



December 6, 2019

Leo Schiefermueller
Managing Director
RP Global Holding Italy Srl. ("RP Global")
Via della Stazione 7
39100 Bolzano, Italy

RE: Expression of Financing Interest - in relation to the proposed 100 MW Wind project in response to a Request for Proposals by TANESCO

Dear Leo,

We understand that Tanzania Electric Supply Company Limited (TANESCO) has invited bids from shortlisted private power developers to develop, build, finance, and operate solar PV and wind power plants. In this respect, we understand from you that RP Global intends to submit a bid for a 100 MW wind project (the Project).

For its part, IFC is a leading financier of Independent Power Projects across Africa and has in-depth knowledge and experience in the execution of such projects, and hence understands first-hand what it takes to get such projects financed in the Sub Saharan Africa context.

We confirm that IFC is in principle interested in supporting RP Global, should the latter be ultimately selected as a preferred bidder, pursuant to the ongoing tendering process. IFC's potential financing is subject to our customary due diligence, satisfactory review of the tendering process and the forms of the Power Purchase Agreement and Implementation Agreement (among other project documents) - including whether the risk allocation reflected in those documents is reflective of typical acceptable market terms for similar power projects in Sub Saharan Africa, a satisfactory review of the credit worthiness of TANESCO, approval by IFC's management and Board of Directors and execution of mutually satisfactory documentation.

Nothing in this letter shall be understood to constitute a binding obligation by IFC to provide financing for the Project. This letter is also not exclusive and does not preclude IFC from providing letters of interest to other bidders.

For any queries related to this Letter of Interest, please do not hesitate to contact Richard Warugongo at +254 20 293 7407 (rwarugongo@ifc.org) or myself Marcel Bruhwiler at +27 11 731 3037 (mbruhwiler@ifc.org).

Sincerely,



Marcel Bruhwiler
Manager

Infrastructure - Southern Africa, Eastern Africa and Nigeria
International Finance Corporation

Annex 3: FMO & IFC Letters

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Strictly private and confidential
**To: Consortium of
RP Global Holding Italy S.R.L. and
ABO Wind A.G.**
c/o
**St. Augustine University of Tanzania
P.O.Box 307, Mwanza, Tanzania**

Nederlandse Financierings-
Maatschappij voor
Ontwikkelingslanden N.V.

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**Subject: Letter of interest to RP Holding and ABO Wind (the "Sponsors") regarding
a Finance Facility for the development of a 100MW wind farm (the "Project") in
Tanzania.**

Dear Sirs,

It is a pleasure to have the opportunity to discuss future financing possibilities with you. We would like to confirm our interest at this stage in further exploring these possibilities and set out the next steps in the event that we both decide to proceed with the financing.

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO") is the Dutch development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development and has a more than 45-year proven track-record of empowering people to employ their skills and improve their quality of life. FMO focuses on three sectors that have high development impact: financial institutions, energy, and agribusiness, food & water. With a committed portfolio of EUR 9.8 billion spanning over 92 countries, FMO is one of the larger bilateral private sector development banks globally. For more information please visit www.fmo.nl.

In the energy sector, FMO has substantial experience in financing and arranging funds for renewable energy projects and has standardized its processes to ensure the most efficient pathway to reach financial close. As reference for FMO's good track record in this respect we would like to mention the following relevant renewable transactions in East Africa: the Selenkei and Cedate PV solar projects in Kenya (2018), the Access Solar PV solar (2015) and Tororo Solar North PV projects in Uganda, as well as the Lake Turkana Wind Power project (2013) in Kenya. In addition, FMO - through its private equity team - is part of the developer group of a 60MW wind project in Djibouti. Furthermore, FMO is mandated to arrange the financing for several further renewable energy projects in the region and the whole of Sub-Saharan Africa. In terms of experience with energy projects in Tanzania, FMO provided financing to the Songas project (2004) as well as to Zola Electric Tanzania (2018, off-grid company).

With respect to your Project, we understand it concerns the development, construction and operation of a 100MW wind farm, located close to Makambako, Tanzania. It is further understood that the Project will sell the electricity to the Tanzanian national utility, Tanzania Electric Supply Company Limited ("TANESCO") under a long-term Power Purchase Agreement ("PPA").

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FMO might be interested to consider a Mandated Lead Arranger ("MLA") role. As MLA, FMO would envisage mobilizing funding from other European DFIs, however, we would be open as well to setting up a structure with other (multilateral) financiers (together with FMO, the "Lenders"). Based on the preliminary information received about the Project, FMO could consider financing up to [75]% of the total estimated Project's cost with senior debt (including funds mobilized from other institutions), while [25]% will be provided by equity.

For FMO to become comfortable with the off-take risk, the contractual framework should include a bankable PPA and Implementation Agreement ("IA") as well as an acceptable financial situation of the sector. Key elements that need to be properly addressed include (though not limited to):

PFA related:

- appropriate take or pay provisions. The off-taker must take and pay a fixed tariff for all energy delivered (no curtailment; energy will be calculated and paid for on a deemed delivered basis; no dispatch required)
- appropriate allocation of costs and risks associated with force majeure ("FM") events (deemed energy payments, automatic extensions of termination/long-stop dates) – this will depend on the availability of insurance and the degree of political risk in the country/region.
- off-taker liquidity support (typically in the form of a letter of credit covering sufficient months of revenues)
- appropriate provisions re
 - liquidated damages
 - events of default
 - collateral assignment of the PPA to the lenders (incl. step-in rights, etc.)
 - change of law provisions (including change in tax)
 - dispute resolution (international arbitration in a neutral location, under rules generally accepted by the international community)

IA related:

- currency convertibility and transferability risk backing by the Government of Tanzania
- backing of the off-taker obligations in the PPA
- alignment and back to back arrangements with the PPA
- government's explicit support with regard to permits, consents, authorizations and land matters
- appropriate termination and compensation arrangements (termination payments should be payable in a hard currency)

Furthermore, and depending on the ultimate contractual framework and risk allocation, as well as the financial situation of the sector, the lenders may probably require political risk guarantees/insurance to cover different events/risks as mentioned above as well as off-taker payment obligations, breach of contract, etc.

We assume all of the above will ultimately be provided as part of the Project. In addition, FMO needs to be comfortable with the grid situation, its stability and capacity to absorb the Project's generated electricity.

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Disclaimer:

This letter and the proposal set out herein and any future proposal does not constitute an offer or a commitment by FMO to arrange or provide any financing, whether on the above terms or any other terms. Our decision to arrange or provide financing is subject to due diligence, approval by our internal credit committees and/or management and documentation in a form and substance satisfactory to both parties.

This letter is a basis for further discussions only and shall not be binding in any way whatsoever. It should not therefore be used for any other purpose and it may not be disclosed or referred to in any document other than those amongst the both parties.

This letter shall be governed by and construed in accordance with the laws of England and Wales.

We look forward to hearing from you.

Yours sincerely,

NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ
VOOR ONTWIKKELINGSLANDEN N.V.

Authorised Representative



M.T. Pannekeet
Manager Energy

Signed on this 30 day of December 2019