

LEASE AGREEMENT

BETWEEN

ZCJB INTERNATIONAL COMPANY LIMITED

AND

WSTAR COMPANY LIMITED

FOR LEASE OF 12106 SQUARE METERS FOR MANUFACTURING AND

DISTRIBUTION OF SWITCHES AND ELECTRICAL SWITCHES

AT PLOT NO.54, BLOCK E, VIKINDU, MKURANGA DISTRICT, PWANI

FEBRUARY 2025

This Lease Agreement is made on 12th day of February. 2025.

BETWEEN

ZCJB International Company Limited, a body corporate established under the provisions of the Companies Act, Cap. 212, under the Laws of Tanzania a P. O. Box 21077, Pwani, Tanzania (hereinafter referred to as the "Lessor", which expression shall, where the context so admits, include the successors in title and assigns.

AND

WSTAR COMPANY LIMITED, a Limited Company incorporated and duly registered under the laws of Tanzania, P.O.BOX 36552, Dar es Salaam, Tanzania (hereinafter referred to as the "Lessee"), which expression shall where the context so admits, include the successors in business, representatives an assign.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1 : Definitions and Interpretations

1.1 In this Agreement, unless the context otherwise requires, the following words and phrases shall have the meaning set out hereinbelow:

1.1.1 "**Agreement**" means this Lease Agreement entered between the Parties, also referred to as the "Lease".

1.1.2 "**Applicable Law**" means the Laws of Tanzania.

1.1.3 "**Certificate of Occupancy**" means the certificate of occupancy in respect of land situated within the Vikindu, Mkuranga , Pwani Region granted by the relevant Authority in favour of the Lessor, pursuant to which the Lessor possesses, controls, and uses the Project Site.

1.1.4 "**Effective Date**" means the date of execution of the Agreement by the parties.

1.1.5 "**Emergency**" means a sudden crisis, incident, or other unexpected situations that requires immediate action to prevent injury, loss of life, property damage, or environmental harm.

1.1.6 "**Government**" means the Government of the United Republic of Tanzania;

1.1.7 "**Project**" means the manufacturing and distribution of Electrical switches and power accessories

THE LEASE

2.1 Grant of Lease

2.1.1 The Lessor, in consideration of the rents to be paid as provided for under this Agreement and the covenants and agreements to be performed and observed by the lessee, does hereby grants to the Lessee a right over the Demised Land measuring 12106 Square Meters located at Vikindu Pwani Region solely for use of the Project for a period of three (3) years starting from 12th February, 2025.

2.1.2 In consideration of the Lessee agreeing to perform and discharge its obligations as set forth in this Agreement, the Lessor hereby grants the Lessee exclusive rights to enter upon, occupy, and use the Demised Land, for the purpose of implementing the Project in accordance with the terms of this Agreement.

2.2 Purpose and Use of Demised Land.

2.2.1 Lessee shall manufacture and distribution of electrical switches and power accessories at Vikindu, Mkuraga District Pwani Region in accordance with the provisions of this Agreement and Applicable Law. The Lessee shall not utilize the demised area for any other purpose.

For the avoidance of doubt, the Lessor confirms that all necessary rights are exclusively transferred subject to the Applicable Law to the Lessee for the sole purpose of carrying out and implementing the provisions of this Agreement including:

- Right to use the Demised Land for Manufacturing and distribution of Electrical switches and power accessories.
- activities;
- Right to access to the Demised Land;
- Right to build, manage, use, modify, or operate facilities for implementation of the Project.

3. CONSIDERATION

3.1 Lessee agrees to pay rent to the Lessor the sum of 2500 USD per month, with effect from the Effective Date,

3.2 The rent shall be paid to the Lessor within Thirty (30) days after the Effective Date upon requesting and obtaining invoice from the Lessor which shall state the mode of payment, account number amount, currency or other Government acceptable payable system.

3.3 Except as the Lessor may otherwise agree in writing, all payments shall be made in United States Dollars or its equivalent on the date of transaction as issued by the BoT.

3.4 The rent payable by the Lessee shall be paid within thirty (30) Working Days of the Lessee's receipt of the Lessor's Notice issued in accordance with this Agreement. Failure to pay rent within the prescribed time shall constitute a material breach by the Lessee under this Agreement.

4. DURATION OF THE LEASE

4.1 Unless terminated earlier, this Lease Agreement shall be for three (3) consecutive years and may, upon mutual agreement by the Parties, be extended for further period of not more than one (1) year.

5. COVENANTS

5.1 Lessee's Covenants

5.1.1 The Lessee hereby covenants with the Lessor during the Lease term to:

- i. Pay the Rent reserved by the Lease at the time and in the manner specified in this Lease;
- ii. To pay registration fees for registration of the Lease Agreement in accordance with relevant and applicable laws
- iii. Use the Demised Land for the purpose of performing its rights, duties and obligations as per this Agreement;
- iv. To permit the Lessor or its agents or employees to examine and inspect the Demised Land in accordance with the terms of the Agreement and Applicable Law provided that the Lessor shall inform the Lessee in advance within reasonable time and during Working Days before such inspection or as the case maybe is being conducted over the Demised Land.

5.2 Lessor's Covenants

5.2.1 The Lessor hereby covenants with the Lessee during the Lease term

- i. To ensure that the Lessee complies with all covenants, restrictions, stipulations and conditions affecting the Certificate of Occupancy;
- ii. To ensure that the Demised Land is free from any encumbrances affecting the Certificate of Occupancy;
- iii. To pay and discharge all land rents (as may be applicable or demanded) and all assessments, duties, charges, impositions and outgoings and rates and other Taxes (if applicable) for the time being assessed or charged upon the Demised Land under the Certificate of Occupancy or this Lease or otherwise under the Law of Tanzania, or any new Tax of whatever nature imposed by the Government;
- iv. Notwithstanding any provision in this Lease, not to do or permit to bedone any act which has or may have any adverse effect on the Demised Land;

v. To grant the Lessee, its contractors, and all persons authorized by the Lessee easements and/or way leave over any adjoining or neighboring land owned or occupied by the Lessor or persons authorized by the Lessor as may be required for the Project;

vi. The Lessor will ensure that the Lessee, its employees, its customers and suppliers are provided with access to the Demised Land as presently provided, subject to the security regulations governing access to the Port and other relevant provisions of this Agreement

6. ACCESS TO THE LAND BY THE LESSOR

6.1 The Lessee will permit the Lessor, its agents or employees to examine and inspect the Demised Land in accordance with the terms of the Agreement and Applicable Law provided that the Lessor shall inform the Lessee in advance within reasonable time and such access shall not be unreasonably withheld by the Lessee. Notwithstanding this requirement, the Lessor shall not be required to provide advance notice or a request in the case of an Emergency

7. PEACEFUL ENJOYMENT

7.1 Provided that the Lessee is in due compliance with the terms of this Agreement, the Lessor acknowledges that the Lessee has the right to use, modify, develop, and operate the Project Site and warrants to minimize interference with the activities of the Lessee.

8. EXCLUSIVITY

8.1 The Lessor shall ensure that, for the duration of the Agreement, the Lessee has the sole and exclusive right to the Leased Area/Demised Area, free from all encumbrances.

9. REPRESENTATIONS AND WARRANTIES

9.1 Lessor Representations and Warranties

9.1.1 The Lessor hereby represents and warrants to the Lessee that as from the date of this Lease:

- i. It is duly established, validly existing, and has the powers to lease and grant leasehold rights over the Demised Land.
- ii. This Agreement constitutes a legal, valid, and binding obligation upon it and is enforceable in accordance with its terms and none of its terms and conditions are considered unconscionable.
- iii. Execution and performance of the Lease is within its powers and that this Lease has been duly and validly executed and delivered.
- iv. The Lessor has not granted to any person any rights or privileges that may in any respect impact this Lease.

- v. There are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it, before any court, arbitral tribunal, or any Government Authority which individually or in the aggregate may result in any material adverse effect, or in any impairment of its ability to perform its obligations under this Lease.
- vi. It is the sole legal and beneficial owner of the leased area and has the authority to grant to the Lessee the rights set out in this Lease.
- vii. The Demised Land is not subject to any overriding interest or equities in favour of a third party which grants that third party any non-registrable interest or right in the Demised Land or Lessor's assets; and
- viii. There are no boundary disputes relating to or regarding the Demised Land.

9.2 Lessee Representations and Warranties

9.2.1 The Lessee hereby represents and warrants to the Lessor that as of the date of this Lease:

- i. It is duly formed, and validly existing in the jurisdiction of incorporation.
- ii. Execution and performance of the Lease are within its powers and this Lease has been duly and validly executed and delivered by it.
- iii. It is not a party to any proceeding relating to insolvency or reorganization or other similar legal processes under any law applicable to it.
- iv. There are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it, before any court, arbitral tribunal, or any Government Authority which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Lease

10. TERMINATION

10.1 Subject to Clause 4 (Duration of the Lease), this Agreement shall terminate on the on the last date of the duration of the Lease of this Agreement.

10.2 Without prejudice to the terminating Party's rights to claim damages for breach of contract or other head of damage under Tanzanian law, the Lease may be terminated:

10.2.1 By mutual agreement of the parties.

10.2.2 By the Lessor where:

- i. The Lessee is in material breach of any of its obligations under this Lease and such material breach is not cured within 30(thirty) days of the Lessee receiving notice from the Lessor of such a breach.

ii. For an extended event of force majeure pursuant to Clause 14 (Force Majeure) which event frustrates the effective performance of this Lease for more than 3 months.

10.2.3 By the Lessee where:

i. For an extended event of force majeure pursuant to Clause 14 (Force Majeure) which event frustrates the effective performance of this Lease for more than 3 months.

ii. Where the Lessor is in material breach of any of its obligations under this Lease and such material breach is not cured within 30(thirty) of the Lessor receiving notice from the Lessee of such a breach or

iii. Where the Lessor or the Government expropriates, compulsorily acquires, or nationalizes any share capital or material right or asset of the Lessee.

10.3 The notice stated under Clause 10.2.3(ii) herein above applies as a notice of intention to terminate the Lease by a non-defaulting party. In case the defaulting party is unable to cure the breach within the stipulated period the other party is at liberty to terminate the Lease.

10.4 Where the Lease is terminated by either party, the lessee shall hand over the designated area within 30 (thirty) days from the termination date.

10.5 Termination or expiry of this Lease shall not affect any rights or obligations that may have accrued prior to termination or expiry, including any in respect of antecedent breaches.

11. PROCEDURE AT THE END OF THE LEASE

11.1 At the end of the period of this Lease, the Lessee shall use its reasonable endeavours and act in good faith to cooperate with the Lessor and its appointed representatives that the Lessor may appoint to take over the Demised Land.

12. GOVERNING LAW

12.1 This Lease shall be governed by and construed in accordance with the Law of the United Republic of Tanzania.

13. DISPUTE RESOLUTION

13.1 In the event of any dispute arising from or in connection with this Agreement, including a dispute as to the validity or existence of this Lease, the Parties shall use their reasonable endeavours to amicably resolve such dispute.

13.2 If the Parties are unable to amicably resolve the dispute pursuant to Clause 10.4 above, within 30 days, either party may refer the same to a competent Court of Law in the United Republic of Tanzania.

13.3 Performance of this Lease shall continue during any dispute unless the Parties agree to a suspension or if such continuation is impossible or is presented on account of the nature of the dispute.

14. FORCE MAJEURE

14.1 No party hereto shall be considered in default of its obligations in the event of force majeure. For the purposes of this Lease, "force majeure" is an event that is beyond the reasonable control of either party hereto, and which makes impossible or so impractical as reasonable to be considered impossible in the circumstances, the performance of the obligations of one or both parties.

14.2 Force majeure events shall include, but not be limited to:

14.2.1 Any act of war declared or not, or hostilities or belligerence, blockade or revolution.

14.2.2 Insurrection, or public disorder, sabotage or riot, explosion, fire, earthquake, excessive and extraordinary floods, volcanic eruption, or other adverse weather Conditions.

14.2.3 Pollution damage beyond the use of the Designated Area where such Pollution has not been caused by an act or omission of either the Party invoking such an event of force majeure, and such Pollution cannot be rectified within a reasonable period of time.

14.3 The Lessee and the Lessor shall consult with each other in respect of the event of force majeure and shall take all reasonable steps to minimize the losses of either Party resulting from an event of force majeure.

14.4 Where an event of force majeure has been declared pursuant to Clause 14.5 the obligation of the parties herein, other than accrued payment obligations, shall be suspended to such extent as may be necessary for the duration of the event of force majeure provided that such suspension shall not affect any rights or obligations which may have accrued prior to the occurrence of the event of force majeure.

14.5 Whichever of the Lessee or the Lessor encountering an event of force majeure shall:

14.5.1 As soon as practicable give written notice to the other Party of the occurrence of the event which the affected party claims to constitute an event of force majeure, such notice to include Information about the circumstances, the likely duration of such circumstances (if known), the extent to which the affected Party of the two will be prevented from or impeded in carrying out any of its obligations under this Lease and a statement of steps necessary to remedy such occurrence; and

14.5.2 Advise the other regularly of relevant information relating to such circumstances and the effect of such circumstances upon the affected obligations under this Lease

14.6 The Lessor and the Lessee shall (unless this Lease is terminated pursuant to. Clause 10 (Termination resume the performance of this Lease as soon as practicable after any event of force majeure has ceased

15. ENVIRONMENT

15.1 The Lessee shall, prior to the implementation of the project comply to all environmental law requirements in accordance with international standards, practice, and the law of the United Republic of Tanzania.

15.2 The Lessee shall dispose of all waste material in accordance with national and internationally recognized codes of practice and will cooperate with the Lessor in achieving compliance with international conventions.

15.3 The Lessee shall not be responsible or otherwise liable for the detection, cleaning-up, or prevention of Pollution which has occurred prior to the Effective Date of this Lease.

17. AMENDMENT OF LEASE

17.1 This Agreement, including the Appendices, shall not be amended except by an instrument in writing agreed to and signed on behalf of each of the Parties.

18. ASSIGNMENT

18.1 Neither party may assign or otherwise transfer their rights and obligations under this Agreement to its successor, agents, or affiliates without the prior written approval of t h e other Party to perform the functions of e a c h Party by Tanzania Law.

19. SEVERABILITY AND ENFORCEABILITY

19.1 If any provision of this Lease Agreement is held to be illegal or invalid under present or future laws or regulations of Tanzania during the continuance of this Agreement, such provisions shall be fully separable and this Agreement shall be construed as if such invalid provision had never comprised part of this Agreement and the remaining provisions of the Agreement shall remain in

full force and effect and shall not be affected by the invalid provision or by its severance from the Agreement. In the event of such invalidity, or enforceability, the Parties shall use their best efforts to achieve the purpose of the relevant provisions by a new legally valid and enforceable provision.

19.2 In the event of conflict between the provisions of this Agreement and Applicable Law, the latter shall prevail.

20. INVALIDITY

20.1 If any provision of this Agreement is or becomes ineffective, invalid, unenforceable, or void, the effectiveness of the other provisions shall not be affected. The Parties undertake to substitute for any ineffective, invalid, unenforceable, or void provision, an effective provision, which achieves results as close as possible to those of the ineffective, invalid, unenforceable, or void provision.

21. MODE OF SERVICE OF NOTICES

21.1 Except as otherwise specified herein, any notice or communication to the Parties is to be delivered to the address set forth hereinafter in this Agreement or to such other address as the Parties may specify in writing.

21.1.1 Any notice, request, consent, demand, waiver, approval or communication required or permitted to be given or made pursuant to the Agreement shall be in writing and in English Language.

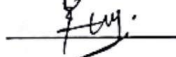
21.1.2 Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed or when sent by registered mail or courier to such Party at the following addresses:

IN WITNESS WHEREOF the parties to these presents have hereinto set their hands the day and year first before written.

For and behalf of the said

SIGNED AND DELIVERED BY:

NAME: ZCJB INTERNATIONAL COMPANY LIMITED

SIGNATURE: 

DATE: 12th February 2025




QUALIFICATION: DIRECTOR

For and on behalf of the said

WSTAR COMPANY LIMITED

SIGNED AND DELIVERED BY:

NAME: **MW** SUN JUNLAN

SIGNATURE: 

DATE: 12TH February 2025

QUALIFICATION: DIRECTOR

BEFORE ME:

NAME: JACQUELINE JORAM MAJURA

SIGNATURE: 

ADDRESS: P.O. BOX 34359, DAR ES SALAAM

QUALIFICATION: COMMISSIONER FOR OATHS

