

LEASE AGREEMENT

THIS AGREEMENT is made on the 01st day of APRIL 2020.

BETWEEN

STARWAYS GROUP LTD a company duly incorporated in the United Republic of Tanzania of Post Office Box 72262, Dar es Salaam (hereinafter called the "Lessor" where the context so admits includes his successors and assigns) of the one part,

AND

WAY TRUST COMPANY LTD a company duly incorporated in the United Republic of Tanzania of P. O. Box 11227, Dar es Salaam (hereinafter referred to as the "Lessee" where the context so admits includes his successors and assigns) of the other part.

WHEREAS

- A. The Lessor is the owner of the warehouse, located at Plot NO.4-12, Block G, Dundani Mkuranga Coast Region, Tanzania (the "warehouse") and is desirous to lease the same to the lessee.
- B. Whereas the lessee is willing to lease the warehouse for a period of five (5) years.

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1.0 TERM OF THE TENANCY:

The Lessor leases to the Lessee from the 1st of April, 2020 to 31st of March 2025

PROVIDED THAT: The term hereby created may at the option of both the Lessor and the Lessee, the lease agreement will be terminated naturally and legally at the five years term expiry date or be continuous of the Lease but after notifying either party six month before five years term expiry of the intention to do continue with the Lease. Any defaults made by terminating the agreement in a illegally way will be not allowed within the lease period, otherwise the default party should pay the other party one year rent of TZS 55,582,956.00 in advance as compensation.

2.0 RENT PAYABLE:

2.1 The Lessee shall pay rent of TZS 3,925,350.00 per month, exclusive of VAT(18%) , on a construction area of 2,013 sq. meters where each sq. meter costs TZS 1,950.00 per month, exclusive of VAT(18%) , which means the Lessee shall pay rent of TZS 47,104,200.00 per year, exclusive of VAT(18%), including service charge. The service charge shall cover the following services:

- 1) Security service of entire industrial park but not including internal area of the leased premises;
- 2) Public afforestation of internal industrial park;
- 3) Fire protection of entire industrial park but not including internal area of the leased premises;
- 4) Recreational facilities inside the industrial park;
- 5) Public service facilities inside the industrial park.

2.2 The Lessee shall pay the full payment which is TZS 47,104,200.00 (VAT exclusive) every year within one month after the signed date.

3.0 LESSEE'S COVENANTS:

THE LESSEE COVENANTS WITH LESSOR as follows:

- (a) To pay a one percent (1%) of the total rent which is TZS 471,042.00 being the amount of stamp duty payable to the Commissioner of Income Tax.
- (b) To pay all water, telephone, internet and electricity bills during the tenancy period and as demanded by the relevant utility companies. The Lessee shall purchase and be responsible for their own transformer and all related accessories, cables and installation works and charges etc;
- (c) At all material time during the said term to keep the premises including doors, windows, water taps, electric light fittings and other Lessor's fixtures and fittings in good and tenable repair, damage arising from natural disasters or other force majeure such as earthquake, thunderstorm, volcanic eruption, war, turmoil or reasonable and proper use excepted;

- (d) To permit the Lessor or its agent, at all reasonable times during the said term with or without workmen with prior reasonable notice to enter upon and examine the condition of the premises and in case the same shall be found to be defective or in need of repair to leave notice in writing on the premises of such defects or maintenance for which the Lessee is liable under the provisions of paragraph (d) hereof and require the Lessee to make good the same in a proper manner to the satisfaction of the Lessor within the space of one calendar month next after service to the Lessee of every such notice, any maintenance costs should be paid by the Lessee;
- (e) Not to make any alterations in or additions to the premises without the consent of the Lessor which consent shall not be unreasonably withheld or delayed;
- (f) Not to cut, maim or injure any of the walls or timbers of the premises on the said building or suffer or permit the same to be done save as may be reasonably required;
- (g) To use the premises for commercial purpose only;
- (h) Not to do anything that would invalidate the insurance policy or increase the premium payable for the premises;
- (i) Unless otherwise agreed by the Lessor not to assign, lease or sublet the premises or any part thereof without the written consent of the Lessor, but such consent shall not be unreasonably withheld or delayed;
- (j) In the event the Lease is not renewed at or before the expiry date of the initial term to yield up the premises in such a good and clean condition as shall be in accordance with the Lessee's covenants herein contained.
- (k) Not to sub lease the premises without the written consent of the lessor, such consent shall not be withheld unreasonably.
- (l) To buy insurance for their own properties.
- (m) The Lessee should obey all the related industrial park management rules made by Lessor.
- (n) The Chinese staff of the Lessee can enjoy the recreational facilities inside the industrial park by following the management rules.

4.0 LESSOR'S COVENANTS:

THE LESSOR COVENANTS WITH THE LESSEE as follows:

- (a) To pay a ten percent (10%) of the total rent which is TZS 4,710,420.00 being the amount of withholding tax payable to the Commissioner of Income Tax.
- (b) Due to the political issues or policies in Tanzania, the Lessor could not proceed or carry on or complete the construction of the leased premise, therefore after confirming the inability to carry on the contract by the Lessor, the paid guaranteed deposits or other payments shall be refunded to the Lessee without any delay.
- (c) To permit the Lessee paying the rent hereby reserved and observing the covenants and conditions hereby contained or implied and on its part to be performed and observed, peacefully and quietly to possess and enjoy the premises during the tenancy hereby created without any interruption from or by the Lessor or any person rightfully claiming from or under him;

5.0 PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED as follows:

- (a) If default shall be made in the performance of any of the covenants on the part of the Lessor or the Lessee, then the term herein contained shall upon failure by the Lessee or the Lessor to remedy such default within thirty (30) days of a written notice cease notwithstanding anything to the contrary and without prejudice to any right of action or remedy of the Lessor in respect of any antecedent breach of any covenants by the Lessee hereinbefore;
- (b) That Security of the leased premises shall be the responsibility of the lessee and the lessor shall carry no liability of any theft or loss that may occur at the leased premises.
- (c) The Lease hereby created can be terminated by any of the parties in accordance with clause 5.0 (a); or by either party serving the other a written notice of not less than thirty (30) days.
- (d) This Agreement shall be governed by and interpreted in accordance with the Laws of Tanzania.

IN WITNESS WHEREOF the Lessor and the Lessee have executed these presents on the day hereinbefore appearing:-

SEALED with the COMMON SEAL of the Said

STARTWAYS GROUP LTD and

Delivered in our presence this day of, 2020



LESSOR

Name: JIE TONG
Signature: [Handwritten Signature]
Address: P.O. Box 72282 DSA
Qualification: GENERAL MANAGER

SEALED with a COMMON SEAL of the Said

WAY TRUST COMPANY LTD and

Delivered in our presence this day of, 2020



LESSEE

Name: ZHEN LEI GAO
Signature: [Handwritten Signature]
Address: P.O. Box 11227 DSA
Qualification: DIRECTOR

S/duty = 471,042
WAH 2 = 4,710,420
Total = 5,181,462
06/4/20

In the presence of:

Name: VICTORIA SIMON NGOWI
Address: 1980 DAR
Qualification: ADVOCATE



STAMP DUTY
471,042 Collected
Receipt No: 21920174 Date: 08/4/20
Regional Manager-Dar es Salaam Region