

NEXUS ESTÁIIES LID



MINUTE SHEET

Dokezo
No.

1.0

Ag. **EXD** *dove si.*

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

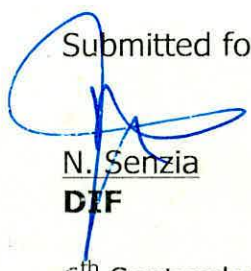
(a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 0.574 m

(b) Legal entity has been incorporated under certificate

No. 86437 of 10/12/2011

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. Senzia
DIF

6th September, 2013

2.

EXD

In response to the TIC letter of registration dated 4th September 2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from FBME Bank LTD

(c) Appraisal and title deed as evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 047518 **APPROVED BY EXD** herein attached.

16/05/2014

Sign: <u>[Signature]</u>
Date: <u>16/05/14</u>

[Signature]
DIF

MINUTE SHEET

Dokezo
No.

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

EXCHEQUER RECEIPT

NIMEPOKEA KWA
Received from

37897053

1

KIASI
Amount

Shs.							Cts.
1	6	2	0	0	0	0	0

NEXUS ESTATES LIMITED

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words)

ONE MILLION SIX HUNDRED TWENTY

THOUSANDS SHILLINGS ONLY

NA SENTI
And Cents

KWA MALIPO YA
In respect of

CERTIFICATE OF INCENTIVES

KWA FEDHA TASLIMU/HUNDI
Namba By Cash/Cheque No.

DL

KINDO - Station

TIC Mwanza

SAHIHI YA MPOKEAJI Receiving Officer's
Signature

SIBO

TAREHE - Date

27-03-14

NPC-KUTA

TICC/PP.10/042518/3

4th September 2013

Managing Director,
Nexus Estates Ltd,
P.O. Box 135,
MWANZA

**RE: CERTIFICATE OF INCENTIVES FOR MODERN BAKERY
FACILITY**

We wish to acknowledge receipt of your project proposal of establishing and operating modern bakery facility as presented in the TIC P.A. 1 Form No. 11267 and Feasibility Study with a projected investment amounting to USD 0.574m.

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

Also be informed that you will have to submit a project implementation Progress Report on the implementation of the project in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of the Certificate of Incentives. Please make deposit direct to the bank as per bank details below:

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

.../2

TICC/PP.10/042518/3

4th September 2013

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



Abdi S. Kagomba

AG. 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



TIC Evaluation Report

Name of the Company

Nexus Estates Ltd

Post Box	Plot No. 1313 & 1314 Buhongwa	COI Number	86438	Contact	Deus Sungwa Mgeneli
Post Office	135	COI Date	10/12/2011	Designation	Managing Director
Region	Mwanza	Application F. No	11267	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0754 282 232/0784 282 232
		Sub Sector	Confectionery	Fax	0
		File No	042518	E-Mail Address	Deusmgangeli@Yahoo.Com.Uk

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot 1313 & 1341	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.31</td> <td>0</td> <td>0.264</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.31	0	0.264			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.31		0	0.264									
Street	Buhongwa												
District	Nyamagana												
Region	Mwanza												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.25
Anamaria Kapinga	Tanzania	8	Plant	0.27
Deus Sungwa Mgengewi	Tanzania	92	Vehicles	0.03
			Furniture & Fittings	0.002
			Pre-expenses	0.01
			Others	0.002
			Working Capital	0.01
			Total	0.574

Employment	19	Evaluated By	wf officer3
Capacity	1,310,400	Drawn By	wf registry2
Project Turn Over		Project Type	Local

Description

To establish and operate a modern bakery facility

Recommendations

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

Decision

APPROVED BY EXD

Sign:.....*[Signature]*.....

Date:.....04/09/13.....

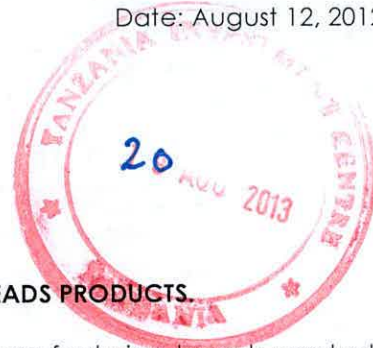
NEXUS ESTATES LIMITED

P.O. BOX 1214 - MWANZA

The Executive Director,
Tanzania Investment Centre,
P.O. Box 938 ,
Dar es salaam.
TANZANIA.



Date: August 12, 2012



Dear Maadam,

RE: APPLICATION OF TIC CERTIFICATE FOR MANUFACTURING OF BREADS PRODUCTS.

We are in the process of establishing a bakery facilities for manufacturing breads products, at Nyamagana District, Buhongwa Area, Plot number 1313 and 1314, Block E , Mwanza City. It is due to this reason that we kindly submit our application for TIC Certificate of Incentives to facilitate smooth implementation of our project.

Attached herewith please find the following basic documents for your perusal and necessary action:

1. One (1) duly completed and signed Application Form for TIC Certificate.
2. A certified copy of our Certificate of Incorporation
3. A certified copy of the company's Memorandum and Articles of Association
4. Evidence of ownership of the land .
5. Assignment deed of property document in respect of the land.
6. A letter of credibility from our Banker.
7. Company Board Resolution to register with TIC
8. A copy of our Business Plan.
9. Overall covering letter

Thanking you for your kind consideration.

Yours' sincerely,

Deus Mgengel
DIRECTOR
NEXUS ESTATES LIMITED.



FBME BANK LTD

REF: FBME/MZA/74/13

14 August 2013

Executive Director,
Tanzania Investment Centre,
Plot No. 9A&B, Shaaban Robert Street,
P.O. Box 938,
Dar es Salaam.



Dear Sir,

RE: NEXUS ESTATES LIMITED

Kindly refer to the above subject.

We have been requested by our customer **Nexus Estates Limited** to issue this letter to you.

We hereby confirm that **Nexus Estates Limited** is our customer maintaining current account number 022333 in TZS.

The above information is given without prejudice or responsibility of the bank or any of its officers.

For and on behalf of
FBME Bank Ltd

Joseph Gwalugano
BRANCH MANAGER

9257 11267



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
Website: 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 DEUS SUNGWA MBENGEWI AND ANA MARIA KAPINGA
(director/directors/agent of ANIS NEXUS ESTATES LIMITED
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE
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 BUHONGWA - MWANZA CITY
ON PLOTS NO. 1313 AND 1314 block "R" along MWANZA - SHUYANGA ROAD

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 MWANZA

4. The Principal Officers of the Company are
DEUS SUNGWA MBENGEWI
ANA MARIA KAPINGA

5. Auditors of the Company are BM FINANCIAL CONSULTANTS
P.O. BOX 135 MWANZA

6. The authorized share capital of the Company is Tshs./US\$ 500,000,000,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./~~US\$~~ 927.889 (000)
8. The month and day of the financial year end is 31st DECEMBER

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\$

US \$ 100 Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

I, DEUS SUNEKA MGEWGEW of Post Office Number 135 MWANZA

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

authorized agent of NEXUS ESTATE LIMITED

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

Declared at Mwanza Dar es Salaam }
 }
 The 26th day of July 2013 }


 Applicant

Before me:



Commissioner for Oaths



APPLICATION SUMMARY

Company Name: NEXUS ESTATES LIMITED

Certificate of Incorporation Number: 86438 Status: NEW PROJECT

Certificate of Incorporation Date: 12TH OCTOBER 2011

Post Box: 135

Town: MWANZA

Sector: MANUFACTURING Sub-Sector: CONFECTIONERY

Investment Financing Plan in Million US\$/Tshs.

Table with 4 columns: Foreign Equity, Local Equity, Foreign Loan, Local Loan. Values: Local Equity 490,270; Local Loan 437,619.

Project Objectives: TO ESTABLISH AND OPERATE A MODERN BAKERY FOR PRODUCTION OF BREAD AND RELATED CONFECTIONERY PRODUCTS

Capacity: 1,310,400 LOAVES OF 500GMS

Employment: Foreign: NIL Local: 19 Total: 19

Implementation Period: THREE YEARS

Project Location

Site/Plot/Block No.: 1313 & 1314

Street: BUKAMBWA District: NYAMAGANA Region: MWANZA (Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %. Rows include JEUS SUNDWA MBENGEW (50%) and ANA MARIA KAPINBA (4%).

Investment Breakdown ~~US\$~~ Tshs.M (000)

Land/Building 400
Plant 437.619
Vehicles 52
Furniture & Fittings 4.5
Pre-expenses 12.5
Others 4.27
Working Capital 17
TOTAL 927.889

Contact Details:

Name: DEUS SUNGWA MGENGELI Title: MANAGING DIRECTOR
 Telephone: +255 754 282-232 AND Fax: _____
 Email: deusm.gengel@gmail.com.uk

Payments to be made payable to:

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

THE COMPANIES ACT (2002)
{Chapter 212, R.E 2002}

SPECIAL RESOLUTION

of

NEXUS ESTATES LIMITED

AT AN EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS
HELD AT PLOT NUMBER 1313 BLOCK "E" BUHONGWA IN MWANZA
ON THE 10th DAY OF JULY 2013 AT 10.00 A.M

PRESENT WERE:

1. DEUS SUNGWA MGENGELI- CHAIRMAN
 2. AMA MARIA KAPINGA- MEMBER
-

THE CHAIRMAN REPORTED that the company having decided to invest in food production and specifically in the bakery and confectionery industry there was a need to purchase the requisite machinery. Arrangements should be made with Tanzania Investment Centre to seek Tax Incentives Certificate for facilities, machineries and building materials in the Bakery Project.

IT WAS ALSO REPORTED that the company should seek a term loan funding from financiers aimed at acquiring the requisite bakery machinery

IT WAS RESOLVED that the directors should take the necessary steps towards obtaining the Tax Incentives Certificate form Tanzania Investment Centre

IT WAS ALSO RESOLVED that the directors should liaise with the company's bankers/financiers to arrange for the loan funds.

The above is certified a true copy of the Resolution of the Shareholders



DIRECTOR



DIRECTOR/SECRETARY

ASSIGNMENT OF PROPERTY

C.T. No: 37637
L.O. No: 424059
Plot No: 1313 Block "E" Buhongwa
Mwanza City

THIS AGREEMENT is made this 10th day of August 2013

BETWEEN

DEUS SUNGWA MGENGELI, a natural person and director of NEXUS ESTATES LIMITED of P.O. Box 1214 Mwanza (hereinafter referred to as the "Assignor" which expression shall include and extend to his heir executor and legal representative) of the one Part;

AND

NEXUS ESTATES LIMITED, a body corporate duly established and existing under the laws of Tanzania whose address is Postal Office No: 1214 Mwanza (hereinafter referred to as the "Assignee") of the other Part.

NOW IT IS HEREBY AGREED as follows:

In consideration of the payment of the sum of Tanzanian Shillings One Thousand (Tshs 1,000/=) only (for purposes of stamp duty payment, receipt for which the Assignor hereby acknowledges), the Assignor hereby assigns to the Assignee all rights, title and interests in the property registered under C.T. No: 37637, L.O. No: 424059 Plot No: 1313 Block "E" Buhongwa **Mwanza City** as part of the ~~Assignor's~~ equity contribution to **CHARCOAL RIBS LIMITED** of which he is a shareholder.

1. The Assignor warrants that he has full title to the property and authority to assign the same free from any encumbrances.

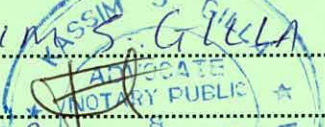
2. This Agreement shall be binding upon and inure to the benefits of the parties, their successors and assigns.

IN WITNESS of which the parties have signed this Agreement the day and year first above written.

SIGNED at MWANZA and DELIVERED
by the said DEUS SUNGWA MGENGELI
who is known to me personally
this 10th day of AUGUST 2013


.....
Assignor

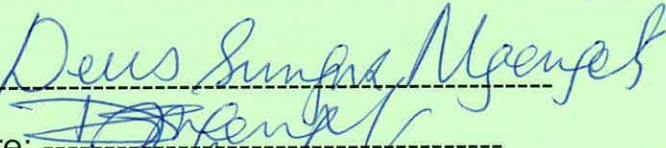
BEFORE ME:

Name: KASSIM S. GILLA
Signature: 
Postal Address: Box 1214 MWANZA
Qualification: ADVOCATE



SEALED with the COMMON SEAL of the said
CHARCOAL RIBS LIMITED and DELIVERED at Mwanza

in the presence of us this 10th day of February, 2012

Name: Deus Sungwa Mgengel
Signature: 
Postal Address: Box 1214 MWANZA
Designation: Managing Director

Name: KASSIM S. GILLA
Signature: 
Postal Address: Box 1214 MWANZA
Designation: COMPANY SECRETARY

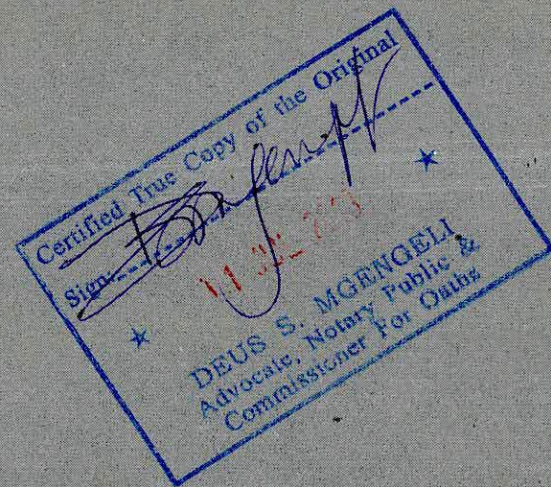


TANZANIA

THE LAND ACT 1999
(NO. 4 OF 1999)

CERTIFICATE OF OCCUPANCY

(Under Section 29)



Date of Issue: 27-4-2012

Title Number: 3764

Land Office Number: 424059

Land: PLOT NO. 1313 BLOCK 'E' EUHONGWA - MWANZA CITY

Term: SIXTY SIX YEARS

TITLE No. 37637
 REGISTERED ON
27-4-2012
12-00 noon
 M Mairay
 Registrar of Lands

Land Form No. 22
 Stamp Duty No. 100/2
 Register No. 46354649
17-4-2012
 M Mairay
 Registrar of Lands

Certified True Copy of the Original
 Sign: *[Signature]*
 11 JUL 2013
 DEUS S. MGENGELI
 Advocate, Notary Public
 Commissioner For Oaths

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999
 (NO. 4 OF 1999)

CERTIFICATE OF OCCUPANCY
 (Under Section 29)

TANZANIA
 STAMP DUTY PAID ON
 ORIGINAL No. 5338F
 Register No. 46354649 17-4-12
 M Mairay
 Registrar of Lands

Title No. 37637 L.K. Mwanza
 L. O. No. 424059
 L. D. No. MCC/L/54292

The

25th

day of

April

2012

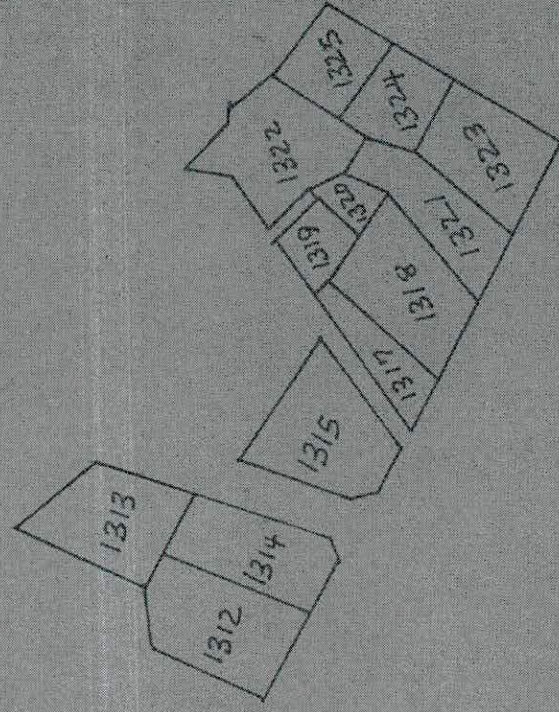
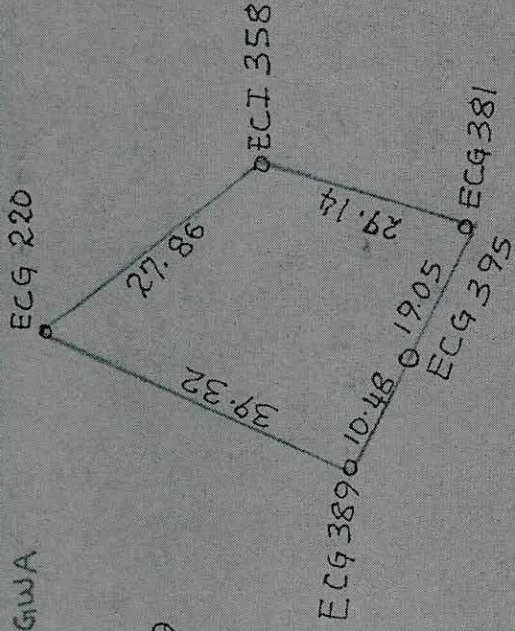
THIS IS TO CERTIFY that DEUS SUNGWA MGENGELI of P.O.Box 1214, MWANZA.

(hereinafter called ("the Occupier")) is entitled to the Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter) called "the Land") for a term of **sixty six** years from the first day of **January**, Two thousand **and twelve** according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:-

1. The Occupier having paid rent up to the thirtieth day of June, **2012**, shall thereafter pay rent of shillings **fifty three thousand three hundred eighty (Tshs 53,380/=)** only a year in advance on the first day of July in every year of the term without deduction **PROVIDED** that the rent may be revised by the Commissioner for Lands.
2. The Occupier shall:-
 - (i) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and Mapping.

MWANZA CITY

LOCATION: BUIHONGWA
BLOCK: 'E'
PLOT No. 1313
L.O No 424059
AREA: 923 SQM



This plan prepared in accordance with Registered Plan No. 64034 is approved for the purpose of Land Registration of Divisions

For Director of Surveys and Mapping
Date: 29/12/2012

Ministry of Lands and Human Settlement Development
D. M. M. M.

This plan implies no guarantee of admission of title by the Government

SCHEDULE

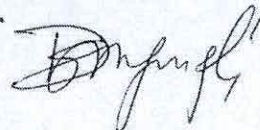
ALL that Land known as Plot No. 1313 Block "E" situated at **Buhongwa** in **Mwanza City** containing **nine hundred twenty three (923)** square metres shown for identification only edged red on the plan attached to this Certificate and defined on the registered Survey Plan Numbered **64034** sited at the Office of the Director for Surveys and Mapping at Dar es Salaam.

Given under my hand and my official seal the day and year first above written.


Asst COMMISSIONER FOR LANDS

I, the within named **DEUS SUNGWA MGENGELI** hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said)
DEUS SUNGWA MGENGELI who is)
known to me personally/identified to me by)
ANDWELE MWALUSA.....the)
latter being known to me personally in my)
presence this 25th day of APRIL)
2012.)



Witness's ABBAS ERWEGALUSA)
Signature [Signature])
Postal Address: P.O. BOX 1333)
MWANZA)
Qualification: LAND OFFICER)

TANZANIA

THE LAND ACT 1999
(NO. 4 OF 1999)

CERTIFICATE OF OCCUPANCY

(Under Section 29)

Date of Issue: 27-11-2012

Title Number:

Land Office Number: 424060

Land: PLOT NO. 1314 BLOCK 'E' BUHONGWA - MWANZA CITY

Term: SIXTY SIX YEARS

JAMHURI YA MUUNGANO WA TANZANIA
WIZARA YA ARDHI, NYUMBA NA MAENDELEO YA MAKAZI

Anwani ya Simu "ARDHI
Simu: 022 2121241- 9
Makao Makuu)



Ofisi ya Msajili wa Hati
Kanda ya Ziwa
S.L.P 1101
Mwanza

Simu 028 2502012 (Mwanza)

Unapojibu tafadhali taja:

Kumb. Na. LR/MZ/T.../37638/B

g.s., 2012

Ndugu:

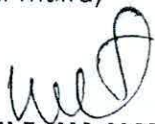
DEUS. S.
MAGANGALI
S.L.P. 1214
MWANZA.

Ndugu,

Yah: SHERIA YA USAJILI WA ARDHI (SURA 334)
HATI NA. 27638 L.O. NA. 424060
KIWANJA NA. 1314 KITALU F
BUTORISWA MWANZA.

Hapa nafungasha hati yako ya kumiliki ardhi iliyotajwa hapo juu.
Tafadhali saini fomu Na. L.R. 53 iliyoambatanishwa na hati yako, pia
unaombwa usibadilishe chochote kile au kuifanyia lamination bila ridhaa ya
ofisi ya Msajili wa Hati.

Wako ndugu,
Mtumishi mtiifu,


Kny: MSAJILI WA HATI
MSAIDIZI MKUU
MWANZA

Title No. 37638
REGISTERED on
27-4-2012
12.00
M M away

Land Form No. 22
Stamp Duty Paid 100/=
Receipt No. 4634657
17-4-2012
Pwnc M M away

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999
(NO. 4 OF 1999)

CERTIFICATE OF OCCUPANCY
(Under Section 29)

TANZANIA
STAMP DUTY PAID ON
ORIGINAL Stamp 532/=
Receipt No. 4634657 17-4-12
M M away
Pwnc L.K Mwanza

Title No. 37638
L. O. No. 424060
L. D. No. MCC/L/54293

The 25th day of April, 2012

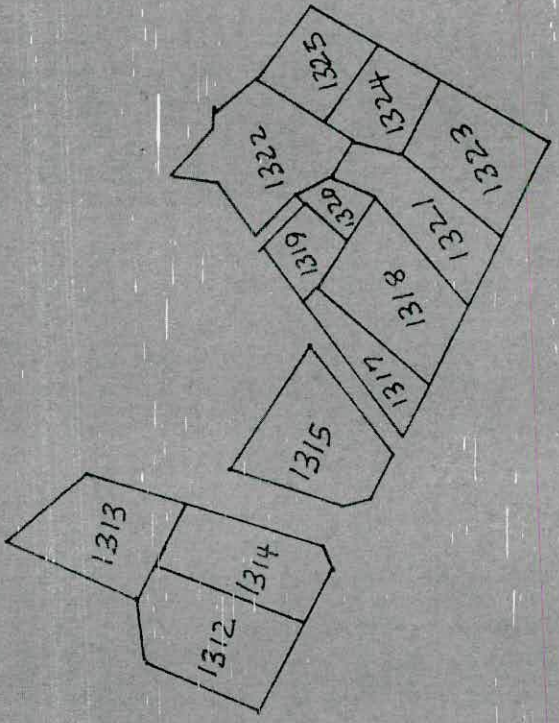
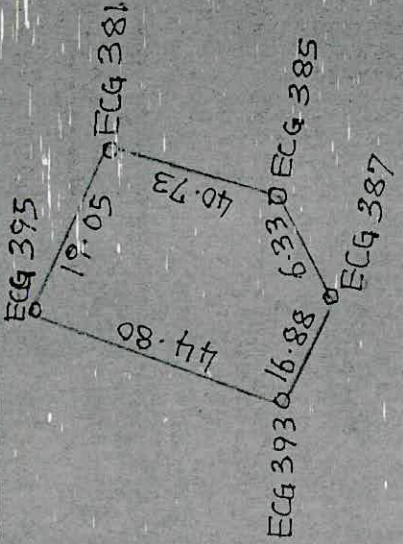
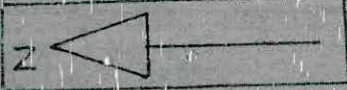
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1. The Occupier having paid rent up to the thirtieth day of June, **2012**, shall thereafter pay rent of shillings **fifty four thousand one hundred twenty (Tshs 54,120/=)** only a year in advance on the first day of July in every year of the term without deduction **PROVIDED** that the rent may be revised by the Commissioner for Lands.
2. The Occupier shall:-
 - (i) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and Mapping.

MWANZA CITY

LOCATION. BUHONGWA
BLOCK. 'E'
PLOT No. 1314
L.O No 424060
AREA. 902. .SOM



THIS PLAN IMPLIES NO GUARANTEE
OR ASSUMPTION OF LIABILITY BY THE GOVERNMENT

This plan prepared in accordance with Registered
Plan No. 64034 is approved for the purpose of
Land Registration at Mwanza

For Director of Survey and Mapping

Date: 20/12/2012

Ministry of Lands and Human Settlement Development

CHIEF OFFICER

SCHEDULE

ALL that Land known as Plot No. 1314 Block "E" situated at **Buhongwa** in **Mwanza City** containing **nine hundred and two (902)** square metres shown for identification only edged red on the plan attached to this Certificate and defined on the registered Survey Plan Numbered **64034** deposited at the Office of the Director for Surveys and Mapping at Dar es Salaam.

Given under my hand and my official seal the day and year first above written.


Asst COMMISSIONER FOR LANDS

I, the within named **DEUS SUNGWA MGENGELI** hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said)
DEUS SUNGWA MGENGELI who is)
known to me personally/identified to me by)
ANDWELE MWATSULA.....the)
latter being known to me personally in my)
presence this 25th day of APRIL)
2012.)



Witness's ABBAS E. RWECALUWA)
Signature..... Deus Sungwa Mgengeli)
Postal Address: P.O. BOX 1533)
MWANZA)
Qualification: LAND OFFICER)

C.I

TANZANIA



Certificate of Incorporation

Section 15

No 86438

I HEREBY CERTIFY THAT

NEXUS ESTATES 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 12TH day of OCTOBER

TWO THOUSAND AND ELEVEN.

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

Asst. Registrar of Companies

Business Plan For A Bakery Project

Prepared for:

**M/S Nexus Estates Limited
P.O. Box - 1214
Mwanza - Tanzania**

Prepared by:

UITDAGER CONSULTANCY & BUSINESS INVESTMENTS LTD



P.O. BOX 10659 – Mwanza, Tanzania

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July, 2013

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List of Abbreviations

PROMOTER	Mr. Deus Mgengeli
IRR	Internal Rate of Return
KG	Kilogram
NPV	Net Present Value
NSSF	National Social Security Fund
PAYE	Pay As You Earn
SDL	Skills Development Levy
Tshs	Tanzania Shillings

1. Project Description

1.1 Background

Mr. Deus Mgengeli the Promoter of Nexus Estates Limited is in the process of putting a modern bakery project at Buhongwa suburb on Plots number 1313 and 1314 Block "E" along the Mwanza-Shinyanga Road.

The promoter has invested substantially towards the project as manifested by the building that will be used as both a factory and storage facilities. Existing investment towards land and building is estimated at Tshs 490.27 million. For the project to take off, there is a dire need to acquire the requisite bakery machinery and equipment valued at Tshs 439.619 million whose details are presented in table 4.1 on page 8.

1.2 Genesis of the idea

The idea of putting up a state of the art bakery at Buhongwa in Mwanza was conceived by the Promoter after observation of the scarcity of quality bread in the City and the District headquarters (townships) of Misungwi, Sengerema, Ngudu, Magu and Ukerewe. Following his research, it was concluded that;

- Most of the bread sold in Mwanza is of low quality.
- Most bakeries existing throughout the region still use firewood as a sole source of energy. Apart from the adverse impact on the environment this is behind production of inferior quality of bread.
- Besides household usage, bread is widely used by such institutions as schools, hospitals and government departments.

In view of the above state of affairs, **Mr. Deus Mgengeli** thought of putting up a state of the art bakery that will have the following features.

- Modern Machinery in the bread making business.
- The said machinery will use electricity as a sole source of energy

1.2 Financing

The Company is seeking term loan financing of Tshs 439.619 million to cater for the acquisition of machinery/equipment from bankers' **M/S Commercial Bank of Africa**. The said term is to be repaid over five years inclusive a grace period of 1 year.

2. Promoter & External Funding

2.1 Promoter's History Track Record:

Mr. Deus Mgengeli is an accomplished lawyer based in Mwanza. He is a University Graduate from the University of Dar Es Salaam with both a Bachelor of Laws (LLB) and Master of Laws (LLM) credentials. He also holds an Advanced Diploma in Public Administration (ADPA) from Mzumbe Institute of Development Management.

Upon completion of his university studies, he worked with the Government in different capacities ranging from Human Rights Officer to State Attorney In-charge till 2008 when he decided to venture into private practices.

In 2008, he founded a law firm known as Nexus Associates (Attorneys-at-Law and Management Consultants) which is located within the Old Kauma Building along Kenyatta Road right within the Central Business District of Mwanza City.

Retained earnings from public employment and his law firm were quite instrumental towards investing in the project building.

2.2 The Need for External Funding

To be able to finance the allied capital investment cost items for the envisaged bakery business, the Promoter is soliciting funding from his Bankers-CBA to the tune of Tshs. 437.6 million to finance the importation of bakery machinery/equipment.

The Promoter's equity in terms of factory building, vehicles, working capital and preoperational expenses is estimated at Tshs. **490.27** million.

2.3 The Purposes of the Plan

This business plan has been prepared with the dual purposes in mind namely;

- Ascertaining the viability of the bakery business.
- Facilitating the Promoter to secure funding from financial institutions and in particular; M/S Commercial Bank of Africa (CBA).

3. Management

3.1 Management

The Bakery Manager will play a pivotal role in managing the business. The Manager will be solely responsible for coordinating bakery operations.

In the day-to-day operations, the Bakery Manager is to be assisted by the following key staff namely; Marketing/Sales Manager, Production Personnel, Store Keeper, and Sales Personnel.

3.2 Remuneration

In total the business will employ 19 staff. Staff remuneration is as shown in Table 3:1 below:

Table 3.1 Personnel & Remuneration in Tshs "000"

Personnel	Number	Rate	Monthly Pay	Annual Pay
Bakery Manager	1	800	800	9,600
Store Keeper	1	500	500	6,000
Marketing/Sales Manager	1	500	500	6,000
Sales Personnel	2	220	440	5,280
Accounts Assistant	2	250	500	6,000
Drivers	3	200	600	7,200
Personal Secretary	1	150	150	1,800
Production Personnel	8	120	960	11,520
Total	19		3,650	43,800
NSSF 10%			365	4,380
SKILLS DEV LEVY 6%			219	2,628
GRAND TOTAL			4,234	50,808

4. Technical Aspects

4.1 Location

The Bakery is to be located on Plots Number 1313 and 1314 Block E Buhongwa area, about 12kms from the city centre along the Mwanza-Shinyanga Highway.

The premises are served by the necessary infrastructure facilities and vital utilities like all weather tarmac road, water and electricity.

The said plots are legally owned by the Promoter. Further details with regard to the premises are as follows;

- **For Plot Number 1313**

- (i) Certificate of title number: 37637
- (ii) Letter of Offer: 424059
- (iii) Tenure 66 years with effect from 1st January 2012

- **For Plot Number 1314**

- (iv) Certificate of title number: 37638
- (v) Letter of Offer: 424060
- (vi) Tenure 66 years with effect from 1st January 2012

4.2 Building

The factory building is designed to accommodate the following;

- Bakery Room
- Raw Material Room
- Finished Goods room
- Loading & Unloading Bay
- Office
- Changing Rooms.
- Shop Outlet

4.3 Machinery

The requisite machinery include: rack oven, proover, divider, mixer and roller etc. Details of the requisite machinery alongside the associated cost are presented in the Table 4.1 below;

Table 4.1 Machinery/Equipment

Equipment	Number	Rate in \$	Cost
Macadams Rack Oven	1	80,000	80,000
Macadams M180/2 Proover 2 Rack 2 Doors Walkthrough	1	11,000	11,000
Macadams Bun Divider & Rounder	1	19,700	19,700
SM120A Spiral dough mixer capacity 120 kg dough	1	24,500	24,500
Mini dough Moulder with adjustable pressure board	1	12,000	12,000
Stainless Steel Mac Trolley for Bread	2	1,500	3,000
Stainless Steel Mac Trolley for Confectionery	2	1,750	3,500
Mild Steel Baking Trays	72	58	4,176
Set of B04 Bread Tins Set of 4	180	90	16,200
Stainless Steel Table Plain Top	5	900	4,500
Heavy Duty Dumping Table	1	1,200	1,200
Model KD Bread Slicer	1	14,000	14,000
Macadams Cake Mixer 20 lts capacity	1	3,500	3,500
Stainless Steel Bread Cooling Trolley	4	1,350	5,400
SUB TOTAL (CIF-DAR)			202,676
ADD 18% VAT			36,482
TOTAL			239,158
At 1675 Exchange Rate			400,589
<i>ADD: Clearing & Forwarding</i>			9400
<i>Inland Transport</i>			7600
<i>Installation</i>			20,029
Grand Total			437,619

4.4

Production Costs

The main production costs components include but not limited to: bake flour purchase costs, salt, packing material and cooking oil.

Bake flour the major raw material is to be procured directly from such entities like Bhakresa.

Table 4.2 below forms the basis for calculation of production costs that have been employed in this Business Plan.:

Table 4:2 Production/160 Loaves of Bread in Tshs

Item	Quantity	Rate in Tshs	Total
Bake Flour in Kgs	50	1,200	60,000
Sugar in Kgs	3	2,000	6,000
Vegetable Oil in Lts	1	2,500	2,500
Salt in Kgs	0.25	150	38
Yeast in Kgs	0.25	600	150
Improver	50	20	1,000
Calcium	50	20	1,000
Packing Material	170	6	1,000
Diesel in Lts	2.5	2,400	6,000
Water in Lts	40	12.5	500
Miscellaneous			6,812

Total

85,000

4.5 Production Process

Bread Making does involve the following processes:-

- **Mixing:** This involves mixing of bake flour, sugar, salt, bake flour and margarine. The mixture then undergoes further mixing using a roller machine.
- **Weighing & Cutting:** The mixture (dough) is weighed and cut into small sizes.
- **Shaping:** Cut smaller sizes are shaped into bread and placed into trays.
- **Proving:** The trays are then inserted into the prover machine
- **Baking:** From the above stage, the trays are inserted into the oven ready for the actual process of baking.
- **Cooling:** Once baked, bread is cooled ready for the next stage of slicing.
- **Slicing:** This process involves the cutting of loaves into slices ready for packing.
- **Packing:** After the slicing process, bread is packed into polythene packets ready for distribution.

5. Investment Requirements, Financing & Projections

5.1 Investment and Financing

The overall investment towards the business has been estimated at **Tshs. 927.8** million. Investment items include but not limited to: bakery machinery, buildings, and working capital and vehicles. The proposed financing arrangement is as presented in Table 5.1 below:

Table 5.1 Proposed Financial Arrangements in Tshs. "000"

Item	Equity	Loan	Total
Machinery & Equipment	0	437,619	437,619
Land & Building	400,000		400,000
Vehicles	52,000		52,000
Office Equipment	4,270	0	4,270
Furniture & Fittings	4,500	0	4,500
Initial Working Capital	17,000	-	17,000
Pre-operational Expenses	12,500	-	12,500
TOTAL	490,270	437,619	927,889

5.2 Estimated Revenue:

The business revenue at the end of the first year has been estimated at Tshs. 0.982 billion. Details are provided in Appendix 9.2.

5.3 Financial Projections.

- The Business' net profit has been estimated at **Tshs. 59.9 (million)** in the first year of operations the same rises to Tshs. **534.2** million in year 5.
- Cumulative Net Cash flow over a five year period has been estimated at Tshs. **1.5 billion**.

5.4 Loan Repayment Capital

On the whole, the cash flow statement does indicate the fact that the business will be able to honor its financial obligations including the term loan facility sought from the Commercial Bank of Africa.

5.5 Business Viability

Taking into account of two viability indicators, the envisaged bakery business is financially viable with a Net Present Value (NPV) of **Tshs 139.4 million** and an after tax **Internal Rate of Return (IRR)** of **28.92%** as compared with the cost of capital of 23%.

6. Market Aspects & Strategies

6.1 Product Description:

Bread is widely used on break-fast menus throughout the United Republic of Tanzania. The major ingredient used in its processing is wheat flour.

6.2 Sales Projections

The Company is projected to sell bread worth Tshs 1.31 billion in year 1.

Table 6.1 Projected Annual Sales Volumes in Tshs. "000"

Sales Item / Month	Value in Tshs.
Bread 0.5 kg loaf	1,310,400
Total	982,800

Further details with regard to sales projections and the underlying assumptions are

presented in Appendix 9.2

6.3 Pricing:

In pricing for bread, the Cost plus Methodology will be employed throughout the Business Plan period. All costs in the production process will be taken in to account. Thereafter a reasonable profit margin will be added to arrive at a selling price. In so doing, the Promoter will also keep track of the prices for similar products in the market.

The following initial price has been assumed;

- 1/2 kg loaf = Tshs 750

6.4 Competition

The project is likely to face slight competition from local bakery units. Such local units are;

- Victoria Bread (Super Confectionery)
- Top One (Sun City Bakery)

6.5 Market Segmentation.

The market segments for bread are: households, hotels/restaurants and institutions.

- **Households** in Mwanza will be the major consumers of bread to be produced by the project. The segment does refer to households that use bread on their breakfast menus.
- **Hotels and Restaurants:** This particular segment refers to both hotels and restaurants scattered throughout the urban centers in the region. The segment ranks second to individuals in terms of bread consumption. They obtain their supplies from bakeries for use on break fast menus for their clients.
- **Institutions and Government Departments:** Within this segment include but not limited to schools (primary and secondary schools), training institutions e.g. Saint Augustine University of Tanzania (SAUT), Butimba Teachers Training College, hospitals both private and government owned etc. As is the case for earlier segments, the segment does demand bread for use on break-fast menus.

6.6 Promotion & Distribution Strategies:

6.6.1 Promotion

The Management does intend to promote its bread extensively throughout the Urban District Centres of Mwanza Region. Such promotion will aim at the following;

- Providing the customers with information on the product.
- Informing the customers on the potential benefits of the product.
- Persuading customers to buy the product.

The Recommended Methods of Promotion are;

(a) News Letter:

The project will have its own Newsletter, which will be circulated freely to the general public quarterly. The newsletter among other things will highlight to the general public the types of bread produced and marketed by the bakery.

(b) Media:

The media will cover the launch of the business extensively. Representatives from the all national and regional newspapers, radio and TV stations will be invited to cover the launch. In addition, posters and billboards will be used to advertise the business.

6.6.2 Distribution:

- The project will deliver its bread directly through appointed agents at a wholesale price of Tshs 750 per loaf.
- The same will apply to supplies for institutions and government departments as well as hotels.
- Retailers will collect bread from the factory premises at the same price of Tshs 750 per loaf.

7. Environmental, Economic & Social Aspects

7.1 Environmental Aspects

The business will pose no adverse environmental impact.

7.2 Social Aspects

- The Business will provide the much-needed products to clients (i.e. bread).
- Above all, the business will provide employment opportunities to 23 Tanzanians.

7.3 Economic Aspects

- The business will directly continue to contribute towards government coffers through income tax, skills development levy and other levies.

8. Conclusions & Recommendation

8.1 Conclusion

- The Business is promoted by an Entrepreneur cum Businessman who has good working relationship with CBA.
- As evident from this Business Plan, the envisaged bakery business is both viable and sustainable.

8.2 Recommendation:

- As such, the business is highly recommended for appraisal and eventual funding by **BANKERS.**

Nexus Estates Limited
 "Bakery Project"
 Machinery & Equipment
 Figures in USD & Tshs "000"

Appendix 1

Equipment	Number	Rate in \$	Cost
Macadams Rack Oven	1	80,000	80,000
Macadams M180/2 Proover 2 Rack 2 Doors Walkthrough	1	11,000	11,000
Macadams Bun Divider & Rounder	1	19,700	19,700
SM120A Spiral dough mixer capacity 120 kg dough	1	24,500	24,500
Mini dough Moulder with adjustable pressure board	1	12,000	12,000
Stainless Steel Mac Trolley for Bread	2	1,500	3,000
Stainless Steel Mac Trolley for Confectionery	2	1,750	3,500
Mild Steel Baking Trays	72	58	4,176
Set of B04 Bread Tins Set of 4	180	90	16,200
Stainless Steel Table Plain Top	5	900	4,500
Heavy Duty Dumping Table	1	1,200	1,200
Model KD Bread Slicer	1	14,000	14,000
Macadams Cake Mixer 20 ltrs capacity	1	3,500	3,500
Stainless Steel Bread Cooling Trolley	4	1,350	5,400

SUB TOTAL (CIF-DAR)	202,676
ADD 18% VAT	36,482
TOTAL	239,158
At 1675 Exchange Rate	400,589
ADD: Clearing & Forwarding	9400
Inland Transport	7600
Installation	20,029
Grand Total	437,619

Nexus Estates Limited
"Bakery Project"
Office Equipment
Figures in Tshs "000"

Appendix 2

Item	Number	Rate	Total
Computer Set -Compaq	2	1,200	2,400
Air Conditioner (NISMA)	1	1,300	1,300
HP LASER JET	1	350	350
APC UPS	1	220	220
TOTAL			4,270

Nexus Estates Limited
"Bakery Project"
Vehicles
Figures in Tshs "000"
Appendix 3

Type	Number	Rate in Tshs	Total Value in Tshs
Fuso Trucks	1	22,000	22,000
Delivery Vans	2	15,000	30,000

TOTAL

52,000

Nexus Estates Limited
 "Bakery Project"
 Investment & Financing Pattern
 Figures in Tshs 000

Appendix 4

Item	Equity	Loan	Total
Machinery & Equipment	0	437,619	437,619
Land & Building	400,000		400,000
Vehicles	52,000		52,000
Office Equipment	4,270	0	4,270
Furniture & Fittings	4,500	0	4,500
Initial Working Capital	17,000	-	17,000
Pre-operational Expenses	12,500	-	12,500
TOTAL	490,270	437,619	927,889

Nexus Estates Limited
 "Bakery Project"
 Depreciation Schedule
 Figures in Tshs 000

Appendix 5

Item/Month	Value	Rate	Method	1	2	3	4	5
Machinery & Equipment								
Opening Balance	437,619	10%	SL	437,619	393,857	350,095	306,333	262,571
Allowance				43,762	43,762	43,762	43,762	43,762
Closing Balance				393,857	350,095	306,333	262,571	218,809
Land & Building								
Opening Balance	400,000	4%	SL	400,000	384,000	368,000	352,000	336,000
Allowance				16,000	16,000	16,000	16,000	16,000
Closing Balance				384,000	368,000	352,000	336,000	320,000
Vehicles								
Opening Balance	52,000	25%	SL	52,000	39,000	26,000	13,000	52,000
Allowance				13,000	13,000	13,000	13,000	13,000
Closing Balance				39,000	26,000	13,000	-	39,000
Office Equipment								
Opening Balance	4,270	20%	SL	4,270	3,416	2,562	1,708	854
Allowance				854	854	854	854	854
Closing Balance				3,416	2,562	1,708	854	-
Furniture & Fittings								
Opening Balance	4,500	12.50%	SL	4,500	3,938	3,375	2,813	2,250
Allowance				563	563	563	563	563
Closing Balance				3,938	3,375	2,813	2,250	1,688
Pre-operational Expenses								
Opening Balance	12,500	25%	SL	12,500	9,375	6,250	3,125	-
Allowance				3,125	3,125	3,125	3,125	-
Closing Balance				9,375	6,250	3,125	-	-
Total Depreciation				77,303	77,303	77,303	77,303	74,178
Closing Balance	910,889			833,585	756,282	678,978	601,675	527,497

Nexus Estates Limited
 "Bakery Project"
Loan Repayment Schedule
 Figures in Tshs 000

Appendix 6

Description	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Opening Balance	437,619	437,619	328,214	218,809	109,405
Principal Repayment		109,405	109,405	109,405	109,405
Closing Balance	437,619	328,214	218,809	109,405	0
Interest on Loan 23%	100,652	100,652	75,489	50,326	25,163
Loan Servicing Per Annum	100,652	210,057	184,894	159,731	134,568

Nexus Estates Limited
 "Bakery Project"
 Manpower Requirement
 Figures in Tshs

Appendix 7

Personnel	Number	Rate	Monthly Pay	Annual Pay
Bakery Manager	1	800	800	9,600
Store Keeper	1	500	500	6,000
Marketing/Sales Manager	1	500	500	6,000
Sales Personnel	2	220	440	5,280
Accounts Assistant	2	250	500	6,000
Drivers	3	200	600	7,200
Personal Secretary	1	150	150	1,800
Production Personnel	8	120	960	11,520
Total	19		3,650	43,800
NSSF 10%			365	4,380
SKILLS DEV LEVY 6%			219	2,628
GRAND TOTAL			4,234	50,808

Nexus Estates Limited
 "Bakery Project"
 Operating Costs Schedule
 Figures in Tshs "000"

Appendix 8

Particulars/Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Salaries/Wages	3650	3650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650	43,800
National Social Security Fund	365	365	365	365	365	365	365	365	365	365	365	365	4,380
Skills Development Levy 6%	219	219	219	219	219	219	219	219	219	219	219	219	2,628
Security Services	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Consultancy Fees	1,200		-	-	-	-	-	-	-	-	-	-	1,200
Printing & Stationery	220	-	-	-	-	-	-	-	-	-	-	-	220
Office Expenses	80	80	80	80	80	80	80	80	80	80	80	80	960
Medical Expenses	50	50	50	50	50	50	50	50	50	50	50	50	600
Promotion Expenses	1,500			1,500									6,000
Telephone/Fax	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Repair/Maintenance	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Insurance 1%	18,558												18,558
Total	27,142	5,664	5,664	7,164	5,664	5,664	7,164	5,664	5,664	7,164	5,664	5,664	93,946

Nexus Estates Limited
"Bakery Project"
Cost of Sales of Producing 160 Loaves
 (Baseline Costs)
Figures in Tshs
Appendix 9.1

Item	Quantity	Rate in Tshs	Total
Wheat Flour in Kgs	50	1,200	60,000
Sugar in Kgs	3	2,000	6,000
Vegetable Oil in Lts	1	2,500	2,500
Salt in Kgs	0.25	150	38
Yeast in Kgs	0.25	600	150
Improver	50	20	1,000
Calcium	50	20	1,000
Leavening Material	170	6	1,000
Diesel in Lts	2.5	2,400	6,000
Water in Lts	40	12.5	500
Miscellaneous			6,812
Total			85,000

Nexus Estates Limited
 "Bakery Project"
 Production & Sales Plan
 Figures in Tshs '000'
 Appendix 9.2

Item	Daily	Monthly	Year 1
Bread in Loaves of 500gms	4,200	109,200	1,310,400
Cost in Tshs	2,231	58,013	696,150

Sales at Tshs 750 @ Loaf	3,150	81,900	982,800
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Item	Daily	Monthly	Year 2
Bread in Loaves of 500gms	4,500	117,000	1,404,000
Cost in Tshs	2,391	62,156	745,875

Sales at Tshs 750 @ Loaf	3,375	87,750	1,053,000
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Item	Daily	Monthly	Year 3
Bread in Loaves of 500gms	4,800	124,800	1,497,600
Cost in Tshs	2,550	66,300	795,600

Sales at Tshs 750 @ Loaf	3,600	93,600	1,123,200
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Item	Daily	Monthly	Year 4-5
Bread in Loaves of 500gms	5,500	143,000	1,716,000
Cost in Tshs	2,922	75,969	911,625

Sales at Tshs 750 @ Loaf	4,125	107,250	1,287,000
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Nexus Estates Limited
 "Bakery Project"
 Projected Income Statement Year 1-5
 Figures in THz "000"

Appendix 10

Particulars	1	2	3	4	5
Bread Sales	982,800	1,053,000	1,497,600	1,716,000	1,716,000
Less: Cost of Sales	696,150	745,875	764,522	783,635	783,635
Gross Profit	286,650	307,125	733,078	932,365	932,365
Less: Operating Overheads	93,946	103,340	113,674	125,042	137,546
Operating Income	192,704	203,785	619,404	807,323	794,819
Less: Capital Charges					
Economic Depreciation	6,442	6,442	6,442	6,442	6,442
Interest Expense at 23%	100,652	100,652	75,489	50,326	25,163
Profit Before Tax	85,610	96,690	537,473	750,555	763,214
Corporation Tax 30%	25,683	29,007	161,242	225,167	228,964
Net Profit	59,927	67,683	376,231	525,389	534,250

Nexus Estates Limited
 "Bakery Project"
 Discounted Cash flow
 Figures in Tshs "000"

Appendix 12

Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
INFLOWS:						
Profit after Tax	-	59,927	67,683	376,231	525,389	534,250
Depreciation	-	77,303	77,303	77,303	77,303	74,178
Residual Fixed Assets	-					527,497
Total Inflows	-	137,230	144,987	453,534	602,692	1,135,925
OUTFLOWS:						
Investment	927,889	0	0	0	0	52,000
Total Outflows	927,889	0	0	0	0	0
Net Cash flow	-927,889	137,230	144,987	453,534	602,692	1,083,925

NPV 23%

139,482

IRR

28.92%

COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

NEXUS ESTATES LIMITED

DRAWN BY

DEUS SUNGWA MGENGELI – Subscriber

P.O Box 1214

Mwanza

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
NEXUS ESTATES LIMITED

1. Name of the Company is NEXUS ESTATES LIMITED
2. The registered office of the Company shall be situated within the United Republic of Tanzania.
3. The objects for which the company is established are:-
 - (a) To purchase, lease, or otherwise acquire, and to hold, sell, improve, develop, exchange, mortgage or otherwise dispose of any lands, building, machinery or plants, mills, factories, warehouses or any hereditaments, To carry business of land development, construction, ownership and operation of real estate and any other business.
 - (b) To enter into (partnership or into) any arrangements for sharing profits, union or interests, Co-operation, joint venture, reciprocal, concession, or otherwise with any persons, firm or Company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorised to carry on, or engaged in business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of, or otherwise assist, and sell, hold, reissue with or without guarantee, or otherwise deal with the same.
 - (c) To promote any other company for the purpose of all or any of the property, and undertaking, or any business or operation which may appear likely to assist benefit this Company, or to enhance the value of the property or business of this 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 each Company as aforesaid.
 - (d) To lend and advance money or give credit to such persons, firms or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantee to become surety for any persons, firms or companies for the due payment of money for the performance of any obligations or liabilities.
 - (e) To receive money or deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the

repayment of money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other person or company as the case may be.

- (f) To sell or otherwise dispose of the whole or any part of the business or property of the company either together or in portions, for such consideration as the company thinks fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (g) To purchase or otherwise acquire letters, patents, brevets d'invention, concessions, licenses, rights and privileges subject to royalty or otherwise, and whether exclusive or in-exclusive or limited, or any part interest in such letters, patents, brevets, brevets d'invention, concession licenses, right and privileges, whether in East Africa or in any part of the world.
- (h) To take all necessary and proper steps with the authorities, national, local, municipal, or otherwise, of any place in which the company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the company or effecting any modification in the constitution of the company or furthering the interests of its members, and to oppose any steps taken by any other company or persons which may be considered likely, directly or indirectly, to prejudice the interest of the company or its members.
- (i) To draw, make, accept, endorse, discount, negotiate, execute and issue, buy, sell, and deal in bills of exchange, promissory notes and other negotiable or transferable instruments, amalgamate or enter into partnership or any joint venture or profit-sharing arrangement with, and to co-operation in any way with or assist or subsidise any Company, firm or person.
- (j) To promote or concur in the production of any company, the promotion of which shall be considered desirable, to lend money to and guarantee the performance of the contracts, obligations of and the payment and repayment of the capital and principal of, and dividend interest or premiums payable on any stock, shares and securities of any Company, firm, or person, whether having objects similar to those of this Company or not, and to give all kinds of indemnities.
- (k) To sell, lease, grant licenses, easements and other rights over and in any other manner, deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and, in particular, for stock, shares or securities of any other company, whether fully or partly paid up.
- (l) To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally

or other and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by, or incidental to, the ownership thereof.


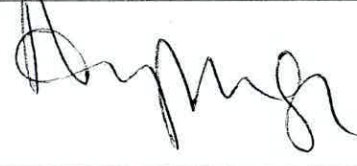
- (m) To issue debentures, debenture stock, bonds, obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise, and to charge or secure the same by trust deed or otherwise on the undertaking of the company or upon any specific property and rights, present and future, of the company (including, if thought fit, uncalled capital) or otherwise howsoever.
- (n) To take part information, management, supervision, or control of business or operations of any company, and for that purpose to act as Directors, Administrators, Managers, Secretaries or any other capacity and to appoint and remunerate any directors, administrators, managers, accountants or other expense or agents.
- (o) To procure the registration of the company in or under the laws of any place outside Tanzania.
- (p) To purchase, sell, subscribe for, underwrite, or otherwise acquire and hold shares, stocks or other interest in, or obligations of any other company or corporation.
- (q) To distribute amount the members of the company, in kind any property of the company, and in particular shares or securities of other companies belonging to this company. •
- (r) To act as agents, or brokers and as trustees for any persons or company and to undertake and perform sub-contracts and to do all or any of the above business in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.
- (s) To do all such lawful business of whatever description.
- (t) To carry on business of all types of agricultural, dairy and industrial equipment, machinery, implements, raw materials, spare parts for industrial, transport agriculture and mineral sector as an importer, exporter, distributors, wholesaler and retailer and also farming business.

AND it is hereby declared that word "Company" in this clause, except where used in reference of this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects set forth in any sub-clause or by the name of the company, none of such sub-clauses or the objects herein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause, but the company shall have full powers to exercise all or any of the powers conferred by any part of this clause and not transacted,

acquired, dealt with or performed do not fall within the objects of the first sub-clauses of this clause.

4. The liability of the members is limited.
5. The authorised share capital of the company is Shillings 500,000,000,000 divided into 500,000 shares of Shillings 1,000,000/= each, with power for the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue of shares, whether declared to be preference or otherwise, shall be subject to the power here in before contained.

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

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES	SIGNATURE
DEUS SUNGWA MGENGELI P.O. Box 1214, MWANZA.	255,000	
AMA MARIA KAPINGA, P.O. Box 1214, MWANZA.	20,000	

Dated at Mwanza this 25th Day of **September 2011**

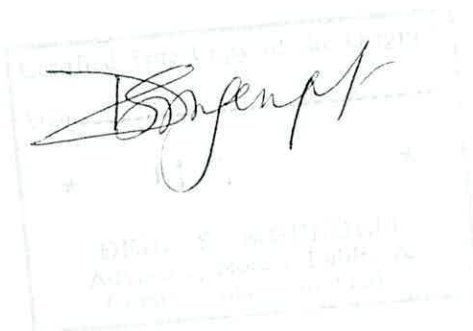
Witness to the above signatures:

NAME: Geoffrey Kange

SIGNATURE: 

POSTAL ADDRESS: P. Box 11317 - Mwanza

QUALIFICATION: Advocate



THE COMPANIES ACT 2002

.....
PRIVATE COMPANY LIMITED BY SHARES

.....
ARTICLES OF ASSOCIATION

OF

NEXUS ESTATES LIMITED

1. In these articles, unless the context otherwise requires, expression defined in the Companies Act 2002 or any statutory modification thereof in force at the date at which these articles become binding on the Company (hereinafter referred to as "The Act"), shall have the meanings so defined; and words importing the masculine gender shall include the feminine and words importing persons shall include bodies corporate.
2. The regulations made herein shall apply to this Company and the regulations contained in part 1 of Table A will only apply as modified by the following regulations and if there appears or arise any inconsistency between the provisions of these regulations and those of Table A the provisions of these regulations herein shall prevail.

SHARES

3. The Company is registered as a private company and accordingly:-
 - (a) The right to transfer shares is restricted in the manner hereinafter provided.
 - (b) The number of the members of the Company (exclusive of the persons who are in the employment of the Company) is limited to fifty, provided that when two or more persons hold one or more shares in the Company jointly, they shall for the purpose of these articles be treated as a single person.
 - (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
 - (d) The company shall not have power to issue share warrants to bearer.
4. The shares shall be under the control of the Directors, who will allot or otherwise dispose of the same to such persons and on such conditions and terms, as they think fit.

5. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common Seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
6. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee and indemnity as the Directors think fit.
7. Without prejudice to any special rights previously conferred on the holders of existing shares, any shares may be issued with such preferred, deferred to other special rights or restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable to be redeemed.
8. The Company shall not be bound to recognise any equitable contingent future or partial interest in any share or any right in respect of a share other than an absolute right thereto in the person or persons from time to time registered as the holder or holders thereof, but the Directors shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons who may have an interest therein.
9. The Company shall have first and paramount lien upon all shares (whether fully paid or not) registered in the name of any member, either alone or jointly with any other person for his debts liabilities and engagements whether solely or jointly, with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors may, from time to time, declare any share to be exempt, wholly or partially, from the provisions of this article.
10. No member shall be entitled to receive any dividend or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
11. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time so specified the amount called on his shares. A call shall be deemed to have been made the time when the resolution of the Directors authorising the call was passed.
12. The joint holders of share shall be jointly and severally liable to pay all calls in respect thereof.

13. The Directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares to a person or entity of whom they do not approve, and they may also decline to register any transfer of shares on which the Company has a lien. The Directors may also suspend the registration of transfers during the fourteen.

14. Days immediately preceding the Ordinary General Meeting in each year and at such other time as the Directors may direct, not exceeding in all thirty days in each year. The Directors may decline to recognise any instrument of transfer unless

(a) A fee not exceeding One Hundred Thousand Shillings is paid to the Company in respect thereof, and (b) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Director refuse to register any shares they shall within two months after the date on which the transfer was lodged with the Company send the transferee notice or such refusal.

(b) Any share may be transferred at any time by a member to the other member or a spouse or offspring of the transferor member and any share of the deceased member may be transferred by his executors or administrators of such deceased member's spouse or offspring.

(c) Save as herein otherwise provided no share shall be transferable to a person or entity who is not a member of the Company so long as any member thereof is willing to purchase the same at a fair value. Such fair value shall be determined by the unanimous decision of the Directors of the Company as and when such occasion for sale or transfer arises and such determination of the Directors shall be accepted by all the parties as fair value. In the event that all of the Directors fail to reach agreement on the fair value, an independent auditor shall be selected by the Directors to determine the fair value for such shares. Upon refusal by all the members of the Company to buy the shares of a member such last mentioned member shall be entitled to sell such shares to any persons or entities and the Directors shall register or cause to be registered the transfer relating to such shares.

(d) Notwithstanding anything contained herein a share shall be transferable to any one with the written consent of the Directors and the Directors shall have the power to register such transfer.

15. Shares shall be transferred in the following form, or in any usual or common form which the Directors shall approve:-

I, A.B., of _____ in consideration of the sum of Shs. _____ paid to me by C.D., of _____ (hereinafter called "the said transferee") do hereby transfer to the said transferee the share (or shares) numbered _____ in the undertaking called **NEXUS ESTATES LIMITED** to hold unto the said transferee subject to the several conditions on which I hold the same and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

At Witness our hands the _____ day of _____, 20__

Witness to the signature of, etc.

16. The executors or administrators of a deceased member (not being one of the several joint holders) or, a court appointed receiver or trustee in liquidation, in the event of a winding up, dissolution or other similar action where the shareholder is an entity, shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and in case of the death, winding up, dissolution or other similar action, of any one or more of joint registered holders of any registered shares, the survivor or survivors or the legal personal representatives of the deceased survivor or the court appointed receiver or trustee in liquidation, as the case may be, shall be the only persons recognised by the Company as having any title to or interest in such shares.
 17. Any person or entity becoming entitled to a share in consequence of the death, winding up, dissolution or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the Directors, 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, wound up, dissolved or bankrupt person or entity could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have in the case of a transfer of a share by the deceased, wound up, dissolved or bankrupt person before the death, winding up, dissolution or bankruptcy.
 18. A person or entity becoming entitled to a share by reason of the death, winding up, dissolution, or other similar action, or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he/it would be entitled if he/it were the registered holder of the share, except that he/it shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
 19. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
 20. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which 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 appointed the shares in respect of which the call was made will be liable to be forfeited.
-
21. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
 22. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
 23. A person or entity whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him/it to the Company in respect of the shares, but his/its liability shall cease if and when the Company receives payment in full of the nominal amount of the shares.

24. A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons or entities claiming to be entitled to the share, and that declaration, and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person or entity to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his/it title to the share be affected by and irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the shares.

ALTERATION OF CAPITAL

25. The Directors may, with the sanction of an extra-ordinary resolution of the Company, increase the capital by such sum to be divided in shares of such amount, as the resolution shall prescribe.
26. The new shares be issued upon such terms and conditions and with such rights and privileges annexed thereto and subject to such conditions and restrictions as the General Meeting resolving upon the creation of such new shares shall direct of as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of the asset of the Company and with or without any right of voting.
27. The Company in General Meeting may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the then shareholders of any class of shares, in proportion to the amount of the capital held by them, or make any other provision as to the issue and allotment of the new shares; but, in default of any such determination the new shares may be dealt with as if they formed part of the shares in the original capital.
28. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with references to the payment of calls and installments, control, transfer and transmission, forfeiture lien, surrender and otherwise.
29. The Company may, by special 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, reduce its Share Capital, any capital redemption reserve fund or any share premium account in any way but always nevertheless subject to the provisions of the Act;
 - (c) Cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of the share capital by the amount of the shares so cancelled.

GENERAL MEETINGS

30. A General Meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding General Meeting) as may be prescribed by the Company in General Meeting, or in default, at such time in the month following that in which the anniversary of the Company's incorporation occurs as the Directors shall appoint. In default of a General Meeting being so held, a General Meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
31. The above mentioned General Meetings shall be called Ordinary Meetings; all other General Meetings shall be called Extraordinary Meetings.
32. The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened, may be convened by such requisitionists as is provided by the Section 134 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 Directors.

NOTICE OF GENERAL MEETINGS

33. When it is proposed to pass a special resolution twenty one clear days' notice and in other cases fourteen days notice specifying the place, day and hour of meeting, and, in case of special business, the general meeting, and, in case of special business, the general nature of such business, shall be given to the members either by advertisement or by notice sent by post.
34. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

35. All business shall be deemed special that is transacted at any Ordinary Meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, and the ordinary report of the Directors and Auditors, the election of Directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the auditors.
36. No business shall be transacted in any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members personally present shall be a quorum. A corporation present by a proxy who is not a member shall be deemed to be a member personally present for the purposes of this clauses.
37. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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 the adjourned meeting a quorum is not

present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

38. The Chairman or in his absence the Deputy Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.
39. If there is no such Chairman or Deputy Chairman, or if any meeting they are not present within fifteen minutes after the time appointed for holding the meeting, or are unwilling to act as Chairman, the members present shall choose some one of their number to be Chairman.
40. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at the adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
41. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting or by at least two members present in person or by proxy and, unless a poll is so demanded a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and entry to that effect in the minute book shall conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
42. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once, after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same, and such determination made in good faith shall be final and conclusive.
43. In the case of an equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
44. 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. No poll shall be demanded on the election of a Chairman or a meeting, and a poll demanded on a question of adjournment shall be taken at the meeting without adjournment.

VOTES OF MEMBERS

45. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is the holder. A corporation present by a proxy who is not a member shall be deemed to be a member present in person for the purposes of this clause.
46. Any person entitled under the transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares,

unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

47. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if were solely entitled thereto; and if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of such shares shall alone be entitled to vote in respect thereof; several executors or administrators of a deceased member in whose sole name any shares stand shall for the purposes of this clause be deemed joint holders thereof.
48. 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, curator bonis or other person in the nature of a committee or curator bonis appointed by that court, and such committee, curator bonis or other person may on a poll, vote by proxy.
49. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the office or by the chairman of the meeting before the vote is given.
50. No member shall be entitled to be present, or to vote on any question, either personally or by proxy, or as proxy for another member, at any General Meeting, or upon a poll, or 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 of such member.
51. On a poll votes may be given either personally or by proxy.
52. The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he is appointed to act at that meeting as proxy for a corporation.
53. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting or taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
54. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve.

NEXUS ESTATES LIMITED

I, _____, of _____
being a member of _____ hereby appoint
_____ of _____ as my proxy to
vote for me and on my behalf at the ordinary (or Extraordinary, as the case may be)

General Meeting of the Company to be held _____ on
the day of _____ and at any adjournment thereof.

Signed this _____ day of _____, 20__

DIRECTORS

55. Unless otherwise determined by a General Meeting the number of Directors shall not be less than two and not more than seven. The following shall be the first Directors of the Company:

- 1. DEUS SUNGWA MGENGELI**
- 2. AMA MARIA KAPINGA**

56. The remuneration of each of the Directors shall be determined by the Company in General Meeting from time to time. The Directors shall also be entitled to be prepaid all traveling expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of traveling to and from Board meeting. If any Directors shall render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration in addition to his salary, commission, or participation in profits or otherwise as may be arranged.

57. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the Directors shall not, except in emergencies or for the purpose of filling up vacancies, act so long as the number is below the minimum.

58. A limited liability company or other corporation shall be capable of being appointed a Director and shall discharge its duties and functions from time to time through one of its nominee but in no other manner.

59. The Directors shall have power, upon mutual agreement, at any time, and from time to time, to appoint any other qualified person as a Director, either 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. But any Directors so appointed shall hold office only until the next following Ordinary General Meeting of the Company, and shall then be eligible for re-election.

POWERS AND DUTIES OF DIRECTORS

60. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company, and may exercise all such powers of the Company as are not by the Act, or any statutory modification thereof for time being in force, or by these articles, required to be exercised by the Company in general meeting, and the exercise of the said powers shall be subject also to the control and regulation of any general meeting of the Company, but no resolution of the Company in general meeting shall invalidate any prior act of the Director which would have been valid if such resolution had not been passed. In the management of the Company's business, no Director as such shall incur any

- personal liability except for a breach of any express contract between himself and the Company or a breach of trust knowingly and willfully committed by himself.
61. The Directors may from time to time appoint, one or more of their body to the office of Managing Director or to such other executive office under the Company for such term, and at such remuneration (by way of salary, or commission or participation in profits, as they may think fit and a Director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation or retirement of Director, but his appointment shall be subject to determination ipso facto if he ceases from any cause to be a Director, or if the Company in general meeting resolves that his tenure of the office of Managing Director or executive be determined.
 62. The Directors may from time to time at their discretion borrow any sum of money for the Company's business and may give such security as may be necessary or expedient.
 63. The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the Directors, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of capital, and copies of special and extraordinary resolutions, and a copy of the register of Directors, and notification of any charges therein.
 64. The Directors shall cause minutes to be made in books provided for that purpose:-
 - (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;
 - (c) of all resolution and proceedings at all meetings of the Company; and of the Directors and of the Committees of Directors;and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

RESOLUTION WITHOUT MEETING

65. A resolution determined without any meeting of the Directors and evidenced by the assenting signatures under the hands of the majority of the Directors, shall be as valid and effectual as a resolution duly passed at a meeting of the Directors. The resolution shall be submitted to each Director for his approval or dissent.
- 65 (a) The Directors shall provide a common seal for use at its registered office and as many facsimile thereof for use outside Tanzania in places, districts or territories where the Company had or may have opened an office or extended its operations for the purposes of the Company and substitute a new Common Seal therefore and as many new facsimile thereof as may be necessary or expedient. The Seal or its facsimile shall never be used except by the authority of the Directors or a Committee of the Directors previously given.

- (b) Every deed or other instrument to which the Seal of the Company or its facsimile is required to be affixed shall, unless the same is executed by a duly constituted attorney or the Company, be signed by two Directors or one Director and the Company Secretary in whose presence the Seal or its facsimile shall have been affixed.

DISQUALIFICATION OF DIRECTORS

66. The office of Director shall ipso facto be vacated:-

- (a) if the Director becomes bankrupt or suspend payment or compound with creditors; or
- (b) if the Director is found to be lunatic or becomes or unsound mind; or
- (c) if the Director absents himself from the meetings of the Directors for a continuous period of six months without special leave of absence from the Directors, and the Board resolves that his office be vacated; or
- (d) if without the consent of the Company the Director accepts holds any other office or place of profit under the Company except that of Managing Director, Manager, Lawyer or Secretary; or
- (e) if the Director is concerned or interest in or participates in the profits or any contract with or work done for the Company; but no Director shall vacate his office by reason of his being a member of any corporation which has entered into contracts with or done any work for this Company or which is concerned in or participates in the profits of any contracts with the Company if he shall have declared the nature of his interest in manner required by the Act.
- (f) if by notice in writing to the Company the Director resigns his office; or
- (g) if the Director ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director.

ROTATION OF DIRECTORS

67. At the first Ordinary Meeting of the Company the whole of the Directors shall retire from office, and at the Ordinary Meeting in every subsequent year one third of the Directors of the time being, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
68. (a) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the

same day those to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) Notwithstanding any restriction contained herein 70% of the shareholders present at a general meeting may by resolution nominate any Directors to the office of a Director for a further period of one year.

69. A retiring Director shall be eligible for re-election.
70. The Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereof.
71. If at any general meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled up, he shall, if willing, continue in office until the Ordinary Meeting in the next year, and so on from year to year until his place is filled up, unless it shall be determined at such meeting on due notice to reduce the number of Directors in office.
72. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, upon mutual agreement, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
73. The Directors shall have power, upon mutual agreement, at any time, and from time to time to appoint a person as an additional Director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the Company at that meeting as an additional Director.
74. The Company may by extraordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

PROCEEDINGS OF DIRECTORS

75. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. During his absence from East Africa a Director shall not be entitled to have notice of such meeting.
76. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two.

77. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company but for no other purpose.
78. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; and unless otherwise determined the period for which he shall hold office shall be one year; but if no such Chairman is elected or if at any one meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors may choose one of their number to be Chairman of the meeting.
79. The Directors may delegate any of their powers to a committee consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to regulations that may be imposed on them by the Directors.
80. Any Director who is absent from East Africa or is about to leave East Africa may appoint any duly qualified member of the Company (not being already a Director of the Company) who is approved by the majority of the Directors, to be an alternate or substitute Director during such period (not exceeding six months) as he is so absent. The appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat as a Director, but he shall not be required to have any share qualification, and shall not be entitled to remuneration otherwise than out of the remuneration of the Director appointing him. Any appointment so made may be revoked at any time by the appointor or by a majority of the other Directors, and any appointment or revocation under this clause shall be effected by notice in writing to be delivered to the Secretary of the Company.
81. A Committee may elect a Chairman of their meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.
82. A Committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.
83. All acts done by any meeting of the Directors or of a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be valid as if every such person had been duly appointed and was qualified to be a Director.

LOCAL MANAGEMENT

84. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any part of Tanzania or abroad in such manner as they think fit, and the provisions contained in the four next following articles shall be without prejudice to the general power conferred by this paragraph.
85. The Directors from time to time, and at any time, may establish any local boards or agencies for managing any of the affairs of the Company in any locality where the Company carries on business and may appoint any person to be member of such local board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than the power of making calls, and may authorise the members for the time being of any such local board, or any of the agencies to fill up any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
86. The Directors may at any time, and from time to time, by power of attorney under the Company's seal, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit; and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid, or in favour of any company, or of the members, directors, nominees, or managers of any company or firm, or in favour of any person or persons whether nominated directly or indirectly by the Directors; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.
87. Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
88. The Company may exercise the powers conferred by the Act and such powers shall accordingly be vested in the Directors, and the Company may cause to be kept in any part of Tanzania or any part of the world in which it transacts business a branch register of members resident in that part.

DIVIDEND AND RESERVE

89. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
90. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.
91. No dividend shall be paid otherwise than out of the profits.
92. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the

Company, dividends may be declared and paid according to the amounts of the shares.

93. The Directors may, before recommending any dividend set aside, out of the profits or the Company, such sums as they think proper as a reserve fund to meet contingencies, or for equalising dividends, or for property of the Company, and for such other purposes or other person in the nature of a committee or curator bonis appointed poses as the Directors shall in their absolute discretion think conducive to the interests of the Company; and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the Company and that without being bound to keep the same separate from other assets.
94. If several persons are registered as joint holders of any shares anyone of them may give effectual receipts for any dividend payable on the share.
95. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.
96. The Declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
97. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the call. The making of call under this cause shall be deemed ordinary business of any Ordinary General Meeting which declares a Dividend.
98. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or debenture stock of the Company or paid up shares, debentures or debenture stock of any other company, or in any one or more of such ways.
99. Any General Meeting may resolve that any moneys, investments or other assets forming part of the dividend profits of the Company standing to the credit of the reserve fund or in the hands of the Company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the said Company which shall be distributed accordingly or in or towards payment

of the uncalled liability on any issued shares or debentures or debenture stock, and that such distribution or payment shall be accepted by the such shareholders in full satisfaction of their interest in the said capitalised sum.

100. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.
101. The Directors may retain the dividends payable upon shares in respect of which any person is under the transaction clause entitled to become a member or which any person under that clause entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.
102. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding; and every cheque or warrants so sent shall be made payable to the order of the person to whom it is sent.
103. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the Directors for the benefit of the Company.
104. No dividend shall bear interest against the Company.

ACCOUNTS

105. The Directors shall cause true accounts to be kept:-
 - (a) of all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place; and
 - (b) of all sales and purchases of goods by the Company;
 - (c) of the assets and liabilities of the Company.
106. The books of account shall be kept at the registered office of the Company, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
107. The Directors shall from time to time determine whether and to what extent and what times and place 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 of the Company or by the Company in a General Meeting.

108. At the general meeting in every year, the Directors shall lay before the Company a profit and loss account, and a balance sheet, containing a summary of the property and liabilities of the Company, made up to a date not more than six months before the meeting, from the date up to which the last preceding account and balance sheet were made up, and in the case of the first account and balance sheet from the incorporation of the Company, and such balance sheet and account shall comply with the provisions of the Act.
109. Every such account and balance sheet shall be accompanied by the auditor's report and a report of the Directors as to the state and condition of the Company, and as to the amount (if any) which they recommend to be paid out of the profits by way of dividend or bonus to the members and the amount (if any) which they propose to carry to the reserve fund, according to the provisions in that behalf hereinbefore contained; and the account, report and balance sheet shall be signed by two Directors.
110. A copy of such balance sheet and report shall, fourteen days before to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

AUDIT

111. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more auditor or auditors.
112. The Company at each General Meeting shall appoint an auditor or auditors to hold office until the next General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 170 – 179 of the Act.
113. Every account of the Directors, when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof, whenever any such error is discovered within that period, the account shall forthwith be corrected, and thenceforth shall be conclusive.

NOTICES

114. A notice may be given by the Company to any member either personally, or by sending it through the post in prepaid letter addressed to such member at his registered address, or (if he has no registered address in Tanzania) at the address, if any, within Tanzania supplied by him to the Company for the giving of notices to him.
115. As regards those members who have no registered place of address in Tanzania, a notice posted up in the office shall be deemed to be well served on them at the expiration of twenty-four hours after it is so posted up.

116. The holders of shares warrants shall not, unless otherwise expressed therein, be entitled in respect thereof to notice of any General Meeting of the Company, and it shall not be necessary to give notice of General Meeting to any person entitled to a share by transmission unless such person shall have been duly registered as a member of the Company.
117. Any notice sent by post shall be deemed to have been served on the day on which the letter, envelope or wrapper containing the same is posted, and proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed and put into post office. A certificate in writing signed by any manager, secretary or other officer of the Company, that the letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.
118. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
119. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by title of representatives of the deceased, or trustee of the bankruptcy or by any like description, at the address, if any, in Tanzania supplied for the purpose by the persons claiming to be so entitled, or (until such an address had been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
120. Notice of every General Meeting shall be given in the manner hereinbefore authorised to (a) every member of the Company except those members who (having no registered address within Tanzania) have not supplied to the Company an address within Tanzania for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or bankruptcy of a member who but for his death or bankruptcy, would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of General Meeting.

WINDING UP

121. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid-up at the commencement of the winding up, on the shares held by them respectively. And if in winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively.

122. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of an extraordinary resolution, divide among the contributories, in specie or in-kind, any part of the assets of the Company, and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators, with the like sanction, shall think fit.

REMINDERS

123. The Directors shall comply with the following provisions amongst others of the Act:


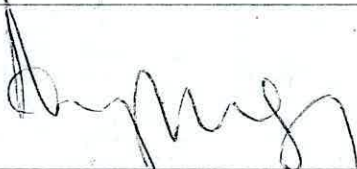
- (a) Sending in proper return of allotments
- (b) Sending to the Registrar notice of consolidation or sub-division of shares
- (c) Notice of increase of share capital
- (d) Keeping registers of mortgages and charges and allowing inspection, and registering such mortgages and charges with the registrar
- (e) Keeping a register of members.
- (f) Making an Annual Return, etc.
- (g) Calling a General Meeting every year within the proper time
- (h) Sending to the Registrar copies of special and extraordinary resolution, etc.
- (i) Keeping a register of Directors and notifying their names and nationality and changes in the Board

ALTERATION OF ARTICLES

124. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by special resolution make alterations or additions to the Articles of Association and any such alteration or addition so made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by special resolution.

INDEMNITY

125. Every Director, Managing Agent, Auditor, Manager, Secretary, and other officer or servant of the Company shall be indemnified by the Company against all the costs, losses and expenses which such officer or servant of the Company may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties, except any such as shall have arisen from their own respective willful acts or defaults.

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES	SIGNATURE
DEUS SUNGWA MGENGELI P.O. Box 1214, MWANZA.	255,000	
AMA MARIA KAPINGA, P.O. Box 1214, MWANZA.	20,000	

Dated at Mwanza this 30th Day of **September 2011**

Witness to the above signatures:

NAME: Geoffrey Kanga

SIGNATURE: 

POSTAL ADDRESS: P.O. Box 11317 - New

QUALIFICATION: Advocate

