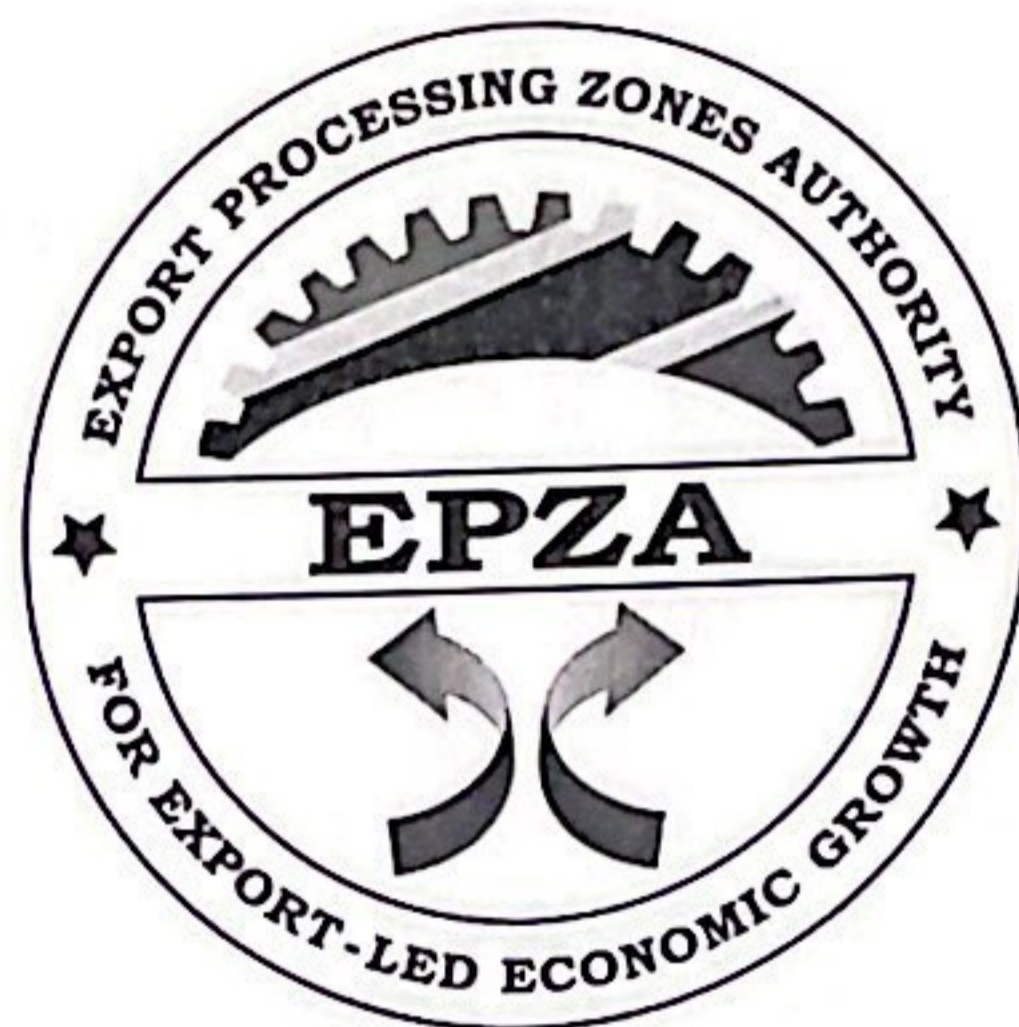


**THE UNITED REPUBLIC OF TANZANIA  
EXPORT PROCESSING ZONES AUTHORITY**



**LEASE AGREEMENT**

**BETWEEN**

**EXPORT PROCESSING ZONES AUTHORITY (EPZA)**

**AND**

**ER KANG TANZANIA COMPANY LIMITED**

**Drawn by:**

The Legal Unit,  
Export Processing Zones Authority  
Nelson Mandela Road, Plot No. 1081,  
Ubungo – Mabibo External,  
P.O. Box 12112,  
Dar es Salaam,  
**TANZANIA.**

**Tel: +255 22 292 5062-64**

**Fax: +255 22 292 5061**

**Email: [info@epza.go.tz](mailto:info@epza.go.tz)**



THIS LEASE AGREEMENT is made this 20<sup>th</sup> day of August 2024.

**BETWEEN**

**THE EXPORT PROCESSING ZONES AUTHORITY**, an Autonomous Government Agency established under the Export Processing Zones Act, responsible for establishing and supervising the operations of the Special Economic Zones within the Mainland of the United Republic of Tanzania; whose address is Export Processing Zones Authority, Benjamin William Mkapa – Special Economic Zone, (BWN- SEZ) Mabibo External, Mandela Road, P.O. Box 12112, Dar es Salaam (hereinafter referred to as the "**Lessor**") the expression which, unless the context imports to mean otherwise, shall include its mandated and authorized Employees, Representatives and Agents, of one Party;

**AND**

**ER KANG TANZANIA COMPANY LIMITED**, a Company incorporated in Tanzania in accordance with the provisions of the Companies Act, Cap 212 of P.O Box 31191, Dar es Salaam, Tanzania (hereinafter referred to as the "**Lessee**") the expression which, unless the context imports to mean otherwise, shall include its mandated and authorized Employees, Representatives and Agents, of the other Party.

**WHEREAS** the Lessor legally owns a Special Economic Zone known as Benjamin William Mkapa Special Economic Zone located at Mabibo-External, Dar es Salaam and invites interested companies to rent out plots available therein for purposes of establishing factories and erecting warehouses among other things, and the Lessee wishes to Lease Plot No. 8 and 10 within BMW-SEZ,) hereinafter referred to as the "*demised premises.*"

**WHEREAS**, the Lessor has agreed to grant the Lessee a Lease Agreement in respect of the demised premises for a period of thirty-three (33) years commencing on the date of signing of this Agreement, subject to terms and conditions laid down in this Agreement;

**WHEREAS** the Lessee has agreed and hereby undertakes to lease the said premises for the period of thirty-three (33) years subject to the terms and conditions of this agreement.

**NOWHEREFORE THIS AGREEMENT WITNESSETH** as follows:

**1. INTERPRETATION AND DEFINITIONS**

1.1.1 "**Default Interest Rate**" means the interest rate at which all overdue amounts payable in terms of this Agreement will attract interest.



- 1.1.2 "**Environmental Impact Assessment Certificate (EIAC)**" means the certificate issued by the National Environmental Management Council (NEMC) in respect of the environmental impact assessment conducted for the project intended to be carried out by the Company.
- 1.1.3 "**Commencement Date**" means the date the Lease Agreement.
- 1.1.4 "**Lease Period**" means the period of thirty three (33) years commencing from the implementation date.
- 1.1.5 "**Service Charge**" means a fee charged by the LESSOR for purposes of providing various common services within the Special Economic Zone.
- 1.1.6 "**Services Infrastructure**" means all fixed and movable infrastructure required for the provision of the utility services and related services.
- 1.1.7 "**Tax**" means any present or future tax, levy, impost, duty, charge, surcharge, fee, deduction or withholding in the nature of a tax, under whatever name, imposed, levied or assessed by any responsible Authority including, without limitation any interest, penalty, fine or surcharge in connection with any failure to pay or delay in paying of any of the aforesaid.
- 1.1.8 "**Utility Services**" means all the utility services supplied by utility companies, including but not limited to water, electricity, fire services, sewerage services, refuse removal services, security services, telecommunications services and solid waste management services.
- 1.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the Agreement.
- 1.3 When any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 1.4 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 1.5 Reference to month(s) or year(s) shall be construed as Gregorian Calendar month(s) or year(s).
- 1.6 Where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall



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bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this interpretation clause.

- 1.7 The expiration or termination of this Agreement shall not affect as such any of the provisions of this Agreement as expressly provided that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.8 Any reference in this Agreement to a Party shall, if such Party is liquidated or sequestrated, be applicable also to and binding upon that Party's liquidator or trustee, as the case may be.
- 1.9 Any provision of this lease imposing a restraint, prohibition or restriction on the Lessee shall be so construed that, the Lessee is not only bound to comply therewith but is also obliged to procure that the same restraint, prohibition or restriction is observed by everybody occupying or entering the Premises or any part thereof through, under, by arrangement with, or at the invitation of, the Lessee, including (without limiting the generality of this provision) its Associates and the directors, members, officers, employees, agents, customers and invitees of the Lessee or its Associates.
- 1.10 Whenever used in this Agreement, unless the context clearly indicates otherwise, the use of the singular includes the plural and vice versa and the use of any gender is applicable to any other gender.

## 2. USE OF THE DEMISED PREMISES

- 2.1. The demised premises shall be used for activities as per the Business Plan submitted by the Lessee and approved by the Lessor.
- 2.2. The Lessee shall not allow the demised premises in whole or part, to be used for any purpose other than in accordance with the approved business plan and in accordance with the license issued by the Lessor.
- 2.3. The Lessee undertakes not to cause or commit any nuisance on the demised premises or cause any annoyance or discomfort to tenants of adjoining sites.
- 2.4. The premises shall only be used by the Lessee for such purposes as stipulated in the Special Economic Zones Act and Export Processing Zones Act.



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### 3. THE LESSEE'S OBLIGATIONS FOR THE DURATION OF THE AGREEMENT

The Lessee undertakes to comply with all obligations stipulated in this Agreement and warrants to do the following:

#### 3.1. Regulatory Compliance

- 3.1.1 The Lessee shall, for the duration of the Agreement, ensure compliance with all relevant Laws and Regulations of the United Republic of Tanzania as well as the terms and conditions of the Licenses issued by the Lessor to the Lessee.
- 3.1.2 Where the Lessee violates or in any manner transgresses the terms of any of the applicable laws, regulations, guidelines or policies, the Lessor shall be exempted from such liability and the Lessee will be held responsible for any such liability arising thereof.

#### 3.2. Maintenance of demised premises by the Lessee

- 3.2.1 The Lessee shall, during the currency of this Agreement, be obliged to maintain the demised premises and all parts thereof including but not limited to drains, gutters and downpipes, concrete, macadam and other surface finishes and all services infrastructure in good order and condition and for such purpose shall attend to such repairs and provide such replacements as may be required.
- 3.2.2 The Lessee shall replace or repair, as the case may be, at its own expense, any infrastructure which may be removed from demised premises howsoever and by whomsoever or which may become damaged or broken or destroyed from time to time during the tenancy of this Agreement.
- 3.2.3 The Lessee shall use its best endeavours to prevent and remove at its cost any blockage or obstruction of sewerage or water pipes or drains used in connection with demised premises to the extent caused by the use of the demised premises.
- 3.2.4 The Lessee shall be responsible for disposal of solid waste coming out of her premises.
- 3.2.5 The Lessee shall refrain from interfering with the electrical, plumbing, gas and all other installations on demised premises without prior approval of the Lessor;
- 3.2.6 Should the Lessee at any time fail to comply with any of its maintenance obligations, Lessor shall be entitled to enter upon the demised premises and on behalf of the Lessee replace or make good and repair all items stipulated in foregoing clauses at the cost of the Lessee.



### 3.3. Security and Access Control Requirements

- 3.2.1 The Lessee undertakes to be accountable in providing security to its demised premises and for all other assets belonging to the company.
- 3.2.2 The Lessor will not be held responsible for any losses that may occur in relation to the theft of the Lessee's assets or the assets of other persons.
- 3.4.1 The Lessee shall, with effect from the implementation date, be liable for the payment of all claims in respect of utility services including but not limited to water, electricity, gas and any other services provided to the Lessee by Service Providers for the duration of the Agreement and payment of all connection fees necessary to connect the demised premises to the services' infrastructure.
- 3.4.2 The Lessee shall, with effect from the implementation date, be liable for the payment of all statutory contributions and levies which may become payable or due.

### 3.4. Subletting and Assignment and Mortgaging

- 3.5.1 The Lessee shall not cede, assign, transfer, alienate, give up occupation or sublet any portion thereof or otherwise assign or dispose of or encumber its rights or obligations under this Agreement without the prior written consent of the Lessor;
- 3.5.2 The demised premises shall not be used for mortgages of whatsoever nature in order to obtain credit from financial institutions.

## 4. THE LESSOR'S RIGHTS AND OBLIGATIONS FOR THE DURATION OF THE AGREEMENT

### 4.1. Ownership of the demised premises

The Lessor holds Title to the demised premises and shall not transfer the legal ownership of the demised premises to the Lessee.

### 4.2. Maintenance of the Special Economic Zone

- 4.2.1 The Lessor undertakes to make sure by way of supervising that, the aesthetic appearance of Benjamin William Mkapa Special Economic Zone including all buildings, roadways and walkways, pause areas, refuse areas and parking areas are in such a manner and to such standard that the Lessee will conduct its businesses in a reasonable and commercially-efficient manner.



4.2.2 Where such obligation is vested upon the Lessee, the Lessor reserves the right to notify the Lessee of its obligation to undertake such maintenance and services within reasonable time.

## 5. RENT, TAXES, LEVIES AND UTILILITY

- 5.1. The rent for Plot No.8 and 10 measuring a total of 9,000 square meters shall be One United States Dollars One (USD 1) per square meters per annum.
- 5.2. Subject to clause 5.1 above, the Lessee shall pay a rental fee of United States Dollars Nine Thousand (USD 9,000 ) per annum.
- 5.3. The Lessee shall also pay the Lessor a service charge fee of USD 0.1 per square meter per month which amounts to United States Dollars Ten Thousand Eight Hundred (USD 10,800) collectively paid once annually.
- 5.4. The fees and charges shall be paid into the Lessors Bank upon the Lessee being issued with a control number.
- 5.5. The rent payable in clause 5.2 shall be subject to an annual rent escalation charge of 5% compounded per year, per square meter after the first year of the lease period.
- 5.6. The Lessee shall be liable for payment of interest on all overdue payments at a rate of 10% for each month of a default.
- 5.7. The rental payments and all other amounts payable by the Lessee under this Agreement shall be exclusive of taxes in accordance with the Export Processing Zones Act Cap. 373.

## 6. INSPECTION AND MONITORING

For purposes of monitoring and inspecting compliance with the terms of this Agreement, the Lessor shall, for the duration of the lease period, on reasonable notice to the Lessee, have unfettered access to the demised premises.

## 7. INSURANCES

- 7.1. The Lessee shall ensure that it has taken out insurances against any risk of damage that may or is likely to happen to the demised premises, including, but not limited to, fire insurance policy;
- 7.2. The Lessor shall have a right to claim from the Lessee any loss resulting from non-insurance of demised premises.



## 8. INDEMNITY

- 8.1. The Lessee shall not, under any circumstances, have any claim or right of action whatsoever or set off against the Lessor for damage, loss or otherwise that may occur on the demised premises save for damage or destruction directly or indirectly caused by any act or omission of the Lessor, its employees, servants or agents.
- 8.2. The Lessor shall not be responsible for:
- i. any damage to or loss of any stock-in-trade, equipment, machinery, raw materials, papers or other articles kept on the demised premises (whether the property of the Lessee or that of anyone else) by rain, hail, lightning or fire or by reason of riots, strike or state's enemies or as a result of theft or burglary, with or without forcible entry, or for any other cause whatsoever;
  - ii. any personal injury which may be sustained on the demised premises by any of the employees, subcontractors, agents, customers or invitees of the Lessee or any other person whomsoever or howsoever such injury may be caused.
- 8.3. The Lessee indemnifies the Lessor against any claim of whatsoever nature that may be made against the Lessor by any of the employees, subcontractors, agents, customers or invitees of the Lessee in respect of personal injuries so sustained or in respect of the loss of or damage to anything contained on the demised premises.
- 8.4. All the provisions of this clause shall apply and be fully operative notwithstanding that any loss, damage or injury hereinbefore referred to may occur or be sustained in consequence of anything done or omitted by the Lessee or any of its employees, subcontractors, agents, customers or invitees, whether negligently or otherwise howsoever, and notwithstanding that the Lessor may have been in breach of any of its obligations hereunder.
- 8.5. This clause applies equally to the Lessee and all its employees, contractors, subcontractors, and agents, and constitutes a stipulation in favour of the Lessor's employees, contractors, subcontractors and agents, which the Lessor accepts on their behalf.

## 9. EXPIRATION OF THE AGREEMENT

- 9.1. This Agreement will expire after thirty three (33) years from the commencement.
- 9.2. The Lessee will have the right to renew the lease agreement for another period of thirty three years subject to the Lessor determining that the



Lessee has been fulfilling all the conditions of this Lease Agreement during the previous tenure and upon agreeing on new terms;

- 9.3. Should the Lessee not wish to renew the Lease Agreement, procedures described under subsection 10.3 shall apply.

## 10. TERMINATION

- 10.1. The Lessor shall have the right to cancel this Agreement and to resume possession of demised premises if:
- 10.1.1 The Lessee fails to pay rental payments or other amount due by it to the Lessor in terms of this Agreement on due date and continues that failure for more than sixty (60) days after receipt of a notice requiring payment; or
- 10.1.2 the Lessee has not obtained the requisite Consents within ninety (90) days since the Implementation Date or where the Lessee has not commenced the development of demised premises within six (6) months since the implementation date.
- 10.1.3 the Lessee closes down the Project or any element of it or ceases operating it due to any reason, and has not within three (3) months after that closure or cessation of operations provided by the Lessor with a written explanation acceptable to the Lessor and accompanied by supporting documentation showing that those operations will recommence within a reasonable time frame;
- 10.1.4 the Lessee commits any other breach of the terms of this Agreement which is incapable of being remedied or where such breach is capable of being remedied, the Lessee fails to remedy that breach within 7 (seven) days or such longer period as may be reasonably required if such breach is not capable of being remedied within 7 (seven) days, after being served with a notice to do so; or
- 10.1.5 the Lessee is sequestrated, whether voluntarily or compulsorily and whether provisionally or finally; or
- 10.1.6 the Lessee is placed in liquidation or under judicial management, whether provisionally or finally; or
- 10.1.7 the Lessee allows any judgment or decree against it to remain unsatisfied for a period of thirty (30) days or longer where the Lessee has not obtained any stay of execution against such judgment or decree; or
- 10.1.8 the Lessee commits an act of insolvency within the provisions of the Companies Act;



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- 10.1.9 the license issued to the Lessee to conduct its company's business is terminated in accordance with the provisions of the Export Processing Zones Act, or in terms of the Special Economic Zones Act.
- 10.2. If for any reason or on any ground the Lessee occupies demised premises and the Lessor disputes its right to do so, then, until the dispute is resolved, whether by settlement, arbitration or litigation, the Lessee shall, notwithstanding that the Lessor may contend that this Agreement is no longer in force, continue to pay, without prejudice to its rights, an amount equivalent to the monthly rental payment provided for in this Agreement, monthly in advance, on the first day of each month, and the Lessor shall be entitled to accept and recover such payments, and such payments and the acceptance thereof shall be without prejudice to and shall not in any way whatsoever affect the Lessor's claim in a dispute.
- 10.3. If the dispute is resolved in favour of the Lessor, the payments made and received in terms of this clause shall be deemed to be amounts paid by the Lessee on account of damages suffered by the Lessor by reason of the unlawful occupation or holding over by the Lessee. Where the dispute is resolved in favour of the Lessee, the Lessor shall not be entitled to refund the monthly rental payments made during the dispute period.
- 10.4. **The Right Accruing Upon Termination of this Agreement**
- 10.3.1 Upon termination of this Agreement due to expiration of the lease term or due to any other reason the Lessee undertakes to handover the demised premises and the Services Infrastructure thereon to the Lessor. The Lessee shall be entitled to remove machinery, equipment and plant fixed on the demised premises, but shall ensure that such removal does not impair or injure the demised premises;
- 10.3.2 Where the Lessee wishes to terminate this agreement before the expiration of its term, but within 10 years from the operation date, by reason of failure to carry out its licensed business or for any other reason, the Lessee shall seek the approval of the Lessor either;
- i. to allow the Lessee to assign its rights under this agreement for the remainder of its term to another Lessee; or
  - ii. to cause the Lessor to commission an independent valuer to value the Lessee's buildings (excluding the value of the land and the companies machinery, equipment and plant). The value obtained will be paid to the Lessee by another incoming investor occupying the demised premises as compensation less the value representing years that the company has occupied the demised premises.



- 10.5. If Lessor commits any breach of the terms of this Agreement, and fails to remedy that breach within 7 (seven) days, or such longer period as may be reasonably required if such breach is not capable of being remedied within 7 (seven days) after written notice requiring that it be remedied, provided that, no such notice shall be necessary in the case of a third or subsequent breach of the same term then the Lessee shall have the right, but shall not be obliged, forthwith to cancel this Agreement and to surrender possession of demised premises.

## 11. FORCE MAJEURE

For the purposes of this Agreement, *Force Majeure* means strikes, revolts, war, civil war, armed conflicts or terrorism, nuclear contamination unless the Lessee is the source or cause of the contamination, chemical or biological contamination of the facilities from any of the events, any objectively determinable event beyond reasonable control *ejusdem generis*, which directly precludes either Party from compliance with all or a material part of its obligations under this Agreement.

- 11.1. Subject to clause 11 any Party claiming relief shall be relieved from liability under this Agreement to the extent that by reason of the *Force Majeure* event it is not able to perform all or a material part of its obligations under this Agreement.

- 11.2. Where a Party is or claims to be affected by an event of *Force Majeure*:

- i. it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the event of *Force Majeure* as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and
- ii. it shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to take steps to mitigate the consequences of the event of *force majeure* in question.

- 11.3. The Party claiming relief shall serve written notice on the other Party within 3 (three) days of it becoming aware of the relevant event of *Force Majeure*. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of *Force Majeure*;

- 11.4. The Party claiming relief shall notify the other as soon as the consequences of the event of *Force Majeure* have ceased and when performance of its affected obligations can be resumed;

- 11.5. The Parties shall endeavour to agree upon any modifications to this Agreement which may be equitable having regard to the nature of an event or events of *Force Majeure*.



## 12. DISPUTES RESOLUTION

- 12.1. The Parties shall seek to resolve amicably any dispute or difference arising between them in respect of any matter connected to, related with or arising out of this Agreement.
- 12.2. If after thirty days from the commencement of such informal negotiations, the Parties have been unable to resolve the dispute amicably; either Party may invoke the provisions of Arbitration Act Cap. 15 of Laws of Tanzania or the Arbitration Law in force in Tanzania and any other written laws and refer the matter for Arbitration or Courts with competent jurisdiction in Tanzania for determination of the dispute in question.
- 12.3. The provisions of this clause are severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated for any reason.
- 12.4. All disbursements reasonably incurred by either Party including, without limitation, the cost of air travel, accommodation and subsistence in respect of each Party, its employees, witnesses, expert witnesses, and any fees associated with such witnesses and expert witnesses save for costs that are incurred in the award made by the Arbitrator, shall be borne by the respective Parties to the arbitration provided that all fees (including disbursements and counsel) payable by each Party to its legal representatives shall not be included in such disbursements but shall follow the award of the Arbitrator who shall be empowered to order the payment of such costs as part of his award.
- 12.5. Should either of the Parties institute arbitration proceedings, such arbitration proceeding shall not relieve the Lessee from any of its obligations to make rental payments to the Lessor in terms of this Agreement nor shall it relieve the Lessor from performing any of its obligations to the Lessee under this Agreement.

## 13. GOVERNING LAW

This Agreement shall in all respects (including, without limitation, its existence, validity, interpretation, implementation, termination and enforcement) be governed by the substantive Laws of Tanzania.



#### 14. COMMUNICATION

- 14.1. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing. Notice may be communicated by way of a telefax or email.
- 14.2. Either Party may by written notice to the other Party change the physical address chosen to another physical address where postal delivery occurs in Tanzania or its postal address or its telefax number or e-mail address.
- 14.3. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen place of domicile.

#### 15. SEVERABILITY

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having been severed from the rest of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### 16. GENERAL

- 16.1 This Agreement constitutes the whole agreement between the Parties and no warranties or representations, whether express or implied, not stated herein shall be binding on the Parties.
- 16.2 No agreement at variance with the terms and conditions of this Agreement and no consensual cancellation hereof or any of the terms hereof shall be binding on the Parties unless reduced to a written agreement signed by or on behalf of the Parties.
- 16.3 No relaxation or indulgence which the Lessor may show to the Lessee shall in any way prejudice or be deemed to be a waiver of its rights hereunder and, in particular, no acceptance by the Lessor of rental payments after due date (whether on one or more occasions) nor any other act or omission by the Lessor or its employees shall preclude or stop it from exercising any rights enjoyed by it hereunder by reason of any subsequent payment not being made strictly on due date or by reason of any subsequent breach by the Lessee.
- 16.4 The Lessor shall be entitled in its sole and absolute discretion to appropriate any amounts received from the Lessee towards the payment of any cause of debt or amount owing by the Lessee to the Lessor whatsoever.



17. COSTS

Each Party shall bear its own costs of and incidental to the negotiation and preparation of this Agreement, and the costs of any stamp duty payable thereon, if any, and any renewal or extension thereof shall be borne and paid by the Lessee upon demand.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in Dar es Salaam and signed in their respective names and delivered as of the day and year herein appearing.

SEALED with the COMMON SEAL of the said THE EXPORT PROCESSING ZONES AUTHORITY and DELIVERED in the presence of us this 20<sup>th</sup> day of August 2024

Name: CHARLES J. TEMBE  
Signature: [Signature]  
Qualification: Director General



WITNESS

Name: ISAKWISA J. MWAMUKONDWA  
Signature: [Signature]  
Qualification: AG. CORPORATE SECRETARY

SEALED with the COMMON SEAL of the said ER KANG TANZANIA COMPANY LIMITED and DELIVERED in the presence of us This 20<sup>th</sup> day of AUG 2024

Name: XUEYUN WU  
Signature: [Signature]  
Qualification: Director



WITNESS

Name: JUSTICE ALAU  
Signature: [Signature]  
Qualification: CONSULTANT



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