

23/06/2023

The Port Manager,
Mtwara Port,
Industrial Area, Bandari Road,
P.O Box 530
Mtwara-Tanzania

Dear Sir,

RE: STORAGE – MTWARA BULK STORAGE TERMINAL TANZANIA LIMITED

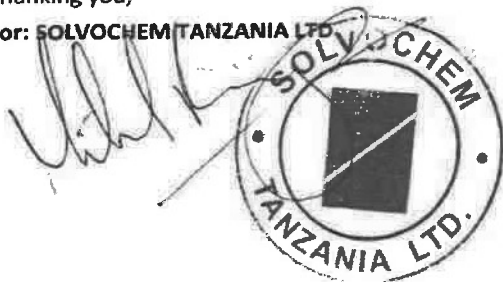
Basis our lease agreement to store various products in our terminal, we are pleased to announce that we have finally agreed to a storage agreement with Mtwara Bulk Storage Terminal Tanzania Ltd for condensate and diesel in the forthcoming future.

Your assistance has always been appreciated and hope that this will finally bring an income to the site built years ago for this purpose.

Hoping for the same support in the future as accorded in the past.

Thanking you,

For: SOLVOCHEM TANZANIA LTD



Lease Agreement

This Lease Agreement for storage and throughput of Diesel, petrochemicals and Condensate products ("**Lease Agreement**") has been entered into and shall be in full force and effect on April 1st, 2023 (the "**Commencement Date**") by and between:

SOLVOCHEM TANZANIA LTD a company duly incorporated and existing under the laws of the Republic of Tanzania (registration number 64053) and having its registered address at Bandari Road, Plot 1; P.O. Box 1351 Mtwara- Tanzania (hereafter referred to as "**First Party**")

MTWARA BULK STORAGE TERMINAL TANZANIA LIMITED, a company duly incorporated and existing under the laws of the Republic of Tanzania (registration no. 165056795) and having its registered address at Plot No.1 Bandari Road Mtwara, Tanzania (hereafter referred to as "**Second Party**").

Each of the First Party and the Second Party shall be hereinafter referred to as a "**Party**" and collectively as the "**Parties**" as the case may be.

PREAMBLE

WHEREAS The First Party owns storage facilities at Mtwara, Tanzania, that include storage tanks and terminal facilities (the "**Terminal**") that can be used for the purposes of storage and throughput of Diesel, petrochemicals and Condensate Products (hereinafter referred to as the "**Products**")

WHEREAS The Second Party wishes to lease under the terms and conditions below certain of the First Party's tanks to store such Products.

NOW THEREFORE, based on the mutual representation and covenants below, the Parties have agreed as follows:

1. LEASED TANKS

The First Party owns and operates in the Terminal tanks with a collective capacity of 10,000 m³ and hereby agrees to sub-lease to the Second Party tanks number 1, 2, 3, 4, 5, 6, 7,8,9&10 with the total collective capacity of 10,000 m³ (the "**Leased Tanks**").

2. TERM AND TERMINATION

2.1 This Agreement shall commence and be in full force and effect on the Commencement Date and shall remain valid for a period of three (3) calendar years (the "**Initial Term**").

2.2 The Initial Term of this Agreement shall be automatically renewed for additional periods of three years (the "**Renewed Term**") upon the same terms and conditions herein contained except the Storage Fees payable which shall be negotiated on renewal unless otherwise agreed in writing by both Parties and/or upon the occurrence of a termination event.

2.3 During the Initial Term the Parties shall not have the right to terminate the Agreement before one calendar year has elapsed from the Commencement Date (the "**Minimum Term**"). After the Minimum Term has elapsed, the Parties shall have the right to terminate the



[Handwritten mark]

Agreement provided the terminating Party to this Agreement sends a written notice to the other Party six (6) months prior to the intended date of termination (the "Notice Period").

2.4 However, either Party can terminate this Agreement with immediate effect without the need for any further notice or judicial intervention in the event of:

- 2.4.1 any material breach of this Agreement,
- 2.4.2 the initiation of any voluntary or involuntary liquidation or bankruptcy proceedings of the other party; or
- 2.4.3 an extended force majeure event as defined in Clause 7.2 for more than thirty (30) calendar days from the commencement of the circumstances excusing performance.

2.5 Upon the expiry of the Initial Term and/or the Renewed Term or upon the expiration or early termination of this Agreement, the Second Party shall be obliged to immediately remove the remaining products from the Leased Tanks and deliver the Leased Tanks to the First Party. The Second Party shall have a thirty (30) days grace period to completely remove the remaining Products from the Leased Tanks and return the Leased Tanks in an acceptable condition to the First Party.

2.6 Following the expiration of the Grace Period and if the First Party fails to remove all the remaining Products stored in the Leased Tanks, the First Party shall have the option to either:

- Unilaterally renew the Agreement under the same conditions without the need of any notice of any form whether notarial or otherwise and without the need to resort to any other legal measures. The Storage Fees will be automatically due for the full month regardless of the number of days of storage per month where the products actually remained in the Leased Tanks and for the overall capacity of the Leased Tanks.
- Upon the end of the Grace Period, if the Second Party has still not removed the Products, the First Party may proceed with all legal measures available under the law including but not limited to selling the Products in whole or in part by auction or any other appropriate method. All cleaning costs for the Leased Tanks are for the account of the Second Party.

3. RENTAL FEES, CHARGES & PAYMENT TERMS

3.1 **Storage Fees:** The yearly Storage Fees payable by the Second Party shall be Four Hundred Seventy-Five Thousand USD (\$ 475,000) for each calendar year during the Initial Term based on the total capacity of the Leased tanks and irrespective of the quantity of Products stored.

3.2 The Storage Fees are due and payable by the Second Party quarterly in advance of each quarter (if lifted or removed earlier as per the provisions of this Agreement).

3.3 All other charges, costs and duties due and payable by the Second Party are to be settled in United States Dollars (USD) and within thirty (30) days from the date of invoice.

3.4 Upon execution of this Agreement the Second Party shall pay to the First Party a down payment of 150,000 USD. Both Parties also agree that on the Commencement Date the Second Party shall pay to the First Party the first quarterly advance payment on the Storage Fees amounting to One Hundred Eighteen Thousand and Seven Hundred Fifty US Dollars (\$ 118,750)

3.5 The Parties hereby agree that Solvochem's bank account details for the payment of the Storage fees and all other sums payable by the Second Party under the Agreement are as follows:

BANK: STANBIC BANK TANZANIA LTD
NAME: SOLVOCHEM TANZANIA LIMITED
TZS ACC: 9120002896069
USD ACC: 9120002896107
BRANCH: CENTER
SWIFT: SBICTZTX

3.6 Right to Refrain from Delivery. In the event of delay in paying the Storage Fees, Solvochem shall also have the right to refrain from delivering the Products without incurring any liability whatsoever until such a full payment has been made. During such time, the Second Party shall continuously bear all the costs and storage fees relating to the products including but not limited to rent fees and legal interest which shall be automatically due and payable.

3.7 Legal Interest on Late Payments. Any late payment of any amount due under this Lease Agreement shall be subject to legal interest per annum as per the rates provided under the Applicable Law (the "Legal Interest"). The Legal Interest upon any unpaid Storage Fees is in addition to any other fees and surcharges to be paid by the Second Party under this Lease Agreement shall accrue upon expiry of a three (3) Business Days grace period starting from the date on which the relevant payment becomes overdue.

3.8 Penalties for Late Payment. In the event of delay in paying the Storage Fees on their due date quarterly and in advance, The Second Party shall have a 10 days grace period to proceed with payment (the "Grace Period"). Following the expiration of the Grace Period and if the Second Party failed to satisfactory settle the Storage Fees then:

- the Second Party shall be automatically liable to pay a monthly penalty of USD 20/m³ excluding taxes for the overall capacity of the Leased Tanks that have Products remaining in it, irrespective of the quantity of Products remaining in such Leased Tanks.
- Upon the end of the Grace Period, if the Second Party has not yet the First Party may proceed with all legal measures available under the law including but not limited to selling the Products in whole or in part by auction or any other appropriate method. All cleaning costs for the Leased Tanks are for the account of the Second Party.

2

HA

4. OBLIGATIONS OF THE FIRST PARTY

- 4.1. The First Party shall have the following obligations under this Agreement:
- 4.1.1. Clean the Leased Tanks before the execution of this Agreement.
 - 4.1.2. Receive the Products into Leased Tanks in Solvochem terminal in Tanzania.
 - 4.1.3. Keep the Products stored safely, securely and in proper conditions in the dedicated Leased Tanks as mutually agreed.
 - 4.1.4. Exercise due care to minimise any loss of the Products due to its operations; but the Second Party will not hold Solvochem responsible for operational losses of the Products during the contractual period, unless caused by Solvochem negligence or wilful misconduct.
 - 4.1.5. During the Initial Term and the Renewed Term of this Agreement, insure the Products stored in the Leased Tanks with a reputable insurance company against loss or damage by fire, theft and natural disasters and other acts of God in the name of Solvochem to the full insurance value thereof. Solvochem should also acquire a "Terminal Operations" insurance policy for its operation at the port to cover its liability for damages to third parties (vessel, jetty, equipment, vehicles, pollution, people, etc.) caused by Solvochem equipment failure or by its operator errors.
 - 4.1.6. Notify the Second Party immediately about any governmental authorities that will need to enter and inspect the Leased Tanks for the purpose of verifying compliance with Solvochem Lease Agreement.
- 4.2. The First Party shall not be responsible or liable for any loss and/or damage of the Products due to a long storage period or the handling of the Second Party of the Products and the First Party shall not be responsible for the deterioration of quality.
- 4.3. Except as clearly stipulated for herein, the First Party shall not be liable for any claim and/or losses or damage whatsoever incurred as a result of the Second Party's operations, its employees and/or its agents.

5. OBLIGATIONS OF THE SECOND PARTY

Without prejudice to other obligations including those imposed by the Laws of the Republic of Tanzania, The Second Party shall have the following obligations under this Agreement:

- 5.1. Shall be responsible for obtaining any additional legal licenses/ authorisations/ permits, from any official department or entity to handle, load, unload, ship or own the Products specially all necessary authorizations regarding the discharge of the Products associated with the rental of the Leased Tanks, which are not the obligation of Solvochem as the lessor under the Lease Agreement or the laws of the Republic of Tanzania.
- 5.2. Shall be responsible to pay all official fees, taxes, berthing fees, duties, import logistics of port, customs clearance and/or costs whatsoever that are due related to the discharge, storage and handling of the Products (and more specially without being

limited to, all cleaning costs after the termination of the agreement) in accordance with the laws of the Republic of Tanzania.

- 5.3. Shall be responsible for ensuring that all customs, fees and documentary requirements relating to the importation / exportation of the Products are completed prior to every delivery within the necessary deadlines.
- 5.4. At its own expense procure and maintain an insurance policy to address the liabilities that may arise or relate to the Products in the Leased Tanks and/or during sea and/or land transportation as may be the case and that is not covered by Solvochem.
- 5.5. Undertakes to indemnify and keep Solvochem harmless from and against all claims made by third parties against it but only to the extent that the event giving rise to the claim against Solvochem relates to the products owned by the Second Party and limited to accidents caused by or resulting from the gross negligence of the Second Party's personnel.
- 5.6. Shall be responsible for damages resulting from the handling or storage related to the hazardous nature of the products sustained by the Leased Tanks or by Solvochem Staff and undertakes to indemnify and keep Solvochem harmless from damages and claims.
- 5.7. At its own expense procure and maintain all technical equipment needed for the sound storage of the Products in the dedicated Leased Tanks and clean the Leased Tanks after the expiry of this Lease Agreement and deliver the Leased Tanks to Solvochem cleaned at the Second Party's expense.
- 5.8. The docking of vessels is subject to the authority of the port of Mtwara and therefore Solvochem shall not be responsible for any demurrage resulting from the inability of the vessel to dock, or for any accident resulting from the vessel docking.
- 5.9. To immediately bring to the attention of the Solvochem any legal suit or conduct by any third party affecting the Leased Tanks or challenging the Solvochem's title to the Leased Tanks within a reasonable time after the same is brought to the attention of the Second Party.
- 5.10. Not to take any steps to defend any suit, attend any settlement, negotiation, arbitration directly or indirectly affecting the title or ownership of the Leased Tanks without the prior written agreement of Solvochem. Should the prior written agreement of Solvochem not be provided within seven (7) days after notification by the Second Party of the same and in the case the Second Party needs to defend itself from any suits, attend any settlement, negotiation, arbitration directly or indirectly affecting the title or ownership of the Leased Tanks.

2

6 GENERAL CONDITIONS

6.1 Notices

Notices / requests or other communication shall be delivered in writing by hand delivery with confirmation of signature of the receiving party at the following addresses:

To: **Solvochem Tanzania Limited**
Bandari Road, Plot 1
P.O. Box 1351 Mtwara- Tanzania
Tel: +255 222664791/92
Mr. Zeiad Flouty

To: **Mtwara Bulk Storage Terminal Tanzania Limited,**
Plot No. 1 Bandari Road, Mtwara Municipality
P.O.Box. 1419 Mtwara, Tanzania
Tel: +255 754 885 500
Mr. Leon Mazigo

The Parties agree that all notices to be given hereunder shall be delivered to their respective addresses and shall be deemed received on the day the receiving party signs receipt thereof.

6.2 Force Majeure

6.2.1 To the extent that the performance of the Agreement is rendered impossible, unfeasible or unsafe, either party shall not be liable for failure to perform its part of this agreement when such failure is due to an act of god, fire, flood, explosion, accident, strikes, labour troubles or other industrial disputes, war (declared or undeclared), armed conflict, civil disturbances, embargoes, blockades, legal restrictions, riots, insurrections, or any cause beyond the control of the Parties provided that written notice of the commencement and cessation of the circumstances excusing performance shall be given quickly as possible and in any event within thirty (30) calendar days following the commencement and cessation respectively.

6.3 Assignment or Transfer of Rights

6.3.1 Neither Party shall have the right to assign any or all its rights and obligations under this Agreement to any other party without prior written consent of the other Party.

6.3.2 The Second Party shall not have the right to sublease the Leased Tanks or any part thereof without obtaining the prior written consent of the First Party.

6.3.3 Any action taken by the Second Party relating to the Products including selling, mortgaging or imposing any liens of any kind, in whole or in part, shall not affect

the rights of Solvochem under this Agreement or its ability to enforce such rights against the Second Party to the fullest extent.

6.3.4 Any action taken by the Second Party relating to the Assets including selling, mortgaging or imposing any liens of any kind, in whole or in part, shall be deemed unlawful and shall not affect the rights of Solvochem under this Agreement or its ability to enforce such rights against the Second Party to the fullest extent.

6.4 Applicable Law and Dispute Resolution

6.4.1 This Agreement including arbitration agreement shall be governed by and constructed in all respects in accordance with the Laws of the Republic of Tanzania.

6.4.2 Any disputes arising out of or in connection with this Agreement, including any issues regarding its existence, validity or termination shall be referred to and finally resolved by arbitration.

6.4.3 The place of the arbitration shall be Dar Es Salaam, Tanzania and the language of the arbitration proceedings shall be English.

6.4.4 The Parties agree that an arbitration under this clause shall have commenced from the date that either Party notifies the other Party of its intention to file an arbitration claim or all awards in respect of an arbitration commenced under this clause are final and binding on the Parties from the date thereof.

6.5 Confidentiality and Publicity

6.5.1 The Second Party shall keep confidential and not disclose to anyone ~ except to those designated by Solvochem or those employees of Solvochem or Government Officials or of subcontractors required to know in order to permit Solvochem to perform its obligations thereunder ~ any of the following information:

6.5.1.1 Quantities of product loaded or unloaded, and stocks or Products in storage

6.5.1.2 Arrival and departure times of vessel, road tankers and PSV to load /discharge product whether estimated or actual.

6.5.1.3 Suppliers or Customers delivering or receiving Product's

6.5.1.4 Specifications and characteristics of the Products being handled.

L

HL

- 6.5.2 The First Party shall not disclose any information concerning the Second Party's activities or activities on its behalf or in any way related to the Leased Tanks without the Second Party's written prior consent.
- 6.5.3 Both Parties shall keep strictly confidential and not divulge to any third party the commercial terms of this Agreement or any other information of a commercial or technical nature relating to this Agreement.


[Execution Page Follows]

2

§

Certified as True Copy of the Original.

Isakwisa Lucas
Advocate, Notary Public & Commissioner
for Oaths

Sign: 

Date: 23/11/2023

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties the day and year first above written

By: SOLVOCHEM TANZANIA LIMITED

Signature: 

Name: ZEIAD A. FLOUTY

Title: MANAGING DIRECTOR

Date: March 23rd 2023



By: MTWARA BULK STORAGE TERMINAL TANZANIA LIMITED



Signature: 

Name: LEN WILLIAM MAZIGO

Title: MANAGING DIRECTOR

Date: March 23rd 2023




Certified as True Copy of the Original
Isakwisa Lucas
Advocate, Notary Public & Commissioner
for Oaths
Sign: 
Date: 23/11/2023

* *

