

THE LAND ACT NO. 4 OF 1999
(As amended by the Land Act Amendment Act No. 2 of 2004)

LEASE AGREEMENT

BETWEEN

SHANANGA GROUP LIMITED

AND

KILI STEEL INDUSTRIES LIMITED.



In respect to the Premises Situated at Plot No. 115 Pugu Road.
Ilala Municipality, Dar es Salaam.

This Lease Agreement is made this day of, 2024 between **SHANANGA GROUP LIMITED (SGL)** of Plot No. 1653, Tabata Kinyerezi, P.O. Box 16225, Dar es Salaam, a limited liability company incorporated in the United Republic of Tanzania (hereinafter called the "Lessor" which expression shall, where the context so admits, include his successors and assignees) of the one part.

AND

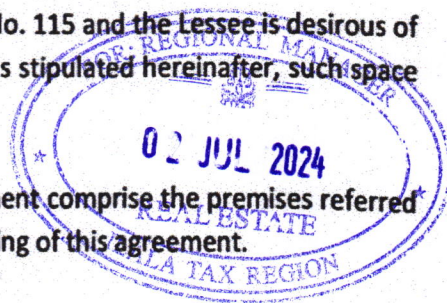
KILI STEEL INDUSTRIES LIMITED of Plot No. 115, Nyerere Road, Kipawa P.O Box, Dar es Salaam, a limited liability company incorporated in the United Republic of Tanzania (hereinafter called the "Lessee", which expression shall, where the context so admits, include his successors in title) of the other part.

WHEREAS

The Lessor is the registered owner of the property located in a parcel of land known as Plot No. 115, Pugu Road, Dar es Salam, together with the other adjacent facilities and improvements therein.

The Lessor has agreed to lease to the Lessee Space at Plot No. 115 and the Lessee is desirous of leasing from the Lessor, subject to the terms and conditions stipulated hereinafter, such space to be referred to as the "Demised Premises".

The Demised Premises referred to under this Lease Agreement comprise the premises referred to as a total area of 3,027 Square Meters at the time of signing of this agreement.



In consideration of the mutual promise and covenants hereinafter stipulated, the parties hereby agree as follows;

1. Lease Agreement Duration.

The duration of the Lease Agreement for the Demised Premises, hereinafter referred to as the "Contractual Period" shall commence on the Effective Date this Lease Agreement is signed and shall run for 5 (five) years subject to renewal by either party to this Lease Agreement.

2. **Lease Agreement Rentals and Charges.**

- 2.1. The Lessee shall pay a monthly rent at the rate of Four United States Dollars and Fifty Cents (US\$ 4.50) per square meter with a total area of 3,027 Square Meters at the time of signing of this agreement which shall amount to United States Dollars Thirteen Thousand Six Hundred Twenty One Only (\$13,621) per month. This rate is exclusive of VAT. The rent shall be paid in advance for a period of one month.
- 2.2. Here is the description of the area for each godown and allocated office space.
- | | |
|------------------------|------------------|
| Godown A & B | 823 SQM |
| Godown C..... | 957 SQM |
| Godown D..... | 947 SQM |
| Godown E..... | 120 SQM |
| Office space..... | 80 SQM |
| Residential Space..... | 100 SQM |
| TOTAL..... | 3,027 SQM |
- 2.3. This rent shall be subject to a yearly increase at a rate of 10% after two years since signing of this contract.
- 2.4. The rent shall be paid in USD through the below account;

Account Name: SHANANGA GROUP LIMITED

Account No (USD): 3390945423

Bank Name: KCB Bank

Branch: Buguruni

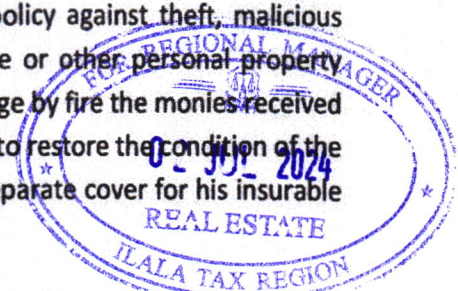


- 2.5. The Lessee shall pay rent for each calendar month, whether formally demanded by the Lessor or not, no later than the tenth (10th) calendar day of the calendar month to which the rent or service charge relates.
- 2.6. If the monthly rent due is not received by on or before the tenth (10th) day of the month in which rent is due, the Lessee shall pay a later charge of five percent (5%) of the rental payment due. This late charge in additional rent, is immediately due and payable.
- 2.7. The Lessee shall deduct withholding tax (currently at 10%) from the rental amount and shall provide the necessary proof of payment from TRA within one month of making any rental payment to the Lessor.

3. Lessee's Covenants.

The Lessee hereby covenants with the Lessor as follows;

- 3.1. To pay all utility charges and bills, including but, not limited to sewerage and electricity which may be assessed or charged against the Demised Premises.
- 3.2. Not to use the Demised Premises for any unlawful purpose; and that the Lessee shall conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all State and Local governmental authorities.
- 3.3. To surrender and deliver the Demised Premises, at the end of the term or an extension thereof, in the event the lease is terminated or for whatever reason stands unrenewed, reasonable use and natural wear and tear will be accepted.
- 3.4. Not to make any alterations or additions to the Demised Premises without the prior written consent of the Lessor.
- 3.5. To be responsible for third party liability relating to his business and to maintain in respect thereof a comprehensive insurance cover to meet third party claims for injury or death.
- 3.6. To be covered at all times by a suitable insurance policy against theft, malicious mischief, fire loss or damage of fixtures, merchandise or other personal property owned or installed by the Lessee; in the event of damage by fire the monies received through the said insurance shall be used by the Lessee to restore the condition of the Demised Premises. The Lessee shall also maintain a separate cover for his insurable possessions, if any.
- 3.7. To take all precautions for the purpose of avoiding general loss of or damage to the Demised Premise and/or loss or injury to the occupants of the premises, which shall include installation and maintenance of fire extinguishers and other relevant equipment.
- 3.8. Not to use it as collateral or security for any loan or credit facilities without the prior written consent of the Lessor.



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4. Lessor's Covenants.

The Lessor hereby covenants with the Lessee to permit the Lessee paying the rent and performing and observing the covenants and stipulations in the Lease Agreement to;

- 4.1. Peacefully hold and enjoy the Demised Premises during the Contractual Period without any unjustified interruptions by the Lessor or any of his agents; and
- 4.2. Sublet or assign any part or the whole of the Demised Premises during the terms hereby created. This may only be done by a written consent of the lessor.
- 4.3. Share with the Lessee the costs of utilities except water and electricity.

5. Common Clauses.

The Lessor and Lessee mutually agree and declare as follows;

- 5.1. The all expenses in respect of the preparation of this Lease Agreement including advocate fees, stamp duty and registration fee shall be payable by the Lessor.
- 5.2. That any notice under this Lease Agreement shall be in writing. Notice to the Lessee shall be deemed to be sufficiently served if left addressed to the Lessee on the Demised Premises or sent to him by registered mail through his postal address.
- 5.3. That only spaces which are around the rented godown excluding road access, can be used by the tenant to store their items, without causing any inconveniences to other users of the property.
- 5.4. The tenant and landlord shall agree into best ways to allocate chemical sewage. The landlord shall be responsible to facilitate infrastructures related drainage system excluding any special chemical sewerage or waste system, and the tenant shall be responsible to the management of the said chemical sewage as per guidance provided by the associated local authorities.
- 5.5. Upon termination of contract, the tenant shall be responsible to restore the godowns to same condition as they are at the time of handover during beginning of the contract.



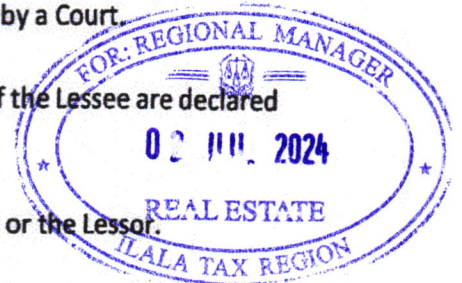
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6. Termination of the Lease Agreement.

This Lease Agreement will be terminated on the occurrence of any one of the events listed below. This Lease Agreement is terminated.

- 6.1. Upon completion of the Contractual Period.
- 6.2. Upon notice given by either party as defined under clause 7 of this Lease Agreement.
- 6.3. If the Lessee is in arrears to pay any sum or sums of money to the Lessor that he owes to the Lessor under this Lease Agreement, and if the Lessee fails to make good such payment within thirty calendar days of the Lessor making a formal demand for payment of the arrears.
- 6.4. If the Lessee is in breach, other than a breach that is dealt with by the Lessor of any one or several terms of this Lease Agreement, and if within thirty (30) calendar days of the Lessor notifying the Lessee of the breach, the Lessee fails to take actions to the satisfaction of the Lessor to remedy the breach.
- 6.5. Upon the Lessee being placed in receivership, whether voluntary or otherwise, or being placed under liquidation or notice to wind up issued by a Court.
- 6.6. If any one or several of the shareholders and/or directors of the Lessee are declared bankrupt or are convicted of a criminal offense.
- 6.7. Upon thirty (30) days written notice from either the Lessee or the Lessor.



7. Notice

Pursuant to clause 6 above, either party shall give six (6) months notice prior to the termination or renewal of this Lease Agreement which notice shall be in writing.

8. Variations and Waivers.

All variations to the terms of this Lease Agreement must be in written form and executed by both parties.

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9. Interpretation.

- 9.1. The use of headings in this Lease Agreement is only for the purpose of ease of reference and shall not be constructed in any other manner whatsoever.
- 9.2. The appendices, if any, to this Lease Agreement form an integral part of the agreement and should be read in conjunction with the Lease Agreement in its entirety.
- 9.3. In this Lease Agreement references to the masculine gender will also include the feminine gender and vice versa.
- 9.4. In the event of any dispute or claim arising from or in connection with this Lease Agreement, which is not settled mutually by the parties thereto such dispute or claim may be referred by either party to a court of competent jurisdiction for adjudication and settlement.
- 9.5. All matters in connection with this Lease Agreement shall be governed by the laws of the United Republic of Tanzania. any disputes arising from or in connection with this Lease Agreement shall be resolved amicably, failing which an aggrieved party may refer the matter to a court of competent jurisdiction.



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IN WITNESS WHEREOF the parties hereto have duly executed this Lease Agreement in the manner and on the date herein contained.

SEALED with the Common SEAL of the said SHANANGA GROUP LIMITED and DELIVERED in the presence of us This of2024.

Postal Address P.O. Box 16225 Dar Es Salaam.

Qualification Director

[Signature]
Signature



Postal Address P.O. Box 16225 Dar Es Salaam.

Qualification Director

[Signature]
Signature

STAMP DUTY

Shs: Collected

Receipt No: Date:

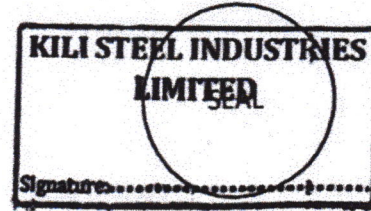
Regional Manager - Ilala Tax Region

SEALED with the Common SEAL of the Said KILI STEEL INDUSTRIES LIMITED And DELIVERED in the presence of us This of2024.

Postal Address P.O. Box 409 Dar Es Salaam.

Qualification Director

[Signature]
Signature



Postal Address P.O. Box 409 Dar Es Salaam.

Qualification Director

[Signature]
Signature



\$ 13621 x 12 = 163,452
 1% SD 1635
 @ 2700
 725 4,414,500
 1500

 4,416,000/

Verified Correct

[Signature]
20/6/2024





START OF LEGAL RECEIPT

G.N SAID ADVOCATE
P O BOX 4528 DAR ES SALAAM
TELL 255 754 282 265
KALUTA STREET
TANZANIA

TIN 101962482

URN *NOTREGISTERED*

SERIAL NUMBER 0312442030431

UIN 01181F

-1058753041019624820312442030431

TAX OFFICE ILALA

CUSTOMER NAME KILI STEEL

CUSTOMER ID TYPE BUYER'S TIN

CUSTOMER ID 175621334

RECEIPT NUMBER 1742

ZNo 2/0490

DATE 26-06-2024 TIME 10:52:25

ECR: 01 OP: 01

LEGAL SERVICES 00.000.000

TOTAL EXCLUSIVE OF TAX 00.000.000

TOTAL TAX 0.000

TOTAL INCLUSIVE OF TAX 00.000.000

CASH 00.000.000

ITEMS NUMBER 1

RECEIPT VERIFICATION CODE

CQ3W041742



*** END OF LEGAL RECEIPT ***

Changamoto kwenye risiti piga
bure TRA 0000750254/0800759255

