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CRDB BANK PLC

Head Office: Azikiwe Street,  
P.O. Box 268, Dar es Salaam, Tanzania.

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Email: crdb@crdbbank.com

Website: <http://www.crdbbank.com>

**FACILITY LETTER**

**FROM**

**CRDB BANK PLC**

**TO**

**RADDY FIBER SOLUTION LIMITED**

**Drawn by:**

**CRDB Bank Plc  
Head office  
Azikiwe Street,  
P. O. Box 268,  
Dar es Salaam.**

Dear Borrower,

Date: 11<sup>th</sup> October, 2018

This is to inform you that, CRDB Bank Plc (hereinafter the Bank) has agreed to issue to RADDY FIBRE SOLUTION LIMITED a company incorporated under the laws of Tanzania with registration number 69359 and having its registered office at Plot no. 1249/11 Morogoro Road, Bibi Titi, Dar es Salaam (hereinafter the Borrower), the facility (hereinafter the Facility) on the terms and conditions provided in this facility letter (hereinafter the Facility Letter) together with the Standard Terms and Conditions (collectively referred to as the "Facility Agreement").

1. THE FACILITY

S/No.	Type	Amount in "USD"	Amount in "TZS"
a)	Term Loan Facility	USD 5,135,000/-	
b)	Overdraft Facility-I	USD 1,450,000/-	
c)	Overdraft Facility-II		TZS 1,000,000,000/-
d)	Off Balance Sheet Facility	USD 350,000/-	
	<b>TOTAL</b>	<b>USD 6,935,000/-</b>	<b>TZS 1,000,000,000/-</b>

2. TERMS AND CONDITIONS

2.1. Term Loan Facility

a) Tenor	96 months from the date of first drawdown including a grace period of 18 months.
b) Purpose	The Facility shall be used to partly finance establishment of Fiber Optic Cable Manufacturing Plant on Plot no. 13, Block E, Mwambaya village in Mkuranga District.
c) Interest rate	<ul style="list-style-type: none"><li>4.5% plus margin of 6 months libor with a minimum of 7.5% per annum.</li><li>The interest rate of 7.5% per annum shall be charged during the grace period and shall be payable monthly as it accrues."</li></ul>
d) Repayment	Without prejudice to the continuous right of the Bank to demand repayment of all amounts due under this Facility Letter [upon an occurrence of an Event of Default as specified under the Facility Agreement], the outstanding Term Loan Facility and any interest accrued thereon from time to time, shall be repaid in <i>monthly</i> as per tentative repayment schedule attached in annex-II.  After drawdown, a system generated repayment schedule can be obtained by the Borrower upon written request.
e) Drawdown	<ul style="list-style-type: none"><li>The Facility shall be disbursed in tranches and guided by signed contracts/original invoices/certificates/confirmation from contractor/supplier, as the case may be.</li></ul>

Initials: Bank



Borrower



		<ul style="list-style-type: none"> <li>All payments shall be made directly to civil contractors/suppliers of machinery and equipment, as the case may be. Payment to suppliers shall be by way of letter of credit.</li> <li>Subsequent disbursements shall be upon the Bank being satisfied that previous disbursements were utilized for the approved purpose.</li> </ul>
f)	<b>Specific Terms</b>	<p>Prior to drawdown of the Term Loan Facility:-</p> <ul style="list-style-type: none"> <li>the Borrower must demonstrate to the Bank availability of 30% of the total Project cost amounting to USD 1,811,130/-; and</li> <li>all securities listed in Clause 3 are duly registered.</li> </ul>

2.2. **Overdraft Facility**

a)	<b>Tenor</b>	12 months from the date of first drawdown
b)	<b>Purpose</b>	The Overdraft Facility -I and Overdraft Facility -II shall be used to take over existing working capital facilities from Standard Chartered Bank Limited (SCB) and NIC Bank Limited (NIC), respectively. The two shall continue to be used as working capital for various activities of the Borrower's business.
c)	<b>Interest rate</b>	<ul style="list-style-type: none"> <li>The interest rate for the Overdraft Facility-I shall be 4.5% plus margin of 6 months libor with a minimum of 7% per annum.</li> <li>The interest rate for the Overdraft Facility -II shall be 16% per annum.</li> </ul>
d)	<b>Repayment</b>	The Facility shall be repayable on demand. Without prejudice to the continuous right of the Bank to demand repayment of all amounts due under this Facility Letter at any time, the outstanding Overdraft Facility and any interest accrued thereon from time to time, shall be repaid by the date falling 12 months from the date of disbursement unless the Bank did grant in writing the renewal of the Overdraft Facility or extension thereof.
e)	<b>Specific Terms</b>	<p>The Overdraft Facilities shall be disbursed directly to SCB and NIC, respectively upon:-</p> <ul style="list-style-type: none"> <li>receipt of confirmation from SCB and NIC of the outstanding loan balance;</li> <li>receipt of the signed undertaking to surrender the securities (and their respective discharge forms) to the Bank once SCB and NIC receive funds from the Bank; and</li> <li>signing of all legal documents in connection with the securities listed in Clause 3 herein.</li> </ul>

Initials: Bank 

Borrower  A. Mchamits

2.3. Off Balance Sheet Facility

a)	<b>Maximum Tenor</b>	12 months from the date of first drawdown
b)	<b>Purpose</b>	The Facility shall be used to take over existing bank guarantee facility from NIC Bank Limited.
c)	<b>Commission</b>	0.5% per quarter or part thereof (Minimum USD 200).
d)	<b>Interest Charged on Unpaid Commitment</b>	The un- reimbursed amount shall attract interest rate of 7% and shall accrue from day to day on the outstanding balance commencing from and including the date when the Bank shall have made the necessary payments in favor of the beneficiary of the guarantee/letter of credit and charged to the account on a monthly basis.
e)	<b>Specific Terms</b>	N/A

3. SECURITY

The Facility shall be secured by the following securities:-

3.1. Security

S/No	Type of Charge and Description of Security	Documents of Title	Owner	Location
a)	A first ranking legal mortgage	CT NO. 152603 LO NO. 466996	Raddy Fiber Manufacturing Tanzania Limited	Plot NO. 13 Block E, Mwambaya Mivule, Mkuraga District
b)	A first ranking legal mortgage	CT NO. 121566 LO NO. 456737	Ramadhani Hassani Mlazi	Plot NO. 929/1 Block H, Mbezi in Dar es Salaam City
c)	A first ranking legal mortgage	CT NO. 95348 LO NO. 391470	Ramadhani Hassani Mlazi	Plot NO. 2645 Block "A", Yombo Vituka in Dar es Salaam City
d)	A first ranking legal mortgage	CT NO. 172141 LO NO. 744105	Raddy Fiber Solution Ltd	Plot NO. 22 Block "A", Yombo Vituka in Temeke Municipality
e)	A first ranking legal mortgage	CT NO. 83369 LO NO. 389509	Ramadhani Hassani Mlazi	Plot NO. 1112 Block "A", Yombo Vituka in Dar es Salaam City
f)	A first ranking legal mortgage	CT NO. 89963	Ramadhani Hassani	Plot NO. 2102

Initials: Bank.....



Borrower.....



S/No	Type of Charge and Description of Security	Documents of Title	Owner	Location
	mortgage	LO NO. 410044	Mlanzi	Block "A", Makongo, Kinondoni Municipality
g)	A first ranking legal mortgage	CT NO. 92263 LO NO. 391186	Ramadhani Hassani Mlanzi	Plot NO. 113 Block "A", Yombo Vituka in Temeke Municipality
h)	A first ranking legal mortgage	CT NO. 129194 LO NO. 523461	Ramadhani Hassani Mlanzi	Plot NO. 2025 Block "E", Mtoni Kijichi area in Temeke Municipality
i)	A first ranking legal mortgage	CT NO. 46857 LO NO. 134254	Salum Joram Ulendo to be transferred to Ramadhani Hassani Mlanzi	Plot NO. 125 Block "A", Medium Density Yombo Vituka in Dar es Salaam City
j)	A first ranking legal mortgage	CT NO. 174472 LO NO. 698473	Ramadhani Hassani Mlanzi	Plot NO. 60 Block "J", Magomeni area, Kinondoni Municipality
k)	A first ranking debenture over all assets of the Borrower registered to secure TZS 1,250,000,000/- and USD 8,668,750/-			
l)	A cross company guarantee executed by Raddy Fiber Manufacturing Limited to secure TZS 1,250,000,000/- and USD 8,668,750/-			
m)	Directors' guarantee executed by Ramadhani Hassani Mlanzi, Dayyani Ramadhani Mlanzi, Yussufu Ramadhani Mlanzi and Amina Hamisi Mchumila to secure TZS 1,250,000,000/- and USD 8,668,750/-			
n)	Letter of Lien over fixed deposit of USD of 2,561,710/- to be opened and maintained at the Bank in the name of Raddy Fiber Solutions Limited			
o)	Personal Guarantee and indemnity executed by Ramadhani Hassani Mlanzi to secure TZS 1,250,000,000/- and USD 8,668,750/-			
p)	Specific debenture over all plants and machineries located on Plot No13, Block E, Mwanambaya, Mivule Area, Mkuranga District, executed by Raddy Fiber Manufacturing Limited to secure TZS 1,250,000,000/- and USD 8,668,750/-			
q)	A first ranking debenture over all assets of the Raddy Fiber Manufacturing Limited registered to secure TZS 1,250,000,000/- and USD 8,668,750/-			
r)	Insurance cover to be issued by African Trade Insurance (ATI) to secure USD 6,000,000/-			

#### 4. SPECIFIC TERMS AND CONDITIONS

- 4.1. New valuation report for the financed Project done by external valuer (approved by the Bank) must be submitted to the Bank within six months from factory commissioning.

Initials: Bank.....



Borrower.....

 A. Mchumila

4.2. The Bank shall be entitled to pay ATI (on behalf of the Borrower) the insurance premium in connection with the Insurance Cover by debiting any of the Borrower's account.

**5. FINANCIAL COVENANTS**

5.1 The Borrower must convert 40% of the retained earnings into permanent equity within 12 months period from the date of this Facility Letter.

**6. FEES AND CHARGES**

The Borrower shall pay to the Bank the following fees (which shall be debited to the Borrower's loan account/current account with the Bank:

6.1. Facility Fees (to be collected upon signing of this Facility Letter);

S/No	Type of Fees	Type of Facility	Amount "USD"
a)	Application Fees	Overdraft Facility	10,261/-
		Term Loan Facility	
		Off Balance Sheet Facility	
b)	Facility Fees	Overdraft Facility	73,700/-
		Term Loan Facility	
		Off Balance Sheet Facility	
c)	Legal Documentation Fees (excluding registration fees)	Facility Letter	590/-
		Mortgagee deed	590/-
		Debenture	590/-
		Cross company guarantee	590/-
		Directors guarantee	590/-
		Personal Guarantee	590/-
<b>TOTAL</b>			<b>87,501</b>

6.2. Third party fees for legal documents, valuation and any other service to this Facility;

6.3. Stamp duty, registration and any government levies charged on loans; and

6.4. Such other fees as may be applicable on the Facility.

**7. NOTICES AND COMMUNICATIONS**


Save as the Bank may otherwise agree, all communications, notices by the parties, certificates, reports, information and documents given to the Bank in connection with this Facility shall be sent in writing in English or Kiswahili language at the addresses provided by the parties herein and addressed to the designated contact persons:

**7.1. For the Bank**

The Managing Director  
 CRDB Bank Plc  
 Head Office, Azikiwe Street  
 P.O. Box. 268  
 Dar es Salaam

Attention: Managing Director

Initials: Bank.....

Borrower.....

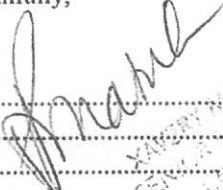
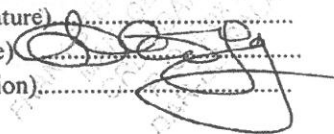
7.2. **For the Borrower**  
Raddy Fiber Solution Limited  
P.O. Box 13567  
Dar es Salaam

Attention: Managing Director

**8. ACCEPTANCE TO BE PART OF THIS FACILITY LETTER**

- 8.1. Unless agreed otherwise by the Bank, this Facility Letter may, terminate if not accepted and signed by the Borrower within thirty (30) days of the date hereof.
- 8.2. Upon the Borrower signing the Acceptance Clause provided herein, this Facility Letter together with the Standard Terms and Conditions shall constitute the complete agreement between the Bank and the Borrower and the Borrower shall henceforth be bound by the terms and conditions thereof.
- 8.3. Please signify acceptance of the foregoing by signing and returning to us the duly signed Facility Letter (3 originals).


Yours Faithfully,


(Signature).....		(Signature).....	
(Name).....		(Name).....	
(Position).....		(Position).....	

*Stamp: YACINT MARIWA MARIWA  
SENIOR MANAGER CREDIT  
P.O. Box 268  
DAR-ES-SALAAM*

For and on behalf of CRDB BANK PLC

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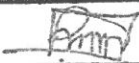
Initials: Bank..... 

Borrower.....  A. Mchumi

ACCEPTANCE CLAUSE


We, RADDY FIBRE SOLUTION LIMITED having reviewed and understood the terms and conditions contained in this Facility Letter, hereby accept the said terms and conditions.

SEALED with the COMMON SEAL of the said  
RADDY FIBRE SOLUTION LIMITED and  
DELIVERED in our presence } SEAL  
this \_\_\_\_ day of \_\_\_\_\_, 2018.

Full Name: RAMADHANI HASSANI MLANZI  
Signature:   
Address: P.O. BOX 13567 DSM  
Designation: DIRECTOR

Full Name: AMINA KHAMISI MCHUMILA  
Signature: \_\_\_\_\_  
Address: P.O. BOX 13567  
DSM  
Designation: DIRECTOR/COMPANY SECRETARY

Initials: Bank..........

Borrower..........

**Annex-1**

**Certificate of Board Resolution to Borrow and Give Security**

**To: CRDB BANK PLC  
P.O. BOX 268  
DAR ES SALAAM**

At a duly convened meeting of the Directors of **RADDY FIBRE SOLUTION LIMITED** held at .....(venue) on the ..... day of ..... 20...it was **REPORTED** that CRDB Bank Plc (the Bank) agreed to make available the Facility to **RADDY FIBRE SOLUTION LIMITED** (the Company) the details of which are provided below under terms and conditions contained in the said Facility Agreement:


S/No.	Type	Amount in "USD"	Amount in "TZS"
a)	Term Loan Facility	USD 5,135,000/-	
b)	Overdraft Facility	USD 1,450,000/-	
c)	Overdraft Facility		TZS 1,000,000,000/-
d)	Off Balance Sheet Facility	USD 350,000/-	
	<b>TOTAL</b>	<b>USD 6,935,000</b>	<b>TZS 1,000,000,000/-</b>

It was further **REPORTED** that the following securities were to be created by the Company or procured to be created by third party security to secure the Facility:

**List of Securities**

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b)	A first ranking legal mortgage	CT NO. 121566 LO NO. 456737	Ramadhani Hassani Mlanzi	Plot NO. 929/1 Block H, Mbezi in Dar es Salaam City

Initials: Bank..... 

Borrower.....  A. Mchumi

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c)	A first ranking legal mortgage	CT NO. 95348 LO NO. 391470	Ramadhani Hassani Mlazi	Plot NO. 2645 Block "A", Yombo Vituka in Dar es Salaam City
d)	A first ranking legal mortgage	CT NO. 172141 LO NO. 744105	Raddy Fiber Solution Ltd	Plot NO. 22 Block "A", Yombo Vituka in Temeke Municipality
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Initials: Bank..... 

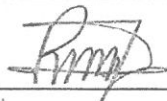
Borrower.....  A. Mchumila

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q)	A first ranking debenture over all assets of the Raddy Fiber Manufacturing Limited registered to secure TZS 1,250,000,000/- and USD 8,668,750/-			
r)	Insurance cover to be issued by African Trade Insurance (ATI) to secure USD 6,000,000/-			

It was further REPORTED that each director will have to sign a personal guarantee for the payment of the Credit Facility.

#### SIGNATORIES

The following directors/ company Secretary of the Company were authorized to execute the Facility Letter and related security documents of the Borrower:

S/N	Full Name	Position	Signature
1.	RAMADHANI HASSANI MLANZI	MANAGING DIRECTOR	
2.	AMINAHAMISI MCHUMILA	DIRECTOR	A. Mchumila
3.			

#### RESOLVED that:

- The Company is hereby authorized to borrow from CRDB Bank Plc as proposed and that it was in the best interests of the Company, within its powers and to its direct benefit, to borrow as proposed;
- it was in the best interests of the Company, within its powers and to its direct benefit to charge its assets in favor of the Bank and the Company is hereby authorized to charge its assets in favor of the Bank and/or procure the provision of third party securities") listed above;
- the terms of, and the transactions contemplated by, the Facility Letter be and are hereby approved;

Initials: Bank..... 

Borrower.....  A. Mchumila

- d) the execution, delivery and performance of each of the Facility Letter and related security documents by the Company is hereby authorized;
- e) the signatories proposed be and are hereby authorized to sign and/or deliver Facility Letter and any related security documents; and
- f) a certified copy of these resolutions be furnished to the Bank; and
- g) accepting and becoming party to the Facility Letter and so borrowing, guaranteeing or securing, as appropriate, the amounts made available thereunder would not cause any borrowing, guarantee or similar limit binding on the Borrower to be exceeded.

**IT IS HEREBY CERTIFIED** that the above is a true extract from the Minutes of the Meeting of the Board of Directors and that such resolutions will not infringe any restrictions on borrowing of monies and/or the creation and issue of any security or guarantees.

**SEALED with the COMMON SEAL of RADDY FIBRE SOLUTION LIMITED and Certified by:**

Name: RAMADHANI HASAN MANDY  
 Signature: [Handwritten Signature]  
 Designation: **Chairman**

Name: AMINA KHAMISI MCHUMILA  
 Signature: [Handwritten Signature]  
 Designation: **Secretary**

Initials: Bank [Handwritten Initials]

Borrower.....