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THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT
(CAP. 113 R.E 2019)

SUB-LEASE AGREEMENT

BETWEEN

RAM EXPORT & IMPORT LIMITED
(THE SUB LESSOR)

AND

BFG AFRICA (TANZANIA) LIMITED
(THE SUB LESSEE)

Concerning the property with certificate of occupancy with title number 46041 for property located at Plot No 61/1A House No:50, Mwai-Kibaki road, Mikoroshini, Mikocheni, Dar-es-Salaam

JOINTLY DRAWN BY;

Shikana Group Limited
Unit 402, 4th Floor, Alfa Plaza,
Chabruma Street, Off Ali Hassan Mwinyi Road,
Dar es salaam

&

ALLEN DICKSON MCHAKI
ADMADVOCATE
1st Floor SAMAKI WABICHI HOUSE
MBEZI BEACH
P.O. BOX 70448
DAR-ES-SALAAM

SUB LEASE AGREEMENT

THIS SUB-LEASE AGREEMENT (the "Agreement") is made this 12 Day of APRIL 2024.

Between

RAM EXPORT & IMPORT LIMITED, a limited company registered in Tanzania with registration number 110515 with registered address at Plot no 18, House no 18 Magomeni Mikumi, Msanga street, Dar es salaam (hereinafter referred to as the "Sub lessor" and where the context so require, include his successors in title and agents) on one part;

And

BFG AFRICA (TANZANIA) LIMITED, a limited company with registration number 173422288 with address at 4th Floor, Unit 402, Alfa Plaza, Chaburuma street, Dar es salaam (hereinafter referred to as the "Sub lessee" and where the context so require, include his successors in title and agents) on the other part;

(together herein referred as the "Parties" or individually as 'Party')

AND WHEREAS:

1. The Sub-Lessor is a company subletting a property having a certificate of occupancy number with title number 46041 situated at Plot No 61/1A House No.50, Mwai-kibaki road, Mikoroshini, Mikocheni, Dar-es-Salaam which is for a period of 15 years from 19th January 2019 to 31 December 2034. (the "Demised Premises").

2. The Sub lessor desires to sublet the building within the Demised Premises and the Sub Lessee is desirous to take on a sub-lease within the Demised Premises in consideration and on the terms and conditions set forth in this Agreement.
3. This Agreement records the terms and conditions upon which the Parties will engage and cooperate with each other, which terms and conditions shall constitute a binding and enforceable agreement between the Parties and their representatives.
4. The Sub lessor has agreed to Sublet the Demised Premises to the Sub lessee on the terms and conditions as mentioned hereinafter.

NOW THIS AGREEMENT WITNESSTH and IT IS HEREBY AGREED as follows:

1. DEFINITION

1.1. In this Agreement, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:

1.1.1. "Agreement" means this Sub Lease Agreement including all Annexures, appendices, hereto and subsequent amendments, additions, restatements or modifications made hereto from time to time in accordance with the provisions hereof and all other documents incorporated herein by reference, all of which make an integral part of and will be read as if included within the text of this Agreement.

1.1.2. "Applicable laws" means all applicable laws in United Republic of Tanzania including but not limited to statutes, regulations, rules, circulars, orders, directives, requirements, standards, guidelines and industry codes of practice, including the rules of any stock exchange or listing authority, in each case having legal effect or stipulated by any Regulatory Body, and in force from time to time

which relate to the activities of any of the Parties as envisaged by the terms of this Agreement.

- 1.1.3. "Business Registration and Licensing Agency" government agency responsible to register business and issue license in Tanzania Mainland.
- 1.1.4. "Cost" meaning cost of renovations that shall be done by the Sub-Lessee on the property.
- 1.1.5. "Confidential Information" shall for the purpose of this Agreement include, without limitation, all information, and documents of the Parties and whether electronic, written or oral of whatever nature communicated to the other Party or its agents, or otherwise acquired by a Party and its agents, during the course of the Parties' interactions, discussions and negotiations with one another in relation to this Agreement, whether such information is formally designated as confidential or not.
- 1.1.6. "Demised Premises" a building located at Plot No 61/1A House No.50, Mwaikibaki road, Mikoroshini, Mikocheni, Dar-es-Salaam, with certificate of occupancy with title number 46041.
- 1.1.7. "Discovery" means any issue which may hinder the implementation of this Sub lease Agreement and it is not limited to tax dues, approval from the holder of certificate of occupancy of the Demised Premises, due diligence from the Land registry.
- 1.1.8. "Encumbrances" means any mortgage, charge, pledge, lien, assignment, security, interest, preferential right or trust, arrangement or other encumbrance, security agreement or arrangement of any kind or any right conferring a priority of payment.
- 1.1.9. "Latent Defects" means hidden defects which cannot be discovered by reasonable observation or inspection by the Sub lessee.
- 1.1.10. "Government authority " meaning the Tanzania Revenue Authority responsible for collecting revenues, fees and other related taxes.

1.1.11. "Registrar of Companies" means the Registrar at the Business Registration and Licensing Agency responsible to register companies in Tanzania Mainland.

1.1.12. "Withholding tax" is the amount of tax retained by one person when making payments to another person in respect of goods supplied or services rendered by the payment.

1.1.13. "Land Registry" the registry at the Commissioner of Land for the purpose of registration of the right of occupancy in Tanzania Mainland and the recording of dispositions, transmissions and incumbrance of and over registered land.

2. THE PROPERTY

The Demised Premises shall be a building with certificate of occupancy with title number 46041 located at Plot No 61/1A House No.50, Mwai-kibaki road, Mikoroshini, Mikocheni, Dar-es-Salaam.

3. THE TERM OF THE SUB LEASE

Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations, warranties and covenants from the Sub lessor, the Sub lessor is willing to Sub lease the Demised Premises for a period of 5 years commencing on ...12 day of APRIL 2024.

4. RENT AND PAYMENT METHOD

4.1. The rent herein reserved shall be United States Dollars Four Thousand (USD 4,000) VAT exclusive and withholding tax a month.

4.2. The rent for the first year shall be paid in advance for the whole year within 7 days after the execution of this Agreement by both Parties and upon all

due diligence has been conducted and finalized.to the satisfaction of the Sub lessee.

- 4.3. The rent for the remaining 4 years of the lease term shall be paid upon agreement between the Parties.
- 4.4. The Sub lessee has paid a security deposit of United States Dollars One Thousand (USD 1,000) to the Lessor.
- 4.5. The Sub lease shall be subject to renegotiations after the elapse of two years.
- 4.6. The Sub lessor shall not increase rent for a period of 2 years and once the two years elapses, the Sub lessor may increase the rent at a rate of 3% every year.
- 4.7. The Sub lessee shall be required to pay the rent to the Sub lessor's bank account as detailed below;

CRDB BANK TANZANIA

ACCOUNT NAME: RAM EXPORT AND IMPORT LTD

USD ACCOUNT NR.0250445924700

SWIFT CODE: CORUTZTZ

BRANCH CODE:

- 4.8. The rent is exclusive of all taxes to be paid to the relevant government authority and each party shall be required to pay its respective tax as provided by the Law.

5. CONDITION PRECEDENT

5.1. Notwithstanding anything to the contrary contained in this Agreement, the Sub lessor and the Sub lessee acknowledge and agree that the effectiveness of this Agreement shall be subject to due diligence at the Land registry and approval of the holder of the certificate of occupancy of the Demised Premises of this Sub lease.

5.2. In the event that after the due diligence is conducted and there is a discovery of the Demised Premises that shall affect the Sub lease, the Agreement shall not be effective, and this Agreement shall be terminated immediately.

6. COVENANTS IMPLIED IN THE SUB LEASE ON PART OF SUB LESSOR

6.1. There shall be implied in every Sub lease covenants by the Sub lessor with the Sub lessee binding the Sub lessor.

6.1.1. To pay all rates, taxes, that are due and other outgoings which are payable in respect of the Demised Premises of the Sub lease unless the same are exclusively payable by the Sub lessee under any law.

6.1.2. To provide and install all electrical bulbs.

6.1.3. In the event that the government authority imposes a tax, charge, assessment or other imposition which is based upon the rents payable under this Sub lease or privilege or other tax, assessment or other charge directly related to the Sub lessee use of the Demised Premises or other similar charges or taxes, the Sub lessee shall pay the same to said governmental authority or to Sub lessor, and if Sub lessor is responsible to collect the same in which case Sub lessor shall remit the same in a timely manner and, upon request of the Sub lessee, evidence to the said remittance.

- 6.1.4. Not to use or permit any adjoining or neighbouring property of which he is the occupier under a right of occupancy or a lease in any way which would render the Demised Premises un-fit or materially less fit for any purposes for which they were leased or may, consistent with the terms and conditions of the Sub lease.
- 6.1.5. Not to Sub lease, mortgage, transfer, sell or otherwise assign or put any encumbrance so as to affect the current Sub lease and also shall abstain from involving the Demised Premise in any disposition transactions for the duration of the lease.
- 6.1.6. Unless otherwise agreed in writing between the Sub lessor and the Sub lessee, all movable properties that belong to the Sub lessee shall remain the property of the Sub lessee and shall be free to remove the fixtures installed without causing damage to the building.
- 6.1.7. That, so long as the Sub lessee pays the rent and observes and performs the covenants and conditions contained or implied in the Sub lease and on his part to be observed and performed, the Sub lessee shall peaceably and quietly possess and enjoy the land leased during the term without any lawful interruption from or by the Sub lessor or any person rightfully claiming through him.
- 6.1.8. If it is an express or implied term of the Sub lease that the leased land or a building, on it may be used for any one or more specific purposes, the Sub lessee may terminate the Sub lease, on giving one month's notice to the lessor, if at any time during the currency of the lease, the land or building cannot be, or can no longer lawfully be used, for any one or more of those purposes.

7. CONVENANTS IMPLIED IN THE SUB LEASE ON PART OF THE SUB LESSEE

- 7.1. There shall be implied in every Sub lease, other than a short-term Sub lease, covenants by the Sub lessee with the Sub lessor binding the Sub lessee;
- 7.1.1. To pay the rent reserved by the Sub lease at the times and in the manner specified in the Sub lease.
- 7.1.2. To use the Demised Premises for commercial purposes only.
- 7.1.3. Not to use the Demised Premises in any way that would create annoyance or nuisance or any danger to the public or neighbours.
- 7.1.4. To construct, modify or rehabilitate or improve the Demised Premises to suit its business at its own costs and without the prior consent of the Sub lessor.
- 7.1.5. To permit the Sub lessor, or his agents, employees after reasonable notice is given to enter on the Demised Premises to examine the condition and to undertake any repair and make good any defects for which the Sub lessor is responsible.
- 7.1.6. Where a termination order has been served, if disputed, confirmed by the court, render up possession of the Demised Premises peacefully and without any other dispute.

8. SUB LESSOR'S REPRESENTATIONS AND WARRANTIES

- 8.1. The Sub lessor has all requisite right to Sublet the Demised Premises to the Sub lessee.
- 8.2. The Sub lessor has obtained all consents under the Board Resolution to lease the Demised Premises to the Sub lessee and the Board Resolution does not contravene or entail any breach of any applicable laws.
- 8.3. The Demised Premises is free from any liens, encumbrances or the claims that could affect the Sub lessee's use.
- 8.4. The Sub lessor shall maintain the Demised Premises in good condition and make any necessary repairs as required by this Agreement.

8.5. The Sub lessor has disclosed all latent defects with the Demised Premises.

9. SUB LESSEE'S REPRESENTATIONS AND WARRANTIES.

- 9.1. The Sub lessee has all requisite right to enter into this Agreement.
- 9.2. The Sub lessee shall use the property for commercial purposes and will not engage in any illegal activities on the Demised Premises.
- 9.3. The Sub lessee will maintain the Demised Premises in good condition and return it to the Sub lessor in the same condition, normal wear and tear expected.

10. AMMENDMENT OF THE AGREEMENT

- 10.1. The Parties agree that upon the registration of the Sub lessee's company in Tanzania with the company registrar at the Business Registration and Licensing Agency, the Sub lessor shall execute a new Sub lease Agreement with the new registered company as the Sub lessee under the same terms and conditions.
- 10.2. The Parties shall cooperate in good faith to execute the new Sub lease Agreement.

11. EXCLUSION OF IMPLIED REPRESENTATIONS

- 11.1. This Agreement expressly excludes any representation by either Party not contained in a binding legal agreement executed by both Parties.
- 11.2. Either Party may not rely on any representation which allegedly induced that Party to enter into this Agreement unless the representation is recorded in this Agreement.

12. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

13. INVALIDITY

- 13.1. If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.
- 13.2. To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 13.1, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 13.1, not be affected.
- 13.3. The Parties shall negotiate in good faith to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the objective of the invalid or unenforceable provision.

14. CONFIDENTIALITY

The Parties to this Agreement shall keep, and procure its officers or agents to keep, confidential any Confidential Information which it acquires in connection with this Agreement (whether before or after the date of execution of this Agreement) and shall not disclose to any third party, the subject matter, the terms and contents of this Agreement, except by mutual consent in writing or to the extent required by law.

15. NON-WAIVER

Except in the case of express waiver, the failure or neglect by either Party to enforce or exercise all or any part of its rights, which are conferred upon it by this Agreement, shall not be construed nor deemed to be a waiver or abandonment of the rights not exercised.

16. TERMINATION

- 16.1. This Agreement may be terminated earlier upon the Sub lessor giving the Sub lessee a two (2) months' notice in advance.
- 16.2. This Agreement may be terminated earlier by the Sub lessee upon giving the Sub lessor a one (1) month notice in advance.
- 16.3. That in the event whereby the Sub lessor has not fulfilled his obligations or has defaulted on any of his obligations whatsoever with regards to the Demised Premises or in the event whereby the covenants and conditions of the Sub lessor are not fulfilled, the Sub lessee shall terminate this Agreement immediately.
- 16.4. Notwithstanding anything contained herein, upon earlier determination of the Sub lease by the Sub lessor, the Sub lessor shall, within a period of 7 days, refund the Sub lessee the amount for the remaining period of the lease term including any other costs incurred in relation to the Demised Premises and the Sub lessee shall hand over Demised Premises peacefully to the Sub lessor.
- 16.5. That on expiration of the term of this Agreement, if the Sub lessor wishes to renew the Sub lease the Demised Premises, first priority shall be given to the Sub lessee.

17. NOTICES

- 17.1. Any notice to be given under this Agreement may be given by sending the same by registered mail, by the quickest mail available to the party concerned at its address as given in Clause 17.2. below or at such other address for this purpose.
- 17.2. Party may have notified in writing to the other party, and such notice shall be deemed to have been received;
 - If sent by registered mail, within 7 days of posting;
 - If sent by ordinary mail, within 10 days of posting.
 - If sent by email, when receipt of delivery is received.

- i. In case of a notice to the Sub lessor ;
Bedri Tolga Karalar
Ram Export and Import Ltd
Plot no 18, House no 18 Magomeni Mikumi, Msanga street,
Dar es salaam
Email: ramimportexport@gmail.com

- ii. In case of a notice to the Sub lessee
Masimo Ivor Magerman
F4 Apartment, R square building,
Haile Selassie Road,
Dar es salaam
Email: masimom@mergence.co.za

18. DISPUTE SETTLEMENT

- 18.1. All disputes arising from this Agreement shall be finally settled by arbitration in accordance with the Arbitration Act, 2020 under the administrative and procedural regulation of the Tanzania Arbitration Centre by a single arbitrator appointed in accordance with said Regulation, which decision shall bind the parties and serve as a decision in the first and final instance.
- 18.2. Either Party may refer the dispute for arbitration under sole arbitrator, whereby the arbitrator shall be jointly appointed by the Parties from the list of accredited arbitrators by the Tanzania Arbitration Centre within twenty-eight days after service of a written request for arbitration by either Party.
- 18.3. Should the Parties fail to agree on the arbitrator, the arbitrator shall be appointed by the Chairman for the time being of the Tanzania Arbitration Centre.
- 18.4. The place of Arbitration shall be in Dar es salaam, Tanzania and the language of Arbitration shall be English Language.
- 18.5. Each Party shall bear its own costs for arbitration.

19. DATA PROTECTION


- 19.1. The Parties acknowledge their obligations under the Personal Data Protection Act No. 11 of 2022 and its regulations as applicable in Tanzania.
- 19.2. Each Party agrees to handle personal data in compliance with the Personal Data Protection Act and the regulations.
- 19.3. The Parties shall take appropriate technical and organizational measures to protect personal data against unauthorized access, disclosure, alteration, or destruction. Any transfer of personal data between the parties shall be conducted in accordance with the law.
- 19.4. In the event of any security or data breach or unauthorized access to personal data, the Parties shall promptly notify each other and or the relevant authority and cooperate in mitigating the effects of the breach in accordance with the requirements of the law.

20. APPLICABLE LAWS

This Agreement shall be governed and construed in accordance with the Applicable laws of the United Republic of Tanzania and to be wholly performed within such state, without giving effect to any conflict of law provisions thereof.

IN WITNESS WHEREOF the parties here to have hereunder set their respective hands the day and year hereinbefore appearing.

SEALED with the **COMMON SEAL** of
RAM EXPORT AND IMPORT LTD at Dar es salaam
in the presence of us on this
.....12.....day ofMarch.....2024



SUB LESSOR

RAM EXPORT & IMPORT LIMITED
P. O. Box 22104
MSANCA STREET - MAGEZI MIZINI
DAR - ES - SALAA - I - TANZANIA

BEFORE ME

Name: Hawla Tamim

Signature: [Signature]

Address: P.O. Box 32715, DSA

Qualification: ADVOCATE



SEALED with the COMMON SEAL of
BFG AFRICA (TANZANIA) LIMITED at Dar es salaam
in the presence of us on this
.....12.....day ofAPRIL.....2024

[Signature]
SUB LESSEE

IN OUR PRESENCE:

Name: MASIMO IVOE MACHMAN

Signature: [Signature]

Address: P.O. Box 26037, DSA

Qualification: **DIRECTOR**

Name: _____

Signature: _____

Address: _____

Qualification: **DIRECTOR/COMPANY SECRETARY**

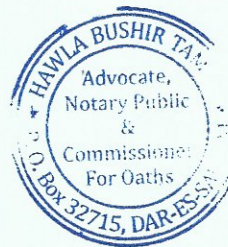
BEFORE ME

Name: Hawla Tamim

Signature: [Signature]

Address: P.O. Box 32715, DSA

Qualification: ADVOCATE



STAMP DUTY
Shs. 1,225,800/- collected
Receipt No. 9824/16/254-201 Dated 29/4/2024
[Signature]
Regional - Manager Kinondoni Tax Region