

Term Loan Facility (TL) – Indicative Term Sheet

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Borrower:	Alaf Limited
Guarantor:	N/A
Facility Amount:	TZS equivalent of USD 20,000,000 (with LC Limit as Inner Limit)
Purpose:	To finance set up of Color Coating line for the business
Tenor:	7 years (84 months - including 24 months Grace Period)
Grace Period:	24 months
Availability Period:	The date falling 18 months after the date of the Facility Agreement.
Interest Period:	The Interest Period for the Facilities shall be quarterly.
Interest Rate:	Floating: 182 day T – Bill rate plus 4.5%p.a., with a Floor rate of 11.5% p.a.
Benchmark:	182 day T – Bill rate
Default Interest Rate:	Interest Rate 5% per annum.
Repayment Instalments:	Principal plus Interest will be paid on quarterly basis.
Mandatory Prepayment:	The Borrower shall prepay the Facility upon the occurrence of the following event: <ul style="list-style-type: none"> a. Change of control of the Borrower b. Illegality, c. Disposals
Fees:	Commitment Fee (During Availability Period): 0.5% p.a. of the undrawn portion during the availability period, paid quarterly in arrears

Arrangement Fee:

1% of the Term Loan Facility Amount which is payable upon acceptance of the final issued offer letter.

LC Terms:

Maximum Amount: USD 11,000,000
Maximum Tenor: 180 days
Fee: 0.75% per quarter or part thereof

Prepayment Fee:

N/A if the exposure is settled from borrower's funds, otherwise the below will apply:.

Period	Applicable Prepayment Fee
0 – 24 months	1% of the amount prepaid
25 – 48 months	0.85% of the amount prepaid
49 – 84 months	0.75% of the amount prepaid

Costs and Expenses: The Borrower shall pay all costs and expenses, valuation costs, legal fees, incurred in relation to the Security Documents and the legal opinion (if applicable)..

Financial Statements

The Borrower will provide the Bank with:

- (a) Copies of its audited accounts including a balance sheet and profit and loss account, as soon as they are available and not later than 180 days from the end of each of its financial years.
- (b) Copies of its Semi Annual Management Accounts in form and substance satisfactory to the Bank, including a balance sheet and profit and loss account or any other requirements as soon as they are available and not later than 30 days from the end of the period to which they relate.
- (c) a copy of its Annual Return filed with the Company Registrar in terms of section 128 of the Companies Act of 2002 as soon as it is available and not later than 180 days from the end of each financial year.

Financial Covenants:

To be confirmed after proper assessment of historical performance and submitted forecasts

Relevant Period:

Each period of 12 months ending on the last day of a financial year of the Borrower.

Testing:

The financial covenants shall be tested by reference to the audited financial statements of the Borrower.

Security:

The security listed in the attached Schedule 1.

Events of Default:

Customary for a facility of this nature, including, without limitation, breach of covenant, cross default, insolvency events, change of control, material adverse effect.

Special Conditions:

(i) No Disposals:

- a. The Borrower shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset
- b. Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
 - i. Made in ordinary course of trading/ business of the Borrower
 - ii. Of assets in exchange for other assets comparable or superior as to type value and quality or
 - iii. In the event of default, shareholder loans will be subordinated to bank's debt.

(ii) Insurance Policy:

Insurance on the property to be pledged as security as well as plant and machineries to be financed to be in place.

(iii) Transactional Business Clause:

The Borrower shall, for the tenor of the Facility, route through the Bank:

- a. 20% share of TISS & Electronic Fund Transfers (Local Interbank) transfers
- b. 20% share of TT Transactions
- c. 20% share of TRA payments
- d. 20% share of GEPG payments
- e. 20% share of all Deposits
- f. 20% share of all Salary and Incentive payments of all borrower's employees

Representations and Warranties:

The Borrower shall each make representations and warranties customary for a facility of this nature. The obligations of the Bank in relation to each drawing will be subject to those representations and warranties which are repeated remaining true and accurate as at the date of the draw down notice and on the first date of each Interest Period.

Documentation:

The Facility shall be documented in a Facility Agreement and other relevant documentation between the Bank and the Borrower. The Facility Agreement will contain standard provisions relating to, inter alia, increased costs, illegality, taxes, market disruption, breakage costs, default interest changes in currency and representations, warranties and undertakings as are Customary for a facility of this nature.

Governing law and Jurisdiction:

The facility documentation shall be governed by the laws of the United Republic of Tanzania.

Conditions Precedent:

- (a) Registration/ perfection of offered securities.
- (b) Any other Conditions as will be confirmed by the Credit Committee(s).

The terms and conditions described in this letter shall be available for up 30 days from the date of this letter, subject to the Borrower executing facility documentation satisfactory to the Bank within that period.

Accepted for and on behalf of the Lender

National Bank of Commerce Limited

Name: ALLEN KOMUNIT

Title: SECTOR HEAD: AGRIBUSINESS & COMMERCIAL PROPERTY FINANCE

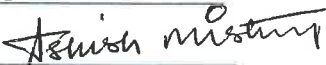
Signature: 

Accepted for and on behalf of the Borrower

Alaf Limited

Name: ASHISH MISTRY

Title: CEO

Signature: 

SCHEDULE 1

Security:

New:

1. First Ranking Mortgage Deed over Landed Properties to cover the facility by a minimum of 125% Forced Sale Value. To be shared on pari passu basis with existing lenders i.e. Standard Chartered Bank Tanzania Limited, Stanbic Bank Tanzania Limited and Citibank Tanzania Limited.
2. Debenture over the company's floating and all fixed assets to cover the Facility by a minimum of 125% cover. To be shared on pari passu basis with existing lenders i.e. Standard Chartered Bank Tanzania Limited, Stanbic Bank Tanzania Limited and Citibank Tanzania Limited.

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