system in synchronization with prevailing market pricing and not unfair to other FRANCHISEES in other states and franchisee must not undercut the selling prices.

13.3 FRANCHISOR shall supply Franchisee all details of sales enquiry if any directly made to the FRANCHISOR in respect of the allotted area to the Franchisee. This would not by any means be a representation from the FRANCHISOR of committed business to the FRANCHISEE.

#### **Section 14. COVENANTS**

14.1 FRANCHISEE covenants that during the term of this Agreement, except as otherwise approved in writing by FRANCHISOR, FRANCHISEE shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation or Government or Quasi Government body:

14.2 Divert or attempt to divert any business or customers of the Franchised Facility to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and Patents and the System.

14.3 Employ or seek to employ or otherwise engage the services of any person is at that time, or at any time within the preceding year, employed by FRANCHISOR or by any other franchisee of FRANCHISOR, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment.

14.4 Own, maintain, engage in, consult with, or have any interest in any competitive business using the products or technology referred to in this

agreement (including any business operated by FRANCHISEE prior to entry into this Agreement).

- 14.5 Follow all health safety, environment guidelines of the country/State where franchisee facility is located.
- 14.6 FRANCHISEE will not engage in any activities pertaining to manufacturing, trading i.e. buying and selling of spacers, Composite Cement Boards or any other product supplied under this Agreement and will not carry out any such activities which amounts to competition with the FRANCHISOR and will not Sub-Franchise this facilities or will not part with any of the technology, or know-how which are acquired by the FRANCHISEE during and after the tenure of this Agreement. The FRANCHISOR will have all the precautions and preventions on employees from copying/ duplicating/ parting/ applying the knowledge acquired from the technology supplied by the FRANCHISOR and the FRANCHISEE will indemnify the FRANCHISOR from the losses, if any, arising from such activities as narrated herein.
- 14.7 In the event that there is the re-organisation/split/ reconstruction or any such activity for change of control is being carried out by the FRANCHISEE, then in such events the restructured entity will continue to carry on the business after submitting a deed of adherence by the new management until the time the majority of the stake/ powers and authorities remains with the present management structure of FRANCHISEE. This agreement will not be terminated due to restructuring of the company, till present FRANCHISEE management has the majority and control over the Company. However if the FRANCHISEE is selling its majority of the controlling powers and shareholding to the third party, then the terms of this agreement will continue, unless and until such transaction necessitates the transfer of this

agreement with franchisee to a separate business entity. However any such reconstruction/reorganization should not affect the business between the franchisor and franchisee for a period of not more than 2 months. None of the out going partners, directors, associates, friends and relatives of the out going partners will part with such technology or know how or product. And they will not be allowed to use the technology said in this Agreement and or compete with Fabtech in any of the territories.

14.8 Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unenforceable by a court or agency having valid jurisdiction in an unappealed or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which FRANCHISOR is a party, FRANCHISEE shall be bound by any lesser covenant were separately stated in and made a part of this Section 16.

14.9 FRANCHISEE acknowledges that FRANCHISOR shall be entitled to immediate equitable remedies, including but not limited to, restraining orders and injunctive relief against future violations of the confidentiality restrictions herein, and to such other remedies as may be necessary to safe guard such proprietary, confidential, unique and special information of FRANCHISOR and that money damages alone would be an insufficient remedy with which to compensate FRANCHISOR for any breach of the terms of this Section 15 and 16.

## **Section 15. DEFAULT AND TERMINATION**

15.1 This Agreement shall, at the option of FRANCHISOR, terminate automatically upon delivery of notice of termination to

FRANCHISEE. If FRANCHISEE or its owner(s), officer(s) or manager(s):

- 15.2 Fails to decorate and equip the premises as provided in Section 4 hereof, or fails to satisfactorily complete the training program as provided in Section 5 of this Agreement;
- 15.3 Make any unauthorized use, disclosure or duplication of any portion of the Confidential Operations Manual or duplicates or discloses or makes an unauthorized use of any trade secret or confidential information provided to FRANCHISEE by FRANCHISOR;
- 15.4 Abandons or fails or refuses to actively operate the Franchised Facility for six (6) month period, unless the Franchised Facility has been closed for a purpose approved by FRANCHISOR;
- 15.5 Surrenders or transfers control of the operation of FRANCHISOR Franchised Facility, makes or attempts to make an unauthorized direct or indirect assignment of the franchise or an ownership interest in FRANCHISEE fails or refuses to assign the franchise or the interest in FRANCHISEE of a deceased or incapacitated controlling owner thereof as herein required. However, any surrender, transfer of control should be with prior intimation to be given to the FRANCHISOR in writing and after getting approval from the FRANCHISOR and the FRANCHISOR will have first Right of Refusal over the surrender or transfer of control of the operations of the Franchised Facility;
- 15.6 If FRANCHISEE shall be adjudicated bankrupt, becomes insolvent, commits any affirmative act of insolvency or files any action or petition of insolvency, or if a

receiver (permanent, temporary) of its property or any part thereof is appointed by a court of competent authority, or if it makes a general assignment for the benefit of its creditor, or if a final judgement remains unsatisfied of record of thirty (30) days or longer (unless superseded bond is filed), or if execution is levied against FRANCHISEE's business or property, or if suit to foreclose any lien or mortgage against his premises or equipment is instituted against FRANCHISEE and not dismissed within thirty (30) days, or is not in the process of being dismissed.

- 15.7 Materially misuses or makes unauthorized use of any of the Marks or Patents commits and other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks/ Patented or non patented IP;
- 15.8 To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like other than in accordance with applicable law, not be effective, and FRANCHISOR shall comply with applicable law in connection with each of these matters.
- 15.9 Franchisor reserves the right to appoint more Franchisees in the territory if
- (i) Franchisee has defaulted on any financial commitment it has made to franchisor by more than 6 months.
  - (ii) Franchisee has defaulted in its commitments to their clients and the performance of the Franchisee or the FRANCHISOR is adversely affected due to this.

- (iii) Franchisee has got implicated in any legal commercial issues with government, clients, suppliers, subcontractors and the performance of the Franchisee or the FRANCHISOR is adversely affected due to this.
- (iv) Any legal or criminal suit proceedings are filed against the main persons holding and operating the Franchisee and the performance of the sub franchisee is adversely affected due to this.
- (v) Declared bankrupt and is not able to carry out the functions efficiently.
- (vi) Found guilty of any terms of this agreement which is not reconcilable.

15.10 Indemnify and hold harmless FRANCHISOR and any representative of FRANCHISOR who may act hereunder, respecting any and all acts and omissions which FRANCHISOR may perform, or fail to perform as regards the interest of FRANCHISEE or third parties

## **Section 16. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION**

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate, and:

- 16.1 FRANCHISEE shall immediately cease to operate the Franchised Facility under this Agreement, and shall not thereafter, directly or indirectly,

represent to the public or hold itself out as a present or former franchisee of FRANCHISOR.

- 16.2 FRANCHISEE shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks and any distinctive forms, slogans, signs, symbols, logos or devices associated with the Marks or System. In particular, FRANCHISEE shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other article which displays the Proprietary Marks associated with the System.
- 16.3 Franchisee hereby acknowledges that all telephone numbers used in the operation of the Franchised Facility constitute property of FRANCHISOR; and upon termination or expiration of this Agreement, FRANCHISEE shall assign to FRANCHISOR or its designee, all FRANCHISEE's right, title, and interest in and to FRANCHISEE's telephone numbers and shall notify the telephone company and all listing agencies of the termination or expiration of FRANCHISEE's right to use any telephone number in any regular, classified or other telephone directory listing associated with the Proprietary Marks and to authorize transfer of same to or at the direction of FRANCHISOR.
- 16.4 FRANCHISEE shall comply with the covenants contained in Section 14 of this Agreement.
- 16.5 All obligations of FRANCHISOR and FRANCHISEE which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

16.6 Franchisee hereby acknowledges that on termination or expiration of this Agreement Franchisee will hand over/surrender all confidential operational manual and all technical information to Franchisor with immediate effect.

### **Section 17. TRANSFERABILITY OF INTEREST**

This Agreement and all rights hereunder can be assigned and transferred by **FRANCHISEE** only with prior written original approval of Franchisor sent by courier and accepted by franchisee with proof of acceptance and, if so, shall be binding upon and inure to the benefit of **FRANCHISOR'S** successors and assigns.

### **Section 18. INDEPENDENT CONTRACTOR**

18.1 This Agreement does not create a fiduciary relationship between the parties, nor does it constitute FRANCHISEE as an agent, legal representative, joint venturer, partner, employee, or servant of FRANCHISOR for any purpose whatsoever; and it is understood between the parties hereto that FRANCHISEE shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of FRANCHISOR to incur any debt, or to create any obligation, charge, lien, mortgage express or implied, on behalf of FRANCHISOR.

18.2 During the term of this Agreement and any extension hereof, FRANCHISEE shall hold itself out to the public as an independent contractor operating the business pursuant to a franchisee from FRANCHISOR.

18.3 FRANCHISOR shall not, by virtue of any approvals, advice or services provide to FRANCHISEE, assume responsibility or liability to FRANCHISEE or any third parties to which FRANCHISOR would not otherwise be subject.

### **Section 19. NON-WAIVER**

No failure of FRANCHISOR to exercise any power reserved to it hereunder, or to insist upon strict compliance by FRANCHISEE

with any obligation or condition hereunder or to insist upon strict compliance by FRANCHISEE with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of FRANCHISOR's right to demand exact compliance with the terms hereof. Waiver by FRANCHISOR of any particular default by FRANCHISEE shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair FRANCHISOR's right with respect to any subsequent default of the same or a different nature; nor shall any delay, waiver, forbearance, or omission of FRANCHISOR to exercise any power or rights arising out of any breach or default by FRANCHISEE of any of the terms, provision, or covenants hereof, affect or impair FRANCHISOR's rights nor shall such constitute a waiver by FRANCHISOR of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by FRANCHISOR of any payment(s) due to it hereunder shall not be deemed to be a waiver by FRANCHISOR of any preceding breach by FRANCHISEE of any terms, covenants or conditions of this Agreement.

## Section 20. NOTICE

20.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to FRANCHISOR:                    FTS Building Systems LLC,  
Dubai Investment Park,  
Ware House no 65/66,  
Dubai UAE.  
Attn: AASIF A KHAN

Notices to FRANCHISEE                    **FABTECH STERLING (T) LTD,**  
P.O. BOX 77914,  
DAR-ES-SALAAM,  
TANZANIA.  
  
Attn: MR. KAMAL KOTECHA

Any notice by certified mail shall be deemed to have given at the date and time of mailing.

## Section 21. COST OF ENFORCEMENT OR DEFENSE

21.1 In the event that either party to this Agreement is required to employ legal counsel or to incur other expense to enforce any obligation of the defaulting party, or to defend against any claim, demand, action, or proceeding by reason of the defaulting party's failure to perform any obligation imposed upon the defaulting party by this Agreement, and provided that legal action is filed and such action or the settlement thereof establishes the defaulting party's default hereunder, then the other party shall be entitled to recover from the defaulting party the amount of all reasonable attorney's fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter. Nothing contained in this Section shall relate to arbitration proceedings pursuant to this Agreement.

## **Section 22. ENTIRE AGREEMENT**

- 22.1 This Agreement, any exhibit attached hereto, and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between FRANCHISOR and FRANCHISEE concerning the subject matter hereof, and supersede all prior agreements. No other representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.
- 22.2 FRANCHISEE expressly shall be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which FRANCHISOR is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.
- 22.3 All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.
- 22.4 This Agreement may be executed in triplicate, and each copy so executed shall be deemed an original. Reflect the terms and conditions as such registration or application for registration may require.

## **Section 23. APPLICABLE LAW**

- 23.1 This Agreement takes effect upon its acceptance and execution by FRANCHISOR in Mumbai City, India, whichever location is appropriate and agreed between the FRANCHISOR and the FRANCHISEE and shall be interpreted and construed under the laws thereof.

- 23.2 FRANCHISEE acknowledged that this agreement is entered into in Mumbai City and that any action sought to be brought by either party, except those claims required to be submitted to arbitration, shall be brought in the Regional Trial court of Mumbai, and the parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.
- 23.3 No right or remedy conferred upon or reserved to FRANCHISOR or FRANCHISEE by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every right or remedy.
- 23.4 Nothing herein contained shall bar FRANCHISOR's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

#### **Section 24. ARBITRATION**

24.1 Any monetary claim arising out of or relating to this Agreement, or any breach thereof, and any controversy regarding the establishment of the fair market value of leasehold improvements and other Franchised Facility assets pursuant to this Agreement hereof, shall be submitted to binding arbitration in accordance with Arbitration Laws applicable at India in accordance with the rules existing at the time of dispute then currently in force. Nothing contained herein shall, however, be construed to limit or to preclude FRANCHISOR from bringing any action in any court of competent jurisdiction for injunctive or other provisional relief as FRANCHISOR deems to be necessary or appropriate to compel FRANCHISEE to comply with his obligations hereunder or to protect the Proprietary Marks or other property rights of FRANCHISOR. In addition, nothing contained herein shall be construed to limit or to preclude FRANCHISOR from joining with any action for injunctive or provisional relief all monetary claims that FRANCHISOR may have against FRANCHISEE which arise out of the acts or omissions to act giving rise to the action

for injunctive or provisional relief. This arbitration provision shall be deemed to be self-executing and in the event that FRANCHISEE fails to appear at any properly noticed arbitration proceeding, award may be entered against FRANCHISEE notwithstanding his failure to appear.

24.2 Nothing herein contained shall bar the right of either party to seek and obtain temporary injunctive relief from a court of competent jurisdiction in accordance with applicable law against threatened conduct that will cause loss or damage, pending completion of the arbitration.

24.3 It is the intent of the parties that any arbitration between FRANCHISOR and FRANCHISEE shall be of FRANCHISEE's individual claim and that the claim subject to arbitration shall not be arbitrated on a classwide basis.

### **Section 25. "FRANCHISEE" DEFINED AND GUARANTY**

As used in this Agreement, the term "FRANCHISEE" shall include all persons who succeed to the interest of the original FRANCHISEE by transfer or operation of law and shall be deemed to include not only the individual or entity defined as "FRANCHISEE" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity that executes this Agreement, in the shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation. By their signatures hereto, all partners, shareholders, officers and directors of the entity that signs this Agreement as FRANCHISEE acknowledges and accepts the duties and obligations imposed upon each of them, individually, by the terms of this Agreement. All partners of the entity that executes this Agreement, in the event said entity is a partnership, and all shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation, shall execute the Guaranty and Assumption of Obligations attached hereto as Exhibit C and made a part hereof. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

### **Section 26. FORCE MAJEURE**

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes

beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. This clause shall not apply or not result in an extension of the term of this Agreement.

### **Section 27. CAVEAT**

The success of the business venture contemplated to be undertaken by FRANCHISEE by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of FRANCHISEE as an independent business, and their active participation in the daily affairs of the business as well as other factors. FRANCHISOR does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

### **Section 28. ACKNOWLEDGEMENTS**

28.1 **FRANCHISEE** represents and acknowledges that it has received, read and understood this Agreement and that FRANCHISOR has fully and adequately explained the provisions of each to FRANCHISEE's satisfaction; and that FRANCHISOR has accorded FRANCHISEE ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

28.2 **FRANCHISEE** acknowledges that it has received a copy of this Agreement and the attachments thereto, at least five (5) business days prior to the date on which this Agreement was executed.

28.3 **FRANCHISEE** understands and acknowledges that all representation of fact contained herein are made solely by FRANCHISOR. All documents, including FRANCHISOR's franchisee agreement and all exhibits thereto, have been prepared solely in reliance upon representations made and information provided by FRANCHISOR, its officers and its directors. FRANCHISEE further agrees to release from all liability and indemnify and hold harmless the preparer of any and all such franchise agreements, and exhibits thereto from any and all loss, costs, expenses, (including attorneys' fees), damages and liabilities resulting from any representations and/or claims made by FRANCHISOR in such documents.

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in triplicate the day and year first above written.

\_\_\_\_\_  
**FRANCHISOR**  
**FTS Building Systemes LLC**

\_\_\_\_\_  
**FRANCHISEE**  
**FABTECH STERLING(T) LTD,**

**BY: MR. AASIF A. KHAN**

**BY : Mr. KAMAL KOTECHA**

EXHIBIT A TO THE FRANCHISE AGREEMENT  
**AREA ALLOTTED TO BE INSERTED**

**MAP OF DESIGNATED AREA  
EXPENSES AND STAGES OF PAYMENT AS PER PROFORMA**

\_\_\_\_\_  
FRANCHISOR  
**FTS BUILDING SYSTEMS LLC**

\_\_\_\_\_  
FRANCHISEE  
**FABTECH STERLING(T) LTD,**

EXHIBIT A TO THE FRANCHISE AGREEMENT

\_\_\_\_\_  
FRANCHISOR  
**FTS BUILDING SYSTEMS LLC**

\_\_\_\_\_  
FRANCHISEE  
**FABTECH STERLING(T) LTD,**

TANZANIA



## Certificate of Incorporation

Section 15

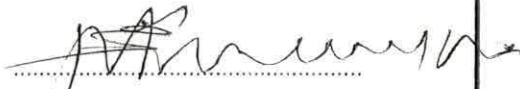
No **82165**

I HEREBY CERTIFY THAT

**FABTECH STERLING 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 **17TH** day of **MARCH****TWO THOUSAND AND ELEVEN**  
Asst. Registrar of Companies

# THE UNITED REPUBLIC OF TANZANIA



## Certificate of Change of Name

NO **82165**

I HEREBY CERTIFY THAT

**FABTECH STERLING LIMITED =====**

having, with sanction of a special Resolution of the said Company, and with the approval of the Registrar signified in writing Changed its name, is now called the

**FABTECH STERLING TANZANIA LIMITED =====**

and I have entered such new name on the Register accordingly.

Given under my hand at Dar es salaam

this **27TH** day of **APRIL**

Two thousand and **ELEVEN**

A handwritten signature in black ink, appearing to be 'D. M.', written over a dotted line.

*Asst. Registrar of Companies*

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

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**COMPANY LIMITED BY SHARES**

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**Memorandum  
and  
Articles of Association  
of  
FABTECH STERLING LIMITED**

---

Incorporated this                      day of                      2011

---

Drawn by: Mr. Viral Tulsidas Manek  
Subscriber  
P. O. Box 77914  
Dar es Salaam  
Tanzania






- j. To carry on all or any of the business of electrical, mechanical, motor and general engineers, manufacturers and merchants of, agents for, and dealers in engineering specialties of very description.
- k. To carry on all types of business of buying and selling of gold in any form, quarrying and mining and similar extractions of any kind and such related business in the United Republic of Tanzania or elsewhere either by wholesale or retail and either in its processed, manufactured or raw taste .
- l. To carry on the business of general merchandise, agents, brokers, commission salesmen and factors for the import, export, wholesale and retail of spices, rice, raw cashew nuts, raw cotton, scraps, coffee, tobacco, grain, corn, cereals, seeds, beans, oilseed, hops, cocoa and all ground grown products, all products of any of them (whether for use as or in food stuffs or animal consumption), all kinds of fertilisers, chemicals, rubber, metals, ore, minerals, coal, other fuel, any kind of cotton and other fibrous substances.
- m. To Provide consultancy on construction and project management field.
- n. To Provide Consultancy on estate plans, architecture, surveyors, construction, soil testing, structural designs and engineering, construction labour management, environmental, infrastructure, health, energy, water supply, agricultural etc.,
- o. To carry on the business of owning land for planting, managing, harvesting, marketing and processing agro commodities and other farm products in Tanzania.
- p. To carry on the business of planters, producers, processors, manufacturers, growers and cultivators of trees, wood, timber, sustainable charcoal and seeds of all kinds of produce of the soil and to treat, process, prepare, render marketable, buy, sell, import, export, deal and dispose of such seeds of all kinds of produce in the United Republic of Tanzania or elsewhere either by wholesale or retail and either in its processed, manufactured or raw taste.
- q. To carry on the business of construction of all types, dimension stone, and all types of trading in various items in the United Republic of Tanzania or elsewhere either by wholesale or retail.
- r. To sell, lease, or otherwise dispose of the whole or any part of the property, undertaking and assets of the Company either together, or in portions, for such consideration as the Company may think fit.
- s. To do all or any of the above things in any part of the work and either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees, or by means of any subsidiary or auxiliary company of otherwise.
- t. To enter into contracts, agreements, arrangements and joint ventures with any other company for the carrying out by the company or such other company on behalf of the company of any of the objects for which the company is formed.
- u. To acquire any such shares, stocks, debentures, debenture stock, scripts, bonds, notes, securities, obligations, funds or loans by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and to guarantee subscription thereof, the company's investments for the time being.

- v. To acquire and take over the whole or any part of business, property and liabilities of any company or person carrying on any business which the company is authorised to carry on, or possessed of any property or assets suitable for the purpose of the company.
- w. To pay for any property or assets acquired by the company either in cash or fully or partly paid shares or by the issue of securities or obligations, or partly in one mode and partly in another and generally on such terms as may be determined.
- x. To lend money and/or guarantee the performance of the contracts or obligations of any company, firm or person, and the payment and repayment of the capital and principal of, and dividends, interest or premium on, any stock, shares and security of any company, whether having objects similar to those of the company or not, and to give all kinds of indemnities, and to make and receive subvention payments.
- y. To amalgamate with any other company, whose objects are or include objects similar to those of the company.
- z. To carry on any trade of business whatever which can in the opinion of the board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the company
- aa. To enter into working arrangements of all kinds (including joining in a co-operative arrangements) with other companies, corporation, firms or persons and also to make and carry into effect arrangements with respect to union of interests or amalgamation either in whole or in part of any other arrangements, including joint ventures, with other companies, corporation, firms or persons.
- bb. To lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others to enter into guarantees, contracts of indemnity and surety ships of all kinds, to receive money on deposit or loan upon any terms and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding or subsidiary company.
- cc. To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the company, or of undertaking any business or operations which may appear likely to assist or benefit the company or to enhance the value of any property or business of the company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- dd. To remunerate any person, firm or company rendering services to the company either by cash payment or by the allotment to him or them of shares or other securities of the company credited as paid up in full or in part or otherwise as may be thought expedient.
- ee. To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and alone or in conjunction with others.
- ff. Generally to do all such other things as may appear to the company to be incidental or conducive to the attainment of the above object or any of them.

It is hereby expressly declared that each sub-clause of this clause shall be construed independently of the other sub-clauses hereof, and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the objects mentioned in any other sub-clause.

4. The liability of the members is limited.
5. The capital of the Company is Shs 1,000,000,000 divided into 100,000 shares of Shs 10,000 each.

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

Name Addresses and Descriptions of subscribers	Number of shares Taken by each Subscriber	Signatures of subscribers
MR. KAMAL RASIKLAL KOTECHA 3/4, UHURU STREET P.O. BOX 77914 DAR ES SALAAM	400	
MR. VIRAL TULSIDAS MANEK PLOT NO. 294/295 ALI HASAN MWINYI ROAD P.O. BOX 7177 DAR ES SALAAM	500	
MR. MOHAMMED ASIF AHSAN KHAN D-15/604, INDRA DARSHAN PHASE II, SWAMI SAMARTH NAGAR ANDHERI (W) MUMBAI 400 053 INDIA	100	

DATED this 15<sup>TH</sup> Day of MARCH 2011

WITNESS to the above signature

FULL NAME: .....

SIGNATURE: .....

QUALIFICATION: .....



TANZANIA  
Stamp Duty Shs. 5000/-  
PAID ON ORIGINAL  
Receipt No. AB22498 of 16/3/11  
Stamp Duty Officer

THE COMPANIES ACT No. 12 OF 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
OF

FABTECH STERLING LIMITED

TANZANIA  
Stamp Duty Shs. 2500/- Paid  
Receipt No. 322498 of 16/3/11  
Asst. Registrar of Companies

1. The regulations contained in Table A in the First Schedule to the Act shall not apply to the Company.

**Interpretation**

2. In these Articles, if not inconsistent with the subject or context:

“Act”	shall mean the Companies Act, No. 12 of 2002;
“Articles”	shall mean these Articles of Association as now framed or as from time to time altered by Special Resolution;
“Board”	shall mean the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
“Company”	shall mean <b>FABTECH STERLING LIMITED</b>
“debenture”	shall include debenture stock;
“Director”	shall include an alternate director;
“dividend”	shall include bonus;
“Member”	shall mean a shareholder in the Company;
“month”	shall mean a calendar month;
“paid up”	shall mean paid up or credited as paid up;
“Seal”	shall mean the common seal of the Company;
“Secretary”	shall include a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
“TShs.”	Shall mean Tanzanian shillings;
“Tanzania”	shall mean the mainland part of The United Republic of Tanzania

the expression “in writing” or “written” shall include words written, printed, lithographed or represented or reproduced in any other mode in visible form;

words signifying the singular number only shall include the plural number and *vice versa*;

words signifying the masculine gender only shall include the feminine gender;

words importing persons shall include corporations;

reference to any provision of the Act shall be construed as a reference to such provision as modified or re-enacted by any act for the time being in force.

3. Subject to the last preceding Article, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **PRIVATE COMPANY**

4. The Company is a private company and accordingly:
  - (a) the number of Members of the Company (exclusive of persons who are in the employment of the Company and of persons who, having been formerly in the employment of the Company, were while in such employment and have continued after the determination of such employment to be Members 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;
  - (b) any invitation to the public to subscribe for any shares or debentures of the Company is prohibited;
  - (c) the Company shall not have power to issue share warrants to bearer;
  - (d) the right to transfer shares is restricted in manner hereinafter provided.

#### **BUSINESS**

5. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such time or times as it shall deem fit and, further, may be permitted by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with the same.
6. The registered office of the Company shall be at such place in Tanzania as the Board shall from time to time appoint.
7. No part of the funds of the Company shall be employed in the subscription or purchase of or in loans upon the security of the Company's shares or those of its holding company (if any) and the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with any purchase or subscription by any person of or for shares in the Company or in its holding company (if any) provided that nothing in this Article shall prohibit transactions mentioned in the proviso to section 57(1) of the Act.

## SHARE CAPITAL AND VARIATION OF RIGHTS

8. The share capital of the Company is Tanzanian Shillings One Billion (Tshs. 1,000,000,000/=) only divided into One Hundred Thousand (100,000) shares of Tanzanian Shillings Ten Thousand (Tshs. 10,000/=) only each.
9. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine.
10. Subject to the provisions of section 61 of the Act, any preference shares may, with the sanction of a Special Resolution, be issued upon the terms that they are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company may by Special Resolution determine.
11. If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may from time to time, whether or not the Company is being wound up, be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, all the provisions of these Articles relating to General Meetings of the Company shall, *mutatis mutandis*, apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
12. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of these Articles, the shares in the capital of the Company shall be at the disposal of the Board which may allot, grant options over or otherwise dispose of them to such persons, for such consideration, on such terms and conditions and at such times as it may determine provided that no shares shall be issued at a discount except in accordance with section 56 of the Act.
14. Unless otherwise determined by Special Resolution and except in the case of the issue of shares pursuant to any rights previously conferred in accordance with these Articles, whenever the Board proposes to issue any shares it shall offer them in the first instance to Members (other than preference shareholders not specifically entitled to them under the terms of issue of their preference shares) in proportion as nearly as may be to the number of existing shares held by them. Such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time (not less than twenty-one days) within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time (if the offer is not accepted) or on the earlier receipt of an intimation from the

Member to whom the offer is made that he declines to accept the shares offered, the Board may allot or otherwise dispose of those shares to such persons and upon such terms as may be decided by it. The Board may likewise so dispose of any shares which, by reason of the ratio which the number of shares offered bears to the total number of existing issued shares, cannot in the opinion of the Board be conveniently offered under this Article.

15. The Company may exercise the powers of paying commissions conferred by section 56 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid and the number of shares for which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by that section and that such commission shall not exceed ten per cent of the price at which the shares in respect whereof the same is paid are issued or the amount or rate authorised by the Articles, whichever is less. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
16. If any shares in the capital of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long time, the Company may, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of plant as the case may be.
17. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or, except only as by these Articles or by law otherwise required or provided, any right in respect of any share other than an absolute right to the entirety thereof in the registered holder.

#### **CERTIFICATES**

18. Every person whose name is entered as a Member in the Register of Members shall be entitled, without payment, to one certificate for all his shares of each class and, when part only of the shares comprised in a certificate is sold or transferred, to, a new certificate for the remainder of the shares so comprised or, upon payment of such sum, as the Board shall from time to time determine, several certificates each for one or more of his shares of such class. Every certificate shall be issued within sixty days after allotment or lodgement of the instrument of transfer or within such other period as the conditions of issue shall provide, shall be under the Seal and shall specify the share or shares to which it relates and the amount paid up thereon. In the case of shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore and delivery of a certificate to one of the several joint holders shall be sufficient delivery to all.

19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee in the case of loss or destruction, on such terms, if any, as to evidence and indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence, as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

#### **LIEN**

20. The Company shall have a lien on every share (other than a fully paid share) registered in the name of a Member, whether solely or jointly with others, for all moneys, whether presently payable or not, due by such Member or his estate, either alone or jointly with any other person, to the Company but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends payable thereon.
21. The Company may sell, in such manner as the Board may determine, 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 or before the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default, shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.
22. To give effect to any such sale, the Board may authorise any person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
23. The net proceeds of any such sale, after payment of the cost 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 share prior to the sale) be paid to the person entitled to the share at the time of the sale.

#### **CALLS ON SHARES**

24. The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on their shares and not, by the conditions of allotment thereof, made payable at fixed times and each Member shall, subject to the Company giving to him 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 Board may determine.
25. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. 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 fifteen per cent per annum, as the Board may determine but the Board may waive payment of such interest wholly or in part.
28. Any sum which, by the terms of issue of a share, becomes payable on allotment or on any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles 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 Articles 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.
29. The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
30. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may, until the same would, but for such advance, become presently payable, pay interest at such rate, not exceeding fifteen per cent per annum, as may be agreed upon between the Board and the Member paying such sum in advance.

#### **TRANSFER OF SHARES**

31. The transfer of any share in the Company shall be in writing in any usual or common form and shall be signed by the transferor and the transferee. 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. All instruments of transfer, when registered, shall be retained by the Company.
32. Subject to the provisions of this Article 32 no share in the Company shall be transferred unless and until the rights of pre-emption conferred by the provisions of this Article shall have been exhausted.
  - (a) Every Member who desires to transfer any shares (the "**Vendor**") shall give to the Company notice in writing of that desire ("**transfer notice**"). A transfer notice shall specify the proposed price for the shares comprised in the notice (the "**Shares**") and may, at the option of the Vendor, include the condition that, unless all the Shares are sold pursuant to the provisions of this Article, none shall be sold. If the Vendor holds more than one class of share, he shall specify in the transfer notice the number of each class of shares that he desires to transfer and the price proposed for each class of share.
  - (b) A transfer notice shall constitute the Company the Vendor's agent for the sale of the Shares to the Members other than the Vendor at the price, if approved by the Board, specified in the notice or, if not so approved, at the price which the auditor of the Company for the time being

shall certify in writing to be, in his opinion, the fair value of the Shares as between a willing seller and a willing buyer.

- (c) Within thirty days of service of a transfer notice, the Board shall either approve the proposed price for the Shares and give notice to each Member in accordance with paragraph (e) or require the auditor to certify the fair value of the Shares.
- (d) If an auditor's certificate is required, the Company shall, immediately upon receipt, serve a copy of the certificate on the Vendor and require the Vendor, within thirty days of the service upon him of the certificate, to approve or reject the value certified by the auditor as the price for the Shares and to confirm or cancel the Company's authority to sell the Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall cancel the sale, in which case, he shall bear the cost.
- (e) Within seven days of approval of the price for the Shares by the Board or the Vendor (as the case may be), the Company shall give notice in writing to all the Members other than the Vendor informing them of the number and price for the Shares and inviting each of them to apply in writing to the Company within twenty-one days of the date of service of the notice for all or any of the Shares.
- (f) Within seven days of the expiry of the period fixed for receipt of applications for the Shares, the Board shall allocate the Shares (or, unless the transfer notice contains a condition to the contrary, so many of them as may be applied for) to or amongst the applicants and, in case of competition, *pro rata* (as nearly as possible) to the number of shares in the Company of which they are registered or unconditionally entitled to be registered as holders; Provided that no applicant shall be allocated more than the maximum number of shares specified in his application. Within seven days of the allocation, the Company shall give notice of the allocations ("**allocation notice**") to the Vendor and the applicant Members specifying the place and time (being not earlier than fourteen and not later than twenty-eight days after the date of the notice) at which the sale of the shares so allocated shall be completed.
- (g) The Vendor shall be bound to transfer the shares comprised in an allocation notice as specified in the notice and, if he shall fail to do so, the Chairman of the Company or some other person appointed by the Board shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the Shares to the purchasers against payment of the price to the Company. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold the price in trust for the Vendor.
- (h) If any purchaser fails to complete the purchase of any shares as specified in an allocation notice, he shall be deemed to have forfeited his right to those shares which shall then be re-allocated by

the Board to the applicants (other than any defaulting purchaser) in accordance with paragraph (f). If, in any such case, the transfer notice was subject to the condition that all the Shares be sold, completion of the sale of all the Shares shall be deferred until such time as may be specified in the notice of re-allocation.

- (i) During the six months following the expiry of the period of twenty-one days referred to in paragraph (e), the Vendor shall, subject nevertheless to the provisions of Article 34, be at liberty to transfer to any person and at any price (not being less than the price fixed under this Article) any share not allocated by the Board in an allocation notice provided that, if the Vendor stipulated in his transfer notice that, unless all the Shares were sold pursuant to this Article, none should be sold, the Vendor shall not be entitled, save with the written consent of all the other Members of the Company, to sell only some of the Shares.
- (j) Time shall be of the essence for all purposes of this Article.

33. The rights of pre-emption conferred in Article 32 shall not apply to:

- (a) any transfer approved in writing by all the Members;
- (b) any transfer by a Member to the spouse, child or remoter issue, brother, sister or parent of that Member;
- (c) any transfer by the personal representative of a deceased Member to the widow, widower, child or remoter issue, brother, sister or parent of that deceased Member;
- (d) any transfer by the trustees, executors or administrators of a deceased Member to new trustees, executors or administrators upon any change thereof;
- (e) any transfer by a corporate Member to an associated company (that is to say the holding company or any subsidiary of such corporate Member and any other subsidiary of such holding company); or
- (f) any transfer by a corporate Member to a company formed to acquire the whole or a substantial part of the undertaking and assets of such corporate Member as part of a scheme of amalgamation or reconstruction.

34. The Board may refuse to register any transfer of shares to a person of whom it does not approve. The Board may also refuse to register a transfer of shares:

- (a) the registration of which would cause the number of Members to exceed the maximum permitted by Article 4;
- (b) on which the Company has a lien;
- (c) unless a fee of such amount as the Board may from time to time prescribe, is paid to the Company in respect thereof;

- (d) unless the instrument of transfer is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (e) unless the instrument of transfer is in respect of only one class of share.
35. If the Board refuses to register a transfer it shall, within sixty days after the date on which the instrument of transfer was lodged with the Company, send to the transferee notice of the refusal.
36. The registration of transfers may be suspended at such time and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
37. The Company shall be entitled to charge a fee of such amount as the Board may from time to time prescribe, on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument relating to or affecting the title to any share.

#### **TRANSMISSION OF SHARES**

38. In the case of the death of a Member, his / her shares will automatically go to the remaining shareholders in their existing shareholding ratio.
39. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made but the Board shall, in either case, have the same right to refuse or suspend registration as it would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
40. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as the holder of the share, be entitled in respect of it to exercise any right conferred by membership in relation to General Meetings of the Company. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within three months after the date of service thereof, the Board may, thereafter, withhold payment of all dividends and other moneys payable in respect of the share until compliance with the notice has been effected.

#### **FORFEITURE OF SHARES**

41. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may, at any time thereafter while 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 that may have been incurred by the Company by reason of such non-payment.

42. The notice shall specify a date, not less than fourteen days from the date of service 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 such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any shares liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.
43. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may, at any time after the date specified therein, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
44. When any shares have been forfeited, notice of the forfeiture shall forthwith be given to the holder of the shares or, as the case may be, to the person entitled to the shares by reason of the death or bankruptcy of the holder but no forfeiture shall be invalidated by any omission or neglect to give such notice as aforesaid.
45. Forfeited shares shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board may think fit but, at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board may determine.
46. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon, from and including the date of forfeiture to and including the date of payment, at such rate, not exceeding fifteen per cent per annum, as the Board may determine.
47. A statutory declaration that the declarant is a Director or the Secretary of the Company and that shares have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given on the sale, re-allotment or disposition of the shares and, in the case of sale, may appoint some person to execute a transfer thereof to the purchaser who, or, as the case may be, the person to whom the shares are re-allotted or otherwise disposed of shall be registered as the holder thereof and shall not be bound to see to the application of the consideration (if any) and whose title to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposition of the shares.

#### **INCREASE OF CAPITAL**

48. The Company may from time to time, by Ordinary Resolution, increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

## **ALTERATION OF CAPITAL**

49. The Company may, from time to time, by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) 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 section 64(1)(d) of the Act);
  - (c) cancel any shares which, at the date of the passing of the Resolution, have not been issued or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

## **REDUCTION OF CAPITAL**

50. The Company may from time to time, by Special Resolution, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by law.

## **51. GENERAL MEETINGS**

The Company shall, in each year, hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year and shall specify the Meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Annual and other General Meetings shall be held at such times and places as the Board shall appoint. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

52. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitions as is provided by section 134(2)(b) of the Act. If, at any, time, there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which Meetings may be convened by the Board.

## **NOTICE OF GENERAL MEETINGS**

53. Every General Meeting shall be called by at least twenty-one days' notice in writing (exclusive of the day on which it is served or deemed to be served and of the day for which it is given). The notice shall specify the place, the date and the time of such General Meeting and, in case of special business, the nature of that business and shall be given, in manner hereinafter mentioned or any such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company; Provided that a Meeting may be called by shorter notice than that specified in this Article if so agreed by all the Members of the Company.

54. In every notice calling a Meeting there shall appear, with reasonable prominence, a statement that a Member entitled to attend and vote thereat is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a Member.

55. The accidental omission to give notice of a Meeting to, or the non-receipt of notice of a Meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that Meeting.

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

56. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the declaration of dividends, the consideration of the accounts and balance sheets, and any other documents accompanying or annexed thereto, the reports of the Directors and Auditors, the election of Directors, the appointment of Auditors and the fixing of the remuneration of the Directors and Auditors.

57. No business shall be transacted at any General Meeting unless a quorum is present when the Meeting proceeds to business. Save as otherwise provided by these Articles, two Members present in person or by proxy or by attorney or, in the case of a corporation, represented in accordance with Article 79 shall be a quorum, provided that one Member holding the proxy of one or more other Members or one person holding the proxies of two or more Members shall not constitute a quorum.

58. If, within thirty minutes after 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 and if, at such adjourned Meeting, a quorum is not present within thirty minutes after the time appointed for the Meeting, the Meeting shall be dissolved.

59. The Chairman, if any, or in his absence, the Deputy-Chairman, if any, of the Board shall preside at every General Meeting. If there is no such Chairman or Deputy-Chairman or if, at any Meeting, neither is present within fifteen minutes after the time appointed for the same or if neither is willing to act as chairman, the Members present shall choose some Director or, if no Director is present or if none of the Directors present is willing to act as chairman, they shall choose some Member present to be chairman of the Meeting.

60. The chairman of any Meeting at which a quorum is present may, with the consent of the Meeting and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place as the Meeting determines but no business shall be transacted at any adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place. Whenever a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given in the same manner 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.

61. At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the

chairman of the Meeting or by any Member present in person or by proxy or, in the case of a corporation, represented in accordance with Article 79. Unless a poll is so demanded, a declaration by the chairman of the Meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company 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.

62. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the chairman of the Meeting shall direct.
63. If a poll has been duly demanded, the result of the poll shall be deemed to be a resolution of the Meeting at which the poll was demanded.
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 a poll has been demanded and such demand may be withdrawn at any time.
65. On a poll votes may be given personally or by proxy or by attorney or by a representative of a corporation appointed in accordance with Article 79.
66. In the case of an equality of votes, either on a show of hands or on a poll, the chairman of the Meeting shall be entitled to a second or casting vote.
67. If any vote shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same Meeting 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.
68. Subject to the provisions of the Act, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings or, being corporations, by their representatives appointed in accordance with Article 79, shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Members or by their representatives as aforesaid.

#### **VOTES OF MEMBERS**

69. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person or by proxy or, being a corporation, is present by a representative appointed in accordance with Article 79 shall have one vote. On a poll every Member shall have one vote for each share of which he is the holder.
70. No Member shall be entitled to be present at any General Meeting or to vote on any question, either personally or by proxy or by a representative appointed in accordance with Article 79, at any General Meeting or on a poll or to be reckoned in a quorum whilst any call or other sum shall be due and payable

to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.

71. 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.

72. 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 committee or other legal guardian appointed by that Court, and any such committee or other legal guardian may, on a poll, vote by proxy.

73. No objection shall be raised to the qualification 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.

74. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or duly authorised attorney of such corporation. A proxy need not be a Member of the Company but shall be entitled to the same right to address a Meeting as the Member appointing him.

75. 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 that power or authority shall be deposited at the registered office of the Company or at such other place in Tanzania as may be specified for that purpose in the notice convening the Meeting not less than twenty-four hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or, in the case of a poll, the time appointed for the taking of the poll and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

76. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

I/We ....., of ....., being a  
Member/Members of the above-named Company, hereby appoint..... of  
..... or failing him ..... of  
..... as my/our proxy to vote for me/us on my/our behalf at the  
Annual/Extraordinary General Meeting of the Company to be held on the ..... day of ..... 20...  
and at any adjournment thereof.  
Signed this ..... day of ..... 20..

This form is to be used \*in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

*\*Strike out whichever is not desired\*.*

77. The instrument appointing a proxy shall be deemed to confer authority to demand a poll.
78. 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 instrument of proxy or of the authority under which it was executed or the transfer of the share in respect of which the instrument of proxy was given, if no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company before the commencement of the Meeting or adjourned Meeting or the taking of the poll at which the instrument of proxy is used.
79. Any corporation which is a Member of the Company may, by resolution of its Directors or other governing body or by notification in writing under the hand of some officer of such corporation duly authorised in that behalf, authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of the holders of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

#### **DIRECTORS**

80. The number of Directors shall be not less than two and, unless and until otherwise determined by the Company in General Meeting, shall not exceed seven. The first Directors shall be:

- a) MR. KAMAL RASIKLAL KOTECHA
- b) MR. VIRAL TULSIDAS MANEK
- c) MR. MOHAMMED ASIF AHSAN KHAN

81. The Directors, other than those whose remuneration is determined by agreement between them and the Company, shall be entitled to such remuneration for their services as the Company may, from time to time, in General Meeting determine and such remuneration shall be divided among the Directors in such proportion and manner as they may determine or, failing such determination, equally, except that in such event any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year. The Directors shall also be entitled to be reimbursed by the Company in respect of their travelling, hotel and incidental expenses reasonably incurred while engaged on the business of the Company.

82. Any Director who, by request, performs special or extraordinary services or goes or resides abroad on behalf of the Company, may be paid such extra remuneration, whether by way of lump sum, salary, commission, percentage of profits or otherwise, as the Board may determine.
83. A Director need not be a shareholder but shall be entitled to receive notice of and to attend and speak at all General Meetings of the Company or at any separate meeting of the holders of any class of shares of the Company.
84. Any Director may appoint another Director or any other person who is approved by the Directors to be his Alternate to act in his place at any meetings of the Board at which he is unable to be present. Such appointee shall be entitled, in the absence of his appointer, to exercise all the rights and powers of a Director and to attend and vote at meetings of the Board at which his appointer is not personally present and, where he is a Director, to have a separate vote on behalf of his appointer in addition to his own vote. A Director may, at any time, revoke the appointment of an Alternate appointed by him. The appointment of an Alternate shall be revoked, *ipso facto*, if his appointer ceases for any reason to be a Director. Every appointment and revocation under this Article shall be effected by notice in writing under the hand of the appointer served on the Company and on such Alternate.
85. The remuneration of an Alternate shall be payable out of the remuneration of his appointer and shall be such proportion thereof as shall be agreed between them.
86. An Alternate whose appointer is a Member of the Company shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to receive notice of and to vote at General Meetings of the Company as if he had been appointed a proxy of his appointer under the provisions of these Articles.
87. A Director shall vacate office as such if:
- (a) he is removed from office pursuant to a Special Resolution of the Company in General Meeting;
  - (b) he ceases to be a Director by virtue of section 191(3) of the Act;
  - (c) he becomes bankrupt or makes an arrangement or composition with his creditors generally;
  - (d) he becomes prohibited from being a Director by reason of any order made under section 382, 383 and 384 of the Act;
  - (e) he becomes of unsound mind;
  - (f) he fails, without reasonable cause and without the consent of the Board, to attend three consecutive meetings of the Board and the Board resolves that, by reason of such failure, he shall cease to be a Director; or
  - (g) he resigns his office by notice in writing to the Company.

88. The Board may, at any time and from time to time, appoint a person to be a Director to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles.
89. The Company may, by Ordinary Resolution, appoint another person in place of a Director who has vacated office as such under Article 0 and, without prejudice to the powers of the Directors under Article 0, the Company may, by Ordinary Resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

#### **DIRECTORS' CONTRACTS**

90. (a) A Director may contract with and be interested in any way, whether directly or indirectly, in any actual or proposed contract or arrangement with the Company, either as vendor, purchaser or otherwise, and shall not be liable to account for any profit made by him by reason of any such contract or arrangement, provided that the nature of the interest of the Director in such contract or arrangement is declared at the meeting of the Board 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 Board held after he became interested and it shall be the duty of the Director so to declare his interest. No Director shall vote as a Director in respect of any contract or arrangement in which he is interested and, if he does vote, his vote shall not be counted but he shall, nevertheless, be counted in the quorum present at the meeting. These prohibitions may, at any time, be suspended or relaxed, to any extent, by the Company in General Meeting and they shall not apply:
- (h) to any arrangement for giving a Director any security for advances or by way of indemnity or to any allotment to or any contract or arrangement for the underwriting or subscription by a Director of shares or securities of the Company; or
  - (i) to any contract or dealing in which the Director is interested by reason only of his being a director or other officer, employee or nominee of any government or corporation or company which, being a Member of the Company or holding shares in a corporation or company which is a Member of the Company, is interested in such contract or dealing whether directly or indirectly and this exception shall not cease to have effect merely by reason of the fact that the Director is also a shareholder or creditor of any such government, corporation or company or of any corporation or company in which it is interested.

For the purpose of this Article, a general notice given to the Board by a Director at any meeting of the Board to the effect that he is a member of a specified corporation, company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that corporation, company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

(b) A Director may hold office as a director or manager of or be otherwise interested in any other company or any corporation in which the Company is in any way interested and shall not, unless otherwise agreed, be liable to account to the Company for any remuneration or other benefits receivable by him from such other company or such corporation.

(c) A Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Board shall arrange.

(d) A Director may act by himself or his firm in a professional capacity for the Company, except as Auditor of the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

#### **POWERS AND DUTIES OF THE BOARD**

91. (a) The Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue income notes, bonds, debentures and other securities.
- (b) The business of the Company shall be managed by the Board which may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as it thinks fit and may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General Meeting (subject nevertheless to the provisions of these Articles and of the Act) and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board 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 Board by any other Article.
- (c) The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in Tanzania or elsewhere, and may appoint any persons to be members of such local boards or managers or agents and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (d) The Board may, by power of attorney, appoint any person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney of the Company for such

purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these Articles, and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers authorities and discretions vested in him.

(e) The Company may establish and maintain an official Seal for use outside Tanzania as shall be decided by the Board.

(f) The Company may exercise the power conferred by section 124 of the Act with regard to the keeping of a branch Register and the Board may, make and vary such regulations as it may think fit regarding the keeping of any such branch Register.

(g) All cheques, promissory notes, drafts, bills of exchange and other negotiable and 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 Board shall from time to time determine.

(h) The Board shall cause Minutes to be made, in books provided for the purpose, recording, in respect of every Meeting of the Company, of the Board and of committees formed by the Board, the names of all persons present and all resolutions and proceedings at such Meeting. The Minutes of every such Meeting shall be read at the next Meeting of the Company, of the Board or of the committee, as the case may be, and, after being amended or corrected, if necessary, and approved by the Meeting, shall be signed by the chairman of the Meeting and, once so signed, shall be *prima facie* evidence of the matters stated therein.

(i) The Board may grant pensions, annuities, gratuities or other allowances on death, sickness, disability or retirement to any person who is or has been employed by or in the service of the Company or of its holding company or any subsidiary company of the Company or to any person who is or has been a Director or other officer of the Company or of its holding company or any such subsidiary company and to the widow, family or dependants of any such person. The Board may establish and maintain or concur with such holding or subsidiary company (if any) as aforesaid in establishing and maintaining any schemes or funds for providing such benefits as aforesaid and may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme or fund.

#### **PROCEEDINGS OF THE BOARD**

92. (a) The Board may meet together for the despatch of business, adjourn and otherwise regulate its Meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. The Secretary, on the instructions of the Chairman or on the requisition of a Director, shall at any time summon a Board meeting. At least seven days' notice (inclusive of the date of service and the date of

meeting) of all Board meetings shall, unless waived by all Directors, be given in manner hereinafter mentioned to all Directors and Alternates.

(b) The quorum necessary for the transaction of the business of the Board shall be two Directors present either personally or by Alternate, provided that one person whether a Director or not, although a duly appointed Alternate for any number of Directors, shall not constitute a quorum.

(c) The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the minimum number fixed by these Articles as the necessary quorum for Board Meetings, the continuing Directors may act for the purposes of increasing the number of Directors to that number or of summoning a General Meeting of the Company but not for any other purpose.

(d) The Board may elect a Chairman and Deputy-Chairman of its meetings and determine the periods for which they, respectively, are to hold office. If no such Chairman or Deputy-Chairman is elected or if at any meeting neither the Chairman nor the Deputy-Chairman is present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

(e) A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

(f) The Board may form committees of its members or consisting of one or more of its members and others and may delegate any of its powers to any such committee. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(g) The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

(h) A resolution in writing signed or approved by letter, e-mail or fax by all the Directors or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.

(i) All acts done by the Board or any committee or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that he or any Director or member of such committee had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and had continued to be a Director or member of such committee and to be entitled to vote.

### **MANAGING DIRECTOR**

93. (a) The Board may from time to time appoint one or more of its body to the office of Managing Director for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. The appointment of a Director holding such office shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) *ipso facto* determine if he ceases from any cause to be a Director.
- (b) A Managing Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and either in addition to or in lieu of his remuneration as a Director.
- (c) The Board may entrust to and confer upon a Managing Director any of the powers exercisable by it, other than the powers to borrow money, charge the property and assets of the Company and pay dividends, upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time, subject to the terms of any agreement entered into in any particular case, revoke, withdraw, alter or vary all or any of such powers.

### **SECRETARY**

94. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and the appointment of any Secretary may be terminated by the Board.

### **THE SEAL**

95. The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or a committee authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and by the Secretary or by a second Director or by some other person appointed by the Board for that purpose.

### **DIVIDENDS AND RESERVES**

96. (a) The Company may, in General Meeting, declare dividends but no dividend shall exceed the amount recommended by the Board.
- (b) The Board may, from time to time, pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company.
- (c) No dividend shall be paid otherwise than out of profits.
- (d) Subject to the rights of any persons entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are declared but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. A dividend shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in

respect of which the dividend is paid but, if any share be issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

(e)The Board may deduct from any dividend payable on a share any sums of money presently payable, by the person to whom the dividend is payable, to the Company on account of calls or otherwise.

(f)The Board may retain any dividend or other money payable on or in respect of a share 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.

(g)No dividend shall bear interest against the Company.

(h)With the sanction of a General Meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle the same as it deems expedient and, in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees upon trust for the Members entitled to the dividend as may seem expedient to the Board.

(i)Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to such holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register of Members in respect of the shares. Every such cheque or warrant shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register of Members in respect of such shares and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

(j)The Board may, before recommending any dividend, set aside out of the profits of the Company such sum as it thinks proper as a reserve which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly 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 or its holding company, if any) as the Board may from time to time think fit. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to divide.

#### **CAPITALISATION OF PROFITS**

97. (a) The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or of any share premium account or of the profit and loss account or

otherwise available for distribution and, accordingly, that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares, income notes or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid or partly in the one way and partly in the other and the Board shall give effect to such resolution; Provided that amounts standing to the credit of a share premium account or a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(b) Whenever such a resolution as aforesaid shall have been passed the Board shall make all such appropriations and applications of the undivided profits, allotments and issues of fully paid shares, income notes or debentures as may be required thereby and shall do all acts and things required to give effect thereto, with full power to the Board to acquire fractions or to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares, income notes or debentures to which they may be entitled upon such capitalisation or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

#### **ACCOUNTS**

98. (a) The Board shall cause proper books of account to be kept with respect to:
- (i) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
  - (ii) all sales and purchases of goods by the Company; and
  - (iii) the assets and liabilities of the Company.
- (b) The books of account shall be kept at the registered office of the Company or at such other place or places in Tanzania as the Board deems fit and shall always be open to the inspection of the Directors.
- (c) The Board may, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member, not being a Director, shall have

any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting.

(d)The Directors shall from time to time, in accordance with sections 151 to 154 inclusive, 155, and 158 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets and reports as are referred to in those sections.

(e)A copy of every balance sheet, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Auditor's report, shall, not less than twenty-one days before the date of the Meeting, be sent to every Member of and every holder of income notes or debentures of the Company.

#### **AUDIT**

99. Auditors shall be appointed and their duties regulated in accordance with sections 170, and 174-179 of the Act.




#### **NOTICES**

Any notice or document may be served by the company upon any member, either personally, or by telecopier or telex, or by sending it through the post in a prepaid registered letter, envelope or wrapper, addressed to such member at his registered place of address notified to the company.

101. Any notice or document sent by telex or telecopier or prepaid post shall be deemed to have been served.
102. Save as hereinbefore provided, notice of every General Meeting shall be given to every member of the company.

#### **INDEMNITY**

103. Save and except so far as the provisions of this Article shall be avoided by any provisions of the Act, the directors, auditors and Secretary and other officers for the time being of the company and the trustee, if any, for the time being acting in relation to any of the officers of the company, shall be indemnified out of its assets against all costs, charges, expenses, losses and liabilities, sustained or incurred by him in the conduct of the company's business or in the discharge of his duties.

Name Addresses and descriptions of subscribers	Number of shares Taken by each Subscriber	Signatures of subscribers
IR. KAMAL RASIKLAL KOTECHA 1/4, UHURU STREET P.O. BOX 77914 MUMBAI 400 053	400	
IR. VIRAL TULSIDAS MANEK LOT NO. 294/295 LI HASAN MWINYI ROAD P.O. BOX 7177 MUMBAI 400 053	500	
IR. MOHAMMED ASIF AHSAN KHAN 15/604, INDRA DARSHAN PHASE II, SWAMI SAMARTH NAGAR ANDHERI (W) MUMBAI 400 053	100	

WITNESSED this 15<sup>th</sup> Day of MARCH 2011

WITNESS to the above signatures.  
 FULL NAME: .....  
 SIGNATURE: .....  
 QUALIFICATION: .....



**Fabtech Sterling Tanzania Limited**

**P O Box 77914**

**Dar es Salaam**



**Business Plan**

**May 2011**

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## Executive Summary

### The Company

Fabtech Sterling Tanzania Limited is a limited liability company with company certificate of incorporation no. 82165 incorporated on 17<sup>th</sup> of March, 2011.

### Project Promoters

Mr. Kamal R Kotecha and Mr. Paresh T Manek are the main promoters of the company. Mr. Mohammed Asif Ahsan Khan is the other Director.

Mr. Kamal Kotecha, who will be Director Finance & Administration, has experience of establishing a green field manufacturing operations in Tanzania, Tridea Cosmetics Ltd, and building the business with highly successful brands. Mr. Kotecha is also a promoter director of Zenufa Laboratories Ltd.

Mr. Paresh T Manek, Director Procurement and Marketing, is a director in Money Link Bureau de Change, a leading bureau de change in Dar es Salaam. Mr. Paresh Manek is also a director in Virgin Plaza Ltd, a prestigious multi storey project coming opposite Movenpick hotel in Dar es Salaam.

Mr. Mohammed Asif Ahsan Khan is a director in Air Pac, a leading turnkey project contractor in setting up pharmaceutical projects across the world. He is also a director in FTS Building Systems LLC, a company incorporated under the laws of Dubai, UAE

### Project Proposal

The project is to set up a facility to manufacture building material.

The world is witnessing a surge in infrastructure. Growing population and their increasing demands are challenging the set norms and approach to this problem. In spite of rising income and higher expectations, traditional methods of construction are failing to deliver. The irony is, as the demand for lighter and taller buildings goes up, many economies across the globe are experiencing a slowdown. The need of the hour is far reaching vision and sophisticated equipment.

Fabtech Sterling (T) Ltd has entered in to technical collaboration with FTS Building Systems LLC, Dubai, UAE, to offer a full range of pre-fabricated and pre-engineered concrete form systems for residential, commercial and industrial applications. FTS Building Systems LLC brings FABFORMS, a range of building systems that deliver on speed, strength and savings.

“PLASWALL”, “EASY BUILD” and “PLASMOLITE” are the products launched under this umbrella by FTS Building Systems LLC under this umbrella and have found strong acceptability in Philippines, Australia, Vietnam, Qatar and India.

“PLASWALL:

PLASWALL has no equal if you are looking for a fast, hassle-free, hygienic and economical, pre-engineered and pre-fabricated construction system. These custom-manufactured walls can be made at a movable factory on site and suit any design or architectural requirement. From light weight concrete systems to thermally insulated walls especially designed for hot and cold climates, this patented technology has it all.

Plaswall is a prefabricated fibre cement formwork, suitable for all types of construction from small socialized housing to commercial structures. It is probably the fastest and cleanest concrete wall system in the market. It is ideal for hot climates due to its requirement PLASSWALL complies with British, American and Australian Building Codes.

PLASWALL allows easy installation upto three times faster than any conventional construction. The site assembly of the main components can be done faster, reducing financing and labour costs. It is also completely scalable in terms of deploying multiple sets of equipment. One set up can produce enough numbers of PLASWALL for simultaneous erection of n number of houses a day.

With minimal maintenance, there are no issues of cracking or chipping. Latex paints which have five times more life span compared to normal paints add to the life of construction.

Quicker installation and lower cost ensures faster and higher returns on the capital invested. Considerable savings and construction time and labour costs due to minimized use of skilled manpower and no requirement of heavy equipments on site.

### EASY BUILD

EASY BUILD is a fast and simple method to build long lasting quality homes. All designs are made from two simple components namely plant and post. This system can be smooth joined inside and out. It is cost effective in socialized and low cost building markets and comes as ideal solution for disaster or relocation relief projects.

### Proposed Investment

The Project costs are estimated as follows (in US Dollars):

#### Cost of the Project:

Land	2,200,000
Civil Works & Buildings	475,000
Machinery & Equipment	975,000
Furniture & Fixtures	45,000
Motor Vehicles	185,000
Computers	15,000
Working Capital	636,088

<b>Total</b>	<b>4,531,088</b>
--------------	------------------

#### Means of Finance:

Promoters' Equity	4,531,088
-------------------	-----------

<b>Total</b>	<b>4,531,088</b>
--------------	------------------

### 1.0 Background

#### 1.1 Background

Fabtech Sterling Tanzania Ltd (Fabtech) is a limited liability company established with certificate of incorporation no. 82165 issued on March 17, 2011.

#### 1.2 Stakeholders

The shareholding of Fabtech is as follows:

Kamal R Kotecha	-	American	40%
-----------------	---	----------	-----

Paresh T Manek	-	Tanzanian	50%
Asif Khan	-	Indian	10%

The shareholders have a strong background setting up large green field projects. Their long experience in the field combined with proven hands-on management skills will prove a valuable asset in implementing and operating the proposed pharmaceutical plant successfully.

Mr. Kamal Kotecha is the Managing Director of Tridea Cosmetics Ltd (Tridea), a well known personal care products manufacturing company based in Dar-es-Salaam, which was established in 1997. The company's brands of hand and body lotions and creams include Blue Lady, E-9, Elegance Cocoa, Jambo, Softy Carrot, Softy Aloe vera etc.

Mr. Paresh T Manek, Director Procurement and Marketing, is a director in Money Link Bureau de Change, a leading bureau de change in Dar es Salaam. Mr. Paresh Manek is also a director in Virgin Plaza Ltd, a prestigious multi storey project coming opposite Movenpick hotel in Dar es Salaam.

Mr. Mohammed Asif Ahsan Khan is a director in Air Pac, a leading turnkey project contractor in setting up pharmaceutical projects across the world. He is also a director in FTS Building Systems LLC, a company incorporated under the laws of Dubai, UAE

The overall objective of Fabteh is to provide a wide range of solutions to construction industry at affordable prices with world class technology.

### **1.3 Project Rationale**

The project is to set up a facility to manufacture building materials.

The world is witnessing a surge in infrastructure. Growing population and their increasing demands are challenging the set norms and approach to this problem. In spite of rising income and higher expectations, traditional methods of construction are failing to deliver. The irony is, as the demand for lighter and taller buildings goes up, many economies across the globe are experiencing a slowdown. The need of the hour is far reaching vision and sophisticated equipment.

Fabtech Sterling (T) Ltd has entered in to technical collaboration with FTS Building Systems LLC, Dubai, UAE, to offer a full range of pre-fabricated and pre-engineered concrete form systems for residential, commercial and industrial applications. FTS Building Systems LLC brings FABFORMS, a range of building systems that deliver on speed, strength and savings.

## **2.0 Organization Management**

### **2.1 Management Structure**

Mr. Kamal Kotecha will be Director of Finance and Administration, contributing his business skills and his experience of marketing Tridea products in the local business environment.

Mr. Paresh Manek will be Director of Production and Marketing, contributing thro his contacts.

Day-to-day operations will be the responsibility of the General Manager, with a team under him responsible for HR/Personnel issues, sales and factory management.

### **2.2 Management Team**

Management of the Fabtech Sterling (Tanzania) Ltd will comprise of the following staff:

**Director Finance & Administration: Mr. Kamal R Kotecha**

Mr. Kamal Kotecha is currently Managing Director of Tridea Cosmetics Ltd. Mr. Kotecha is also a director and shareholder in Zenufa Laboratories Ltd.

**Director Production & Marketing: Mr. Paresh Manek**

Mr Paresh Manek has direct experience of the setting up and running a Bureau de Change and presently setting up a multi storey project – Virgin Plaza Ltd, at the heart of Dar es Salaam.

**Human Resources Manager: Mr. Eric D'mello**

Mr. D'mello has over 13 years of hands on experience in Tanzania with payroll, Human Resource management and accounts.

**Financial Controller:**

Mr. Venkateswarlu Karasala, a chartered accountant, has over 12 years experience in finance and administration, importing and logistics.

**Additional Staff**

Additional staff for production, operations and sales being recruited

**3.0 Marketing**

**3.1 Market Demand**

**3.1.1 Economic Fundamentals**

With a Gross National Income of US\$9.7 billion at end 2002 (World Bank database of World Development Indicators, April 2004), Tanzania has seen a significant increase in its rate of GDP growth during the last few years, driven by a gradual liberalization of the economy and investment in the Mining, Agricultural, Tourism and Service industries.

**3.1.2 Market Structure**

In Tanzania, construction industry is growing at a faster pace and there is a huge demand for low cost housing and building materials. The company proposes to provide services in affordable housing sector

**3.2 Market Strategy**

Fabtech's core objective is to provide cost effective solutions to construction industry with world class technology. With this objective in mind and with the contacts the promoters have, the company doesn't foresee any problem in marketing the product.

**3.3 Sourcing of Raw Materials**

Fabtech proposes to enter in to an agreement for procuring raw materials from FTS Building Solutions LLC, Dubai. By entering in to a contract with FTS Building Solutions LLC, Dubai, sourcing of raw materials is taken care. The main raw materials for the project are imported from Philippines where FTS Building Solutions LLC has their plant.

**4.0 Investment Plan**

**4.1 Finance Plan**

The company shall invest a total amount of US\$ 4,531,088 comprising land and buildings, machinery and equipment, factory installations, motor vehicles, furniture and fittings, and working capital.

The following is a summary of investment costs (US Dollars):

**The Project costs are estimated as follows (in US Dollars):**

**Cost of the Project:**

Land	2,200,000
Civil Works & Buildings	475,000
Machinery & Equipment	975,000
Furniture & Fixtures	45,000
Motor Vehicles	185,000
Computers	15,000
Working Capital	636,088
<b>Total</b>	<b>4,531,088</b>

**Means of Finance:**

Promoters' Equity	4,531,088
<b>Total</b>	<b>4,531,088</b>

A detailed analysis is given in *Appendix 1* of the financial projections.

## 4.2 Investment Requirement

### 4.2.1 Land Buildings and Property Development

Investment in Land, buildings and property development will cost US\$ 1,675,000. Of this amount, US\$ 2,200,000 will be invested in land and usd475,000 will be in buildings

### 4.2.2 Plant Machinery

This comprises of machinery and plant installations, including chemical resistant grade tiles, specialty flooring (epoxy resin), dispensing booths and pass boxes, various process vessels, Rapid mixer granulator. The total cost for these items is estimated at US\$ 975,000.

### 4.2.3 Vehicles

Total investment in delivery trucks, pick-ups and saloons will be usd185,000/-. The vehicles will need replacement after 5 years.

### 4.2.4 Furniture and fittings

The requirement for furniture and fittings is estimated at US\$ 45,000, which comprises office furniture and fittings, and general furnishings.

## 5.0 Financial Analysis

### 5.1 Assumptions

- All prices and costs used in this project analysis are in constant terms. While it is assumed that the relationship between cost and revenue items will remain constant

during the life of the project, the sensitivity analysis provides an insight into the implications of any fundamental shift in that relationship.

- The projects life span for the purpose of illustration is assumed to be 10 years.
- One US\$ is valued at Tsh 1600.

## 5.2 Projected Income Statement

The projected income statement of the proposed project is shown in *Appendix 2*.

Sales increase from US\$ 100,000 in 2011 to US\$ 8,437,500 in 2015. This is about 60% of the installed capacity.

The sales projections are very conservative considering the growth in real estate and construction industry.

Profit after tax - from a loss of US\$168,217 in 2011 to a profit of US\$ 1,930,221 in 2015.

## 5.3 Expenditure

Operating cost items include raw materials, salaries and wages (expatriate and local), fuel, power and water, advertising and sales promotions, general and administrative expenses etc.

### 5.3.1 Raw Materials

Raw materials and packaging materials constitute a major cost item, consuming 65% of total operating costs. Expenditure on this item increases from US\$ 115,000 in the year 2011 to US\$ 5,142,436 from the year 2015 onwards.

### 5.3.2 Labour

The project's manpower consists of both skilled and unskilled. And skilled work force consist of will comprise of both local and expatriate staff.

### 5.3.3 Utilities

Utilities comprise electricity consumption and water.

### 5.3.4 Depreciation

Depreciation charges are calculated based on the following depreciation rates:

Buildings	2.5%	Straight Line
Machinery and equipment	5.00%	reducing balance
Furniture and fittings	20.00%	reducing balance
Motor vehicles	20.00%	reducing balance

Total depreciation charge in year one of operation is US\$ 52,917 increasing to to US\$ 72,958 in the year 2011.

### 5.3.5 Taxation

Corporate tax on taxable income is 30% per annum. Corporate tax is not payable from 2012 onwards. In the year 2012 the corporate tax liability is US\$ 94,013, increasing to a projected US\$ 827,238 the year 2015.

## **6.0 Economic & Social Analysis**

The proposed project has the following economic benefits:

- The project will make available to the country high quality solutions to the construction industry
- It will provide alternatives to the poor in terms of provision of affordable housing.
- It will provide revenue to the Government through various taxes, including corporate tax and PAYE.
- It will provide permanent employment to a minimum of 75 people.
- The project provides alternatives to the construction industry in terms of quick availability of resources, faster completion, cost savings etc

## **7.0 Environmental Analysis**

The project does not have significant environmental implications.

All active raw materials will be incorporated in the final products.

## **8.0 Conclusion and Recommendation**

The project is promoted by a team of highly experienced individuals, with direct experience of various industries and of establishing manufacturing operations in Tanzania. They have track records of running businesses successfully.

The financial projections indicate that the project will be profitable from the second year of operations, and will generate positive cash flows.

Implementation of the project will create a minimum of 75 employment opportunities for Tanzanians.

The project is considered to be economically and financially viable.



# 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)

UNITED REPUBLIC OF TANZANIA

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 VENKATESWARLU KARASALA  
(director/directors/agent of FARTECH STERLING (T) LTD)  
(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 PLOT 3-4, P.O BOX 77914,  
DAR ES SALAAM, UHURU STREET

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 DAR ES SALAAM

4. The Principal Officers of the Company are 1. K. R. KOTECHA - DIRECTOR  
2. PARESH T. MANEK - DIRECTOR  
3. VENKATESWARLU KARASALA - F.C.

5. Auditors of the Company are P. S. PATEL & CO.  
P. O. BOX 7147, DAR ES SALAAM

6. The authorized share capital of the Company is Tshs./US\$ 1,000,000,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 4,531,088
8. The month and day of the financial year end is DECEMBER 31

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\$

7501= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, VENKATESWARLU KARASALA of Post Office Number 77914

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

authorized agent of FABTECH STERLING CTD LTD.

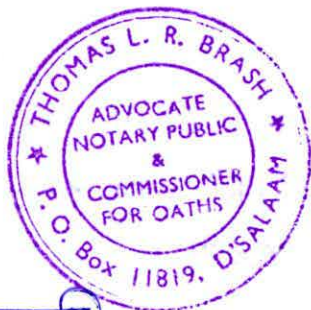
- AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam } VENKATE SWARLU KARASALA

The 4<sup>TH</sup> day of JUNE 2011 }

[Signature]  
Applicant

Before me:



[Signature]  
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: FABTECH STERLING (T) LTD.

Certificate of Incorporation Number: 82165 Status: NEW

Certificate of Incorporation Date: 17/03/2011

Post Box: 77914,

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: BUILDING MATERIALS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan

\$2,265,544 \$2,265,544

Project Objectives: TO PROVIDE SOLUTIONS TO CONSTRUCTION INDUSTRY MANUFACTURE OF BUILDING MATERIALS.

Capacity: 100,000 SQ. METRS.

Employment: Foreign: 6 Local: 69 Total: 75

Implementation Period: 3 MONTHS

Project Location

Site/Plot/Block No.: 34

Street: MADDELA ROAD, TABATA District: KINONDONI Region: DSM

(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %

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

Land/Building	\$ 2,675,000/=
Plant	\$ 975,000/=
Vehicles	\$ 185,000/=
Furniture & Fittings	\$ 45,000/=
Pre-expenses	
Others	\$ 15,000/=
Working Capital	\$ 636,088
<b>TOTAL</b>	<b>4,531,088</b>

**Contact Details:**

Name: VENKATESWARLU K.

Title: F.C.

Telephone: 0753 354 333

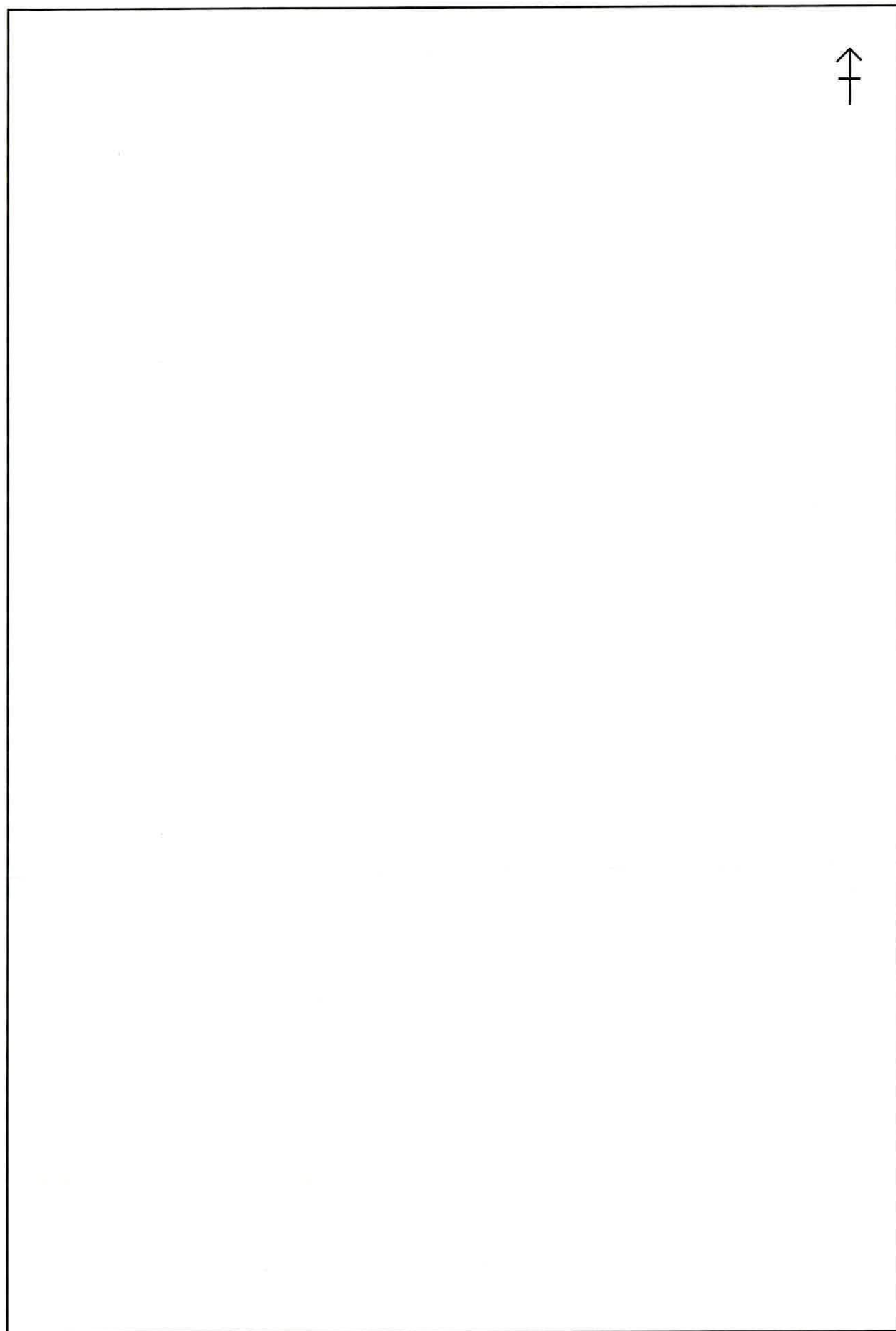
Fax: (022) 218 2551

Email: KARASALA@YAHOO.COM

**Payments to be made payable to:**

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

**SKETCH MAP SHOWING PROJECT LOCATION**





4/6/2011

# FABTECH STERLING TANZANIA LTD

P O Box 77914, 3 - 4, Uhuru Street, Dar es Salaam

Tel: 218 4620 / 2552 / 2553. Fax: 218 2551

Tanzania Investment Centre

9a & b, Shaaban Robert Street

PO Box 938

Dar es Salaam



Dear Sir / Madam

SUB: TIC Registration

With reference to the above, we hereby submit our application in duplicate for registration with your esteemed office.

Following documents are attached herewith for your perusal:

1. Application in duplicate
2. Business Plan
3. Memorandum and Articles of Association
4. Certificate of Incorporation
5. Project Financials

We are looking at completing the implementation of this project by September '2011.

We request you to kindly register our company and issue Certificate of Incentives at the earliest.

Thanking you in advance for your kind co-operation

A handwritten signature in blue ink, appearing to read "Venkateswarlu K".

Venkateswarlu K

Financial Controller





## TIC Evaluation Report

Name of the Company  
**Fabtech Sterling (T) Ltd.**

Post Box	Mandela Road, Plot No. 34, Tabata Area	COI Number	82165	Contact	Mr. Venkateswarlu K.
Post Office	77914	COI Date	17/03/2011	Designation	Financial Control
Region	Dar Es Salaam	Application F. No	09304	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0753 354 333
		Sub Sector	Building Materials	Fax	022 2182551
		File No	042084	E-Mail Address	Karasala@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 34, Tabata Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Mandela Road	2.27	2.27	0	0
District	Kinondoni				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	2.67
Daresh T. Manek	Tanzanian	50	Plant	0.98
Asif Khan	Indian	10	Vehicles	0.18
K. R. Kotecha	American	40	Furniture & Fittings	0.05
			Pre-expenses	0.02
			Others	0
			Working Capital	0.64
			Total	4.54

Employment	75	Evaluated By	wf officer3
Capacity	100,000 sq. mtrs	Drawn By	wf regist3
Project Turn Over		Project Type	Mixed(Local & Foreign)

### Description

To establish a facility for manufacturing building materials

### Recommendations

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

### Decision

Approved

Ag EXD

24-08-11

3

TICC/PP.10/04208/3

26<sup>th</sup> August, 2011

Managing Director,  
Fabtech Sterling (T) Ltd.,  
P.O. Box 77914,  
**DAR ES SALAAM**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF PLANT FOR MANUFACTURING BUILDING  
MATERIALS**

We wish to acknowledge receipt of your project proposal to establish a facility for manufacturing building materials as presented in the TIC P.A. 1 Form No. 09304 and Feasibility Study with a projected investment of USD 4.54m.

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. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Company Board Resolution accompanied by Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act,1997.
- Certified document showing evidence of Land ownership for the location of the project.

You will also 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\$ 750.00 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:-

.../2

TICC/PP.10/042084/3

26<sup>th</sup> August, 2011

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

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

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**



B.D. Chonjo

**FOR: 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**

THE LAND ACT, 1999

ACT NO. 4 OF 1999

LEASE AGREEMENT

BETWEEN

TRIDEA COSMETICS LIMITED

AND

FABTECH STERLING (TANZANIA) LIMITED

---

IN RESPECT OF THE LAND SITUATED AT  
PLOT NO. 34, ALONG MANDELA ROAD  
TABATA AREA WITHIN THE CITY OF DAR ES SALAAM

---

## LEASE AGREEMENT

### BETWEEN

**TRIDEA COSMETICS LIMITED**, is a limited liability company incorporated in Tanzania of P O Box 77914, Dar es Salaam (Hereinafter referred to as "**THE LANDLORD**", which expression shall include and extend to persons or entity that shall derive title under the landlord, its successors and assigns thereof) on one part

### AND

**FABTECH STERLING (TANZANIA) LIMITED**, is a limited liability company incorporated in Tanzania of P O Box 77914, Dar es Salaam (Hereinafter referred to as "**THE TENANT**", which expression shall include and extend to persons or entity that shall derive title under the Tenant, its successors and assigns on the other part.

### WHEREAS:-

1. THE LANDLORD is the legal owner of the land located on plot No. 34, Along Mandela Road, Tabata area, Dar es Salaam and THE LANDLORD is desirous to let a part of the land (hereinafter "**THE PREMISES**") for a period of three (3) years.
2. THE TENANT is a natural/legal person and that THE TENANT is desirous to rent the premises marked for a period of three (3) years.

**NOW, THIS AGREEMENT WITNESSTH** as follows:

#### 1. THE LANDLORD:

- a. HEREBY DEMISES un to the TENANT all the demised premises together with the right of access to hold unto by THE TENANT for a period of three (3) years from the 15th day of August 2011 to the 14<sup>th</sup> day of August 2014, renewable on request on the part of THE TENANT and acceptance on the part of THE LANDLORD
- b. Shall let THE PREMISES at an annual rent of TZS1,200,000/- (Tanzanian Shillings One Million Two Hundred Only) for a period of three (3) years to be paid monthly or quarterly in advance
- c. Shall ensure that water and electrical services are available in the premises at the time of letting
- d. Shall refrain from unnecessary disturbances to allow THE TENANT to enjoy peaceful occupation of THE PREMISES
- e. Shall be responsible for paying all statutory payments such as land rent and service charges and property tax
- f. Shall, during the last month to the end of the agreement, inspect THE PREMISES to establish any reliabilities of THE TENANT and inform him/her to repair or to pay for the repair of the same before discharging the agreement
- g. If THE LANDLORD has reasons or has decided not to enter a new agreement with the tenant after expiry of this agreement, shall communicate such decision in writing to the tenant, at least six (6) months before the date of expiry of this agreement



- h. In the event THE PREMISES is sold before the expiry date of the term of THE LEASE, THE LANDLORD shall refund or return to THE TENANT al the Rent of the unexpired period of the Lease that was paid for by TENANT.

## 2. THE TENANT

- a. Shall pay an annual rent of TZS 1,200,000 (Tanzanian Shillings One Million Two Hundred Only) being the rent per annum to be paid monthly or quarterly in advance.
- b. Shall occupy THE PREMISES for a period of three (3) years, but may request to enter in to another agreement with THE LANDLORD after the expiry of this agreement.
- c. Shall use the premises for legal commercial business purposes only. Strictly THE TENANT shall not use the premises for illegal business.
- d. Shall be allowed to put signboards, displays, and adverts in the area not exceeding his/her frontage, and at his/her own cost.
- e. Shall be allowed to construct any structures in THE PREMISES for the purpose of running their business.
- f. Shall be responsible for his/her security, the security of his/her goods and property and of the premises.
- g. Shall pay all statutory charges pertaining to his/her business and commercial activities such as taxes, levies etc
- h. Shall not sublet, or sublease these premises or reassign this agreement to any other person except companies held wholly or partially by the tenant.
- i. Shall use own business name, business licenses and permits.
- j. Shall in no way use the name or goodwill of THE LANDLORD in his/her business
- k. Shall pay for water and electricity services pertaining to his use of the services and as billed by the service providers from time to time
- l. Shall pay for his sewerage and waste disposal as may be assessed from time to time by the sewerage authorities
- m. Shall not disturb or cause to disturb other tenants or occupiers of the demise premises by environmental pollution or any other types of disturbance which might interfere with their businesses.
- n. Shall not abuse, misuse or cause to abuse or misuse any part or the whole of the premises or its services
- o. Shall not suffer or abuse to suffer any part or the whole of the premises let to him/her or the common parts of the premises or neighbouring premises and property.
- p. Shall not make adoptions, alternations, additions or any changes to THE PREMISES without the written consent of THE LANDLORD
- q. Shall not demolish, remove, alter or damage such adoptions, alterations, additions or changes which he/she has been authorized to make.

*[Handwritten signature]*

*[Handwritten signature]*

- r. Shall allow THE LANDLORD to enter the premises for the purposes of making periodical inspections
  - s. Shall take all necessary precautions for upkeep of the property
  - t. Shall be responsible for regular repairs and maintenance of decorations, fittings and fixtures, services and maintaining general cleanliness
  - u. At the end of the agreement, if THE TENANT or THE LANDLORD does not renew this contract shall unconditionally surrender the premises to THE LANDLORD in vacant possession along with the structures in good structural, decorative and service condition.
  - v. On case of any damages to the structures or decorations or services and fittings, THE TENANT shall repair the same before surrendering the premises.
  - w. If THE TENANT desires to continue using the premises, shall request in writing to THE LANDLORD to enter in to another agreement. Such request should reach THE LANDLORD at least 1 month before the expiry of this agreement. THE LANDLORD may accept or reject the request at his/her discretion
3. NON ABIDANCE to any of these covenants shall nullify the agreement and terminate it prematurely.
- In case the agreement is prematurely terminated, the rent paid shall not be refunded and that the tenant shall be required to repair any damages to the structures or pay costs for repair immediately.
4. In this agreement, ARBITRATION in any matter shall be made by mutual understanding between THE LANDLORD and THE TENANT. If settlement is not reached, then the issues of difference shall be settled in the courts of law in the United Republic of Tanzania.

**THIS AGREEMENT IS SIGNED THIS 15 TH DAY OF AUGUST, 2011**

*Kellw*

*[Signature]*

SIGNED AND DELIVERD by  
the said TRIDEA COSMETICS LIMITED  
by the Authorized Representative

Name : VENKATESWARLUK

Signature: [Signature]

Designation: FINANCIAL CONTROLLER

Date: 15/08/2011

SIGNED and DELIVERED by  
the said FABTECH STERLING (TANZANIA) LIMITED  
by the Authorized Representative

Name: ERIC DEMELLO

Signature: [Signature]

Designation: MANAGER HR

Date: 15/08/2011

500/-  
Stamp Duty  
Receipt No. 1356331  
Dated 29/08/2011  
Region II Revenue Officer - Incharge  
[Signature]

Our ref: IMT/387/290811

Date: 29<sup>th</sup> august 2011

Fabtch Sterling (Tanzania) Ltd  
P O Box 77914  
Dar es Salaam  
Tanzania

Dear Sir,

**Re: Proposal Credit Facilities**

We have received your application for credit facilities with our bank. The same is under our consideration.

Thanking you,

Yours faithfully,  
For and on behalf of  
**I&M Bank (T) Ltd**



**H. Dinani**  
**Relationship Officer**

**I & M BANK (T) LIMITED**

Jiwan Hirji Building,  
Indira Gandhi / Mosque Street,  
P.O.Box 1509,  
Dar es Salaam, Tanzania.

Tel: +255 (22) 2117880/2117700

Fax: +255 (22) 2118750

Email: invest@imbank.co.tz

Website: www.imbank.com

Our ref: IMT/387/290811

Date: 29<sup>th</sup> august 2011

Fabtch Sterling (Tanzania) Ltd  
P O Box 77914  
Dar es Salaam  
Tanzania

Dear Sir,

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Dar es Salaam, Tanzania.

Tel: +255 (22) 2117880/2117700  
Fax: +255 (22) 2118750  
Email: invest@imbank.co.tz  
Website: www.imbank.com

CTIN.: 1493091

ISO 9001:2008 Certified



# TANZANIA REVENUE AUTHORITY

## CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

**THIS IS TO CERTIFY THAT**

FABTECH STERLING TANZANIA LIMITED

.....

has been registered with the Tanzania Revenue  
Authority and assigned the Taxpayer  
Identification Number

113-760-516

.....

with effect from 28-06-2011

.....



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF



00217967

THE UNITED REPUBLIC OF TANZANIA

certified true copy  
of the original  
Signature: *[Signature]*  
Date: 21/9/2011

Part Executive Director  
Tanzania Investment Centre

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042084

## This is to certify that

FABTECH STERLING TANZANIA LIMITED

of address P.O. BOX 77914

DAR ES SALAAM

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

FABTECH STERLING TANZANIA LIMITED

Which is located at PLOT NO. 34 TABATA AREA MANDELA ROAD

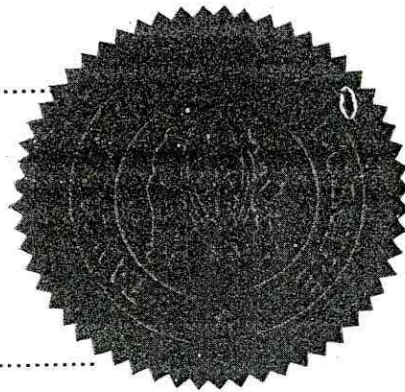
KINONDONI - DAR ES SALAAM

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

*[Signature]*  
Ag. Executive Director

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

Dated 30TH AUGUST 2011



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 (%)
Paresh T. Manek	Tanzanian	50
Asif Khan	Indian	10
K.R. Kotecha	American	40
  
2. Proposed Activities : To establish a facility for manufacturing building materials
  
3. Sector: Manufacturing Subsector Building Materials
  
4. Investment cost: Foreign - Local USD 4.54m. Total USD 4.54m.
  
5. Project Financing:
 

Equity	Loans	Total
USD 4.54m.	-	USD 4.54m.
  
6. Source, terms and conditions of loan
  
7. Assets to be invested:
 

	Foreign	Local	Total
Capital items:	-	USD 4.54m.	USD 4.54m
  
8. Technology Agreement : None
  
9. Date of TIC Registration: 26th August 2011
  
10. Implementation period : August 2011 - July 2014
  
11. Operative date: August 2014
  
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, 1976 & VAT Act, 1997
  - (ii) Applicable with-holding Tax : As per Income Tax Act, 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
 

Finished goods are not allowed under this Certificate

Signed \_\_\_\_\_  
Ag. Executive Director

THE LAND ACT, 1999

ACT NO. 4 OF 1999

LEASE AGREEMENT

BETWEEN

TRIDEA COSMETICS LIMITED

AND

FABTECH STERLING (TANZANIA) LIMITED

---

IN RESPECT OF THE LAND SITUATED AT  
PLOT NO. 34, ALONG MANDELA ROAD  
TABATA AREA WITHIN THE CITY OF DAR ES SALAAM

---

## LEASE AGREEMENT

### BETWEEN

**TRIDEA COSMETICS LIMITED**, is a limited liability company incorporated in Tanzania of P O Box 77914, Dar es Salaam (Hereinafter referred to as "**THE LANDLORD**", which expression shall include and extend to persons or entity that shall derive title under the landlord, its successors and assigns thereof) on one part

### AND

**FABTECH STERLING (TANZANIA) LIMITED**, is a limited liability company incorporated in Tanzania of P O Box 77914, Dar es Salaam (Hereinafter referred to as "**THE TENANT**", which expression shall include and extend to persons or entity that shall derive title under the Tenant, its successors and assigns on the other part.

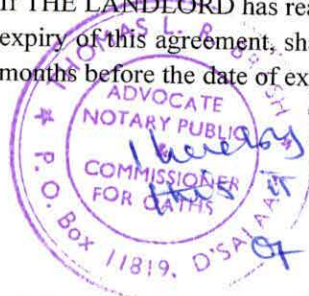
### WHEREAS:-

1. THE LANDLORD is the legal owner of the land located on plot No. 34, Along Mandela Road, Tabata area, Dar es Salaam and THE LANDLORD is desirous to let a part of the land (hereinafter "**THE PREMISES**") for a period of three (3) years.
2. THE TENANT is a natural/legal person and that THE TENANT is desirous to rent the premises marked for a period of three (3) years.

**NOW, THIS AGREEMENT WITNESSTH** as follows:

### 1. THE LANDLORD:

- a. HEREBY DEMISES un to the TENANT all the demised premises together with the right of access to hold unto by THE TENANT for a period of three (3) years from the 15th day of August 2011 to the 14<sup>th</sup> day of August 2014, renewable on request on the part of THE TENANT and acceptance on the part of THE LANDLORD
- b. Shall let THE PREMISES at an annual rent of TZS1,200,000/- (Tanzanian Shillings One Million Two Hundred Only) for a period of three (3) years to be paid monthly or quarterly in advance
- c. Shall ensure that water and electrical services are available in the premises at the time of letting
- d. Shall refrain from unnecessary disturbances to allow THE TENANT to enjoy peaceful occupation of THE PREMISES
- e. Shall be responsible for paying all statutory payments such as land rent and service charges and property tax
- f. Shall, during the last month to the end of the agreement, inspect THE PREMISES to establish any reliabilities of THE TENANT and inform him/her to repair or to pay for the repair of the same before discharging the agreement
- g. If THE LANDLORD has reasons or has decided not to enter a new agreement with the tenant after expiry of this agreement, shall communicate such decision in writing to the tenant, at least six (6) months before the date of expiry of this agreement



*Certify that  
hereby  
a true copy  
of original*

*30/8/2011*

*[Handwritten signature]*

- h. In the event THE PREMISES is sold before the expiry date of the term of THE LEASE, THE LANDLORD shall refund or return to THE TENANT all the Rent of the unexpired period of the Lease that was paid for by TENANT.

## 2. THE TENANT

- a. Shall pay an annual rent of TZS 1,200,000 (Tanzanian Shillings One Million Two Hundred Only) being the rent per annum to be paid monthly or quarterly in advance.
- b. Shall occupy THE PREMISES for a period of three (3) years, but may request to enter in to another agreement with THE LANDLORD after the expiry of this agreement.
- c. Shall use the premises for legal commercial business purposes only. Strictly THE TENANT shall not use the premises for illegal business.
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- k. Shall pay for water and electricity services pertaining to his use of the services and as billed by the service providers from time to time
- l. Shall pay for his sewerage and waste disposal as may be assessed from time to time by the sewerage authorities
- m. Shall not disturb or cause to disturb other tenants or occupiers of the demise premises by environmental pollution or any other types of disturbance which might interfere with their businesses.
- n. Shall not abuse, misuse or cause to abuse or misuse any part or the whole of the premises or its services
- o. Shall not suffer or abuse to suffer any part or the whole of the premises let to him/her or the common parts of the premises or neighbouring premises and property.
- p. Shall not make adoptions, alternations, additions or any changes to THE PREMISES without the written consent of THE LANDLORD
- q. Shall not demolish, remove, alter or damage such adoptions, alterations, additions or changes which he/she has been authorized to make.

*[Handwritten signature]*

*[Handwritten signature]*

- r. Shall allow THE LANDLORD to enter the premises for the purposes of making periodical inspections
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  - v. On case of any damages to the structures or decorations or services and fittings, THE TENANT shall repair the same before surrendering the premises.
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4. In this agreement, ARBITRATION in any matter shall be made by mutual understanding between THE LANDLORD and THE TENANT. If settlement is not reached, then the issues of difference shall be settled in the courts of law in the United Republic of Tanzania.

**THIS AGREEMENT IS SIGNED THIS 15 TH DAY OF AUGUST, 2011**

*Kellw*

*[Signature]*



37894970

1

4

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from

FABTECH ENTERPRISES LTD



KIASI Amount

Shs.		Cts.	
USD	750	=	=

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words)

US DOLLAR SEVEN HUNDRED FIFTY ONLY

NASENTI And Cents

KWA MALIPO YA

In respect of

CERTIFICATE OF INCENTIVE

KWA FEDHA TASLIMU/HUNDI

NAMBA

By Cash/Cheque No.

B/DEPOSIT 29108/2011

KITUO - Station

BEM

SAHIHI YA MPOKEAJI - Receiving Officer's

Signature

[Signature]

CHEO - Title

Acc

TAREHE - Date

20 AUG. 2011

NPC-KIUTA



# FABTECH STERLING TANZANIA LTD

P O Box 77914, 3-4, Uhuru Street, Dar es Salaam, Tanzania

---

## BOARD OF DIRECTORS RESOLUTION

At the meeting of the Board of Directors of M/s FABTECH STERLING TANZANIA LTD held at the Company's registered office at 3-4, Uhuru Street, Dar es Salaam on the 12<sup>th</sup> day of May 2011, it was

### RESOLVED

1. That the Company shall apply to get Certificate of Incentives from TIC
2. That the following persons are authorized to sign the documents to obtain certificate of incentives from TIC
  - i. Mr. Venkateswarlu Karasala

We hereby certify the above to be a true copy from the minutes.

Dated and delivered at Dar es Salaam this 12<sup>th</sup> day of May, 2011.

  
CHAIRMAN

  
SECRETARY



# FABTECH STERLING TANZANIA LTD

P O Box 77914, 3-4, Uhuru Street, Dar es Salaam, Tanzania

---

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  - i. Mr. Venkateswarlu Karasala

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Dated and delivered at Dar es Salaam this 12<sup>th</sup> day of May, 2011.



CHAIRMAN



SECRETARY

FABTECH STERLING (TANZANIA) LTD

LIST CAPITAL GOODS / DEEMED GOODS FOR EXEMPTION

NO:	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO:	EXEMPTION DATE	Amount
1	Electric Drill - Dewalt	Set	36	Plant & Machinery					
2	Angle Grinder 4" - Dewalt	Set	20	Plant & Machinery					
3	Scoring Knife (Double Tip)	Pcs	200	Plant & Machinery					
4	Snip Cutter Stanley	Pcs	32	Plant & Machinery					
5	Cut - off Machine	Set	6	Plant & Machinery					
6	Nail Gun Tacker	Set	12	Plant & Machinery					
7	Air Compressor (1 HP)- Hose & Fitting	Set	12	Plant & Machinery					
9	Foam Cutting Machine (Stedown Transformer)	Set	4	Plant & Machinery					
10	Plastic Palletes stock yard	Pcs	200	Plant & Machinery					
11	PU Dispenser with Nozzle Cap	Set	200	Plant & Machinery					
12	Drum Trolley - Faucet Filter Set and fittings	Set	4	Plant & Machinery					
13	Hydraulic Pallet Truck	Pcs	12	Plant & Machinery					
14	Extension Outlet lenth about 5 Mts	Set	16	Plant & Machinery					
15	manual Score & snap table	Set	2	Plant & Machinery					
16	8ft x 4 ft multiuse work tables	Set	8	Plant & Machinery					
17	Complete Jig Assembly with pallets	Set	40	Plant & Machinery					
18	Industrial Workfans	Set	16	Plant & Machinery					
19	Recess Assemble Machine - Table	Set	2	Plant & Machinery					
20	Guilotine machine	set	3	Plant & Machinery					
21	Plasmolite Mixers	Set	12	Plant & Machinery					
22	Plasmolite Pumps	Set	12	Plant & Machinery					
23	Plasmolite foam Generator	Set	12	Plant & Machinery					
24	Measuring Bucket 1.2mm GI	Pcs	32	Plant & Machinery					
25	Steel Structure	Lot	3	Plant & Machinery					
26	Transformer	Pcs	1	Plant & Machinery					
27	Generator	Pcs	1	Plant & Machinery					
28	Electrical Panels for Machinery	Lot	2	Plant & Machinery					
29	Electrical Cables for Machinery	Lot		Plant & Machinery					
30	Electrical Fittings for Machinery	Lot		Plant & Machinery					
31	Accessories for fixing machines	Lot		Plant & Machinery					
32	Sheering Machine	Pcs	2	Plant & Machinery					
33	Dust Collector	Pcs	2	Plant & Machinery					
34	Delivery Trucks	Nos	5	Vehicles					
35	Pickup Vans	Nos	3	Vehicles					
36	Chairs and Tables X	Various	20	Furniture & Fixtures					

**TICC/PP.10/042084/6**

**06/09/2011**

Commissioner for Customs & Excise,  
Tanzania Revenue Authority,  
P.O. Box 9053,  
**DAR ES SALAAM**

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL  
GOODS – CERTIFICATE OF INCENTIVES No: 042084**

**M/S Fabtech Sterling Tanzania Limited** is a TIC registered company  
with certificate of incentives **No. 042084** which is valid up to **July 2014**

The company has been registered with objectives of establishing a facility  
for manufacturing building materials.

Attached herewith please find a list of Capital/ Deemed Capital Goods for  
Duty/ VAT remissions approval.

Yours sincerely

**TANZANIA INVESTMENT CENTRE**

  
N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**

T.C

5

# FABTECH STERLING TANZANIA LTD

P O Box 77914, Dar es Salaam, Tanzania

Commissioner for Customs & Excise

September 02, 2011

Tanzania Revenue Centre

P O Box 9053

Dar es Salaam

UFS

Executive Director

Tanzania Investment Centre

P O Box 938

Dar es Salaam Tanzania



Dear Sir,

**RE: DUTY & VAT EXEMPTION ON CAPITAL / DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 00217967**

We are TIC approved project with Certificate of Incentives No. 00217967, which is valid up to July 2014.

The Company has been registered with objectives to establish a facility for manufacturing building materials.

Attached herewith please find a list of Capital / Deemed Capital Goods for Duty / VAT exemption approved.

Yours Sincerely

A handwritten signature in blue ink.

Venkateswarlu Karasala

Financial Controller



# MINUTE SHEET

0.020  
No.

1.0

## Ag. EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 4.54m

(b) Legal entity has been incorporated under certificate

No. 82165 of 17/03/2011

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.



N/A Senzia

**DIF**

26<sup>th</sup> August, 2011

2.0

## EXD

In response to the TIC letter of registration dated 26<sup>th</sup> August 2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from 1st M Bank (T) Ltd

(c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 042084 herein attached.

30/08/2011



DIF

# MINUTE SHEET

Dokezo  
No.



# TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/8/1655

20 September 2011

Managing Director,  
Fabtech Sterling Tanzania Limited,  
P. O. Box 77914,  
**Dar es salaam**

Dear Sir,

**RE: DUTY AND VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS VIDE  
CERTIFICATE OF INCENTIVES NO. 042084 OF 30 AUGUST 2011 AND  
TIN 113-760-516-435**

Reference is made to your letter dated 02 September 2011 as supported by the letter ref. TICC/PP.10/042084/6 of 06 September 2011 from Tanzania Investment Centre regarding the captioned subject.

We hereby confirm and approve a **single-page** list of items herewith attached as capital/deemed goods for establishment and facilitation of the project with the certificate of incentives mentioned above. It should be noted however that you will only be allowed to import/acquire vehicles of age less than ten years from the year of manufacture.

Please further be informed that items therein deleted could not be approved because they are not among items which are eligible for exemption under your project.

The approved items will be assessed at 0% import duty and VAT relief under the Third Schedule to the VAT Act Cap 148 of 1997. You will however be requested to complete VAT form 224 and submit the same to the Commissioner for Customs and Excise for all imported items and Commissioner for Domestic Revenue for locally procured items for approval before clearance.

Sincerely yours,

Godfrey Kitundu

**For: COMMISSIONER FOR CUSTOMS AND EXCISE**

GK/  
c.c. Manager- Customs Service Centre  
c.c. Manager – Tax Exemption  
c.c. Manager – Wharf  
✓ c.c. Executive Director,  
Tanzania Investment Centre,  
Dar es salaam

**ISO 9001:2008 Certified**

**CUSTOMS & EXCISE DEPARTMENT**

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

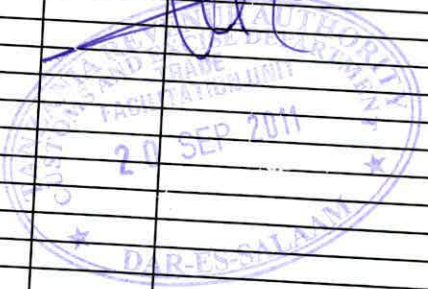
Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

FABTECH STERLING (TANZANIA) LTD

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14	Extension Outlet lenth about 5 Mts	Pcs	12	Plant & Machinery					
15	manual Score & snap table	Set	16	Plant & Machinery					
16	8ft x 4 ft multiuse work tables	Set	2	Plant & Machinery					
17	Complete Jig Assembly with pallets	Set	8	Plant & Machinery					
18	Industrial Workfans	Set	40	Plant & Machinery					
19	Recess Assemble Machine - Table	Set	16	Plant & Machinery					
20	Guilotine machine	Set	2	Plant & Machinery					
21	Plasmolite Mixers	set	3	Plant & Machinery					
22	Plasmolite Pumps	Set	12	Plant & Machinery					
23	Plasmolite foam Generator	Set	12	Plant & Machinery					
24	Measuring Bucket 1.2mm GI	Set	12	Plant & Machinery					
25	Steel Structure	Pcs	32	Plant & Machinery					
26	Transformer	Lot	3	Plant & Machinery					
27	Generator	Pcs	1	Plant & Machinery					
28	Electrical Panels for Machinery	Pcs	1	Plant & Machinery					
29	Electrical Cables for Machinery	Pcs	2	Plant & Machinery					
30	Electrical Fittings for Machinery	Lot		Plant & Machinery					
31	Accessories for fixing machines	Lot		Plant & Machinery					
32	Sheering Machine	Lot		Plant & Machinery					
33	Dust Collector	Pcs	2	Plant & Machinery					
34	Delivery Trucks	Pcs	2	Plant & Machinery					
35	Pickup Vans	Nos	5	Vehicles					
36	Chairs and Tables	Nos	3	Vehicles					
		Various	20	Furniture & Fixtures					

*Approved*



*(Single cabin)*