

14 June 2025

Razvan Gabriel
White Wings – Asco Constructii

Dear **Razvan**

Proposed hotel projects at Daloni Island in Zanzibar, Kilimanjaro Country Club in Arusha and Coco Beach in Dar Es Salam (Proposed Hotels)

Further to our recent discussions, I am delighted to confirm we would be very interested in managing the Proposed Hotels.

Below we set out the key terms of our Branding & Management Agreement (**BAMA**) that we would like you to consider.

Part A – Key Heads of Terms for BAMA

Proposed Hotels – Owner would develop and complete the Proposed Hotels:

- Coco Beach in Dar Es Salam: 195 guest rooms and suites
- Daloni Island in Zanzibar: 100 guest rooms and suites
- Kilimanjaro Country Club in Arusha: 130 guest rooms and suites

The Proposed Hotels will be developed in accordance with the Brand Standards and the approved Plans (the **Project**) and provide the funds for the initial purchase of operating supplies and for the initial working capital.

Brand – “Hilton”.

Hotel Name – “Hilton Dar Es Salam Coco Beach” – “Hilton Zanzibar Daloni Island” – “Hilton Arusha Kilimanjaro”

Operating Term – 20 full calendar years (with two renewals of 5 year each upon mutual agreement between Owner and Operator)

Licence Fee % of Total Operating Revenue.

Year 1: 1.50%

Year 2: 1.75%

Year 3 and onwards: 2.00%

Incentive Management Fee – % of Adjusted Gross Operating Profit where **Adjusted Gross Operating Profit** is the Gross Operating Profit less the Licence Fee:

0% if $GOP < 15\%$

4.0% if $15\% \leq GOP < 20\%$

6.0% if $20\% \leq GOP < 25\%$

7.0% if $25\% \leq GOP < 35\%$

8.0% if $GOP \geq 35\%$

Development Services Fee – US\$ 1,000 per key (including out-of-pocket expenses) payable within 30 days of signing BAMA. As a gesture, the Development Services Fee will be discounted to US\$ 200,000 for the three hotels.



Centralised Services and Charges – Operator (or its affiliates) will provide and charge Owner for certain centralised services which shall include the Group Services & Benefits and Hotel Specific Services. The following sets out the key details of the centralised services and charges:

- (i) **Group Services & Benefits** – Group Services & Benefits shall include Central and International Marketing, Area Office Supervision and Hilton Worldwide Sales (excluding the Area Sales Office and Shared Segment Sales Office in relevant markets). The Group Services & Benefits Charge (GSB Charge) shall be 2% of Total Operating Revenue.
- (ii) **Hotel Specific Services** – Hotel Specific Services shall include Hilton Honors, Reservations, Business Systems, hotel specific marketing and non-Hilton Worldwide sales programs and other Specific/ Specialist Services. Hotel Specific Services shall be charged on a costs basis without any profit mark up.

Details of the services provided and any specific charging mechanisms for the same shall be set out in the BAMA.

Owner's Return – the Adjusted Gross Operating Profit less the Incentive Management Fee.

FF&E Reserve – in each year the greater of 1% of the budgeted Total Operating Revenue or the budgeted amount for FF&E.

Pre-Opening Fund Estimate – US\$ TBD. This fund would be used to pay for the pre-opening activities to be carried out by the pre-opening team that would be responsible for opening and launching the Proposed Hotels.

Performance Test – if in any two consecutive years after the completion of the 3rd full fiscal year of the Operating Term (a) the GOP of the Proposed Hotel would be less than 80% of the budgeted GOP of the Proposed Hotel and (b) the RevPAR of the Proposed Hotel would be less than 80% average RevPAR of the hotels in the peer group, Owner would have a right to terminate BAMA. The peer group would be the Proposed Hotel and the comparable and competitive hotels where the Proposed Hotel is located as agreed between Owner and Operator. If there would be less than 4 hotels in the peer group in any year, then the performance test would not apply to that year.

If Operator were to prove that the failure of the performance test was due to causes, circumstances and/or conditions beyond Operator's reasonable control, or Operator were to make a cure payment to Owner, no termination right would arise. The cure payment would be an amount equal to the additional Owner's Return that would otherwise have been payable to Owner (for the average of the two consecutive years) if the GOP of the Proposed Hotel had been equal to 80% of the budgeted GOP of the Proposed Hotel. The RevPAR of the peer group would be calculated and certified by an expert agreed between Owner and Operator.

Operator rights to cure the Performance Test are limited to 2 occasions during the Term of the agreement.

Employees – the employees of the Proposed Hotels would be Owner's employees. Owner shall have approval rights over the appointment of the General Manager, the Director of Finance (up to 3 candidates and the Director of Sales & Marketing (up to 3 candidates)



Key Money – Operator would pay Owner the Key Money following the full opening of the Proposed Hotels which would be amortised by Operator over the initial Operating Term. If BAMA was terminated early for any reason, Owner would repay the unamortised balance to Operator. Owner may need to provide appropriate security for repayment of the Key Money and this would be reviewed as discussions proceed.

Key Money: US\$ 1,250,000 (inclusive of any taxes) for the Proposed Hotels

Restraint of Trade – Operator would agree not to own, manage or franchise another hotel that would be open under the Brand in the Restrictive Territory during the Restrictive Period. Further detail and conditions around this would be set out in BAMA.

Restrictive Period: commencing on the date BAMA is signed and expiring on the date that is 120 months from the date of this letter.

Restrictive Territory: a 10-kilometre radius from the Proposed Hotels.

Two handwritten signatures in blue ink are located at the bottom right of the page. The signature on the left is a simple, cursive line. The signature on the right is more complex, featuring several loops and a large 'A' shape.

Part B – This Letter of Understanding

Confidentiality

Each party undertakes for 2 years from the date of this letter that it will keep confidential, and will procure that its principals, officers, directors, employees, agents, advisers, attorneys, and their respective affiliates and associated companies keep confidential, any and all information (oral or written) relating to the other party or any of the other party's subsidiary, affiliate, consultant or other representative which is of a confidential nature and which relates to the other party's business, including the terms of this letter and the negotiations between the parties, and all financial information relating to the anticipated revenue, costs, expenses and/or profits of the Proposed Hotels (together, **Confidential Information**). Each party's undertaking will not apply to Confidential Information which (i) is required to be disclosed by applicable laws or by a regulatory or governmental or other authority with relevant powers to which it submits, (ii) is or will be in the public domain, except if through breach of this letter, (iii) is lawfully in its possession other than by disclosure from the other party, or (iv) is independently developed by it without having access to the Confidential Information.

Owner and Operator each agree not to make any press or other announcement or release relating to the negotiations in respect of the Proposed Hotels without the prior written approval of the other, unless such announcement is required by law, a regulatory authority or stock exchange (and only to the extent reasonably required to comply with the relevant requirements).

Unless and until BAMA is entered into, and then subject to its terms, Owner will not use Operator's name or logo, or disclose that negotiations are taking place.

Owner represents to Operator that there are no agreements in place with anyone concerning the management, branding, marketing or operation of the Proposed Hotels or any other agreement that would prohibit Owner from, or Owner would be in breach of, by having discussions, negotiations or correspondence with Operator or entering into BAMA with Operator in respect of the Proposed Hotels.

Exclusivity

Owner undertakes to Operator, from the date of this letter until it expires or is terminated, not to directly or indirectly negotiate or discuss, or enter into any agreement or understanding, with anyone (other than Operator) with respect to the management of the Proposed Hotels.

Applicable Law

All issues arising out of or in connection with this letter will be construed, interpreted and applied in accordance with, and governed by, the laws applicable in England and Wales.

Termination and Expiry

The terms of this letter will automatically expire 3 months after the date of this letter (unless extended by Owner and Operator in writing) or, if earlier, on the date Owner and Operator enter into BAMA for the Proposed Hotels. In addition, Owner or Operator can terminate this letter at any time on 30 days prior written notice to the other.

Non Binding Nature of this Letter



Except for the paragraphs headed "Confidentiality", "Exclusivity", "Applicable Law", "Termination and Expiry" and this paragraph, this letter is not legally binding on either Owner or Operator and is only the basis for further non-binding discussions. Neither Owner nor Operator will be in breach of this letter or liable to the other as a result of a failure to enter into BAMA or any other agreement in respect of the Proposed Hotels.

We hope to continue working with you on this exciting opportunity. If you have any questions or comments, please do not hesitate to contact me.

If you are in agreement, please sign and return a copy of this letter to me within 14 days.

Yours sincerely,

Name: Sam Diab

Authorised Signatory of:



HILTON WORLDWIDE MANAGE LIMITED (**Operator**)

Agreed by:

Name: Razvan Gabriel

Position: Project Manager

Authorised representative of:

PERIGO Ltd. (Owner)