



Absa Bank Tanzania Limited
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Lake Cement Limited,
First Floor, ATC House, Plot 773/40
Ohio/Garden Street, Garden Avenue,
PO Box 40707
Dar Es Salaam
Tanzania

22 July 2022

Dear Sir/Madam,

RE: Expression of Interest – Term Loan Facility (the "Transaction")

Absa Bank Tanzania ("ABT") acting jointly with its affiliates (together referred to as "Absa Group Limited" or "AGL") hereby confirms its interest to potentially provide a Term Loan Facility to Lake Cement on a best-efforts basis.

This Expression of Interest and initial indicative terms set out in this letter is based on our understanding of your requirements as per the information received to date. This information is still high level, and we will require further comprehensive information in due course, including full satisfaction of any further due diligence questions. Based on the limited information provided to us, our high-level indicative terms and conditions are included below:

Indicative terms and conditions

Borrower	Lake Cement Limited
Arranger	Absa Bank Tanzania (ABT)
Purpose	Plant Expansion and Upgradation
Facilities	Term Loan Facility Trade Facility
Total Facility Amount	Facility A: USD 15,400,000 With inner limit of USD 10,000,000 being an LC and to be converted to a Term Loan after maturity within maximum of 18 months from issuance (Inner Limit) Facility B: TZS 10,500,000,000
Interest rate	Facility A: Fixed rate at 6.65% p.a. Trade Facility: LC Commission 0.25% -per quarter excluding VAT LC amendments USD 100 + Swift USD 40 excluding VAT Discrepancy Fee USD 25 excluding VAT Documents examination USD 20 excluding VAT Facility B: Fixed Interest of 12.5%. p.a.
Repayment	7 years with a 24-month moratorium
Availability	[18] Months from the date from and including the Effective Date to and including the date falling twelve 12 months after the Effective Date.

Directors: Simon Chingilile Mponji* (Chairman), Abdi Mohamud Mohamed** (Managing Director), Fatma Amani Karume*,
Nina Pendaali Eshun*, Richard Joseph Magongo* Obedi Solomon Laiser*, (Director, Finance), Farija Pendo Ghikas*
(Company Secretary) [Tanzanian*, Kenyan**]

Upfront Fee	0.35% on the Facility Amount
Security	<ol style="list-style-type: none"> 1. Corporate Guarantee from Lake Cement Limited. 2. Debenture over the current and future assets of Lake Cement Limited.
Information Undertaking	<p>Further to information provided, we would require the following information to complete our due diligence and credit assessment for submission to credit committees</p> <ol style="list-style-type: none"> 1. Draft financials for the Quarter ended 30 June once they are ready 2. Any other information on the company that will be required for the purpose of and during the credit appraisal.
Voluntary Prepayment:	Allowed
Mandatory Prepayment:	<p>The Borrower shall prepay the Facility upon the occurrence of the following events, including but not limited to:</p> <ol style="list-style-type: none"> a. A change of control of the Borrower (Sponsors cease to control the Borrower) b. Cessation of business c. Disposal of assets of the Borrower d. Insurance proceeds e. Sanctions f. Illegality g. Unlawful Acts h. Failure to pay any sum when due
Costs and Expenses:	<p>The Borrower shall pay all costs and expenses, including legal fees, incurred in relation to the facility and Security Documents. and the legal opinion(s) to be provided to the Bank (if any)</p>
Additional Information:	<p>The Borrower will notify the Bank in advance of any plan to change its shareholding, equity structure or management control.</p>
Conditions Precedent:	<p>The following conditions precedent shall apply to this facility including but not limited to:</p> <ol style="list-style-type: none"> a. Corporate approvals, board resolutions, and constitutional documents shall have been obtained b. Relevant Lender credit committee approvals c. Satisfactory review/completion of all facility related documentation d. Evidence of relevant insurances e. Payment of all fees and expenses f. Authorization/Resolution from the Board of Directors allowing the Borrower to borrow g. Safe to lend – All Security documents duly signed and submitted to the bank h. KYC compliance

i. Subordination agreement in the form acceptable to the Bank signed between the Borrower and its Shareholders.

Events of Default:

As Customary for a facility of this nature, including, without limitation:

- a. Insolvency events
- b. Change of control
- c. Material adverse effect
- d. Audit qualification
- e. Security ceases to be in full force and effect

Representations and Warranties:

The Borrower shall 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 Facilities shall be documented in Facility Agreement/s and other relevant documentation between the Bank and the Borrower. The Facility Agreement/s will contain standard provisions relating to, inter alia, increased costs, illegality, taxes, market disruption, breakage costs, default interest and changes in currency

Governing Law

Tanzanian Law

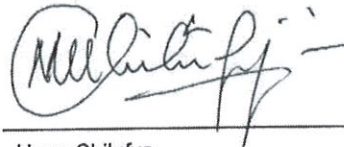
We would like to reiterate our strong interest in working with Lake Cement Limited on this transaction. Please note that this letter merely constitutes a preliminary expression of interest, it does not represent a commitment to the proposed financing, nor does it give rise to any legally binding rights and obligations between us or between ABT and any other person. It is not intended to create any expectation or legal relationship between us, as any offer of financing, including the proposed commercial terms and conditions set out in the table above, will be subject to normal market conditions, as well as receiving the approval of ABT relevant credit committees and the performance of such any due diligence ABT may deem fit. Unless otherwise informed, our expression of interest as indicated in this letter is to remain in place for a period of 3 months from the date of issue. Please note that this letter and its contents are confidential and may not be disclosed to third parties without ABT prior written approval.

Should you require any further information or have any questions, please do not hesitate to contact us. We look forward to working with you on this important transaction.

Yours faithfully,
For and on behalf of Absa Bank Tanzania



Nellyana Mmanyi
Head of Corporate Coverage
Absa Bank Tanzania



Hugo Chilufya
Corporate Director
Absa Bank Tanzania

