

## LEASE AGREEMENT

THIS AGREEMENT is made at Dar es Salaam on this 26<sup>th</sup> day of August, 2022.

### BY AND BETWEEN

**ABRAHAM RAPHAEL SEMPENBA**, natural person residing in the United Republic of Tanzania of P.O. Box 612, Tanga (hereinafter referred to as the "Landlord"), which expression shall, where the context so permits, include its assigns and successors in title on one part;

### AND

**AFRICA STEEL GROUP COMPANY LIMITED**, a company incorporated under the law of the United Republic of Tanzania under the Certificate of Incorporation no. 155474521, of P.O. Box 8513, Dar es Salaam, Tanzania (hereinafter referred to as the "Tenant"), which expression shall, where the context so permits, include its assigns and successors in title on other part;

### WHEREAS:

- a) Landlord are legal owners of Plot No.1, Block K located at Masuguru, Chalinze District, Coast Region, Tanzania under Certificate of Title No. 9712 PWN referred to as ('the Demised Premises');
- b) The Demised Premises are currently undeveloped and has no building structure whatsoever and covers an area of 5,413 square metres.
- c) The Tenant wishes to rent the said Demised Premises for setting up the factory for production of steel products and other related products.
- d) The Demised Premises has power supply and water facility.
- e) The Landlord has agreed to grant the tenant a lease in respect of the said Demised Premises for a period of Five (5) years commencing on the 26<sup>th</sup> day of August, 2022 to the 25<sup>th</sup> day of August 2027 without any interference, subject to terms and conditions laid down in this agreement;
- f) The Tenant has agreed and hereby undertakes to pay rent of the said premises and develop the Demised Premises for commercial use for the said period and upon conditions and in the manner hereinafter stipulated.

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**THIS AGREEMENT WITNESSETH** as follows: -

### **1. Term and Rent**

In pursuance of the said agreement the Landlord shall lease to the Tenant and the Tenant shall take on lease the Plot No 1, Block K located at Masuguru, Chalinze District, Coast Region for a term of five (5) years commencing from on the 26<sup>th</sup> day of August, 2022 to the 25<sup>th</sup> day of August, 2027 at the annual rent of United States Dollars Fifteen Thousand Four Hundred only (USD 15,400).

The Tenant shall pay rent of United States Dollars Fifteen Thousand Four Hundred only (USD 15,400) per annum ("the Rent") to the Landlord which will be paid as follows:

- a) The first annual payment shall be made at the end of year one (1) of this lease agreement which shall be due on 25<sup>th</sup> August 2023.
- b) Thereafter for the remaining of four years, for each of one (1) year in advance.

The Tenant shall pay the annual rent at least a month before the end of each period as specified above to the following bank account:

Bank Name: **CRDB Bank Plc**

Account Name: **Abraham Raphael Shempemba**

Account Number: **0152304060900**

The rent paid will not be refundable.

The rent reserved herein shall be fixed for five (5) years and the Parties shall be at liberty to review the rent at the beginning of the new lease period.

### **2. Stamp Duty and Withholding Tax**

The Tenant shall pay 1% stamp duty in accordance with the aforesaid Rent.

PROVIDED that such annual rent shall be subject to the deduction of the applicable withholding tax of 10%, which shall be remitted to Revenue Authority by the Landlord and present a proof of remittances to the Tenant for such deduction.

Any future changes introduced by the government on the prevailing rates for above taxes or any other taxes which are payable on the annual rent shall be borne by Tenant.

### **3. Renewal of the Term**


Pursuant to the terms and conditions set out under this Agreement to be performed by the Tenant, the term of this Lease shall be renewed at the option of the Tenant by giving



#### 4. Tenant's Rights and Obligations

The Tenant hereby covenants with the Landlord as follows: -

- 4.1. To pay the reserved rent at the time and in the manner herein provided; The Tenant agrees to pay a late payment fee of 10% on the annual rent payable in event the Tenant fails to pay the rent as agreed under clause 1 above;
- 4.2. To occupy the Demised Premises for commercial use only;
- 4.3. To pay for all charges in respect of consumed electricity, security, water and sewage charges, insurance refuse disposal, telephone, city commission charges, annual property tax, internet in connection with the demised premises during the said term;
- 4.4. The Tenant shall develop the building structures for the commercial/industrial purpose subject to having obtained all necessary permits and approval from the relevant authorities;
- 4.5. The Tenant shall park trucks or any other commercial vehicle in the compound of the subject property and common areas;
- 4.6. To keep the interior of the Demised Premises and appurtenances thereof tidy and in good condition throughout the term (fair wear and tear excepted) and shall be responsible for repairing and paying for any damage caused by his own negligence;
- 4.7. To allow the Landlord and/or his officers and agents at all reasonable times to enter upon the property to inspect the Demised Premises;
- 4.8. Not to do or permit to be done anything in or upon the Demised Premises or any part thereof which may be or become a nuisance, annoyance, damage or inconvenience to the Landlord, occupiers of adjoining property or the neighborhood;
- 4.9. Not to use the Demised Premises or any part thereof for any illegal or immoral purpose or keep or permit to be kept on the subject property any materials of dangerous explosive nature or the keeping of which may contravene any statues or local regulation or by laws or to carry on or do anything that may constitute a nuisance to public nature because of disturbance or annoyance, or danger to neighbors or public;
- 4.10. The Tenant shall have the right, during the existence of this Lease, to attach fixtures and fittings in or upon the Premises hereby Leased, which fixtures and fittings, so placed in or upon or attached to the said Premises shall be and remain the property of the Tenant and may be removed there from by the Tenant prior to the determination of the Lease, or within a reasonable time after the Lease is terminated.

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## 5. Landlord's Rights and Obligations

The Landlord hereby covenants with the Tenant as follows:

- 5.1. Subject to the Tenant performing all the covenants herein above specified, not to interfere or allow other person rightfully claiming under or in trust for the Landlord to interfere, interrupt or intrude upon the Tenant's peaceful enjoyment of the Demised Premises throughout the said term;
- 5.2. To ensure that the Demised Premises are in good tenantable condition and fit for human occupation;
- 5.3. The Landlord reserves the right to enter the Premises to inspect, so long as such entry is at prearranged times, with the consent of the Tenant (which consent shall not be unreasonably withheld) and, at Tenant's discretion;
- 5.4. The Landlord shall not pay and discharge all rates, taxes, assessments, impositions, duties, charges, outgoings whatsoever which are now or may hereinafter become imposed or charged upon the Demised Premises;

## 6. Termination As Between The Landlord And The Tenant

Notwithstanding anything herein contained, this Agreement may be determined as between the Landlord and the Tenant on three months written notice given by one party to the other in an any of the following circumstances: -

- 6.1 **Breach**
  - 6.1.1 The rent (or any other monies) due under this Lease are outstanding for Sixty (60) days after becoming due whether formally demanded or not, or
  - 6.1.2 If either of the parties fails to comply with any prohibitive government regulations which would affect any of the terms and conditions of this Agreement and such failure if capable of remedy, is not remedied within a reasonable period being within 60 days of receipt of a written notice of such failure from the other party, the lease would be terminated as the discretion of the Landlord.
  - 6.1.3 All the parties will be released from their respective obligations in the event of national emergency, earthquake, typhoon, floods, war, prohibitive government regulations, or any other cause beyond the reasonable control of the parties which renders performance of the Agreement impossible whereupon and hence the existing Lease would terminate henceforth.

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## 7. General Terms and Conditions

It is provided always and hereby expressly agreed and declared as follows:

- 7.1 If at any time during the term of lease for the Demised Premises or any part thereof shall be destroyed or damaged by fire (not occasioned by the wilful act, neglect or default of the Tenant or his licensees, invitees, visitors or servants) or act of God or force majeure then and in any such cases and so often as the same shall happen the rent herein before reserved or a fair and just proportion thereof according to the nature and extent of the injury sustained shall not cease and be suspended during the term of the lease;
- 7.2 Should the Tenant desire to vacate the Demised Premises during the continuation of the Lease, the Tenant shall give one (1) year's written notice signifying such intention and the Landlord shall retain annual rent from the payment already done or if not sufficient the Tenant shall pay the annual rent to the Landlord covering such period of notice;
- 7.3 If the Tenant shall have reasonably performed and observed the several stipulations herein contained on his part to be performed and observed up to the termination of the term hereby granted then the Landlord may let the demised premises to the Tenant for the further term and on such conditions as will be mutually determined by both parties.

## 8. Exclusion Of Claims

The Tenant shall have no remedy against the Landlord or its agent for any interruption in the supply of water, electricity, or any other service howsoever caused, including but without limiting the generality of the foregoing, any interruption due to any act which is beyond the Landlord's control or omission on the part of the Landlord if in such case the Landlord considers it necessary to enable it to exercise its rights under the Lease Agreement.

## 9. Existing Rights

The expiry or termination of this Agreement shall be without prejudice to any rights which have already accrued to either of the parties under this Agreement.

## 10. Duty of Confidentiality

The Tenant shall not, during the terms of this Agreement and thereafter, disclose any proprietary or confidential information relating to the management, this Agreement and/or the Landlord's business or operations without the prior written consent of the Landlord.

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### 11. Notices

All notices to be sent by either party to the other shall be sent by registered post or delivery by hand to the principal registered office of the party served. Any notice given by hand shall be deemed to have been served at the time of delivery.

### 12. "To Let" Notices

The Landlord may affix to and exhibit near the premises "TO LET" notice or notices during the period of 3 months immediately preceding the termination or expiry of this Lease Agreement and during that period the Landlord shall permit incoming occupiers of the premises to exhibit near the premises any notices that may be required in connection with any application for any license to carry on business in the premises. The Landlord shall at all reasonable times during the period of this Agreement permit any prospective tenants or purchasers of the property, of which the premises form a part, or of the share capital of the Landlord, to view the interior of the premises. Such signs shall be conspicuous but neat.

### 13. Governing Law

This Lease shall be governed by and construed in accordance with the laws of the United Republic of Tanzania.

### 14. Arbitration

If any dispute, difference or question shall arise between the Landlord, and the Tenant touching on any clause at any time hereafter arise between the parties hereto or their respective representatives or assigns in respect of the construction of this lease or concerning anything herein contained or arising out of this lease or as to the rights, liabilities, or duties of the said parties hereunder, the same shall be settled by arbitration in accordance with and subject to the provisions of the Arbitration Act [Cap. 15] of the laws of the United Republic of Tanzania. The number of arbitrators shall be three, one appointed by each of the Parties hereto and a third arbitrator (who shall act as chairman) to be appointed by the two arbitrators appointed by the Parties. If any Party fails to appoint an arbitrator or the arbitrators appointed by the Parties cannot agree on the third arbitrator, the arbitrator for the non-appointing party or as the case may be, the third arbitrator shall be appointed by the chairman for the time being, of the Tanzania Institute of the Arbitrators. Any arbitral award issued shall be final and binding and judgment on such award may be entered in any court having jurisdiction thereof.

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IN WITNESS WHEREOF THIS LEASE HAS BEEN DULY EXECUTED by the parties in the manner and on the day and the year hereinafter appearing.

**LANDLORD:**

**SIGNED** and **DELIVERED** by said

**ABRAHAM RAPHAEL SEMPENBA** who is known to me personally

/Identified to me by NAAMAN SHAMBA in my presence

on this 26<sup>th</sup> day of August 2022



In witness:

Full Name: Adv. Jackson Moses Munuo

Signature: 

Address: P.O. BOX 4078, DAR ES SALAAM

Designation: Advocate, Commission for Oaths, Notary Public



**TENANT:**

**SIGNED** and **SEALED** by the said

**AFRICA STEEL GROUP COMPANY LIMITED** at Dar es Salaam

**COMMON SEAL**

In our presence on this ..... day of ..... 2022

Name : XIAOYI ZHENG

Signature : 

Postal Address : 8513 DSM

Qualification : **Director**



Name : HONGTAO ZHENG

Signature : 

Postal Address : 8513 DSM

Qualification : **Director/Company Secretary**



