

**THE LAND ACT (NO.4 OF 1999)
THE LAND REGISTRATION ACT (CAP.334)**

LEASE AGREEMENT

BETWEEN

IBRAHIM THABIT ALI (LANDLORD)

AND

MOFAT COMPANY LIMITED (TENANT)

LEASE OF PLOT NO. 227, MSASANI VILLAGE, DAR ES SALAA

THE LAND ACT (No. 4, 1999)
THE LAND REGISTRATION ACT (CAP. 334)

LEASE AGREEMENT

This Lease is made on the 1st day of March 2025.

Between

IBRAHIM THABIT ALLY, a natural person residing in the United Republic of Tanzania whose address is P.O. Box 2111 Dar es Salaam (hereinafter referred to as the "**Landlord**") which expression shall, where the context so admits, include his successors & assigns) of the one part.

And

MOFAT COMPANY LTD, a company duly incorporated under the laws of the United Republic of Tanzania whose address of service is of P.O. Box 19875, Dar es Salaam (hereinafter referred to as the "**Tenant**") which expression shall, where the context so admits, include its successor and assigns), of the other part.

Collectively the Landlord and Tenant referred to as "**the Parties**"

NOW this lease agreement witnessed as follows: -

1. LEASE PERIOD

In consideration of the rent and the mutual covenants hereinafter reserved and contained, the **Landlord** hereby being legally authorized to do so, grants, leases and demises unto the **Tenant** the property for a term of **five (5) years** (hereinafter "**the Term**") commencing on **1st March 2025** and expiring on **28th February 2030** thereafter, subject nevertheless to the provisions for termination and renewal hereinafter contained.

2. RENT

- 2.1. The Tenant will pay the Landlord a monthly rent of **One Thousand United States Dollars (USD 1000)**
- 2.2. Rent will be payable in advance and due on the last day of each month during the term.
- 2.3. The first rent payment is payable to the Landlord once both Parties have sign this Agreement.
- 2.4. The Tenant shall deduct withholding tax from all rent payments and the tax withheld shall be remitted by the Tenant to the Tanzania Revenue Authority (or such other person(s))

Tanzanian law from time to time requires) and a copy of each such withholding tax certificates shall be provided to the Landlord within seven (7) days.

2.5. **Modality of rent payment:** The monthly rentals as stipulated above shall be payable six (6) months in advance. Payments shall be effected into the Landlord's bank account as to be provided from time to time

3. SECURITY DEPOSIT:

Upon signing this Lease Agreement, the Tenant will not be subjected to pay any amount as security deposit to the Landlord.

4. USE

The leased property shall be used by the Tenant for commercial uses only. Any change of use shall not be permitted during the period of Lease Agreement without the consent of the Landlord.

5. THE TENANTS COVENANTS:

The Tenant hereby covenants with the Landlord: -

5.1. Rent & Other Payments:

5.1.1. To pay the rent gross without any set off, other than in relation to withholding tax in accordance with Clause 2.4.

5.1.2. To pay to the Landlord and to indemnify the Landlord against: -

5.1.2.1. All rates, taxes, assessments, duties, charges, impositions and any other costs of a similar nature which are now or during the Lease Term shall be charged, assessed or imposed upon the leased property or upon the owner or occupier of them, **PROVIDED** that this covenant shall not oblige the Tenant to pay any taxes which are, by statute, payable by the Landlord.

5.1.3. In addition to rent and any other payments payable in accordance with this Lease, VAT (or any tax of a similar nature that may be substituted for it or levied in addition to it) and stamp duty chargeable in respect of any payment made by the Tenant under any of the terms of or in connection with this Lease.

5.1.4. The cost of registration of this Lease at the Land Registry.

5.2. Charges for utilities on leased property: To pay to the suppliers thereof all costs and charges for electricity, water, gas and other services consumed or used at or in relation to the leased property.

5.3. Repair, cleanliness & replacement of Fixtures in leased property.

5.3.1. At all times during the Term to repair and keep the interior of the leased property in good and substantial repair and condition (damage or destruction by any of the insured risks and fair wear and tear accepted).

5.3.2. To clean the leased property and keep it in a clean and tidy condition and clear of all rubbish and to clean as often as may be necessary the inside of the Window panes and frames of the leased property.

5.3.3. To replace the Landlord's fixtures and fittings, if any, in the leased property which may be or become beyond repair at any time during the Term as a result of any act, omission or negligence on the part of the Tenant, fair wear and tear excepted.

5.4. Redecoration of demised premises:

To redecorate the leased property in a good and workmanlike manner as defined in the Landlord's specification and with appropriate materials of a sufficient quality to restore the leased property within the last six months of the Term, to the same standard they were in at the Commencement Date, fair wear and tear excepted.

5.5. Waste and Alterations to leased property:

5.5.1. Not to commit any waste

5.5.2. Not to make any internal structural or material non-structural alterations or additions to the leased property without a written consent from the Landlord (such consent not to be unreasonably withheld or delayed).

5.5.3. To remove any additions, alterations or improvements made to the leased property at the expiration of the Term if so, required by the Landlord to the same standards that they were at the commencement and to repair any parts of the demised premises which may be damaged by such removal. Landlord's Right of Entry:

5.6. To permit the Landlord and/or his agents: -

5.6.1. To enter upon the leased property during normal working hours and upon the provision of reasonable prior written notice (of not less than forty-eight (48) hours except in the case of an emergency) for the purpose of ascertaining that the covenants, schedules and conditions of this Lease have been observed and performed and in the event that the same shall be found to be defective or in breach, to leave notice in writing on the leased property of such defects or breach which the Tenant is liable to repair or remedy under this Lease, requiring the Tenant to make good the same as soon as reasonably practicable in a proper manner to the reasonable satisfaction of the Landlord.

5.6.2. To view the state of repair and condition of the demised premises upon the provision of reasonable prior notice (of not less than forty-eight (48) hours).

5.7. **Notice of Re-letting:** During the last six (6) months of the Term (or sooner should this Lease terminate whether by the effluxion of time or otherwise), to permit the Landlord and/or any prospective tenants of, or any managing agents instructed in connection with the lease of, the property, to view the property during Normal Working Hours and upon the provision of reasonable prior written notice (of not less than forty eight (48) hours) to the Tenant provided they are authorized in writing by the Landlord or his managing agent.

5.8. **Yielding up:** At the expiration of the Term:

5.8.1. To yield up the leased property in a good and substantial repair in accordance with the terms of this Lease, fair wear and tear accepted.

5.8.2. To give up all keys of the leased property to the Landlord, and

5.8.3. To remove all signs erected by the Tenant in, upon or near the leased property and immediately to make good any damage caused by such removal.

5.9. **Notices of Defects:**

5.9.1. As soon as reasonably practicable after becoming aware of the same, to give notice to the Landlord of any material defect in the leased property which might give rise to an obligation on the Landlord to do or refrain from doing any act or thing in order to comply with the provisions of this Lease or the duty of care imposed on the Landlord pursuant to any applicable law.

5.9.2. To give full particulars to the Landlord of any notice, directions, order or

proposal for the leased property made, given or issued to and received by the Tenant, by any public authority within seven (7) days of receipt and if so, required by the Landlord to produce it to the Landlord

6. THE LANDLORD'S COVENANTS:

Subject to the Tenant paying the rent in accordance to this Lease, and all other charges payable under this Lease to the Landlord and subject to the Tenant complying with the covenants and other terms of this Lease, the Landlord covenants with the Tenant:

- 6.1. To allow the Tenant peaceful enjoyment of the leased property without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord for the duration of the Term.
- 6.2. To pay all existing and future land rents and other rates, taxes, assessments impositions and outgoings, which are now payable by the Landlord, or which may thereafter be imposed or charged on the Landlord in respect of the leased property.
- 6.3. To keep the main structure, roof, water connection, drainage system, plumbing system, sewer system, walls and other exterior parts of the leased property in good repair provided the Tenant and or its agents do not cause damage, or alter the systems without prior consent of the Landlord.
- 6.4. To apply from the relevant authorities, within a reasonable time for approvals, permits and consent for the purpose of registering this Lease.
- 6.5. To submit to the relevant authorities whenever required the Certificate of Title and/or the Right of Occupancy in respect of the Estate to facilitate registration of this Lease.

7. GENERAL CLAUSES:

7.1. Landlord's Termination Rights:

7.1.1. If and whenever during the Term: -

- 7.1.1.1. The rent (or any other monies) due to the Landlord under this Lease are outstanding for at least sixty (60) days after the due date; or There is a serious and continuing breach by the Tenant of any covenant or other term of this Lease.

7.2. Tenant's Termination rights: -

7.2.1. If and whenever during the Term and condition that all payments as determined in this lease agreement have been made and there is a serious and continuing breach by the Landlord of any covenant or other term of this Lease;
or

7.2.2. The Landlord: -Enters into liquidation whether compulsory or voluntary (but not if the liquidation is for amalgamation or reconstruction of a solvent company); or

7.2.3. Has a receiver or administrative receiver appointed,

7.2.4. The Tenant shall be entitled to terminate this Lease without the payment of compensation to the Landlord by giving written notice to the Landlord of its intention to terminate this Lease either immediately, or, if the breach is capable of remedy, following the expiry of a period of thirty (30) days from the date of such notice (the “**Rectification Period**”).

7.2.5. In the event that, despite using its best endeavors, the Landlord is unable to remedy the breach within the rectification period, the Tenant’s right of termination under this Clause shall not become effective, provided that the Landlord:

7.2.5.1. gives written notice to the Tenant on or before the last day of the Rectification Period stating the reason(s) why he has been unable to remedy the breach during the Rectification Period, together with a detailed reasonable estimate of the time it will take the Landlord to remedy; and

7.2.5.2. Provides the Tenant with such evidence as it may reasonably require in order to verify that the Landlord has used its best endeavors to remedy the breach.

7.3. Notwithstanding anything else in this Lease, the Tenant shall only have the right to terminate Lease after the first twelve (12) months of the term upon giving three (3) months written notice to the Landlord.

7.4. Except as otherwise provided in this lease, the landlord can only terminate the lease after the first thirty-six (36) months upon giving six (6) months written notice.

7.5. If the Landlord terminates the lease earlier, he must compensate the Tenant for the

renovation costs incurred.

8. The rent due may be increased or decreased by the Landlord by not less than three(3) months' notice in writing to the Tenant.

9. Arbitration Clause.

9.1. If any dispute, difference or question shall at any time hereafter arise between the Parties hereto or their respective representatives or assigns in respect of the construction of this lease or concerning anything herein contained or arising out of this lease or as to the rights, liabilities, or duties of the said Parties hereunder, the same shall be settled by arbitration in accordance with and subject to the provisions of the Arbitration Act [Cap. 15] of the laws of the United Republic of Tanzania.

9.2. The number of arbitrators shall be three, one appointed by each of the Parties hereto and a third arbitrator (who shall act as chairman) to be appointed by the two arbitrators appointed by the Parties. If any Party fails to appoint an arbitrator or the arbitrators appointed by the Parties cannot agree on the third arbitrator, the arbitrator for the non-appointing party or as the case may be, the third arbitrator shall be appointed by the chairman for the time being, of the Tanzania Institute of the Arbitrators. Any arbitral award issued shall be final and binding and judgment on such award may be entered in any court having jurisdiction thereof.

10. The Landlord shall not be responsible to the Tenant or to anyone who is at the leased property either expressly or by implication with the Tenant's authority for any accident, happening or injury suffered to their person, or for any damage to, or loss of, any chattel in all cases, sustained in or on the demised premises, except to the extent that such accident, happening, injury, damage or loss is due to any act or omission of the Landlord.

11. This Lease embodies the entire understanding of the parties relating to the leased property and to all the matters dealt with by any of the provisions of this Lease.

12. Time shall be the essence of this Lease both as regards to the dates and periods mentioned and as regards to any dates and periods which may be substituted for them in accordance with this Lease or by agreement in writing by the Parties.

13. Governing law:

This lease shall be governed by and construed in accordance with the laws of the United Republic of Tanzania.

14. Force Majeure:

Provided that the respective Party is not already in default of its obligations under this Lease Agreement, both Parties shall be released from their respective obligations in the event of national emergency, civil commotion/disturbance, war, earthquake, flood storm, prohibitive government regulations/actions or any other similar casualty/cause beyond reasonable control of the Parties herein and was not reasonably foreseeable which renders performance of this Lease Agreement impossible.

15. Notices

15.1. Any notice to be given under this Lease may be given by delivering such notice by sending the same by recorded post, or by sending the same by email, in each case addressed to the Party concerned at the details provided below.

Landlord: Ibrahim Thabit Ali

Address: P.O. Box 2111

Telephone: 0785026044

Tenant: MOFAT Company Ltd

Address: P.O.Box19875

Telephone: 0658062003

15.2. Where a notice is purported to be given by email under this Lease, it shall not be effective unless such notice is subsequently sent by recorded post in accordance.

15.3. **Renewal/termination:** This Lease may, at the end of the Term, be renewed for a further period of not less than three (3) months from the date on which it is due to terminate, subject to the Tenant giving a three (3) months prior written notice to the Landlord of its desire to renew and the Parties agreeing revised terms.

16. Confidentiality

16.1. Each Party undertakes to the other that (unless the prior written consent of the other Party shall first have been obtained) it shall, and shall procure that its officers, employees, advisers and agents shall keep confidential and not by failure to exercise due care or otherwise by any act or omission disclose to any person whatever, or use or exploit commercially for its or their own

purposes, any of the confidential information of the other Party, including the contents of this Lease and any other agreement or arrangement contemplated by the same.

16.2. If a Party becomes required, in any circumstances to disclose any information, such Party shall give to the other Party such notice as is reasonably practical in the circumstances of such disclosure and shall cooperate with the other Party, having due regard to the other Party's views, and take such steps as the other Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.

17. Covenants and Conditions

17.1. This Lease Agreement clearly states all terms and conditions that validate the lease for a span of the lease term stated herein. All of the terms and conditions of this Lease Agreement are expressly intended to be construed as covenants as well as conditions.

17.2. Both Parties involved in this Lease Agreement have thoroughly read and clearly understood all clauses of the Lease Agreement and have promised to follow them in the true sense of the legal terms, failing of which they will be subject to legal actions.

IN WITNESS whereof this Agreement has been executed and delivered as on the date and in the manner shown herein below:

Signed and Delivered by the said
IBRAHIM THABIT ALI in my presence
This.....day of2025

Ebrahim Thabit
Landlord

BEFORE ME:

Name:
Signature:
Address.....
Qualification: **ADVOCATE**

Signed and Sealed by the said
MOFAT CO LTD in our presence
This.....day of2025



Muhamad Abdallah Kassim
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MUHAMAD ABDALLAH KASSIM
CHIEF EXECUTIVE OFFICER

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NEEMA DICKSON MUNUO
LEGAL & HUMAN RESOURCES