



Ref: EBTL/MWANZA /UGS-AGF /3005211801707 USD: 3005211801708

04th April 2024

The Directors,
MAPACHA COTTON CO LIMITED
P.O. Box 1596
MWANZA, TANZANIA

Dear Sir/Madam

RE: BANKING FACILITY

Equity Bank (Tanzania) Limited are pleased to offer you the Facility set out below (the "Facility") on the following terms and conditions:

- 1.1. "Bank" means Equity Bank (Tanzania) Limited, a limited liability company duly registered under the laws of Tanzania duly licensed as a bank and whose address is care of Post Office Box Number 110183 Dar es Salaam, Tanzania which expression shall where the context admits includes their respective successors and assigns (whether immediate or derivative).
- 1.2. "Financier" or "Lender" or "Bank" means Equity Bank (Tanzania) Limited, a limited liability company duly registered under the laws of Tanzania under company number and duly licensed as a bank having its registered office at Equity Centre, 3rd floor, of Post Office Box 110183 Dar es salaam Tanzania, which expression shall where the context admits includes their respective successors and assigns (whether immediate or derivative).
- 1.3. "Borrower" means, **MAPACHA COTTON CO LIMITED**, a limited liability company duly registered under the laws of Tanzania, whose address is care of P.O. Box 1596 Mwanza Tanzania which expression shall where the context admits, includes its successors in title.
- 1.4. "Business Day" means a day other than a Sunday or gazetted public holiday on which Bank and the Lender are open for business in Tanzania;
- 1.5. "Interest Rate" means the respective lending interest rate for the Facility set out in Section A below, which rate(s) of interest the Bank and Financier shall at their sole discretion from time to time charge within the limits permitted by law.
- 1.6. "Encumbrance" includes any mortgage, charge (whether fixed or floating), pledges, lien, hypothecation, assignment by way of security, security interest, title retention, trust arrangement, preferential rights of set-off, counterclaim, Banker's lien or other

Equity Bank (Tanzania) Limited: Ohio Street, Golden Jubilee Tower, 3rd Floor | P.O. Box 110183 Dar Es Salaam | Tel: 0768 985 500 / 0768 985 535
info@equitybank.co.tz | <https://equitygroup Holdings.com/tz> | TzEquitybank @TzEquitybank

Directors: Eng. Raymond Mbilinyi - Non-Executive Chairman, Isabela Maganga - Managing Director, Dr. Aggrey Mlimuka, Prof. Ahmed Ame
Mrs. Mary Wamwe, Mr. Dino Stengel, Mr. George Theobald, Mrs. Evelyn Rutagwenda, Mr. John Wilson

Equity Bank (Tanzania) Limited is regulated by the Bank of Tanzania

- encumbrance whatsoever securing any obligation of any person and/or conferring a priority of payment in respect of any obligation of any person;
- 1.7. "Event of Default" means any one of the events specified in Section C Paragraph 5 of this Letter.
 - 1.8. "Facility" means the banking facilities made available by the Bank and the Lender pursuant to this Letter details of which are set out in Sections A 1 and A 2 of this Letter.
 - 1.9. "Letter" means this facility letter.
 - 1.10. "Security" means the security documents set out in Section A 3 to this Letter and/or any security created or to be created by the Borrower or at the request of the Borrower by any third party in favour of the Bank and the Lender to secure repayment of the Facility or any other security interest or any other agreement or arrangement having similar effect.
 - 1.11. "TZS" means Tanzania Shillings - the lawful currency of the United Republic of Tanzania.
 - 1.12. "KES" means Kenya Shillings - the lawful currency of the Republic of Kenya.
 - 1.13. "USD" and "United States of America Dollars" means the lawful currency of the United States of America.
 - 1.14. The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.
 - 1.15. The word "person" shall include any individual, firm, company, corporation, government, state or of a state or any association, trust, joint venture, consortium, partnership, or other entity (whether or not having separate legal personality) or any agency thereof.
 - 1.16. References to any agreement, document or instrument (including this Letter) means, such agreement, document or instrument (including this letter) as is supplemented, amended or varied from time to time by the parties thereto in accordance with the terms (if applicable) hereof and thereof.



SECTION A

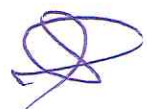
Borrower: The Directors,
MAPACHA COTTON CO LIMITED
P.O. 1596
Mwanza

Guarantors

The Directors,
DHIRAJLAL JADAVJI UNADKAT
P.O Box 1596
MWANZA

The Directors,
NEEL JADAVJI DHIRAJLAL
P.O Box 1596
Mwanza

Financier/Lender: Equity Bank (Tanzania) Limited
Golden Jubilee Towers, 3rd Floor,
Ohio Street, Dar es Salaam,
P.O. Box 110183,
Dar es Salaam, Tanzania



1.0 Terms of the Facilities :

Terms of Facility I

FACILITY I	Letter of Credit
Amount sanctioned	USD 1,845,000.00
Purpose	The facility shall be used for importation of equipment and machinery from Manala Enterprise Cotton Merchant in INDIA for construction of solvent plant for production of cotton oil.
Tenor	360 Days
Availability	Usance period of 360Days
Commission	0.5% per quarter

Dynamic Utilization of Facility I

FACILITY I(a)	Post Import Loan (Inner Limit to facility I)
Amount sanctioned	USD 1,476,000.00
Purpose	To refinance the maturing Letter of Credit obligations
Tenor	48months
Repayment	Annually
Interest rate	6-month SOFR+ 6%=10.5%
Lace	1% One-off

Terms of Facility II

FACILITY II	Medium Term Loan
Amount sanctioned	TZS 3,156,889,181.00
Purpose	The facility shall be used for payment of TRA/ TPA/ICD charges, Transport from Dar es Salaam port to factory premises located on plot No. 1 and other related statutory charges which will be supported by commercial invoice
Tenor	48months
Interest rate	18% per annum (reducing balance)
Repayment	Annually
Lace	1% per annum (reducing balance)

[Handwritten signature]



[Handwritten signature]

Terms of Facility III

Facility III	Revolving Short-Term Loan
Amount sanctioned	TZS 5,000,000,000.00
Purpose	The facility shall be used to purchase raw cotton produce cotton lint for onwards sale to the main different offtakers include but not limited to CEDAR EXIM LIMITED, AFKOM TRAOING DMCC, SAURASHITRA COTTON AND AGRO PRODUCTS, OLAM GLOBAL AGRI PTE LTD, METL etc
Limit availability	07Months
Interest rate	16% per annum (reducing balance)
Repayment tenor	210 Days
Lace	1% One off

Terms of Existing Development Facility IV

Facility IV	Development loan
Amount sanctioned	TZS 3,000,000,000.00
Purpose	The facility granted to finish construction of ginnery plant, warehouse, office, staff block and weighbridge etc located on plot No.1, Block 'A' Nsola Magu District
Tenor	60Months and first installment will be paid on 25 th April 2024,Subequent installments will be payable in November of every year.
Interest rate	16% p.a. reducing
Lace	Already collected

Default Interest:

On all facilities	Default interest will be charged at a rate of 6% per annum in addition to the interest as described above as the "Interest Rate".
-------------------	---



2.0 Security

The facility shall be secured by

- a. Deed of variation on first legal charge over landed property with Certificate of title No. 101401 LR Mwanza, LO NO.682044, Plot No.1, Block 'A' located at Nsola Magu District registered in the name of Mapacha Cotton Co Limited to be executed, registered and stamped in favour of Bank to cover Unspecified amount.
- b. Existing legal charge over landed property with Certificate of title No. 53299 LR Mwanza, LO NO.422188, Plot No.14, Block 'L' located at Mjini Kati Mwanza City registered in the name of Dhirajlal Jadavji Unadkat and Neel Jadavji Unadkat to be executed, registered and stamped in favour of Bank to cover Unspecified amount.
- c. 50% PASS Credit Guarantee for the entire exposure to be executed to be obtained before drawdown.
- d. First ranking Specific debenture over the financed plant and machinery, stock and debtors to be executed, registered and stamped in favour the Bank.
- e. Personal Guarantee and Indemnity by Dhirajlal Jadavji Unadkat and Neel Jadavji Unadkat to be registered and stamped in favor of the Bank.
- f. Deed of variation on general Debenture over fixed and floating assets of the company to secure total exposure to be executed, registered and stamped in favour of the Bank
- g. Directors Personal guarantee and indemnity to secure total exposure to be executed, registered and stamped in favour the Bank
- h. Irrevocable undertaking of domiciliation of all the proceeds of the financed contracts in Equity Bank (Tanzania)Limited A/C's.
- i. Such other security that the Financier shall from time to time require to secure the Borrower's obligations under this Letter

Conditions of sanction

Conditions Precedent

- a) Any variation or upstamping should be registered within 30 days
- b) All perils insurance cover over the security property to be taken through an agent and/or an insurer of the Borrower's choice from the Bank's approved panel of service providers with the Bank's interest noted. Upon expiry of the insurance policy, it will be renewed automatically by debiting the customer's account directly
- c) Deed of assignment of business incomes/revenues to be executed in favor of the bank the Bank.
- d) Submission of formal application letter and board resolution
- e) Submission of PASS comfort letter followed by credit guarantee certificate
- f) Security to be perfected before drawdown.
- g) **Dynamics of utilization of FACILITY I & II (Letter of Credit and Post Import Finance) shall be guided by the following conditions.**
 - i. Letter of Credit request to be done through the Bank's official Letter of Credit Application form.
 - ii. Presentation of valid commercial invoice
 - iii. All cost overruns to be met by Borrower.



- iv. The Letter of Credit/Post Import Loan should not exceed USD 1,845,000.00.
 - v. Letters of Credit to be Issued will have a Usance Period of 360days from the date of delivery /laycan date
 - vi. The Letter of Credit Facility of up to USD 1,476,000.00 will be converted into Post Import Loan upon maturity and settlement. The said Import Post Import Loan(PIL) Facility to be booked in USD and shall have a maximum tenure of 48Month payable annually.
 - vii. The Borrower to undertake a Semi-Annual Cash Build-Up of USD184,500.00 in June-2024 and December 2024. The funds will be utilized to retire the Letter of Credit upon maturity, failure to remit the first semi- annual installment shall constitute default.
 - viii. Acceptable proof of the Borrower's contribution of USD 369,000.00 to be evidenced 30Days prior to the maturity of the Letter of Credit to be issued. The funds will be held in the Bank's Cash Margin Account until the maturity of the and shall be applied to retire part of the Letter of Credit amounts.
 - ix. The Borrower to ensure that there are adequate funds in its account with the Bank to finance all the maturing Letters of Credit.
- h) Dynamics of utilization of Facility III (Medium Term Loan of TZS 3,100,000,000.00) shall be guided by the following conditions.**
- i. Submission of commercial invoice/Control number and payment to made direct to Tanzania Revenue Authority/Tanzania Port Authority/Inland Container Depot or any other supplier as per submitted documents for clearance and transportation.
 - ii. Payment shall be done directly to the agents against confirmed commercial invoices
 - iii. The Medium Term Facility shall have a maximum tenure of 48Months and payable annually.
 - iv. The Borrower to undertake to meet any cost overrun in case of any adverse currency fluctuation.
- i) Prior to drawn of Facility I & III the Borrower should:**
- i. Evidence own contribution of TZS 4,590,000,000/- (as per the Bill of Quantity (BQ) provided) towards the construction of the cotton oil plant.
 - ii. Avail the entire contribution of TZS 4,590,000,000/- in Equity Bank (Tanzania)Limited's escrow account to be opened .The loan funds to be disbursed in phases against contractors certificates/commercial invoices confirmed by the Bank's Officials during their routine site visit to the factory.
- j) Dynamics of utilization of FACILITY IV (Revolving Short Term Loan of TZS5bn) shall be guided by the following conditions.**
- i. Presentation of formal request for drawdown on the Revolving Short Term Loan Facility supported a breakdown of the use of funds.
 - ii. The funds from the facility shall only be utilized in financing purchase of packaging materials /raw cotton for onward processing of cotton lint for resale to the off-takers
 - iii. The Borrower then collects the raw cotton from AMCOS. After processing, cotton lint will be delivered to the off taker.
 - iv. A sales contract must be signed between an off taker and the Borrower for sales of the cotton that will require the off taker to issue a Deed of Assignments to Equity Bank (Tanzania) Limited.
 - v. On maturity, the off taker will effect payment to the Borrower's Escrow Account held at Equity Bank(Tanzania)Limited.
 - vi. Each drawdown under the limit will be repayable in lump sum (P+I) within 210days or upon receiving payments whichever come earlier.



- vii. The facility will be reduced consecutively by 30% in August, September 30%, October 30% and November 10%.
- viii. The Revolving Short-Term Loan should not exceed TZS 5,000,000,000.00.
- ix. Facility utilization will be within the SOL Requirement and Short-term debt coverage by inventories and receivables to be monitored i.e. minimum cover of say 1.3x to 1.5x

Conditions Subsequent:

- a. Borrower to ensure at least 95% of business sales/proceeds passes through Equity Bank (Tanzania) Limited. In case the turnovers fall below the contracted turnover the Bank has right to raise the interest rate by 2% p.a.
- b. After machines installation, the borrower to submit fresh valuation report within one month to observe Bank margin
- c. The Borrower to obtain prior consent from Equity Bank(Tanzania) Limited before obtaining fresh or additional borrowing from any other Financial Institution above the existing exposure.
- d. The Borrower to ensure that there are adequate funds in the account to meet loan repayments as they fall due and any default to lead to commencement of recovery process.
- e. The registration of specific debenture for the machines financed should be done after arrival and installation
- f. Default in any of the other facilities availed to the Borrower and or other persons guaranteed by the Borrower (whether funded or non-funded) will constitute default in this facility.

SECTION B

1.0 Interest

- 1.1 Advances made under the proposed Facility shall attract interest at such rate or rates not exceeding any maximum permitted by law.
- 1.2 The Bank's margin is subject to change from time to time as the Bank may determine in its sole and absolute discretion. Changes in the margin shall be effective upon giving thirty (30) days' notice to the Borrower and the statement of the Bank as to the rate or amount of interest payable at any one time shall in the absence of manifest error be conclusive.
- 1.3 "Margin" means an interest calculated by the Bank after taking into account the following:
 - i. The Bank's costs, benefits and risk of funds (deposit) during the tenure of the Loan.
 - ii. The Bank's required net income return as a percentage of shareholders' equity multiplied by the minimum regulatory required capital.
 - iii. Credit risk premium being factors that affect a customer, business or industry/sector's ability to repay the Loan; and
 - iv. The Bank's operational costs associated with originating the Loan.

2.0 Fees

- 2.1 In addition to the fees set out in Section A of this letter, the Borrower will pay to the Bank and the Lender such other fees and charges according to the Bank and Lender's tariff from time to

[Handwritten signature]



[Handwritten signature]

time.

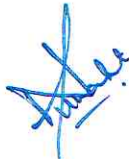
3.0 Security

- 3.1 The Borrower shall create (and, shall procure that the guarantors shall create) in favour of the Lender the security particulars of which are set out Section A of this Letter or such other security as the Bank and the Lender shall from time to time require to secure the Borrower's obligations hereunder.
- 3.2 The Security is to be a continuing security for the payment of all sums payable to the Bank and the Lender notwithstanding any intermediate payments or settlement of accounts, or the Bankruptcy, winding up, liquidation or dissolution of the Borrower (as the case may be) or any change in the Borrower's status, constitution, control or ownership for the payment of all sums including interest, fees, commission, costs, charges and expenses and the satisfaction of all liabilities, present or future, absolute or contingent for which the Borrower now is or may at any time hereafter be liable to the Bank and the Lender and is to be in addition to and without prejudice to any other security which the Bank and the Lender may now or subsequently hold in respect of such liabilities.
- 3.3 The Bank and the Lender shall have a right to consolidate security.

4.0 Representations and Warranties

4.1 The Borrower represents and warrants to the Bank and the Lender that:-

- 4.1.1 it is a private limited liability company duly incorporated and validly existing under the laws of the Republic of Tanzania and has the corporate power to own its assets conduct its business as presently conducted and to enter into observe and perform its obligations under this letter;
- 4.1.2 this letter constitutes valid and legally binding obligations of the Borrower enforceable in accordance with its terms;
- 4.1.3 neither the signing of this letter nor the compliance with its terms will conflict with or result in a breach of any of the terms conditions or provisions of or constitute a default or require any consent under any indenture mortgage charge agreement or other instrument or arrangement to which the Borrower is a party or by which the Borrower is bound or violate any of the terms or provisions of the Borrower's memorandum and articles of association or any Judgment decree or order of any statute rule or regulation applicable to the Borrower or the businesses undertaken by the Borrower;
- 4.1.4 The Borrower is duly and lawfully licensed to conduct business currently undertaken by the Borrower;
- 4.1.5 There are no outstanding encumbrances or contracts or arrangements conditional or unconditional for the creation by the Borrower or guarantor (where applicable) of any encumbrance on or over the proposed security for this Facility;
- 4.1.6 the Borrower is not engaged in nor to the best of its knowledge threatened by any



litigation arbitration or administrative proceedings the outcome of which might materially affect its business prospects or financial condition or make it improbable that the Borrower will be able to observe or perform its obligations under this Letter;

4.1.7 the Borrower is not in violation of its memorandum and articles of association or other constitution or incorporation documents (as appropriate) or any statute or regulation of any competent authority in Tanzania and no judgment or order has been issued which has or is likely to have any material adverse effect on the Borrower's business prospects or financial condition or make it improbable that the Borrower will be able to observe or perform its obligations under this Letter; and

4.1.8 no event or circumstance which constitutes or which with the giving of notice lapse of time or making of a determination would constitute an event of default as set out in this Letter has occurred and is continuing.

4.2 The representations and warranties set out herein shall be deemed repeated by the Borrower on and as of each day the Facility remains outstanding to the Bank.

5.0 Events of Default

5.1 if

5.1.1 the Borrower fails to pay on the due date any money or to discharge any obligation or liability payable by the Borrower to the Bank and the Lender or fails to comply with any term condition covenant or provision of this Letter or to perform any obligation or liability of the Borrower to the Bank and the Lender under the security documents or if any representation warranty or undertaking from time to time made to the Bank and the Lender by the Borrower is or becomes incorrect or misleading; or

5.1.2 the Borrower defaults under any loan agreement facility letter or other agreement or obligation relating to borrowing (which expression includes all liabilities in respect of any type of credit and accepting endorsing or discounting any notes or bills and all unpaid rental and other liabilities present and future under hire-purchase credit sale conditional sale leasing (whether finance or operating) and similar agreements or under any guarantee (which expression includes all contingent liabilities undertaken in respect of the obligations or liabilities of any third party including all guarantees indemnities or bonds whether constituting primary or secondary obligations or liabilities) or if any borrowing or other money payable under any of the foregoing becomes or is capable of being declared payable prior to its stated maturity or is not paid when due; or

5.1.3 a resolution is passed or a petition is presented or an order is made or analogous proceedings are taken for the winding-up of the Borrower; or

5.1.4 an encumbrance takes possession or exercises or attempts to exercise any power of sale or a receiver is appointed of the whole or any part of the property assets or revenues of the Borrower; or

5.1.5 any judgement or order made against the Borrower is not complied with within seven (7) days or



if any execution distress sequestration or other process is levied or enforced upon or sued out against any part of the property assets or revenues of the Borrower; or

- 5.1.6 the agrees to declare a moratorium or becomes or is deemed to be insolvent or stops fails neglects or is unable (or deemed to be unable) to make payment of the Borrower's debts as and when they fall due or if a notice is issued convening a meeting of the creditors of the Borrower or the Borrower proposes or enters into any composition or arrangement with its creditors generally or with any class of creditors; or
- 5.1.7 the Borrower without the prior consent in writing of the Bank and the Lender ceases or threatens to cease to carry on the business carried on by the Borrower on the date hereof or any material part thereof or changes the nature or mode of conduct of its business in any material respect; or
- 5.1.8 any material part of the property assets or revenues of the Borrower is sold or disposed of (otherwise than in the normal course of trading) or threatened to be sold or disposed of whether in a single transaction or a number of transactions or is nationalised compulsorily acquired seized or appropriated; or
- 5.1.9 any charge mortgage debenture guarantee indemnity or other security supplemental or collateral securing this Facility (or any part thereof) now existing or hereafter created becomes enforceable or fails or ceases in any respect to have full force and effect or ceases to be continuing or is terminated or disputed or becomes in jeopardy invalid or unenforceable or if there is any default hereunder by the Borrower and/or the person or persons providing such security or by the parties thereto; or
- 5.1.10 any licence authorization consent or registration at any time necessary or desirable to enable the Borrower to comply with its obligations to the Bank and the Lender hereunder or to carry on their respective businesses in the normal course shall be revoked withheld or materially modified or shall fail to be granted or perfected or shall cease to remain in full force and effect; or
- 5.1.11 any breach occurs of the terms and conditions (if any) endorsed on or referred to in the document of title in respect of any security provided; or
- 5.1.12 any of the foregoing events occur without the prior consent in writing of the Bank and the Lender in relation to any third party who now or hereafter has guaranteed or provided security for or given an indemnity in respect of the Facility (or any part thereof) or to any subsidiary company or holding company (as defined in the Companies Act, CAP 212 R:E 2002) of the Borrower or of any such third party; or
- 5.1.13 any order is made under any applicable law to compulsorily acquire any security provided to secure the Facility; or
- 5.1.14 it becomes unlawful or impossible or it becomes uneconomical or difficult (as determined solely by the Bank and the Lender) for the Bank and the Lender to make or maintain or fund the Facility or any part thereof; or
- 5.1.15 there shall be a transfer (whether in a single transaction or a series of transactions) of the beneficial interest in more than fifty per cent (50%) of the Borrowers issued share capital or allotment or issue



of any shares to persons other than its shareholders at the date hereof or if there shall be a replacement of the directors or senior management which has not been previously approved of in writing by the Bank and the Lender or which in the opinion of the Bank and the Lender (as determined by the Bank and the Lender in its absolute discretion) materially and adversely affects the ability of the Borrower to fully discharge the Borrower's obligations to the Bank and the Lender; or

5.1.16 there shall be any other event thing or circumstance which in the opinion of the Bank and the Lender (as determined by the Bank's in its absolute discretion) materially and adversely affects the ability of the Borrower to fully discharge the Borrower's obligations to the Bank and the Lender,

5.2 Then the Facility shall immediately become due and payable and the Borrower shall pay to the Bank and the Lender all amounts outstanding then together with interest thereon and all other costs charges and expenses due and payable to the Bank and the Lender hereunder or under the Security and the Bank and the Lender shall cease to be under any further commitment to the Borrower and the Bank and the Lender shall be entitled at its option to sue for the repayment of the Facility (or so much thereof as shall be outstanding) and enforce the payment thereof and/or enforce the powers rights and privileges conferred on the Bank and the Lender by this Letter and the Security.

6.0 Other terms and conditions

6.1 The granting of the Facility is subject to:

6.1.1 the acceptance of the Facility in accordance with the terms of this Letter by the Borrower and any guarantors;

6.1.2 the Bank and the Lender having received (in form and substance satisfactory to the Bank) documents requested for by the Bank and the Lender including without limitation the Borrower's Certificate of Incorporation, TIN and VAT Certificate, memorandum and articles of incorporation and Identity documents of Directors, Current filed annual returns, financial statements as may be required by the Bank and the Lender and all relevant consents authorizations resolutions licences insurances and other documents as may have been requested by the Bank and the Lender;

6.1.3 the representations and warranties set out in this Letter being true and remaining true and correct on and as of each time as if each was made with respect to the facts and circumstances at such time;

6.1.4 the Bank and the Lender having received from the Borrower payment of all fees to the extent due and payable;

6.1.5 all conditions of sanction and disbursement set out in section A of this Letter having been met or complied with;

6.1.6 no event of default having occurred and no event having occurred which, with the giving of notice and/or the lapse of time and/or upon the Bank making the relevant determination, would constitute an event of default;

6.1.7 compliance by the Borrower in such manner as the Bank and the Lender think fit with all restrictions, rules and regulations formulated by the Bank and the Lender from time to time in



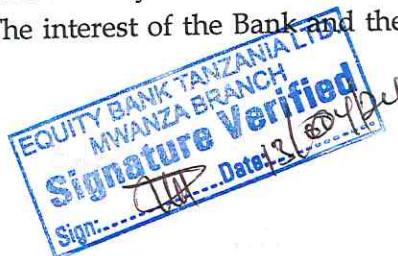
respect of the provision of the Facility;

6.1.8 availability of funds and the compliance by the Bank with any and all restrictions, rules and regulations from time to time in force of the Bank of Tanzania or any other relevant regulatory authority,

6.2 AND the Bank and the Lender shall not be liable for any failure to perform its obligations hereunder caused by reasons beyond the Bank and the Lender control or resulting directly or indirectly from the action or inaction of the Government, any government authority or any regulatory authority or any strike, boycott, blockade, Act of God, revolution or civil disturbance.

7.0 Covenants

- 7.1 the Borrower will from time to time and at the request of the Bank and the Lender provide to the Bank and the Lender such information as the Bank and the Lender shall require including copies of the Borrower's audited statements of financial conditions, balance sheets, profit and loss statements and reconciliations of net worth prepared in accordance with international accounting standards.
- 7.2 all monies due and payable to the Bank and the Lender under this Letter shall at all times rank higher in priority to all other present and future unsecured and unsubordinated obligations (including contingent obligations) of the Borrower with the exception of such obligations as are mandatorily preferred by law and not by contract
- 7.3 the Borrower will not, without the consent of the Bank and the Lender in writing, change its capital structure and will procure that the shareholders will not without consent transfer or issue any shares and that the present directors will not without such consent permit any transfer or issue of the shares in the Borrower
- 7.4 the Borrower will not create any encumbrance or permit any encumbrance to subsist, arise or be created or extended over its assets to secure any present or future indebtedness of the Borrower (other than this Facility).
- 7.5 the Borrower will at its own expense insure and keep insured (and punctually pay all premia and other money necessary for effecting and keeping up the insurances) all of its assets which are of an insurable nature with insurers previously approved by the Bank and the Lender in writing against loss or damage by fire burglary theft civil commotion explosion aircraft flood storm tempest lightning burst pipes and such other risks and contingencies as the Bank and the Lender shall from time to time request to the full replacement value of such assets from time to time including fees of architects surveyors engineers and all other professional fees and demolition charges and where such assets are charged or to be charged in favour of the Bank and the Lender to obtain such insurance in the joint names of the Borrower and the Bank and the Lender or at the option of the Bank and the Lender in the name of the Borrower (failing which the Bank and the Lender may take out or renew such insurances in any sum which the Bank and the Lender may think expedient and all money expended by the Bank and the Lender under this provision shall be reimbursed by the Borrower on demand and bear interest at the rates specified in this Letter). The interest of the Bank and the Lender shall be noted on the



policy and the policy shall contain such provisions for the protection of the Bank and the Lender as the Bank and the Lender may reasonably require.

7.6 the Borrower will at all times comply with and observe all covenants duties and obligations contained in this Letter and in the security.

8.0 Payments

8.1 All payments to be made under this Letter shall be made in immediately available funds during normal business hours. If any sum falls due under this Letter on a day which is not a Business Day, payment shall be made on the next succeeding Business Day. All payments to be made by the Borrower under this Letter shall be made through the current account of the Borrower with the Bank and the Lender or to such account of the Bank and the Lender as shall be notified in writing by the Bank and the Lender to the Borrower from time to time.

8.2 All sums payable by the Borrower under this Letter shall be paid in full without any set-off or counterclaim and (save in so far as required by the law to the contrary) free and clear of and without any deduction or withholding whatsoever. If the Borrower is at any time required by law to make any deduction or withholding from any payment to the Bank and the Lender, then the Borrower shall immediately pay to the Bank and the Lender such additional amounts as will result in the Bank and the Lender receiving the full amount it would have received had no such deduction or withholding been required, and will, simultaneously, provide the Bank and the Lender with a certificate of deduction or withholding in respect of the amount deducted or withheld together with evidence satisfactory to the Bank and the Lender that the amount so deducted or withheld has been paid over to the relevant authorities when and as due.

8.3 If any Facility or part thereof is granted in or converted to a currency other than the Tanzanian Shilling the obligation of the Borrower to make payment shall not be discharged unless payment is made in such other currency in freely transferable and convertible funds. All monies received or held by the Bank and the Lender or by any Receiver appointed by the Bank and the Lender under its securities after demand has been made by the Bank and the Lender shall be converted into such other currency as the Bank and the Lender considers necessary or desirable to cover the obligations and liabilities of the Borrower actual or contingent in that other currency at the then prevailing spot rate of exchange of the Bank and the Lender as conclusively determined by the Bank and the Lender for purchasing that other currency with the existing currency and the Borrower shall indemnify the Bank and the Lender against the full cost incurred by the Bank and the Lender for such purchase.

9.0 Conversion of Facility:

The Bank and the Lender may, at its discretion and for any reason whatsoever at any time convert the Facility or any portion thereof into any other currency at a rate to be determined by the Bank and the Lender in its sole and absolute discretion and all amounts due and owing by the Bank and the Lender (including interest and other costs, charges and expenses) shall thenceforth be paid to the Bank and the Lender in the new currency.



10.0 Set-Off:

The Bank and the Lender may, at any time with notice or demand to the Borrower and notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any then existing accounts of the Borrower (whether alone or jointly) with the Bank and the Lender wherever situate including accounts in the name of the Bank and the Lender (whether current, deposit, loan or of any other nature whatsoever, whether subject to notice or not and in whatever currency denominated) and set off or transfer any sums standing to the credit of any one or more such accounts in or towards satisfaction of any obligations and liabilities of the Borrower to the Bank and the Lender whether such liabilities be present, future, actual, contingent, primary, collateral, joint or several and the Borrower expressly waives any rights of set-off that the Borrower may have, so far as is permitted by law, in respect of any claim which it may now or at any time hereafter have against the Bank.

11.0 Expenses and Indemnity:

The Borrower will pay to the Bank and the Lender on demand all costs charges and expenses incurred on the accounts of the Borrower with the Bank and the Lender and will reimburse the Bank and the Lender on demand for all expenses, including legal expenses, incurred by the Bank and the Lender in connection with the negotiation and preparation of this Letter and with the preparation and registration of the security, and will reimburse the Bank and the Lender on demand with all expenses incurred by the Bank and the Lender in suing for or recovering any sum due to the Bank and the Lender under this Letter or the security or otherwise in protecting or enforcing its rights under this Letter or the security and the Borrower will pay all legal fees stamp and other duties and taxes (if any) to which this Letter and the security may be subject or give rise and will indemnify the Bank against any and all liabilities with respect to or resulting from any delay or omission on the part of the Borrower in the payment thereof. The Borrower will indemnify the Bank against any loss that the Bank may suffer as a result of granting the Facility to the Borrower.

12.0 Appointment of Attorney:

The Borrower hereby irrevocably appoints the Bank to be the attorney of the Borrower and in the name and on behalf of the Borrower to execute and do any assurances, acts and things which the Borrower ought to execute and do under the covenants and agreements herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers hereby or by law conferred on the Bank.

13.0 Assignment:

The Borrower shall not be entitled to assign all or any part of its rights obligations or benefits hereunder without the prior consent in writing of the Bank. The Bank may assign or transfer all or any of its rights and obligations under this Letter and/or any of the Securities. The Borrower and the Guarantors will at the Bank's request execute all documents and enter into all such



agreements specified by the Bank to be necessary to give effect to any such assignment or transfer.

14.0 Notices:

Any notice by the Bank under this Letter shall be deemed to have been properly served on the Borrower if delivered:

- a) by hand or sent by registered post, telex or facsimile at the address of the Borrower notified to the Bank or at the registered offices or any of the principal places of business of the Borrower in Tanzania. The notice is deemed to have been delivered if sent by registered post seven (7) days after the date of posting (notwithstanding that it be undelivered or returned undelivered) or if sent by telex or fax on the completion of transmission. or:
- b) by personalized electronic media including phone, SMS, email, internet or other convenient means as notified to the Bank by the Borrower or:
- c) Through print media by a notice published in two local dailies of nationwide circulation in Tanzania.

15.0 Disclosure:

To enable the Bank to comply with regulatory requirements, the Borrower, by its acceptance of the Facility, irrevocably consents to the disclosure by the Bank its officers and agents in any manner however of any information relating to the Borrower and its account relationship with the Bank including without limitation, details of the Borrower's Facility, the security taken, the Borrower's credit balances and deposits with the Bank, default under the Facility, outstanding balances on the Facility and any enforcement action taken to (i) any regulatory or supervisory authority including fiscal authority in any jurisdiction (ii) any potential assignee of the Bank or other participant in any of its rights and/or obligations in relation to the Borrower's Facility (iii) any guarantors, third party pledge or security providers (iv) the Bank's agents and (v) any Credit Reference Bureau as required by law.

16.0 Waivers, remedies cumulative:

No failure or delay by the Bank and the Lender in exercising any right, power or privilege under this Letter shall impair the same or operate as a waiver for the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided in this Letter are cumulative and not exclusive of any rights and remedies provided by law.

17.0 Miscellaneous:

This Letter and the contract arising out of the Borrower's acceptance of the Facility on the terms and conditions set out in this Letter shall be governed by and construed in all respects in accordance with Laws of Tanzania. Nothing in this Paragraph shall limit the right of the Bank to take proceedings against the Borrower in any other Court of competent jurisdiction, nor shall



the taking of proceedings at one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

18.0 Offer Period:

The offer hereby made is open for acceptance within thirty (30) days from the date of this Letter and if not accepted unconditionally within that period, it will be deemed to be withdrawn from the date of expiry thereof. Notwithstanding, the facility is available for drawdown for a period of one hundred and eighty (180) days from the date of the said acceptance of the offer failing which the facility shall be deemed to have been withdrawn.

Yours faithfully,

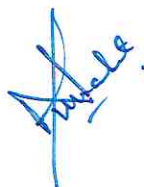
For and on behalf of Equity Bank (Tanzania) Limited



Stewart Mujungu
Head of Credit



Rojas Mdoe
GM -Bank Operations



ANNEXURE IV
FORM OF ACCEPTANCE

To: EQUITY BANK (TANZANIA) LIMITED

Dear Sir,

We are pleased to accept the Facility detailed in this Letter and the Schedule and annexures hereto on the terms and conditions contained in the Letter. Pursuant to a Board Resolution dated

Yours faithfully,

SEALED with the common seal of the said

MAPACHA COTTON CO LIMITED

Pursuant to the resolution of the board of directors of the said

MAPACHA COTTON CO LIMITED

and delivered in the presence of us

this 13th day of APRIL 2024,

Signature: 

Name: DHIRAJLAL J. UNADKAT

Address: P.O. BOX 2760

MWANZA

Qualification: Director

Signature: 

Name: NEEL JADAVSI DHIRAJLAL

Address: P.O. BOX 2760

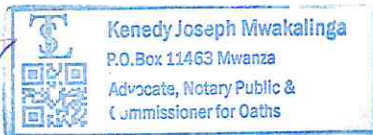
MWANZA

Qualification: Director/Company Secretary



Before Me





Advocate/Commissioner for Oaths

GUARANTORS AND DIRECTORS

SIGNED by the said

DHIRAJLAL JADAVJI UNADKAT







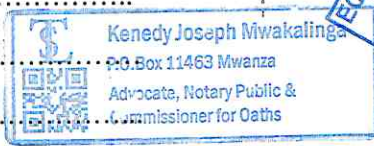
who is known to me Personally/identified
to me by.....
the latter being known to me personally
in my presence this.....^{13th} Day of APRIL, 2024.


DIRECTOR

Witnessed by:

Signature
Name KENEDY JOSEPH MWAKALINGA
Address 11463 MWANZA

Qualification ADVOCATE



SIGNED by the said
NEEL JADAVJI UNADKAT

who is known to me Personally/identified
to me by.....
the latter being known to me personally
in my presence this.....^{13th} Day of APRIL, 2024.


DIRECTOR

Witnessed by:

Signature
Name KENEDY JOSEPH MWAKALINGA
Address 11463 MWANZA
Qualification ADVOCATE



NOTE:

- The Borrower must initial all the pages of this letter. Any alterations to the letter must be initialed by the borrower and the lender







To: EQUITY BANK (TANZANIA) LIMITED

At a duly convened meeting of the Directors of MAPACHA COTTON CO LIMITED,
(THE COMPANY)

Held at ... MWANZA ... On the ... 13th ... Day of ... APRIL ... 2024

It was reported that Equity Bank (Tanzania) Limited ("the Bank") had been requested to and had agreed to make available to the Borrower Company MAPACHA COTTON CO LIMITED, the facilities listed below upon such terms as the Bank shall think fit including the provision by the Borrower company to the Bank of certain securities in form and substance satisfactory to the Bank and in particular as set out in the Offer Letter dated 04th April 2024 received from the Bank and tabled at the meeting:

Facilities details

Letter of Credit	USD 1,845,000.00
Medium Term Loan	TZS 3,156,889,181.00
Revolving Short-Term Loan	TZS 5,000,000,000.00
Existing Development Facility	TZS 3,000,000,000.00

In accordance with the Memorandum and Articles of Association of the Company, Directors present reported the manner in which they were interested in the proposed arrangements. The secretary reported that under the Memorandum and Articles of Association, the Directors present were empowered to implement the proposed arrangements.

HAVING CONSIDERED the Offer Letter dated 04th April 2024 by and among the Company Borrower, and Equity Bank (Tanzania) Limited as the Bank.

The Board of Directors of the Guarantor Company HEREBY RESOLVE by way of unanimous resolution that,

1. The proposed arrangement under the Offer Letter and addendum are in the best interest of the Company Borrower.
2. The terms and conditions of Offer Letter and the transactions contemplated by, the Offer Letter and addendum are hereby approved.
3. Any two directors of the Company be and are hereby authorized in the name and behalf of the Company to jointly execute and/or deliver the Offer Letter and any deed, agreement, instrument, amendment, variation, notice, or other document required to be executed or delivered by the Company under or in connection with the Offer Letter (collectively, the "Transaction Documents").





[LIST THE DIRECTORS]

- (i) Name DHIRAJAL J. UNADKAT Signature [Signature]
- (ii) Name NEEL J. UNADKAT Signature [Signature]
- (iii) Name _____ Signature _____

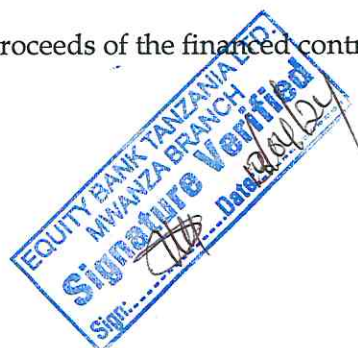


- 4. The execution of the Offer Letter or any other of Transaction Documents by the two Directors of the Company jointly shall be conclusive evidence to all persons that the relevant document has been entered into in the form and substance approved by the board of directors of the Company.
- 5. That the Common Seal of the company be affixed to all documents accordingly.
- 6. That a certified copy of these resolutions be furnished to the Bank.
- 7. That to secure the repayment of the said facilities the Company does grant or secure the grant to the Bank of the following securities in the form and substance required by the Bank.

SECURITIES:

- a) Deed of variation on first legal charge over landed property with Certificate of title No. 101401 LR Mwanza, LO NO.682044, Plot No.1, Block 'A' located at Nsola Magu District registered in the name of Mapacha Cotton Co Limited to be executed, registered and stamped in favour of Bank to cover Unspecified amount.
- b) Existing legal charge over landed property with Certificate of title No. 53299 LR Mwanza, LO NO.422188, Plot No.14, Block 'L' located at Mjini Kati Mwanza City registered in the name of Dhirajlal Jadavji Unadkat and Neel Jadavji Unadkat to be executed, registered and stamped in favour of Bank to cover Unspecified amount.
- c) 50% PASS Credit Guarantee for the entire exposure to be executed to be obtained before drawdown.
- d) First ranking Specific debenture over the financed plant and machinery, stock and debtors to be executed, registered and stamped in favour the Bank.
- e) Personal Guarantee and Indemnity by Dhirajlal Jadavji Unadkat and Neel Jadavji Unadkat to be registered and stamped in favor of the Bank.
- f) Deed of variation on general Debenture over fixed and floating assets of the company to secure total exposure to be executed, registered and stamped in favour of the Bank
- g) Directors Personal guarantee and indemnity to secure total exposure to be executed, registered and stamped in favour the Bank
- h) Irrevocable undertaking of domiciliation of all the proceeds of the financed contracts in EBR PLC A/C's.

[Signature]



[Signature]

- i) Such other security that the Financier shall from time to time require to secure the Borrower's obligations under this Letter

We certify that the above is a true extract from the minutes of the Board of Directors Meeting and that the resolutions set forth were duly passed in accordance with Memorandum and Articles of Association of the guarantor Company.

Certified

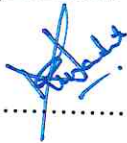
Chairman

.....




Secretary/Director

seal

.....


Dated At MWANZA This 13th Day of APRIL 2024







