
LEASE AGREEMENT

BETWEEN

SKYMARK PLAZA LIMITED

AND

EACLC LIMITED

DATED 10TH JUNE 2022

DATE OF COMMENCEMENT 10TH JUNE 2022

DATE OF EXPIRY 9TH JUNE 2023

LEASE AGREEMENT FOR WARE HOUSE PREMISES



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This LEASE AGREEMENT is made this 10TH Day of JUNE 2022 BETWEEN SKYMARK PLAZA LIMITED, Post Office Box 4950, Dar Es Salaam (Hereinafter called "The Lessor") of the one part and EALCL LIMITED of P O Box 55613, Dar Es Salaam (hereinafter called "The Lessee") of the other part.

NOW THIS LEASE WITNESSETH AS FOLLOWS: -

1. [a] In consideration of the rent hereinafter reserved and of the conditions Herein after contained being observed by the Lessee the lessor HEREBY leases to the Lessee all that premises known as Warehouse Number 5C situated and erected on PLOT NO. 238-241 along Nyerere Road within the City/ Municipality/ Township of DAR ES SALAAM (hereinafter called "the demised premises")

TO HOLD the same unto the Lessee for a term of ONE YEAR commencing from 10thJUNE 2022 and expiring on 9thJUNE 2023 subject nevertheless to the provisions for review, termination and renewal hereinafter contained.

[b] WHEREAS the lessee desires to lease the said demised premises for the said term, at the rental and upon the covenants, conditions and provisions herein set forth.

2. THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable considerations herein it is agreed that;
 - (a) The monthly rent for the said period shall be USD 3600 exclusive of VAT at the rate applicable per month payable six monthly in advance during the term of this agreement which is inclusive of a monthly service charge.
 - (b) One month's rent shall be paid upfront by the Lessee as a refundable security deposit to the SKYMARK PLAZA LIMITED at the time of signing this lease agreement.
 - (c) The Lessee shall pay the respective stamp duty at the time of the registration of the Lease agreement.
 - (d) The Landlord May re-enter the property after the following occur:
 - 1) Any rent is unpaid 2 weeks after becoming payable.
 - 2) Any breach of any condition of Lessee's covenants of this Lease.

If the Landlord re-enters the rented premises, pursuant to this clause, the Lessor may exercise his right to terminate this lease agreement.



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3. THE LESSEE HEREBY COVENANTS with the LESSOR as follows: -

The Lessee and its assigns, and to the extent that obligations (save where they are satisfied earlier) shall continue throughout the term of this lease agreement hereby created, covenants, with the lessor as follows:

- (a) To pay all costs of electricity and water consumed and other charges hereinafter be assessed on the demises premises
- (b) The Lessee also shall pay the respective stamp duty at the time of the registration of the lease agreement.
- (c) To permit the lessor or his agents at all reasonable times during the said term of this lease agreement with or without workmen or others, to enter upon and examine the condition provided that the Lessee shall issue an advance notice of such visit in writing.
- (d) Not to make any alterations or additions to the demised premises without first obtaining consent in writing from the lessor.
- (e) Not to cut maim or injure any of the walls or timber of the demised premises or the said building or suffer or permit the same to be done.
- (f) To use the demised premises for the purpose of a private warehouse only.
- (g) Not to assign, lease, sublet or otherwise part with possession of the demised premises or any part thereof without the consent in writing of the lessor first obtained but such consent shall not be unreasonably withheld AND IT IS HEREBY AGREED AND DECLARED that upon any breach of this covenant by the lessee it shall be lawful for the lessor to re-enter upon the demised premises and the tenancy hereby granted shall determine absolute in accordance with the terms hereof but without prejudice to the rights of action of the lessor in respect of the lessee's covenants herein contained.
- (h) Not to do or permit or suffer to be done anything, whereby any insurance of the demised against loss or damage by fire or other risks covered by the lessor's insurance policy may become void or increased and in such case to reimburse the lessor's all such expenses premium and to make good any losses suffered due to non- coverage of such occurrences.



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- (i) To pay the costs of and incidental to this lease including to this lease including stamp duty, consent and registration fees that shall become payable by virtue of this transaction.
- (j) To procure all the relevant permits, clearance certificates and all other documents pertaining to the business run by the Lessee.
- (k) To insure the goods inside the warehouse.
- (l) Not to use the common compound space for any work and to keep the compound clean.
- (m) To provide supporting documents regarding his residency status in the country.

4. THE LESSOR COVENANTS WITH THE LESSEE AS FOLLOWS: -

- (a) The Lessee having occupied the said demised premises and observing and performing the several covenants on his part shall peacefully hold and enjoy the demised premises without any interruptions from the lessor or his agent.
- (b) To pay and discharge of the leased rates, taxes, assessments, impositions, duties, charges and outgoing whatsoever save electricity/or telephone charges and other charges relating to the term of this lease agreement which are now or may hereafter become imposed or charged upon the demised premises payable by the lessee in respect thereof:
- (c) In case of damage of the leased PREMISES or its appurtenances by fire, earthquake, war or any other unforeseen cause, the lessee shall immediately give notice thereof to the lessor. If the lease premises shall be damaged by fire or other causes without fault of negligence of the lessee, or its agents, clerks, servants or visitors, the injury shall be repaired, at the expense of the lessor, as speedily as possible, after such notice; but if leased PREMISES be so nearly destroyed as to make it untenable, without the fault or neglect of the lessee, either party may demand rescission of this contract. All advance but unused rentals shall be refunded by the lessor to the lessee without necessity of demand

5. PROVIDED ALWAYS and it is hereby expressly agreed and declared that: -

- (a) Except where the Lessee is responsible for the damage sustained, as contemplated in 4(c) above, the lessor will make good repair within a period of two (2) months from the date of such damage or destruction then the lessee at his own option

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may terminate this lease agreement forthwith by notice in writing and thereupon this lease agreement shall be absolutely determined and the unexpired period of the lease.

- (b) Should the Lessor require possession of or the lessee desires to vacate the demised premises during the continuance of this lease the party concerned shall **give two (2) months' notice** of his such desire in writing to the other party. In the case of such eventuality the lessor agreed to reimburse the lessee with the balance of the rent paid in advance.
- (c) If the lessee shall be desirous of taking a lease of the demised premises for any further term from the expiration of the term hereby granted, shall not less than one (1) month before expiration of the term hereby granted, have given to the lessor notice in writing of his such desire and if he shall have reasonably performed and observed up to the several stipulations herein contained on his part to be performed and observed up to the termination of the term hereby granted then the lessor shall let the demised premises to the lessee for the further term of such years and at a rent to be mutually determined by the parties hereto.
- (d) For security reasons the Lessee shall not be permitted to bring upon the premises any heavy vehicles after 6.00 p.m

6. NOTICES:

Any notice under this agreement shall be in writing and shall be sufficiently served or dispatched by registered post to the address of the addressee.

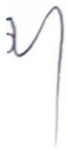
7. DISPUTES

All disputes or differences whatsoever which shall at any time hereafter whether during the continuance of the lease or upon or after its discharge or determination arise between the parties hereto touching or concerning this lease or its construction or effect or as to the rights duties or liabilities of the parties hereto or any of them under or by virtue of this lease or otherwise or in relation to the subject matter of this lease will be resolved by mutual consensus failure of which, the aggrieved party may refer the dispute to a court of competent jurisdiction.

8. TERMINATION

This Lease Agreement shall terminate under any or all of the following circumstances:

- (a) on the Closing Date (as defined in the Lease agreement)



- (b) In the event of non-payment of Rent, 30 days from the date the Rent was due.
- (c) By mutual agreement of the Parties, in which case, the party willing to terminate the lease shall issue a 60 days' notice of its intention on writing and the Lessor shall be required to refund the Lessee any paid rent that has not been utilized.

IN WITNESS WHEREOF the parties hereto have duly executed these in the manner and on the days and year hereinafter mentioned.

SEALED with company seal of the said SKYMARK PLAZA LTD and DELIVERED in the presence of this 10th Day of June 2022

Signature: [Handwritten Signature]
 Name: MR. ANTON MAMANT
 Postal Address: P.O. BOX 4950, Dar Es Salaam
 Qualification: Director



In presence of
Witness:

Name: Hema Larkani
 Signature: [Handwritten Signature]
 Postal Address: P.O. Box 4950
 Qualification: Admin

SEALED with the common seal of the said EACLC LIMITED and DELIVERED in the presence of us this 10TH Day of June 2022

Signature: [Handwritten Signature]
 Name: WANG XIANGYU
 Postal Address: P.O. Box 55613, Dar Es Salaam
 Qualification: Director



In presence of
Witness:

Name: EDITH MASANDEKO
 Signature: [Handwritten Signature]
 Postal Address: 10226 DSM
 Qualification: Degree Level



TANZANIA REVENUE AUTHORITY

AC.638/705/01/72

28th October, 2021

The Managing Director,
Sky Mark Plaza Limited,
Plot No. 248 Block 241, Nyerere Rd,
P. O. Box 21609,
DAR ES SALAAM.

**RE: Withholding Tax Exemption for a TIC Approved Project along
Nyerere Road Dar es Salaam: 102-836-839.**

We make reference to the above heading together with your letter with Ref. No. SMPL/TRA/02/2021 of 19th August, 2021 together with TRA's response letter dated 12th October, 2021. Further, we acknowledge receipt of sets of lease agreements and certificates for withholding tax deducted from payments due to M/s Sky Mark Plaza Ltd for the years of income 2015 up to 2020 on 14th September, 2021.

We herewith wish to inform your good selves that the decision in TRA's letter under ref. No. AC.638/705/01/66 has well decided that there is not whatsoever exemption on withholding tax on rent is enforced by the Income Tax Act, Cap 332 though Sky Mark Plaza Ltd is a TIC recognized Institution.

However, and for the purposes of keeping the records straight and correctly, withholding tax is deducted upon receipt of "investment returns". Subdivision A of Division II of Part VII of the Income amplifies:

- a) Section 9(3)(b) of the Income Tax Act, Cap. 332 which provides for exclusion of certain amounts which should be included as investment returns but recognized by the Income Tax Statute as Business Income;
- b) Section 8(2)(g) of the Income Tax Act, Cap 332 which recognizes amounts derived that are effectively connected with the business and that would otherwise be included in calculating the person's income from an investment; as income from conducting "business" as per the quoted Statute; while
- c) Section 3 of the Income Tax Act, Cap 332 defines "**business**" to mean:
 - (a) "a trade, concern in the nature of trade, manufacture, profession, vocation or isolated arrangement with a business character; and
 - (b) a past, present or prospective business, but excludes employment;"
- d) Also, Section 3 of the Act defines "**investment**" as "'investment" means the "owning of one or more assets of a similar nature or that are used in an integrated

fashion, on similar terms and subject to similar conditions, including as to location and includes a past, present and prospective investment, but does not include a business, employment and the owning of assets, other than investment assets, for personal use by the owner;"

Basing on those grounds showing above, the fact that the company's business is that of leasing her property for business and non-business tenants, then M/S Sky Mark Plaza Ltd is not doing "investment" but "business" henceforth given a ruling under Section 11 of the Tax Administration Act Cap. 438 that the w.e.f. from the date of this letter, the tenants should pay fully the rental chargers without an obligation to withhold withholding tax on rental payment.

Withholding Taxes Paid

According to the withholding certificates submitted for verification we have discovered the following positions:

Year of Income	Amount of WHT	WHT OFF-SET IN ASSTS		WHT NOT SETOFF
		ASST NO.	WHT SET-OFF in assts	
2015	42,805,296.00	F.422021173	-	42,805,296.00
2016	52,269,449.00	F.422021172	-	52,269,449.00
2017	80,064,353.00	F.421446506	-	80,064,353.00
2018	56,079,562.00	F.422487919	56,079,562.00	-
2019	52,151,628.00	F.422218056	-	52,151,628.00
2020	69,600,091.00	0	-	69,600,091.00
	352,970,379.00			296,890,817.00

As such you will notice that the amounts of withholding tax which have not been set-off in the tax assessment as non-final tax as per Section 87 of the Income Tax act, Cap. 438, that the withholdee (that is Skymatk Plaza Ltd) is entitled to a tax credit in an amount equal to the tax treated as paid for the year of income in which the payment is derived. As the company's tax affairs has not factored in the WHT on rent in the notices of assessments, we urge you to liaise with Regional Manager Temeke so that the rights under the Income Tax Act, for tax credit can be provided and proceed to ask for refund of overpaid taxes if you wish.

"Together We Build our Nation"


Nestor T. Mkonyi

For: Ag. Commissioner for Domestic Revenue.

Copy: Regional Manager, Temeke Tax region.