

**KCB****BANK**

**KCB BANK TANZANIA LIMITED**  
**Corporate Banking Division**  
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**Friday, 17<sup>th</sup> October 2025**

This indicative term sheet (the "Term Sheet") is a non-binding proposal intended to describe the general terms and conditions for a proposed funding to **TAIFA NISHATI LIMITED**. The terms and conditions outlined herein are to be used as a basis for continued discussions only, and do not intend to present all of the terms, conditions, covenants, representations, warranties and other provisions that may be required in the definitive legal and transaction documentation.

<b>1. BORROWER:</b>	1.1. <b>TAIFA NISHATI LTD</b> (hereinafter referred to as 'the Borrower') of P.O. Box 77578, Dar es Salaam, Tanzania.
<b>2. LENDER</b>	2.1. <b>KCB Bank Tanzania Limited</b> – (hereinafter referred to as 'the Lender' or "KCBT" or "the Bank")
<b>3. SYNDICATING PARTNER</b>	3.1. <b>KCB Bank Kenya Limited</b> – (hereinafter referred to as 'the Lender' or "KCBK" or "the Bank")
<b>4. FACILITY TYPE</b>	<p>4.1. <b>Project financing limit as below:</b></p> <p>4.1.1. <b>Letters of Credit (LC)/ Post Import Loan (PIL)/ Term Loan (TL) to finance</b></p> <p>4.1.1.1. Construction of LNG liquefaction plant</p> <p>4.1.1.2. Construction of LNG-LCNG fueling stations</p> <p>4.1.1.3. Set up of LNG satellite stations</p> <p>4.1.2. <b>Letters of Credit (LC)/ Post Import Loan (PIL)/ Asset Based Finance (ABF) to finance</b></p> <p>4.1.2.1. Purchase of trucks and cryogenic trailers</p>
<b>5. CURRENCY</b>	5.1. USD and TZS
<b>6. PURPOSE:</b>	<p>6.1. This is 71% financing of LNG processing project which includes;</p> <p>6.1.1. Letters of Credit - to facilitate importation of equipment, machinery and construction materials.</p> <p>6.1.2. PIL to repay maturing LCs for equipment and machinery which are pending security perfection.</p> <p>6.1.3. TL for construction of liquefaction plant, fueling stations and satellite stations.</p>

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	6.1.4. ABF to finance acquisition of trucks and cryogenic trailers.
7. AMOUNT:	<p>7.1. Aggregate limit of <b>USD 40,000,000/=</b> (United State Dollars Forty Million Only ) which will be available in USD and TZS. The limit will have the below sub-limits:</p> <p>7.1.1. LC/PIL/TL – USD 30,000,000</p> <p>7.1.2. LC/PIL/ABF – USD 10,000,000</p>
8. TENOR:	<p>8.1. <b>Facility 4.1.1.</b></p> <p>8.1.1.LC - Up to a maximum of 360 days.</p> <p>8.1.2.PIL - Up to a maximum of 180 days.</p> <p>8.1.3.TL - Up to a maximum tenor of 108 months inclusive of moratorium of 24 months on principal</p> <p>8.2. <b>Facility 4.1.2.</b></p> <p>8.2.1. LC - Up to a maximum of 180 days</p> <p>8.2.2.PIL - Up to a maximum of 90 days</p> <p>8.2.3.ABF - Up to a maximum tenor of 60 months</p> <p>The indicated facility tenors are provisional and subject to variation based on among other factors detailed cash flow projections and financial model</p>
9. REPAYMENT	<p>9.1. The facilities shall be maintained and serviced through ordinary business collections channeled through Accounts to be opened and operated with the Lender which the borrower shall undertake to fund.</p> <p>9.2. <b>LC</b> – on maturity from booking of PIL/TL/ABF.</p> <p>9.3. <b>PIL</b> – monthly repayment of interest with bullet repayment of principal paid from booking of TL/ABF.</p> <p>9.4. <b>TL</b> – monthly repayment of interest during moratorium period. Upon lapse of moratorium, both principal and interest to be repaid monthly.</p> <p>9.5. <b>ABF</b> – monthly repayment of interest and principal.</p>
10. PRICING	<p>10.1. <b>Arrangement Fees</b> – A facility Negotiation fee of <b>1.0%</b> shall be charged on the <b>aggregate limit of USD 40,000,000</b> and shall be collected per drawdown.</p> <p>10.2. <b>PIL/TL/ABF Interest</b> –</p> <p>10.2.1. <b>If drawn in USD</b>, interest shall be charged on the facility at an effective rate of <b>11% p.a.</b> being, KCBT USD Base Rate (currently 9% p.a.) plus a margin of 2% p.a. or KCBK USD Base Rate (currently 12% p.a.) less a margin of 1% p.a.</p> <p>10.2.2. <b>If drawn in TZS</b>, interest shall be charged on the facility at an effective rate of <b>16% p.a.</b> being, KCBT TZS Base Rate (currently 19% p.a.) less a margin of 3% p.a</p> <p>10.3. <b>Letters of Credit: 0.35% per quarter all inclusive</b>, with the exception of</p>

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	<p>confirmation charges.</p> <p><i>This pricing excludes excise duty of 20% on fees &amp; commissions and LC foreign and confirmation charges</i></p>
<b>11. AVAILMENT</b>	<p>11.1. Disbursement of the facility will be done upon fulfilment of the approved terms and conditions together with successful perfection of all required securities.</p> <p>11.2. Letters of Credit – The LC will be availed upon submission of the following documents.</p> <p>11.2.1. Duly executed KCB Letter of Credit Application form</p> <p>11.2.2. Copy of the Pro-forma Invoice from the suppliers of the equipment and machinery</p> <p>11.2.3. A copy of Import Declaration Form (IDF)</p> <p>11.3. Post-Import Finance – The facility shall be utilized as stipulated under purpose condition against presentation of customer's request letter signed by authorized signatories.</p>
<b>12. DEBT SERVICE RESERVE ACCOUNT</b>	<p>12.1. The Borrower shall be required to establish with the Lender a Debt Service Reserve Account (DSRA) which they shall undertake to maintain as follows:</p> <p>12.1.1. <b>The Construction Phase</b> – To fund the DSRA with an amount equivalent to 3 months' worth of interest cover of the portion disbursed.</p> <p>12.1.2. <b>Post Construction/ Operation Phase (Upon Lapse of Moratorium)</b> – To fund the DSRA with an amount equivalent to at least 3 months' worth of repayment (principal plus interest) of the portion disbursed.</p>
<b>13. OPERATIONAL ACCOUNTS</b>	<p>13.1. The Borrower shall maintain designated TZS &amp; USD Accounts with the Lender through which ALL collections and payments in the respective currencies shall be channelled.</p>
<b>14. SECURITY</b>	<p>14.1. Legal mortgage over landed properties sufficient to cover the exposure at 125%, including the properties developed by this financing</p> <p>14.2. Specific Debenture over the financed assets</p> <p>14.3. General debenture over the floating and fixed assets of the company</p> <p>14.4. Corporate guarantee from the corporate shareholder or one of the stronger Group's flagship companies which will be determined at point of appraisal.</p> <p>14.5. Cross company guarantee of the group companies or one of the stronger Group's flagship companies which will be determined at point of appraisal</p> <p>14.6. Shareholders' personal guarantees</p> <p>14.7. Submission of a contractor's all risk policy with the interest of KCB Bank (T) Limited and KCB Bank (K) Limited duly noted.</p>
<b>15. APPLICATION DOCUMENTS</b>	<p><b>Company's legal documents which includes;</b></p>

	<ul style="list-style-type: none"> <li>15.1. Copy of Company's Certificate of Incorporation.</li> <li>15.2. Copy of Company's Memorandum and Articles of Association.</li> <li>15.3. Latest Annual Returns for the company or Brela search</li> <li>15.4. Valid Business License</li> <li>15.5. IDs of directors and shareholders</li> <li>15.6. Valid tax clearance certificate</li> <li><b>Facility related documents which includes;</b></li> <li>15.7. Application letter</li> <li>15.8. Business plan/detailed project proposal</li> <li>15.9. Financial statements of the guarantor/s for the past three years and most latest management accounts</li> <li>15.10. Cash flow projections for the credit period and their assumptions</li> <li>15.11. Duly signed detailed BOQ of the project</li> <li>15.12. Past 12 months bank statement of the guarantors</li> <li>15.13. Copy of title deeds of lands used as a collateral</li> <li>15.14. Profiles of the project team (architect, civil &amp; structural engineers, contractor, quantity surveyor) to submit their comprehensive CV's, registration certificates, current practicing licenses &amp; profiles detailing successful works carried out in the last 5 to 10 years)</li> <li>15.15. If the project manager is not among the project team (s)he should submit a comprehensive CV, registration certificates &amp; profiles detailing successful works carried out in the last 5 to 10 years.</li> <li>15.16. Submission of a duly executed formal contract between the developer (sponsor) and the contractor and the consultants</li> <li>15.17. Other project-specific related certifications like EIA certificate, construction permit from EWURA, building permits, OSHA etc</li> </ul>
<p><b>16. FACILITY CONDITIONS</b></p>	<p>The facilities will be availed on the following conditions but not limited to:</p> <ul style="list-style-type: none"> <li>16.1. Draw-down shall be subject to: <ul style="list-style-type: none"> <li>16.1.1. Duly executed facility agreement (Letter of Offer) and compliance with terms and conditions contained in the letter of offer</li> <li>16.1.2. Evidence of Equity injection of 10% and thereafter equity injection to be pro-rated with each drawdown to achieve an overall equity injection of 29%.</li> <li>16.1.3. Completion of perfection of securities in all aspects and payment of Negotiation Fees as outlined in 10.1.</li> </ul> </li> <li>16.2. Borrower to establish a Debt Service Reserve Account (DSRA) which they shall undertake to fund as per section 12 of this term sheet.</li> <li>16.3. Quarterly management accounts to be submitted to the Bank within 45 days from end of quarter by the Corporate Guarantor(s) and upon operationalization</li> </ul>

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	<p>of the plant for the borrower.</p> <p>16.4. Audited accounts to be submitted to the bank within 6 months from the end of financial year by the Corporate Guarantor(s) and upon operationalization of the plant for the borrower.</p> <p>16.5. Search to be undertaken yearly at the companies' registry to confirm the shareholders, directors as well as the capital structure of the Borrower.</p> <p>16.6. Submission of annual returns together with filing receipts.</p> <p>16.7. Insurance cover over security where applicable with the Bank's interests noted.</p> <p>16.8. The Borrower shall undertake to route 100% of its collections and payments proportionate to our level of funding through accounts to be opened with the Lender.</p> <p>16.9. Ancillary business to be routed to KCB such as Collections, Salary Processing, Payments (such as TISS, Transfers, etc.), Forex Business, Insurance premium financing and using KCB internet Banking.</p> <p>16.10. All other conditions that shall be specified by the Lender on its letter of offer</p>
<p><b>17. COVENANTS</b></p>	<p>17.1. Borrower to maintain Debt Service Coverage Ratio of not less than 1.2x at all times</p> <p>17.2. Borrower to maintain a Gearing Ratio (Total Bank Debt over Total Equity) not more than 2.5x at all times.</p> <p>17.3. Borrower to maintain a Leverage Ratio (Total Liabilities over Total Equity) of not more than 3x at all times.</p> <p>17.4. Borrower to maintain a current ratio (Current Assets over Current Liabilities) of not less than 1.5x at all times.</p> <p>17.5. No further borrowing to be obtained without the consent of KCB Bank, consent which will not be unduly withheld.</p>
<p><b>18. GOVERNING LAW</b></p>	<p>18.1. This Term Sheet and the terms set out herein shall be governed by the Laws of Tanzania.</p>
<p><b>19. VALIDITY</b></p>	<p>19.1. This term sheet shall be valid for a period of 30 days from the date of issuance after which it may be subjected to variation of terms</p>
<p><b>Please note that this term sheet is our expression of interest to consider provision of credit facilities and does not constitute any commitment to lend. We will need to seek and obtain specific approvals on the proposed facilities.</b></p>	
<p>.....  <b>JOSHUA MCHAU</b>  <b>UNIT HEAD, LARGE COPRORATES</b></p>	<p>.....  <b>GABRIEL LEKUNDAYO</b>  <b>DIRECTOR, CORPORATE BANKING</b></p>

**ACCEPTANCE**

We hereby accept the terms and conditions appearing on this facility proposal.

**For and on behalf of: Taifa Nishati Limited**

Name *Group Treas* Name *GAURAV SAREEN*  
*SE. MGR - GROUP TREASURY*

Signature *[Signature]* Signature *Gaurav Sareen*

Date *06/11/2025*

Company Stamp/Seal

