

**THE UNITED REPUBLIC OF TANZANIA**

**OFFICE OF THE TREASURY REGISTRAR**



**PERFORMANCE CONTRACT**

**BETWEEN**

**GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA**

**AND**

**TANZAGRO MANUFACTURING COMPANY LIMITED**

**FOR THE SALE OF GOVERNMENT ASSETS IN PESTICIDES  
MANUFACTURER LIMITED**

**JUNE 2025**

A handwritten signature in blue ink, appearing to be 'J. M. M.'.

A handwritten signature in black ink, appearing to be 'J. M. M.'.

This performance contract is made on this 27 day of June, 2025.

## BETWEEN

The **GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA** is represented by the OFFICE OF THE TREASURY REGISTRAR, a body Corporate established under Section 3 of the Treasury Registrar (Powers and Functions) Act, Cap. 370 as amended and the successor in title of Consolidated Holding Corporation vide Government Notice No. 203 published on 27th June 2014, Morocco Square , Floor No. 16, Mwai Kibaki Road P.O Box 3193, **11104 DAR ES SALAAM** (hereinafter called the "**VENDOR**"), on the first part;

## AND

**TANZAGRO MANUFACTURING COMPANY LIMITED** a private company duly registered under the Laws of Tanzania with Certificate of Incorporation No 178456342, Taxpayer Identification No. 178-456-342, and having a registered Office at Plot No. 33-44, Block JJ, Bonite Road, MOSHI- Tanzania, P.O.Box 860 Moshi Kilimanjaro, Tanzania (hereinafter called the "**PURCHASER**" ), on the second part.

## PREAMBLE

- **WHEREAS**, the Vendor has sold the **ASSETS IN PESTICIDES MANUFACTURER LIMITED** located at Moshi (the "Factory"), to the Purchaser as per the Asset Sale agreement dated on or around June, 2025
- **WHEREAS**, the Vendor desires to ensure that the Factory leads to greater efficiency by creating employment, being run profitably and contributing to the national social and economic development.
- **WHEREAS**, the Purchaser is committed to commercially utilizing the assets of the Factory to improve production capacity, increase market share, adhere to applicable International Standards, create jobs, and ensure Environmental Sustainability.



## 1. DEFINITIONS

For the purposes of this Contract, the following terms shall have the meanings ascribed to them:

**"Business Plan"** means the business plan prepared by the Purchaser and submitted to the Government on 24 January 2025.

**"Factory"** means the pesticide production facility, including all related building(s), machinery, equipment, and land, as detailed in the Sale Agreement.

**"Pesticide Products"** means any chemicals produced at the Factory for agricultural, industrial, or residential pest control purposes.

**"Performance Targets"** refers to the specific operational, environmental, and social objectives set forth in this Contract.

**"Sale Agreement"** means the Asset Sale Agreement between the Government and the Purchaser date on or around, June 2025.

**"Key Performance Indicators (KPIs)"** refers to the measurable factors used to evaluate the Purchaser's success in achieving the Performance Targets as set out in this Contract.

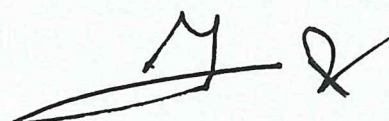
## 2. OBJECTIVES OF THE PERFORMANCE CONTRACT

### 2.1 Investment

To ensure that the Purchaser fulfils the obligation of injecting the capital as specified in their Business Plan in line with prudent commercial practices. The capital expenditure is for rehabilitation of the existing premises, purchase of new equipment, operation and product development.

### 2.2 Efficiency and Productivity

To ensure the Purchaser utilizes the Factory's assets effectively, maximizes



production capacity, and enhance operational efficiency to meet the national and international demand for pesticides.

### 2.3 Private Sector Growth and Innovation

To ensure the Purchaser applies best commercial practices in manufacturing the Pesticides Products. The Purchaser will engage in appropriate and pragmatic research, innovation, and technological advancements, contributing to the growth of the pesticides industry in Tanzania.

### 2.4 Environmental and Social Responsibility

To ensure the Purchaser operates in compliance with Environmental Regulations and implements socially responsible practices in the production and distribution of pesticides.

## 3. PERFORMANCE TARGETS AND KEY PERFORMANCE INDICATORS (KPIs)

The Purchaser agrees to adhere to all commercial prudent practices to meet the Performance Targets and Key Performance Indicators (KPIs) in line with the Tanzanian Government's privatization objectives as outlined in table 1.

**Table 1: Key Performance Indicators (KPIs)**

	KPI	Measurement	Timeline (months)	Target	Weight
1.	Investment made	Total investment in machinery, equipment and facilities to enhance capacity and efficiency including the purchasing price.	48	TZS 5,900,000,000 in Five years	50%
2.	Capacity Utilization	Average Manufacturing Plants Production capacity that is being used in the first five years.	Annually for 48 months period	85%	20%

3.	Production Output	Volume of Pesticide produced per annum	48	85%	10%
4.	Product Quality	Customer Complaint rate per 1000 units sold	Annually	≤ 2%	10%
5.	Safety and Environmental Compliance	Regulatory Compliance Score: Number of violations or non-compliances with pesticide regulations.	48	≤ 5	10%

### 3.1 Efficiency and Operational Targets

**Investment:** This indicator aims to measure compliance of the Purchaser to make full investment after 4 years as presented through the Purchaser's Business Plan.

**Capacity Utilization:** This indicator aims to measure utilization in relation to the installed production capacity of 750 metric tonnes per annum. It is imperative that the company make full utilization of the factory, as such it is expected to ensure that capacity utilization is at all times optimal and maintained at least 85%.

**Calculation:**  $(\text{Actual Output} \div \text{Potential Output}) \times 100$

**Output production:** This indicator aims to measure volume of pesticides produces per annum against the annual production target to be set by the company, as such it is expected to ensure that output is at all times optimal and maintained at least 85%.

**Product Quality:** This indicator aims to measure the percentage of customers who have lodged formal complaints about the company's products per 1000 units sold. This will be measured through Customer Complaint Rate. The target is to score a complaint rate between 0-2% per annum.

**Calculation:**  $\text{Customer Complaint Rate} = (\text{Total Number of Complaints Received} / \text{Total}$

Number of Units Sold) x 1000

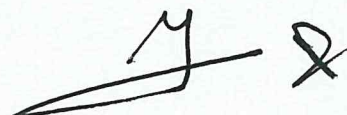
### 3.2 Environmental Compliance and Sustainability

**Environmental Standards:** Achieve less number of violations or non-compliances with Tanzania's environmental regulations ( $x \leq 5$ ; where  $x$  is the number of violations with environmental regulations). Compliance measures includes the percentage of proper disposal of hazardous materials, emission controls, and water treatment standards.

## 4. PERFORMANCE MONITORING AND EVALUATION

- 4.1 Monitoring:** The **OFFICE OF THE TREASURY REGISTRAR**, will review the Buyer's performance quarterly and annually for 48 months after the signing of Sale Agreement to assess adherence to the Performance Targets and KPIs.
- 4.2 Reports:** The Purchaser shall submit detailed quarterly and annual performance reports to the **OFFICE OF THE TREASURY REGISTRAR**, including updates on production volume, revenue, environmental performance, job creation, and compliance with regulatory standards.
- 4.3 Performance Review Meetings:** The Parties shall meet semi-annually to review the Purchaser's performance and address any challenges in meeting the Performance Targets and KPIs. Any corrective actions required shall be discussed and agreed upon.
- 4.4 Non-Compliance:** In the event that the Purchaser fails to meet agreed-upon Performance Targets (below 75% of overall weighted relevant KPIs performance target after 36 months from the day of the signing of the Sale Agreement):

**4.4.1** The Government may issue a warning, requiring the Buyer to submit a corrective action plan and implement it within a specified timeframe with



such timeline not being less than 1 calendar year.

**4.4.2** The Government agrees that no warning shall be issued under clause 4.4.1 if the Buyer fails to meet the agreed KPIs for reasons outlined under Force Majeure Clause 7.2 herein and Clause 14.0 in the Sale of Assets Agreement respectively signed between the Government and the Purchaser.

**4.4.3** Where a force majeure event occurs the implementation of this Performance Contract shall be subject to such terms stipulated under Force Majeure Clause in the Sale of Assets Agreement between the Government and the Buyer.

**4.4.4** Subject to clauses 4.4.1, 4.4.2 and 4.4.3 above, in cases of a non-performance rate (below 75% of overall weighted relevant KPIs performance target after 48 months from the day of the signing of the Sale Agreement), the Government shall have the right to terminate the sale agreement and seek alternative investor(s) herein.

**4.4.5 Compliance:** In the event that the Purchaser meets the agreed-upon Performance Targets (75% and above of overall weighted relevant KPIs performance target after 48 months from the day of the signing of the Sale Agreement), The **OFFICE OF THE TREASURY REGISTRAR** shall continue to carry-out performance monitoring and evaluation for the next 60 months in order to further assess adherence to the agreed KPIs before it ceases to conduct performance monitoring and evaluation afterwards.

## 5. VENDOR'S OBLIGATIONS

### 5.1 The Vendor shall:

5.1.1 Facilitate the Purchaser in obtaining the necessary legal document and



registration of ownership of the said land and assets in line with the Sale Agreement. The facilitation shall not include payments of taxes and other required fees as per the relevant laws. The Buyer shall be responsible to pay such taxes and fees.

5.1.2 Monitor compliance with the agreed targets and provide quarterly and annual evaluation feedback to the Purchaser.

5.1.3 Provide any required information in the event of any legal controversy challenging the Purchaser's acquisition of the land and assets under the Sale Agreement.

## **6. BUYER'S OBLIGATION**

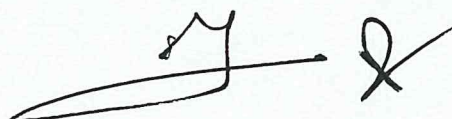
### **6.1 The Purchaser shall:**

6.1.1 Operate the Factory in accordance with the best practices in pesticide manufacturing, including the use of environmentally-friendly technologies, and ensure full compliance with Tanzania's national environmental and labour laws.

6.1.2 Invest in the modernization of the production facility to improve productivity, operational efficiency, and product quality, with the objective of increasing production capacity for domestic consumption and expanding export opportunities to regional and international markets.

6.1.3 Provide quarterly reports to the Government detailing the Buyer's performance against the agreed KPIs, including production volume, financial performance, job creation, and environmental compliance.

6.1.4 Maintain a transparent governance structure, implementing strong corporate governance principles in accordance with the applicable standards.



6.1.5 Complying full with the provisions of this agreement and the asset sale contract.

## 7. PERFORMANCE REVIEW

The Government and Purchaser shall conduct quarterly and annual reviews of the Buyer's performance based on the agreed KPIs as provided in this agreement.

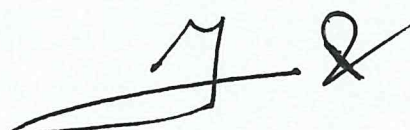
## 8. FORCE MAJEURE:

8.1 Neither party shall be liable for failure to perform obligations due to circumstances beyond their reasonable control, including but not limited to natural disasters, war, or pandemics. In such cases, both parties shall mutually agree on a revised schedule for performance.

8.2 Neither **Party** will be liable for inadequate performance to the extent caused by unforeseen events which are beyond the **Party's** reasonable control. For the purpose of this agreement force majeure shall be natural disasters, act of war or terrorism and civil unrest.

8.2.1 If the performance of this **Agreement** cannot be continued due to **force majeure**, the Parties may be exempted from liabilities in whole or in part according to the impact of the **force majeure**. In the event either party cannot perform this **Agreement** due to **force majeure**, it shall immediately notify the other **Party**, and try its best to minimize the possible losses as sustained as the occurrence of the Force Majeure, and shall within seven (7) days provide a proof to the other **party**.

8.2.2 The **Parties** shall within twenty-one (21) days, negotiate over resolutions and remedial measures in respect of the extent of impact caused by **force**



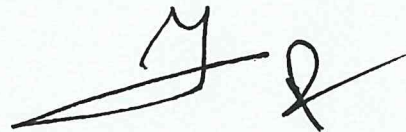
**majeure.** Where applicable, the Parties shall explore possibilities of revising the agreed KPIs of the Performance Contract in order to achieve divestiture objectives.

8.2.3 Should any or all of the Parties hereto be prevented from fulfilling its/their contractual obligations by a state of force majeure lasting for a period of more than six (6) months, the Parties shall consult with each other on whether or not to terminate this Agreement. If after consultation, the Parties are unable to come to an agreement, the Agreement shall terminate without any of the Parties incurring any liability, damages, costs or expenses of any kind because of the occurrence of the event of force majeure.

## **9. EFFECTIVE DATE OF THE CONTRACT**

This Contract shall be effective as of the date of signing this contract.

**IN WITNESS WHEREOF THE PARTIES HEREIN have** set their names and signatures on the dates and manner herein after appearing.



**VENDOR**

**SEALED** with the Common Seal of the said  
the **OFFICE OF THE TREASURY REGISTRAR**

and **DELIVERED** in the presence of us  
this 27<sup>th</sup> day of June 2025

Signature: 

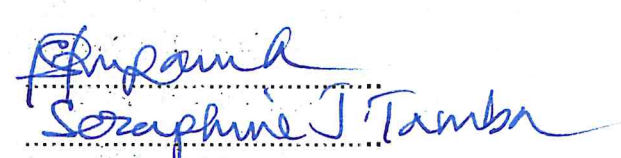
Name : NEHEMIAH K. MCHECHU

Postal Address:

Treasury Registrar Tower  
Morocco Square  
Floor No. 16, Mwaikibaki Road,  
P.O. Box 3193,  
11104 DAR ES SALAAM.

Qualification: **TREASURY REGISTRAR**

**Witness:**

Signature: 

Name:

Postal Address:

Treasury Registrar Tower  
Morocco Square  
Floor No. 16, Mwaikibaki Road,  
P.O. Box 3193,  
11104 DAR ES SALAAM.

Qualification: Ag. DLS

**PURCHASER**

**SIGNED and SEALED with the Common Seal of  
TANZAGRO MANUFACTURING COMPANY LIMITED**

and **DELIVERED** in our presence

this 27<sup>th</sup> day of JUNE.....2025



Name: YOGESH MAGANLAL KANESI MANEK  
Signature: [Handwritten Signature]  
Address: D. BOX 2552, DADAR WEST, MUMBAI.  
Qualification: **Director**

NAME: PRADEEP SINGH HANS  
SIGNATURE: [Handwritten Signature]  
ADDRESS: D. O. BOX 912, ARUNHA  
Qualification: **Director/Company Secretary**