



SUKUK Issuer/Trustee (as Lessor)

(Incorporated with limited by shares under the laws of Zanzibar)

TZS 1,115,000,000,000.00 (One Thousand One Hundred and Fifteen Billion Tanzanian Shillings Only) Zanzibar Quasi-Sovereign, Senior, Un-Subordinated, Tradable, Transferable, Rated Ijarah SUKUK Trust Certificates Issuance due 2032 to be Issued as a Public Offer in Three Tranches. The 1st Tranche TZS 300,000,000,000.00 with a Green Shoe Option of TZS 300,000,000,000.00 (Three Hundred Billion Tanzanian Shillings only) having a 10.5 % Annual Profit Rate



Originator (as Lessee)

Lead Arranger/Transaction Manager



Receiving & Paying Bank



Joint Transaction Advisers



Legal Advisor



Shari'ah Advisors



Reporting Accountant



Rating Agency



SUKUK Delegate



Registrar/Transfer Agent



CREDIT ENHANCERS

This SUKUK Programme Base Prospectus/Offering Circular is dated 22nd February, 2025

Table of Contents

No	Page
1. Section One: SUKUK Transaction Advisors.....	(iii)
2. Section Two: Notices and Declarations.....	(v)
3. Section Three: Summary of SUKUK Programme Termsheet.....	25
4. Section four: Overview of the SUKUK Programme.....	34
5. Section Five: Zanzibar SUKUK Risk Factors & Mitigations.....	42
6. Section Six: SUKUK Pricing Supplement / Fact Sheet.....	50
7. Section Seven: SUKUK Structure and Transaction Cashflows.....	57
8. Section Eight: Zanzibar SUKUK Shari'ah Compliance.....	61
9. Section Nine: Zanzibar SUKUK Programme Offering Overview.....	74
10. Section Ten: SUKUK Originator's Description.....	84
11. Section Eleven: Background About Zanzibar Treasury SUKUK1 Limited..	89
12. Section Twelve: Governing Rules of The Trust Certificates.....	92
13. Section Thirteen: General Information About the SUKUK Issuance.....	159
14. Section Fourteen: SPV Status and General Information.....	163
15. Section Fifteen: Legal Advisor's Opinion.....	168
16. Section Sixteen: Reporting Account's Report	175
17. Section Seventeen: Form of SUKUK Trust Certificates.....	227
18. Section Eighteen: Final Terms and Conditions of SUKUK Pogramme.....	230
19. Section Nineteen: Features of the SUKUK Trust Certificates.....	239
20. Section Twenty: Summary of The Principal Transaction Documents....	298
21. Section Twenty One: Taxation Matters.....	311
22. Section Twenty Two: Sukuk Certificates Subscriptions' and Sale.....	313
23. Section Twenty Three: General Information About Zanzibar Sukuk.....	316
24. Twenty Four: Overview of Sukuk Market.....	332



**Sukuk
Transaction
Agents
(1)**

1.0 Section One: SUKUK Transaction Advisors

Lead Arranger and Transaction Manager

Yusra SUKUK Company Limited,
23rd Floor - Rita Tower,
4 Simu Street,
PO Box 4683,
Dar es Salaam-Tanzania.



Transaction Legal Advisor

Lawfields Advocates and Legal Consultants,
Plot No. 559 Kiembe Samaki,
Nyerere Road - Unguja West "B",
PO Box 1342,
Zanzibar-Tanzania.



Reporting Accountant

BDO Tanzania,
4th Floor ZO Space,
Plot No. 4 New Bagamoyo Road,
PO Box 9912,
Dar es Salaam-Tanzania.



Receiving and Paying Bank

Peoples Bank of Zanzibar - Ikhlas,
2nd Floor - BIMA House,
Mpirani, Maisara Area,
PO Box 1173,
Zanzibar-Tanzania.



Rigistrar, Transfer & Paying Agent

CSD and Registry Company Limited,
1st Floor Exchange Tower,
NHC Morocco Square,
Cnr. Mwai Kibaki & Ali Hassan Mwinyi Road,
PO Box 70081,
Dar es Salaam-Tanzania.



Rating Agent

Sovereign Africa Rating,
Thornhill Office Park,
Block 13 Ground Floor,
94 Bekker Road, Midrand,
Johannesburg,
South Africa.





Notices & Declarations (2)

2.0 Section Two: Notices and Declarations

2.1 An Important Issuer's Notice to Investors

Zanzibar Treasury SUKUK1 Limited (in its capacity as the SUKUK Issuer/Trustee/SPV) and The Revolutionary Government of Zanzibar (in its capacity as the SUKUK Originator), accept responsibility for the information contained in this SUKUK Programme Base Prospectus/Offering Circular. To the best of the knowledge of each of the Issuer/Trustee/SPV and the Originator, each having taken all reasonable care to ensure that such is the case, the information contained in this SUKUK Programme Base Prospectus/Offering Circular is in accordance with the facts and does not omit anything likely to affect the importance of such information.

To the best of the knowledge and belief of the Issuer/Trustee/SPV and the Originator, the information contained in this SUKUK Programme Base Prospectus/Offering Circular, the opinions, assumptions, intentions, projections and forecasts expressed in this SUKUK Programme Base Prospectus/Offering Circular with regard to the Issuer/Trustee/SPV and the Originator are honestly held by the Issuer/Trustee/SPV and the Originator.

This SUKUK Programme Base Prospectus/Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer/Trustee/SPV, the Originator, the Lead Arranger/Manager or Co-Transaction Advisers to subscribe or purchase, any of the Certificates. None of the Joint Transaction Advisers, the Lead Arranger/Manager, the Issuer/Trustee/SPV, the SUKUK Delegate, the Agents or the Originator makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for the definite period of time to Dissolution Date.

The distribution of this SUKUK Programme Base Prospectus/Offering Circular and the offering and sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this SUKUK Programme Base Prospectus/Offering Circular comes are required by the Issuer/Trustee/SPV, the Originator, the Lead Arranger or the Co-Transaction Advisers to inform themselves about and to observe any such restrictions. None of the Issuer/Trustee/SPV, the SUKUK Delegate, the Agents, the Originator, the Lead Arranger or the Co-Transaction Advisers represents that this SUKUK Programme Base Prospectus/Offering Circular may be lawfully distributed, or that the Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer/Trustee/SPV/SPV, the SUKUK Delegate, the Originator, the Lead Arranger or the Co-Transaction Advisers or the Transaction Agents, which is intended to permit a public offering of the Certificates or distribution of this SUKUK Programme Base Prospectus/Offering Circular in any jurisdiction where action for that purpose is required.

Accordingly, the Certificates may not be offered or sold, directly or indirectly, and neither this SUKUK Programme Base Prospectus/Offering Circular nor any advertisement or other

offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. For a description of further restrictions on offers and sales of Certificates and distribution of this SUKUK Programme Base Prospectus/Offering Circular, see “Subscription and Sale” below.

The Certificates have not been and will not be registered under the Securities Act or with any security regulatory authority of any state or other jurisdiction outside Tanzania. For a description of these and certain further restrictions on offers, sales and transfers of Certificates and distribution of this SUKUK Programme Base Prospectus/Offering Circular, see “Subscription and Sale”.

No person is authorised to give any information or to make any representation not contained in this SUKUK Programme Base Prospectus/Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer/Trustee/SPV, the SUKUK Delegate, the Originator, the Lead Arranger, and other Transaction Advisers to this programme.

Neither the delivery of this SUKUK Programme Base Prospectus/Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer/Trustee/SPV or the Originator since the programme date hereof or the date upon which this SUKUK Programme Base Prospectus/Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer/Trustee/SPV or the Originator since the date hereof or the date upon which this SUKUK Programme Base Prospectus/Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Certificates is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this SUKUK Programme Base Prospectus/Offering Circular nor any other information supplied in connection with the issue of the Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer/Trustee/SPV, the SUKUK Delegate, the Agents, the Originator or any of the Lead Arranger or the Co-Transaction Advisers that any recipient of this SUKUK Programme Base Prospectus/Offering Circular or any other information supplied in connection with the issue of the Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer/Trustee/SPV and the Originator. Furthermore, no comment is made or advice given by the Issuer/Trustee/SPV, the SUKUK Delegate, the Agents, the Originator, the Lead Arranger or the Co-Transaction Advisers in respect of taxation matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws. None of the Lead Arranger or the Co-Transaction Advisers undertakes to review the financial condition or affairs of the Issuer/Trustee/SPV or the Originator during the life of the arrangements contemplated by this SUKUK Programme Base Prospectus/Offering Circular nor to advise any

investor or potential investor in the Certificates of any information coming to the attention of any of the Lead Arranger or the Co-Transaction Advisers.

Each potential investor in the Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this SUKUK Programme Base Prospectus/Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency for Dissolution Distribution Amount or Periodic Distribution Amount is different from the potential investor's currency;
- understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, Lending rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.



Dr. Masoud Rashid Mohamed
Executive Director
Zanzibar Treasury SUKUK1 Limited

2.2 SPV Cautionary Statement to Investors



ZANZIBAR TREASURY SUKUK 1 LIMITED

Takwimu House
First Floor
Masialal - Unguja
PO Box 874/1154
70402 Urban West

President's Office, Finance & Planning
10,12 Vuga Street
P.O. Box 874/1154
Tel: +255 24 778 666664/5
70402 Urban West

REF: AB.001/001/01/01/01

17/02/2025

This SUKUK Programme Base Prospectus/Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Certificates.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF THE CERTIFICATES.

None of the Lead Arranger, the SUKUK Delegate, the Agents, the Co-Transaction Advisers or any of their respective Directors, employees, representatives, affiliates or advisors have independently verified the contents of this SUKUK Programme Base Prospectus/Offering Circular as to the veracity of the information provided herein.

To the fullest extent permitted by law, none of the Lead Arranger, the SUKUK Delegate, the Agents and the Co-Transaction Advisers accept any responsibility whatsoever for the contents of this SUKUK Programme Base Prospectus/Offering Circular, or for any other statement made or purported to be made by the Lead Arranger or Co-Transaction Advisers or on its behalf in connection with the Issuer/Trustee/SPV, the Originator or the issue and offering of the Certificates. Each of the Lead Arranger, the SUKUK Delegate, the Agents and Co-Transaction Advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this SUKUK Programme Base Prospectus/Offering Circular or any such statement. No representation or warranty, expressed or implied, is made or given by or on behalf of the Lead Arranger, the SUKUK Delegate, the Agents, the Co-Transaction Advisers nor any person who controls them, or any director, officer, employee or agent of them, or affiliate of any such person, as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

The transaction structure relating to the Certificates (as described in this SUKUK Programme Base Prospectus/Offering Circular) has been approved by the independent Shari'ah Advisors to the Programme as stated in their Shari'ah-Compliance Certificate of this Prospectus. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own Shari'ah Advisors as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Shari'ah principles.

However, in matters of Shari'ah Compliance, the Issuer/Trustee/SPV acknowledges it is a well-known fact that there might be differences in Shari'ah Opinions among Shari'ah Scholars in any Shari'ah matter. For that matter, the Issuer/Trustee/SPV hold Shari'ah Opinions of the Shari'ah Advisor to the programme as being the applicable one for this Programme.

A handwritten signature in blue ink, appearing to read 'Dr. Masoud Rashid Mohamed'.

Dr Masoud Rashid Mohamed
Executive Director
Zanzibar Treasury SUKUK 1 Limited

2.3 SUKUK Originator's Declaration



**THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR
PRESIDENT'S OFFICE FINANCE AND PLANNING**

P. O. Box 1154
Vuga Street, Zanzibar
Email: info@mofzanzibar.go.tz

Tel: +255 778 666664/5
Fax: +255 24 2233178

REF: AB.001/001/01/01/03

17/02/2025.

SUKUK ORIGINATOR'S DECLARATION

The President's Office-Ministry of Finance and Planning of the Revolutionary Government of Zanzibar (the Treasury) has authorized the programme of this Sukuk on the authority vested upon it by Zanzibar constitution and pursuant to the Council of the Revolutionary Government of Zanzibar resolution dated 11th January, 2025.

The Sukuk proceeds shall be used to fund the RGoZ 2024/25 development budget on various ministries based on Ijarah (Lease) Agreement entered between the Sukuk Issuer/Trustee/SPV and the Revolutionary Government of Zanzibar on designated Sukuk underlying asset – Abeid Aman Karume International Airport.

As the Sukuk Originator, the Revolutionary Government of Zanzibar Treasury has reviewed the Sukuk structure and transaction documents of the Sukuk programme consisting of:

- Sukuk Programme Base Prospectus
- Ijarah (Lease) Agreement
- Declaration of Trust/Trust Deed
- Final Terms and Conditions
- Asset Transfer Agreement
- Asset Service Agency Agreement
- Purchase/Sale Undertaking
- Transaction Agency Agreement
- Letter of Asset's Reallocation
- Takaful insurance enhancement

The Treasury approves the Sukuk structure as being in conformity with the Revolutionary Government of Zanzibar public financing statues as well as the Zanzibar Public Procurement and Disposal of Public Asset Authority for Sukuk underlying asset.

(x)

The Treasury also declares that Zanzibar Quasi-Sovereign Sukuk certificates can be traded at par value on relevant exchange immediately after settlement has been concluded and investment certificates issued by the Registrar and Transfer Agent. This is in order to enable the Sukuk certificates to be freely traded while avoiding the prohibition of dealing in interest-based transactions arising out of sale of debt and exchange of currency not at par.

We hereby approve the Sukuk programme and this declaration is to confirm the same.

Signed under our hands this 17th day of February, 2025.

Dr. Juma Malik Akil..... (Principal Secretary-Treasury)

Dr Saada Mkuya Salum..... (Minister of State, President's Office -
Finance and Planning)

2.4 The Issuer/Trustee/SPV Director's Declaration



ZANZIBAR TREASURY SUKUK 1 LIMITED

Takwimu House
First Floor
Mazizini - Unguja
PO Box 874/1154
70402 Urban West

President's Office, Finance & Planning
10,12 Vuga Street
P.O. Box 874/1154
Tel: +255 24 778 666664/5
70402 Urban West

REF:AB.001/001/01/01/01

17/02/2025.

REF: THE ISSUER/TRUSTEE/SPV EXECUTIVE DIRECTOR'S DECLARATION

Dear anticipated investors to this Sukuk programme.

We, the Board of Director of Zanzibar Treasury Sukuk1 Limited (the Issuer/Trustee/SPV), a Revolutionary of Zanzibar Sukuk Special Purpose Vehicle, happily and humbly present to you a historic and unique Quasi-Sovereign Shari'ah-compliant instrument the first of its kind in the whole East and Central Africa with its Originator being The Revolutionary Government of Zanzibar.

The Sukuk has been approved by the Council of the Revolutionary Government of Zanzibar to finance its 2024/25 development budget at its meeting held in Pemba on 11th January, 2025. With this historic and unique Zanzibar government Sukuk bond programme, Zanzibar Treasury Sukuk1 Limited aspires to; -

1. revolutionize the way and manner the government of Zanzibar funds its budget with new and an alternative sources of funding its development projects to implement its 2024/25 development budget and beyond;
2. contribute in the development of the niche Sukuk bond market in Tanzania by issuing a Quasi-Sovereign Sukuk answering the call of the President of Zanzibar and Chairman of the Revolutionary Council to Ministry of Finance to seek alternative government funding ways;
3. provide Zanzibaris and Tanzanians in general with an opportunity to invest and gain profits from their investment through this Sukuk bond for a period of ten years up to Sukuk maturity giving them an alternative finance as per Ministry of Finance-URT Alternative Projects Finance (AFP) policy;
4. promote financial inclusion for Zanzibaris and all Tanzanians as per National Financial Inclusion 2023-2028 which emphasizes on addressing persistent barriers from the previous frameworks relating to access and usage and amplifies the dimensions of quality and welfare

With the trust given to us by the Revolutionary Government of Zanzibar, Zanzibar Treasury Sukuk1 Limited as Sukuk Issuer/Trustee /SPV for the government, we are inviting interested retailers, institutional and sophisticated investors to invest in this revolutionary and historic Sukuk Issuance Programme while promising you that this asset-based, Quasi-Sovereign Sukuk is a right opportunity for you to invest your money in, contribute to development and get a return on your investment on a semi-yearly basis.

And Allah knows the best.

Signed under my hands this 10th day of February, 2025.



Masoud Rashid Mohamed
Executive Director

2.5 The Lead Arranger/Transaction Manager's Opinion

We, the Lead Arrangers/Transaction Managers for the Revolutionary Government of Zanzibar Quasi-Sovereign SUKUK, by the mandate given to us vide Lead Arranger's Engagement Letter Ref. No: CAD.38/182/01/1/32 and the SUKUK Transaction Agents' Agreement to this Programme, dated on or about the 10th February, 2025;

We have diligently worked with the SUKUK Issuer/Trustee/SPV, the SUKUK Originator and all SUKUK Transaction Agents to make this historic SUKUK Programme in East and Central Africa as successful as possible.

We have professionally assisted the Issuer/Trustee/SPV in preparing this SUKUK Programme Base Prospectus and all SUKUK documentations to this issue and we hereby declare that the same have been prepared according to international standards to the best of our knowledge and capacity.

We believe that this SUKUK Programme Base Prospectus, Ijarah (Lease) Agreement, Declaration of Trust Agreement, Final Terms and Conditions, Asset Transfer Agreement, Asset Purchase Undertaking, Asset Service Agency Agreement, Transaction Agency Agreement as well as Takaful credit enhancement and rating agency report for this SUKUK Programme have been prepared according to best practices and international standards as per International Islamic Financial Markets (IIFM) SUKUK documentations.

We declare that this SUKUK Programme Base Prospectus is in compliance with Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania Part XII Public Offers of Securities (ss 130-134).

We therefore, submit for review by the Capital Markets and Securities Authority (CMSA) and for use by the interested investors.



CPA. Ibrahim Mshindo
Chief Executive Officer



2.6 Shari'ah Advisor's Declaration

مركز مراقبة المعاملات المالية الإسلامية والإستشارات
Centre for Islamic Finance Compliance and Advice



Reference: RGoZ/Sukuk1/2025/01

Date: 07 February 2025

The Executive Director,
Zanzibar Treasury Sukuk1 Limited,
Takwimu House, First Floor,
Mazizini – Unguja,
PO Box 874/1154,
70402 Urban West.
Zanzibar-Tanzania

**RE: CONFIRMATION OF CIFCA APPOINTMENT AS ZANZIBAR TREASURY
SUKUK1 SHARIAH ADVISOR**

Reference is made to the Minister of State, President's office – Finance and Planning's letter with reference WN/ORFM/2025/VOL.VII/13 dated 05th February 2025 on the aforementioned.

We hereby confirm and acknowledge our acceptance of the offer to be amongst Zanzibar Treasury Sukuk1 Programme transaction Agents, specifically playing a role of Shari'ah Advisor, and we thank you very much for giving us this auspicious opportunity.

We furthermore, give consent for our company name, logo and all necessary information from our company to be used in the Sukuk Programme Prospectus and other Sukuk documentations and uses but ONLY for this Sukuk issuance.

We look forward to an efficient partnership on this training for the benefit of our participants and the financial sector at large.

Yours' sincerely,

Salum Lupande

CIFCA Secretary General

2.7 SUKUK Delegate's Declaration

BM **ATTORNEYS**
Advocates, Notaries Public and Commissioners for Oaths

REF: BMA/ ZANZIBAR SUKUK/LETT/2025/01 10th February 2025
The Executive Director,
Zanzibar Treasury Sukuk 1 Limited
Takwimu House, First Floor,
P.O.BOX 874/1154
7040 Urban West
ZANZIBAR-TANZANIA.

Re: SUKUK DELEGATE TRANSACTION AGENT

Reference is made to the above captioned matter.

This is to confirm that we BM Attorneys a law firm duly registered in Dar Es Salaam Tanzania are among of the Zanzibar Sukuk Programme transaction Agent having a role of Sukuk Delegate.

As such we give consent for our law firm name, logo and all necessary information from our Firm to be used in the Sukuk Programme Prospectus and other Sukuk documentations but only for this Sukuk Issuance.

Respectfully

BM ATTORNEYS.
B. Mwakigamba-Advocate

RITA Tower, 22nd Floor, Plot No. 72711, Makunganya Street, P.O. Box 4681, Dar Es Salaam - Tanzania, Tel: +255 (0)22 2126381 Fax: +255 (0)22 2126380 Mob: +255(0)754 840483, +255(0)782 585003, +255(0)713 956803, E-mail: bmattorneys3@gmail.com, bmwakigamba@gmail.com

2.8 Reporting Accountant's Declaration



ZO Spaces, 4th Floor,
New Bagamoyo Road, Plot No.04,
P. O. Box 9912, Dar es Salaam, Tanzania.

[Tel:+255 746 339 900](tel:+255746339900)
Email: tanzania@bdo-ea.co.tz
www.bdo-ea.com

The Executive Director,
Zanzibar Treasury Sukuk 1 Limited,
Takwimu House, First Floor,
Mazizini – Unguja,
PO Box 874/1154,
70402 Urban West.
Zanzibar-Tanzania.

Dear Sir,

**Re: CONSENT TO USE BDO EAST AFRICA NAME AND LOGO IN THE
INFORMATION MEMORANDUM**

The above subject refers,

We are writing to you as Reporting Accountant for the issuance of Zanzibar Quasi Sovereign Sukuk ("Sukuk").

We understand in the process of processing the Sukuk issuance, there will need to use names and logos of transaction advisors and as such, we do provide a consent for BDO East Africa name and logo to be used. Our consent is solely for this transaction and can not be used for any other purpose not related to the transaction.

Yours Sincerely,

Yusuf Chanyika
Managing Partner
BDO East Africa

10 February 2025

BDO East Africa is a registered partnership in Tanzania and a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International

2.9 Receiving & Paying Bank Declaration



THE PEOPLE'S BANK OF ZANZIBAR LIMITED

(Incorporated in Zanzibar, Tanzania)

Head Office

Mpirani
P.O. Box 1173
Zanzibar

Tel. +255 24 2231118/9/20
Facsimile +255 24 2231121
E-mail: info@pbzbank.co.tz
Website: www.pbzbank.co.tz

In reply please quote: AB.183/300/07/50

06th March, 2025

Executive Director
Zanzibar Treasury Sukuk 1 Limited
10, 12 Vuga Road
P.O. Box 874/1154
70402 Urban West, Zanzibar

RE: APPOINTMENT OF THE PEOPLES BANK OF ZANZIBAR LIMITED AS A LEAD COLLECTING BANK, RECEIVING AND PAYING BANK FOR ZANZIBAR SUKUK VALUED AT TZS 1,115,000,000,000.00.

Dear Dr. Masoud,

We refer to your letter dated 25th February 2025 regarding the above subject,

We hereby express our formal interest in serving as the Lead Collecting Bank, Receiving Bank and Paying Bank for the Zanzibar Sukuk issuance, amounting to TZS 1,115,000,000,000.00, to support the financing of the Revolutionary Government of Zanzibar's development projects,

As part of the Sukuk issuance process, we understand that our bank's name and logo will be required. By this letter, we grant our consent for their use exclusively for this transaction. Any other use shall require prior official communication and approval,

Furthermore, we agree to the minimum success-based fee in accordance with the Sukuk Proceeds Agreement, based on the issued or subscribed Sukuk amount.

We appreciate your consideration and look forward to your positive response.


Yours Sincerely

Anwar A. Saleh
For: Managing Director

Rajab M. Ramia
Director of Islamic Banking

2.10 Legal Advisor's Opinion



 2nd Floor, T.D.F.L Building, Ohio Street
P.O. Box 35970, Dar es salaam - Tanzania

Plot No. 559, Kiembe Samaki, Nyerere Rd,
P.O. Box 1342, Unguja West "B" - Zanzibar

 +255 746 900 020,
+255 754 711 333
 info@lawfields.co.tz
 www.lawfields.co.tz

Ref. No. LFDS/ZTSK1/2025/02/10

10th February 2025

The Executive Director,
Zanzibar Treasury Sukuk1 Limited,
Takwimu House, First Floor, Mazizini – Unguja,
PO Box 874/1154,
70402 Urban West, Zanzibar-Tanzania.

Dear Sir/Madam,

**RE: CONSENT FOR USE OF LAWFIELDS ATTORNEYS' NAME, LOGO, AND INFORMATION IN
THE ZANZIBAR SUKUK PROGRAMME**

We, Lawfields Attorneys, confirm our role as Legal Advisor to the Zanzibar Sukuk Programme (the "Programme") and acknowledge our involvement as part of the transaction agents for the Programme.

Accordingly, we hereby grant our consent for the use of our firm's name, logo and necessary information in the Sukuk Programme Prospectus and other related documentation, strictly for the purposes of the current Sukuk issuance. This consent is provided with the understanding that such usage shall be limited to the aforementioned Sukuk issuance and shall not extend to any other transactions, programmes, or purposes without our prior written approval.

We appreciate your cooperation and look forward to the successful execution of the Programme.

Yours Sincerely,

LAWFIELDS ATTORNEYS

Abdulaziz H. Mahmoud
SENIOR PARTNER

2.11 Registrar/Transfer & Paying Agent Declaration



CSDR
Settlement & Custody

CSD & REGISTRY COMPANY LIMITED

1st Floor, Exchange Tower, NHC Morocco Square, Mwai Kibaki and Ali Hassan Mwinyi Roads, P.O. Box 70081, Dar es Salaam Tel: +255 22 2123983 / 2128522
Email: info@csdr.co.tz Website: www.csdr.co.tz

Our Ref. No: CSDR/001/CMSA

10th February 2025

The Executive Director,
Zanzibar Treasury Sukuk 1 Limited,
Takwimu House, First Floor,
Mazizini – Unguja,
P.O. Box 874 / 1154,
70402 Urban West,
Zanzibar - Tanzania.

RE: REGISTRAR SERVICES TO ZANZIBAR SUKUK BOND

Reference is made to the subject matter captioned above.

The CSD & Registry Company Limited (CSDR) is a private limited company with a certificate of incorporation No. 132530. The company is wholly owned by the Dar es salaam Stock Exchange PLC (DSE). The CSDR is a Shariah compliant service provider providing securities (Bonds and Equities) registry services.

We wish to inform you that amongst the Zanzibar Sukuk Programme agents, CSDR will be performing the role of the Registrar, Transfer and Paying Agent.

Therefore, we give consent for our company name, logo and all necessary information from our company to be used in the Sukuk Programme Prospectus and other Sukuk documentations and uses but only for this Sukuk issuance.

We thank you for your continued support and cooperation on the issuance of the Zanzibar maiden Quasi-Sovereign Sukuk bond.

Yours Sincerely,
CSD & REGISTRY COMPANY LIMITED

Benitho Kyando
MANAGING DIRECTOR

Directors: Mr. Revelian Felix, Ms. Enighenja Kihedu, Mr. Fahad Hamid, Liku Kamba and Mr. Peter Nalitoleta

(xx)

2.12 Rating Agency's Declaration



SOVEREIGN AFRICA RATINGS (PTY) LTD
Reg No. 2019/155710/07 | FSCA. Licence No: FSCA-CRA006

TO: The Executive Director,
Zanzibar Treasury Sukuk1 Limited,
Takwimu House, First Floor,
Mazizini – Unguja,
P.O.Box 874/1154,
70402 Urban West
ZANZIBAR - Tanzania

05 March 2025

RE: Transaction Agent to the Zanzibar Sukuk Programme Acknowledgment Letter

Greetings.

I hope this email finds you well.

We at Sovereign Africa Ratings acknowledge our role as a credit rating agency as one of the transaction agents for the Zanzibar Sukuk Programme.

We furthermore consent for our company name, logo, and all necessary information from our company to be used in the Sukuk Programme Prospectus and other Sukuk documentations and uses but only for this Sukuk issuance.

Yours sincerely,
Zwelibanzi Maziya

A handwritten signature in black ink, appearing to read "ZM", positioned above a dotted line.

Chief Operating Officer
Sovereign Africa Ratings (SAR)
Email: zweli@saratings.com
www.saratings.com

Phone: +27 78 743 0981



Thornhill Office Park, Block 13 Ground Floor
94 Bekker Road, Vorna Valley,
Midrand, Johannesburg



PO Box 411070 Craighall 2024
E-mail : info@saratings.com

DIRECTORS: Dr S Falala, TN Mudau, DD Mosaka,
NON-EXECUTIVE DIRECTORS: S Barnard, E Mabena,
K Malunga, SC Ngidi, DP Ravhuhali

2.13 Takaful Credit Enhancer's Declaration



ZIC TAKAFUL COMPANY LIMITED
P. O. Box 432, Maisara Mpirani, Zanzibar, Tanzania
Tel: +255 24 223 2676 | Email: takaful@zic.co.tz

ZICTAKAFUL/TIRA/HQ/2/2024

17/02/2025

Chairman,

CPA Juma Amour Mohammed

Zanzibar Treasury Sukuk 1 Limited

Zanzibar

RE: CONFIRMATION TO FACILITATE ON SUKUK 1 TAKAFUL COVER.

We have the honour to refer to your letter dated 12th February 2025 with reference number AB:001/001/01/01 regarding the above subject.

On behalf of ZIC Takaful, I am pleased to confirm to you that we will facilitate on issuing of Takaful cover for Zanzibar Treasury Sukuk 1 under the credit enhancement.

We have already liaised with corresponding partners within and outside the Country to join Government and ZIC Takaful to offer the credit enhancement facility.

We will let you know once we have structure in hand and corresponding cost.

Once again would like to thank you for this glorious opportunity

Yours sincerely,

Said A. Basleym

Act: CEO

ZIC Takaful Company Ltd.

Tel: +255 24 223 2676 | Website: www.zictakafu.co.tz | Email: takaful@zic.co.tz
Head Office, 3rd Floor, ZIC Building, Maisara Mpirani, Zanzibar, Tanzania

2.14 Notice Regarding Forward-Looking Financial Statements

This SUKUK Programme Base Prospectus/Offering Circular contains “Forward-looking statements” which are statements related to future, not past, events. In this context, Forward-looking statements often address the Originator’s expected future business and financial performance, results of operations, financial conditions, cash flow, future expansion plans, objectives and business strategy. These Forward-looking statements often contain words such as “expect”, “anticipate”, “estimate”, “intend”, “may”, “plan”, “believe”, “seek”, “future”, “objective”, “goal”, “contemplate”, “project” or “will” or, in each case, their negative or other variations or comparable terminology. However, these words are not exclusive means of identifying Forward-looking statements.

In addition, all statements other than statements of historical fact included in this SUKUK Programme Base Prospectus/Offering Circular, including, without limitation, those regarding the Originator’s financial position and results, business strategy, plans and objectives of management for future operations (including expansion plans) are Forward-looking statements. Such Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Originator’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by - looking statements. Such Forward-looking statements are based on numerous assumptions regarding the Originator’s present and future business strategies and the environment in which it will operate in the future. For the Originator, particular uncertainties that could adversely affect its future results include: fluctuations in interest and exchange rates, rises in jet fuel prices, changes in general political, social and economic conditions, and the impact of regulation and regulatory, investigative and legal actions. Although the Originator believes that the expectations, estimates and projections reflected in the Originator’s Forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise including those which the Originator has identified in the SUKUK Programme Base Prospectus/Offering Circular, or if any of the Originator’s underlying assumptions prove to be incomplete or inaccurate, the Originator’s actual future results may be materially different than those expressed in its Forward-looking statements.

The Forward-looking statements in this SUKUK Programme Base Prospectus/Offering Circular speak only as of the date of this SUKUK Programme Base Prospectus/Offering Circular.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” in **Section Five (5)** of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Originator expressly disclaims any obligation or undertaking to disseminate, publicly or otherwise, after the date of this SUKUK Programme Base Prospectus/Offering Circular any updates or revisions to any Forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions, assumptions or circumstances on which any Forward-looking statement is based.

1.14 Presentation of Certain Financial Facts and Other Information

The Issuer/Trustee/SPV, being a newly created legal entity for the sole purpose of this SUKUK programme, is not required by Zanzibar Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

The financial statements relating to the Originator included in this document are the audited consolidated financial statements as of and for the financial years ended 30 June 2022 (the “2022 Audited Financial Statements”) and 30 June 2023 (the “2022 Audited Financial Statements” and, together with the 2024 Audited Financial Statements, the “2024 Audited Financial Statements”). The Originator’s financial year ends 30 June each year and references in this document to a “financial year” are to the twelve-month period ended on 30 June of the year so referenced. The Originator’s financial statements, have been prepared in accordance with International Financial Reporting Standards (“International Public Sector Accounting Standards (IPSAS)”) issued by the International Accounting Standards Board (IASB) as well as Tanzanian Financial Reporting Standard issued by the National Board of Accountants and Auditors (NBAA)

1.15 Language of the Transaction Documents

The Issuer/Trustee/SPV will execute this SUKUK transaction in English language for the SUKUK Programme Base Prospectus/Offering Circular, Declaration of Trust and other documents entered into in connection with the programme of the Certificates to which the Issuer/Trustee/SPV and the Originator are a party and translation into Kiswahili language of any version of this SUKUK Programme Base Prospectus/Offering Circular or a part thereof shall be deemed effective on the date the English versions of the Transaction Documents are executed. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend the English version to prevail. However, there can be no assurance, in the event of inconsistencies between the Kiswahili and English Language version of those documents, a competent court of law would hold that the English versions of such documents prevail or not even consider the Kiswahili version.

1.16 Notice to Zanzibar and Tanzania Mainland Investors

This SUKUK Programme Base Prospectus/Offering Circular does constitute a public offering in Zanzibar and Tanzania Mainland under Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania (the “Capital Market Law”). The Certificates may be offered and/or sold directly or indirectly, in Mainland Tanzania and Zanzibar or to Tanzania citizens wherever they are domiciled (the Diaspora), or to Zanzibar residents in a manner which constitutes a public offering under the Capital Market Law. Invitation may be made (directly or indirectly) to any member of the public of the Mainland Tanzania to subscribe for any number of SUKUK Certificates.

Each prospective investor shall be required to carefully and diligently study this SUKUK Programme Base Prospectus in order to make an informed decision to subscribe to this RGOZ



**Summary of SUKUK
Programme Term Sheet
(3)**

3. Section Three: Summary of SUKUK Programme Termsheet

No.	SUKUK PARTY/ ITEM	EXPLANATIONS/DESCRIPTIONS
1.	SPV/Issuer/Trustee/Lessor	Zanzibar Treasury SUKUK1 Limited
2.	SUKUK Originator/Lessee/ Service Agent	The Revolutionary Government of Zanzibar (Treasury)
3.	Minimum Aggregate Face Amount of each Certificate	TZS 1,000,000.00 (One Million Tanzania Shillings only) made up of ten (10) SUKUK (units)
4.	Tenure of SUKUK	Seven (7) years - Medium Term Note SUKUK
5.	Issue Amount	TZS 1,115,000,000,000.00 (One Thousand One Hundred and Fifteen Billion Tanzania Shillings only) to be issued in three tranches. The First tranche is worth TZS 300 billion with a Green Shoe Option of TZS 300 billion (issued in March, 2025 and the Second tranche will be TZS 300 billion with a Green Shoe Option of TZS 215 billion (to be issued in mid May, 2025)
6.	Subscription Process	Public Offer/Placement with a later listing at Dar es Salaam Stock Exchange (DSE) later on
7.	Use of SUKUK proceeds	The proceeds of the SUKUK will be used by the Originator for construction/rehabilitation of the Revolutionary Government of Zanzibar development projects (See item 34 in this table) pursuant to 2024/25 government budget duly approved by the House of Representative last year
8.	Specified Currency	Tanzanian Shillings (TZS)

9.	Issue Price	At Par/Face value, one unit (Sakk) TZS 100,000.00 (One Hundred Thousand Tanzanian Shillings)
10.	Subscription Opening Date	Saturday 8 th March, 2025
11.	Subscription Closing Date	Tuesday 6 th April, 2025
12.	Allotment Date	Wednesday 7 th April, 2025
13.	SUKUK Issue Date	Wednesday 7 th April, 2025
14.	SUKUK Maturity Date	Wednesday 7 th April, 2032
15.	SPV/Issuer/Trustee/Lessor	Zanzibar Treasury SUKUK1 Limited
16.	SUKUK Originator/Lessee/Service Agent	The Revolutionary Government of Zanzibar (Treasury)
17.	Lead Arranger/Zanzibar SUKUK Licensed Dealer	Yusra SUKUK Company Limited
18.	Shari'ah Advisors	Centre for Islamic finance, Compliance and Advice (CIFCA)
19.	SUKUK Delegate	BM Attorneys, Dar es Salaam
20.	Legal Advisor	Lawfields Advocates and Legal Consultants, Zanzibar
21.	Receiving & Paying Bank	Peoples' Bank of Zanzibar-Ikhlās
22.	Registrar/Transfer/Paying Agent	Central Securities Depository & Registry

23.	Rating Agency	Sovereign Africa Rating
24.	Takaful Credit Enhancer	ZIC Takaful Company Limited
25.	Selling & Collecting Banks/Agents	<ol style="list-style-type: none"> 1. PBZ - Ikhlas 2. CRDB Albarakah 3. Amana Bank 4. KCB Sahl Banking 5. NBC La Riba 6. Shirkah Management Company Limited (Shirkah App)
26.	Minimum Aggregate Face Amount of each Certificate	TZS 1,000,000.00 (One Million Tanzania Shillings only) made up of ten (10) SUKUK (units)
27.	Tenure of SUKUK	Seven (7) years - Medium Term Note SUKUK
28.	Total Programme Issuance Amount	TZS 1,115,000,000,000.00 (One Thousand One Hundred and Fifteen Billion Tanzania Shillings only) to be issued in three tranches. First tranche on March 2025 TZS 300 billion with a Green Shoe Option of TZS 300 billion and 2 nd tranche on mid May, 2025 with TZS 300 billion with a Green Shoe Option of TZS 215 billion
29.	Subscription Process	Public Offer/Placement in the primary markets for the public to subscribe with a later on listing at Dar es Salaam Stock Exchange (DSE)
30.	Specified Currency	Tanzanian Shillings (TZS)
31.	SUKUK Certificate (unit) price	At Par/Face value, one unit (Sakk) TZS 100,000.00 (One Hundred Thousand Tanzanian
32.	Maturity Date	7 th April, 2032 through execution of the Letter of Assignment pursuant to Wa'd (Purchase Undertaking /Promise) to Purchase the SUKUK Asset
33.	Principle Underlying Contract	Man'faa Ijarah (Usufruct Lease) Shari'ah Contract Agreement This is Man'faa Ijarah (Usufructs Lease) from the usufructs of Abeid Amani Karume International Airport (See item 35)

		The proceeds of the SUKUK will be used by the Originator for construction/rehabilitation of the Revolutionary Government of Zanzibar development projects as follows:-																																																																																					
34.	Uses of SUKUK Proceeds	<table border="1"> <thead> <tr> <th>No.</th> <th>Project for Financing</th> <th>Sector</th> <th>Ministry</th> <th>Amount (TZS)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Kama Fish Market project</td> <td>Fishing</td> <td>Ministry of Blue Economy & Fisheries</td> <td>21,000,000,000.00</td> </tr> <tr> <td>2.</td> <td>Fungu Refu Fish Market project</td> <td>Fishing</td> <td>Ministry of Blue Economy & Fisheries</td> <td>11,884,747,000.00</td> </tr> <tr> <td>3.</td> <td>Mkoani Fish Market project</td> <td>Fishing</td> <td>Ministry of Blue Economy & Fisheries</td> <td>10,339,966,000.00</td> </tr> <tr> <td>4.</td> <td>Binguni Hospital Cancer unit project</td> <td>Health</td> <td>Ministry of Health</td> <td>30,577,050,000.00</td> </tr> <tr> <td>5.</td> <td>Electricity Infrastructure Rehabilitation project</td> <td>Energy</td> <td>Ministry of Water Energy & Minerals</td> <td>40,000,000,000.00</td> </tr> <tr> <td>7.</td> <td>Roads Projects</td> <td>Infrastructure</td> <td>Ministry of Infrastructure, Communication & Transport</td> <td>9,450,000,000.00</td> </tr> <tr> <td>8.</td> <td>:Macho Mane-Wawi-Vitongoji, 7 Kms</td> <td>Infrastructure</td> <td></td> <td>31,050,000,000.00</td> </tr> <tr> <td></td> <td>:Chwaka-Kilindi-Konde-Sokoni, 23 Kms</td> <td>Infrastructure</td> <td>-do-</td> <td></td> </tr> <tr> <td></td> <td>:Kizimbani-Kiboje, Unguja Ukuu-Uzi Ngambwa -Kitogani-Paje</td> <td>Infrastructure</td> <td>-do-</td> <td></td> </tr> <tr> <td></td> <td>:Mkwajuni-Matemwe</td> <td>Infrastructure</td> <td>-do-</td> <td></td> </tr> <tr> <td></td> <td>:Mkwajuni-Kijini</td> <td>Infrastructure</td> <td>-do-</td> <td></td> </tr> <tr> <td></td> <td>:Kizimkazi- Makunduchi</td> <td>Infrastructure</td> <td>-do-</td> <td>498,473,477,000.00</td> </tr> <tr> <td></td> <td>Total roads projects</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Mangapwani Port Project-50%</td> <td>Infrastructure</td> <td>-do-</td> <td>399,824,760,000.00</td> </tr> <tr> <td></td> <td>AAKIA Terminal 2-75%</td> <td>Infrastructure</td> <td>-do-</td> <td>62,400,000,000.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td>TOTAL PROJECTS VALUE</td> <td>1,115,000,000,000.00</td> </tr> </tbody> </table>	No.	Project for Financing	Sector	Ministry	Amount (TZS)	1.	Kama Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	21,000,000,000.00	2.	Fungu Refu Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	11,884,747,000.00	3.	Mkoani Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	10,339,966,000.00	4.	Binguni Hospital Cancer unit project	Health	Ministry of Health	30,577,050,000.00	5.	Electricity Infrastructure Rehabilitation project	Energy	Ministry of Water Energy & Minerals	40,000,000,000.00	7.	Roads Projects	Infrastructure	Ministry of Infrastructure, Communication & Transport	9,450,000,000.00	8.	:Macho Mane-Wawi-Vitongoji, 7 Kms	Infrastructure		31,050,000,000.00		:Chwaka-Kilindi-Konde-Sokoni, 23 Kms	Infrastructure	-do-			:Kizimbani-Kiboje, Unguja Ukuu-Uzi Ngambwa -Kitogani-Paje	Infrastructure	-do-			:Mkwajuni-Matemwe	Infrastructure	-do-			:Mkwajuni-Kijini	Infrastructure	-do-			:Kizimkazi- Makunduchi	Infrastructure	-do-	498,473,477,000.00		Total roads projects					Mangapwani Port Project-50%	Infrastructure	-do-	399,824,760,000.00		AAKIA Terminal 2-75%	Infrastructure	-do-	62,400,000,000.00				TOTAL PROJECTS VALUE	1,115,000,000,000.00
No.	Project for Financing	Sector	Ministry	Amount (TZS)																																																																																			
1.	Kama Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	21,000,000,000.00																																																																																			
2.	Fungu Refu Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	11,884,747,000.00																																																																																			
3.	Mkoani Fish Market project	Fishing	Ministry of Blue Economy & Fisheries	10,339,966,000.00																																																																																			
4.	Binguni Hospital Cancer unit project	Health	Ministry of Health	30,577,050,000.00																																																																																			
5.	Electricity Infrastructure Rehabilitation project	Energy	Ministry of Water Energy & Minerals	40,000,000,000.00																																																																																			
7.	Roads Projects	Infrastructure	Ministry of Infrastructure, Communication & Transport	9,450,000,000.00																																																																																			
8.	:Macho Mane-Wawi-Vitongoji, 7 Kms	Infrastructure		31,050,000,000.00																																																																																			
	:Chwaka-Kilindi-Konde-Sokoni, 23 Kms	Infrastructure	-do-																																																																																				
	:Kizimbani-Kiboje, Unguja Ukuu-Uzi Ngambwa -Kitogani-Paje	Infrastructure	-do-																																																																																				
	:Mkwajuni-Matemwe	Infrastructure	-do-																																																																																				
	:Mkwajuni-Kijini	Infrastructure	-do-																																																																																				
	:Kizimkazi- Makunduchi	Infrastructure	-do-	498,473,477,000.00																																																																																			
	Total roads projects																																																																																						
	Mangapwani Port Project-50%	Infrastructure	-do-	399,824,760,000.00																																																																																			
	AAKIA Terminal 2-75%	Infrastructure	-do-	62,400,000,000.00																																																																																			
			TOTAL PROJECTS VALUE	1,115,000,000,000.00																																																																																			
35.	Rentals (Rate of Return)	Rentals to the Ijarah asset shall be paid at a rate of 10.5% per cent per annum																																																																																					
36.	Periodic Distribution Profit	Payable semi-annually (6 monthly from programme issuance date) the first periodic return beginning on 7 th October, 2025																																																																																					
37.	Redemption Basis at maturity	This SUKUK is Redeemable and it shall be redeemed at the end of its seventh (7) year by a sale of the Underlying asset by the Issuer/Trustee/SPV selling the asset to the SUKUK Originator at market price and distributing of the principal amounts to Zanzibar SUKUK Certificateholders.																																																																																					
38.	Early Redemption	A Limited Early Redemption (See Early Redemption under Overview of the SUKUK Programme in this Prospectus on page 39 (Optional Dissolution))																																																																																					
39.	Day Count Convention	Actual/Actual Day count mode																																																																																					
40.	Eligibility for investment	Any Tanzanian resident in Tanzania and Tanzanians living outside Tanzania (Diaspora)-including minors under 18 years																																																																																					

		with their parents or guardians acting as their as an “Agent”, and Financial and Non-Financial institutional investors. At the SUKUK issuance, financial and non-financial investors, can subscribe to Zanzibar Quasi-Sovereign SUKUK, subject to subscription conditions as specified under the Subscription and Sale in Section 20 of this SUKUK Programme Base Prospectus (the “Prospectus”) by filling SUKUK Subscription form clearly marked “Institutional investors”
41.	Tradability Transferability	This SUKUK Certificates can be traded and transferred in Dar es Salaam Stock Exchange (DSE) as securities while abiding to in Shari’ah compliance rules of trading investment securities pursuant to Accounting Auditing Organizations of Islamic Financial Institutions (AAOIFI) Shari’ah Standards and “Final Terms and Conditions” of the Trust Certificates explained in this SUKUK Programme Prospectus.
42.	Tax Applicability	The taxation aspect of the Trust Certificates has been explored vide “Taxation” item under Section 18 of this SUKUK Programme Base Prospectus.
43.	Commencement and Termination	Each of the Ijarah (Lease) SUKUK certificate legality will commence on the SUKUK programme issuance date and terminate on its maturity date as specified in this SUKUK Base Prospectus
44.	Measures Against Default	The following are measures in place against default: - <ul style="list-style-type: none"> i) Designated government revenue streams(see Section 11) of this Prospectus ii) Creation of an Escrow/Sinking Fund account (see Section Four “ Risk Factors and Mitigation”) in this SUKUK Base Prospectus iii) Having a SUKUK Takaful Insurance Enhancement entered between the SUKUK Issuer/Trustee/SPV and ZIC Takaful Company Limited iv) The SUKUK has been rated and found to be stable (See item 35 below)
45.	Litigation	Currently, there is no any litigation pending or threatened against the SUKUK asset, the Issuer/Trustee/SPV nor the Originator or any of the SUKUK Transaction Agents This SUKUK is a Domestic issuance issued as a Programme. It will be sold to eligible and interested investors in Tanzania markets. Afer listing, it may be cross-listed to East African Stock/Securities Exchange

46.	Risk Factors	The SUKUK certificates Risks and Risks Mitigations are as clearly elucidated in “Risk Factors” in Section Four (4)” of this SUKUK Programme Base Prospectus.
47.	SUKUK Form	<p>Asset-based SUKUK Certificates meaning that in case of the Originator’s Default or insolvency, the SUKUK investor have recourse only to the SUKUK originator but not the SUKUK tangible asset.</p> <p>However, the SUKUK certificate are fully covered by Takaful Insurance from ZIC Takaful Company Limited in case of periodic returns default or redemption amount. Furthermore, the Originator has set in place the following mechanism to mitigate periodic payments and redemption default through the ways explained in item 32 above; -</p>
48.	SUKUK Structure	<p>This SUKUK issuance uses Manf’ah Ijarah (Usufructs Lease) SUKUK structure with usufructs of Abeid Amani Karume International Airport -AAKIA (See item AAKIA Valuation Report) As SUKUK asset.</p> <p>The Usufructs of the underlying asset - Abeid Amani Karume International Airport (AAKIA) which has been relocated to Zanzibar Treasury SUKUK1 Limited (description of the SUKUK asset is in the SUKUK Asset Relocation Letter) issued by the Originator to SUKUK Issuer/Trustee/SPV. For the asset value (See Evaluation Report attached as Appendix Two (2) to this SUKUK Programme Base Prospectus)</p>
49.	SUKUK Instrument Rating and Type	This SUKUK senior secured, unsubordinated, tradable and unexchangeable SUKUK has being rated. The rating has been done by Sovereign Africa Rating (SAR) and accordingly has been assigned a B+ for short-term and BBB+ for long-term.

B: SUKUK Certificates and Transactional Documents

50.	a)SUKUK Programme Base Prospectus	A legal and Shari'ah compliant SUKUK transaction document that provides information about the SUKUK offering to potential investors. It's also known as an "Offering document" describing various SUKUK features, SUKUK parties, particulars, rights, responsibilities, terms, and conditions of the SUKUK programme.
51.	b) Master Declaration of Trust	A SUKUK Trust Deed dated on or about the date of this SUKUK Programme Base Prospectus, enter by and between the SUKUK Issuer/Trustee/SPV, the Originator and the SUKUK Delegate on behalf of investors; The document lays down the purpose of the SUKUK issuance, the SUKUK features, rights and obligations and rights of the Issuer/Originator, the Originator and SUKUK investors through SUKUK Delegate.
52.	c) Ijarah (Lease) Contract Agreement	A lease (Ijarah) Agreement between the SUKUK Issuer/Trustee/SPV and SUKUK Originator in which the Issuer/Trustee/SPV is the Lessor on behalf of the investors and the SUKUK Originator is the Lessee investing on the Ijarah asset and pays the rentals as periodic returns.
53.	d) Final Terms and Conditions	The Final Terms and Conditions governing this Ijarah SUKUK the Ijarah (Lease) SUKUK Programme as the Shari'ah-compliant underlying contract as per International Islamic Financial Market (IIFM), describing what should be done, by whom and how and what should not be done
54.	e) Asset Transfer and Purchase Agreement	An agreement between the SUKUK Originator (as a Seller/Transferor) and the Issuer/Trustee/SPV (as the Purchaser/Transferee) in which the initial Ijarah SUKUK asset are purchased by the Issuer/Trustee/SPV on behalf of the SUKUK Certificateholders using SUKUK proceeds to make them have the beneficial ownership entitling them to receive profit as return to their investment.
55.	f) Sale and Purchase Agreement	An agreement between the SUKUK Originator (as a Seller/Transferor) and the Issuer/Trustee/SPV (as the Purchaser/Transferee) in which the initial Ijarah SUKUK asset are purchased by the Issuer/Trustee/SPV on behalf of

		the SUKUK Certificateholders using SUKUK proceeds to make them have the beneficial ownership entitling them to receive profit as return to their investment.
56.	g) SUKUK Asset Service Agreement	A Service Agreement between the Issuer/Trustee/SPV (as the principal on behalf of the SUKUK certificateholders) and SUKUK Originator (as the Agent) in which the later bears responsibility to service/take care of the SUKUK asset.
57.	h) Purchase/Sale Undertaking (Al Wa'd)	An undertaking (promise or Wa'd) given in writing, by the SUKUK Originator promising to purchase all SUKUK certificates at maturity in order to redeem the SUKUK.
58.	i) SUKUK Transaction Agents Agreement	A Contract Agreement enter by and between the SUKUK Issuer/Trustee/SPV and SUKUK Transaction Agents for performing various obligation to facilitate the issuance of this SUKUK Programme
59.	j) Takaful Credit Enhancement	A Shari'ah Compliant insurance as a hedging mechanism against any shortfall in either payment of periodic or final payment by the Issuer/Trustee/SPV as its financial obligation to SUKUK investors.
60.	k) Asset Relocation Letter	A Ministerial letter relocating the SUKUK underlying asset upon which the SUKUK is based (AAKIA usufruct) from Zanzibar Airport Authority (ZAA) to Zanzibar Treasury SUKUK1 Limited (the Issuer/Trustee/SPV)



Overview of the SUKUK Programme (4)

4. Section Four: Overview of the SUKUK Programme

Words and expressions defined in the “*Terms and Conditions of the Trust Certificates*”, (the “*Conditions*”) shall have the same meanings in this overview.

Issuer/Trustee/SPV and Lessor “the Lessor”	Zanzibar Treasury SUKUK1 Limited, a government entity, registered as a Limited liability company incorporated in the Zanzibar Islands under the Companies Act No. 12 of 2023 (as may be amended from time to time). The Issuer/Trustee/SPV has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party as the Special Purpose Vehicle (SPV) of the Revolutionary Government of Zanzibar.
Originator, Seller, Lessee “the Lessee”, Buyer, Servicing Agent and the Government	The Revolutionary Government of Zanzibar, acting through the President’s Office-Finance and Planning (the “ Government ”).
Lead Arranger/Transaction Manager /Sponsoring	Yusra SUKUK Company Limited
Collecting Banks/Agents	PBZ-Ikhlas, CRDB Albarakah, Amana Bank, NBC La Riba, KCB Sahl, SSC Capital (Shirkah) and Azam Halal Pesa
SUKUK Delegate	BM Attorneys
Registrar/Paying and Transfer Agent	Central Securities Depository and Registry (CSD & Registry)
SUKUK Delegate	BM Attorneys
Receiving and Paying Bank	Peoples’ Bank of Zanzibar (PBZ-Ikhlas)
Legal Advisor	Lawfields Advocates and Legal Consultants

Negative Pledge The Purchase Undertaking contains a Negative Pledge given by the Originator under “Negative Pledge” in Section 18 of the Final Terms and Conditions of the Trust Certificates

Issuer/Trustee/SPV Covenants The Issuer/Trustee/SPV has agreed to certain restrictive covenants as set out in “Covenants” in the Final Terms and Conditions of this SUKUK issuance.

Cross-Default In respect of the Government, the Trust Certificates will have the benefit of Cross-Default provision, as described in the Sub-paragraphs (iii) of the definition of “Government Event” corresponding thereto (contained in the Terms and Conditions)

Status of the Trust Certificates Each Trust Certificate evidences an undivided ownership interest of the Certificateholders in the T subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Issuer/Trustee/SPV.

Each Trust Certificate will rank *pari passu*, without any preference or priority, with all other Trust Certificates. All amounts due from the Government under the Transaction.

Documents to which it is a party will constitute direct, unconditional, unsubordinated and unsecured obligations of the Government and will rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Government, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Meetings of Certificateholders The Conditions contain a “collective action” clause which permits defined majorities to bind all Certificateholders.

If the Issuer/Trustee/SPV issues future securities which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, the Trust Certificates would be capable of aggregation with any such future securities. See “Risk Factors – Risk factors relating to the Trust Certificates

– *The Conditions contain a “collective action” clause under which the terms of any one Programme of Trust Certificates or multiple Programme of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders”.*

and (ii) provided that the value of Additional Asset (if any) is less than the aggregate face amount of the additional Trust Certificates, or where no Additional

Asset are being purchased by the Issuer/Trustee/SPV (in its capacity as purchaser) from the Government (in its capacity as seller) in relation to any additional Programme of Trust Certificates, for and on behalf of the holders of the relevant existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset (if any) and the Relevant Lease Asset (if any) in respect of the relevant Programme as in existence immediately prior to the creation and issue of the additional Trust Certificates and additional asset relating to the relevant programme of this SUKUK programme and shall collectively comprise part of the Trust Asset for the benefit of the holders of such existing Trust Certificates and the holders of such additional Trust Certificates.

Risk Factors

There are certain factors that may affect the Issuer/Trustee/SPV's and Government's ability to fulfil its respective obligations under the Trust Certificates. See "Risk Factors" in Section Four (4) of this Base Prospectus.

Programme Issuance

Trust Certificates will be issued in Programme. Each Programme may comprise one or more Programmes issued on different Issue Dates. The Trust Certificates of each Programme will have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.

Clearing Systems

Certificateholders must hold their rights in the relevant Global Trust Certificate in a book-entry form through Central Securities Depository and Registry (CSD & Registry), a subsidiary of the Dar es Salaam Stock Exchange (DSE) in relation to any SUKUK Programme tranche,

Periodic Distributions

Certificateholders are entitled to receive Periodic Distribution amounts calculated on the basis specified in the applicable Final Terms and Conditions.

Redemption of Trust Certificates

These SUKUK Trust Certificates shall be redeemed on the Scheduled Dissolution Dates of a particular SUKUK Programme tranche at a relevant final distribution amount

Optional Dissolution

Programme of Trust Certificates may be redeemed prior to its Scheduled Dissolution Date at an early redemption

with the Dissolution Amount being equal to the amount of the SUKUK tranche volume at the day corresponding to a periodic payment to avoid periodic return arrears. Dissolution Amount, as applicable, in the circumstances set out in “Terms and Conditions of the Trust Certificates.

Dissolution Events

Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Event Redemption Date at the Dissolution Event Amount (which shall include any accrued but unpaid Periodic Distribution Amount) and the Final Dissolution amount.

Early Redemption for Tax Reason

Where the Issuer/Trustee/SPV has to or will become to pay any additional amounts in respect of the Trust Certificates pursuant to Condition 13 or the Government has or will become obliged to pay any additional amounts in respect of amounts payable under the Lease Agreement or the Purchase Undertaking as a result of a change in the laws of capital markets (as defined in the Conditions) and where such obligation cannot be avoided by the Issuer/Trustee/SPV or the Government, as applicable, taking reasonable measures available to it, the Issuer/Trustee/SPV may, following receipt of an exercise notice from the Government pursuant to the Sale and Substitution Undertaking, redeem the Trust Certificates in whole but not in part at their face amount together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date in accordance with Condition 11.2.

Total Loss Event

Save where the Relevant Lease Asset is/are replaced in accordance with the Servicing Agency Agreement by no later than the 30th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates of that Programme and the consequent dissolution of the relevant Trust no later than the 31st day after the occurrence of such Total Loss Event (being the Total Loss Dissolution Date).

Cancellation of Trust Certificates held by the Issuer /Trustee/SPV

Should the Government wish to cancel any Trust Certificates so purchased, it shall deliver a Cancellation Notice to the Issuer/ Trustee/SPV (in accordance with the Government and/or any other public sector

instrumentality whereupon the Issuer/Trustee/SPV shall, in accordance with the terms of the Sale and Substitution Undertaking, be obliged to transfer all of the Issuer/Trustee/SPV's rights, title and interests in, to and under the Cancelled Lease Asset to the Government in accordance with the terms of such agreement (to the extent applicable), in each case in consideration for which the relevant Trust Certificates shall be cancelled.

The transfer of the Cancelled Lease Asset will take effect by the Government (as purchaser) and the Issuer/Trustee/SPV (as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking).

Following the entry into such Sale Agreement, the Issuer/Trustee/SPV shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date.

Substitution of Lease Asset

Pursuant to the Sale and Substitution Undertaking the Government may, at any time, exercise its right to require the Issuer/Trustee/SPV to substitute on any Substitution Date some or all of the Relevant Lease Asset with New Asset (as specified in the relevant Substitution Notice, and each (as defined in the Sale Substitution Undertaking) having a value which is equal to or greater than the value of the Relevant current Lease Asset being Substituted.

Withholding Tax

All payments by the Government (in its capacity as the "the Lessee") under a Lease Agreement shall be made in the Specified Currency without set-off or amounts as will result in the receipt by the Issuer /Trustee /SPV (as lessor "the Lessor") of such amounts as would have been received by it, had no such deduction or withholding been required.

All payments in respect of Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the United republic

of Tanzania , unless the withholding or deduction is required by law. For further information, see “**Public Finance – Taxation – Withholding Tax**”. In that event, the Issuer/Trustee /SPV shall, save in the limited circumstances provided in “Terms and Conditions of the amounts as will result in the receipt by the Issuer/Trustee/SPV (as lessor “the Lessor”) of such amounts as would have been received by it, had no such deduction or withholding been required.

Zanzibar SUKUK Programme issuance has been rated by Sovereign Africa Rating (SAR) of Johannesburg, South Africa and assigned a B+ for short-term basis and a BBB+ for a long-term basis. The rating report can be found at the end of this Base Prospectus as Appendix “A”.

SUKUK Rating

Application will be made to: (i) the Dar es Salaam Stock Exchange (DSE) for each Programme of the Trust Certificates issued under the Programme to be admitted to the Official List and to trading on the Exchange; (ii) the Trust Certificates to be admitted to listing on the DSE Official List, or (iii) as otherwise specified in the applicable Final Terms and Conditions and references to listing shall be construed accordingly. As specified in the applicable Final Terms and Conditions.

Listing

A SUKUK Programme Trust Listing Agent/Zanzibar SUKUK Licensed Dealer is Yusra SUKUK Company Limited, with its office at 23rd Floor, Rita Tower, Simu/Makunganya Street, Dar es Salaam-Tanzania.

Early Redemption Shari’ah Treatment

When Early Redemption for Taxation purposes or a Force Majeure event is executed by the Issuer/Trustee/SPV. For Shari’ah Compliance, the ***“Early redemption shall follow an established valuation model ensuring fairness to investors.”***

Arbitration & Governing Law

The SUKUK Trust Certificates shall Governed by the Laws of the Laws of Zanzibar and by the Laws of the United Republic of Tanzania, in cases where the union law(s) applies.

Shari'ah Arbitration

In matters pertaining to Shari'ah-compliance, such cases shall (i) be brought to the attention of the Shari'ah Advisors for arbitration and (ii) *if arbitration at the Shari'ah Advisors fail, the case shall be referred to the Kadhi's courts in Zanzibar for further arbitration and/or Shari'ah ruling.*



Zanzibar SUKUK Risk Factors and Mitigations (5)

5. Section Five: Zanzibar SUKUK Risk Factors & Mitigations

Prospective investors should carefully consider all of the information contained in this Prospectus, including the risks described below, prior to making any investment decision with respect to the offered SUKUK. However, the risks listed in this SUKUK Programme Base Prospectus may not necessarily comprise all risks and uncertainties related to the Issuer/Trustee/SPV, the Originator and the Trust Certificates. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may have adverse effect the performance of payments on the Trust Certificates. The Issuer/Trustee/SPV's Members of the Board of Directors declare that they are not aware of any other material risks than those set out below that may have an adverse effect as of the date of this Prospectus.

Investing in the offered the Government of Zanzibar SUKUK is suitable for investors who are able to assess the risks and benefits of that investment and who have sufficient resources to bear any loss that may result from that investment. A prospective investor who is doubtful about investing in the offered SUKUK should seek advice from a specialist licensed by the CMSA to obtain appropriate advice on investing in the offered SUKUK.

The Board of Directors (BOD) of Zanzibar Treasury SUKUK 1 Limited (being the "Issuer/Trustee/SPV) also declare, to the best of their knowledge and belief, that there are no material risks that may affect the investors' decision as of the date of this Prospectus. Moreover, they state that this section contains all substantial information, without any lack or prejudice, according to which investors may take a decision to invest as of the date of this Prospectus.

In the event of the occurrence of one of the risks that the BOD currently believes to be important, or any other risks that the BOD could not identify or which it believes to be immaterial, then the Issuer/Trustee/SPV and/or the Government could be materially adversely affected, impacting trading price of the Trust Certificates. Additionally, the Issuer/Trustee/SPV may be unable to make payments due on the Trust Certificates, and investors may lose all or part of their investment.

It should be noted that the risks set out below are not ordered based on their importance. Additional risks and uncertainties, including those unknown or deemed non-essential at the present time, may have the effects described above.

5.1 Risk Factors Relating to the Issuer/Trustee/SPV

5.1 Risk Related to the Issuer/Trustee/SPV being New with No Experience

The Issuer/Trustee/SPV has recently been incorporated and registered under the laws of Zanzibar as a Special Purpose Vehicle, an exempted company with limited liability and has no operating history. The Issuer/Trustee/SPV has not and will not engage in any business activity other than the issuance of Trust Certificates under the Programme, the acquisition of the Trust Asset as described herein, and other activities incidental or related to the foregoing as required under the relevant Transaction Documents.

The company's failure to appoint individuals with right skills and experience to manage the limited day-to-day affairs of the company will have a negative impact on its financial condition and results of operations. Moreover, if these day-to-day operations are not properly managed, no assurance can be given that the desired results will be achieved. Therefore, if the desired results are not realized in whole or in part, this will have a material negative impact on financial performance.

The Issuer/Trustee/SPV's only material asset, which will be held on trust for SUKUK Certificateholders, will be the Abeid Amani Karume International Airport (AAKIA) situated at Kiembe Samaki, Urban West Municipality in Zanzibar, including the obligation of the Government to make payments to the Issuer/Trustee/SPV under the relevant Transaction Documents to which it is a party relating to each Trust Certificate. Therefore, the Issuer/Trustee/SPV is subject to all the risks to which the Government is subject to the extent that such risks could limit the Issuer/Trustee/SPV's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

Risk Mitigation

The Issuer/Trustee/SPV's seven members of its Board of Directors are all from the corporates hence bringing with them corporate governance experience. They have a formidable back up of experts in various realms and both the Issuer/Trustee/SPV Board of Directors and SPV Management has been thoroughly trained in SPV management by the Lead Arranger/Transaction Agent who has knowledge and experience with SUKUK issuances and SPV guidelines and management.

Furthermore, *the Issuer/Trustee/SPV Directors for Zanzibar SUKUK have been and shall be under constant advise of experienced and knowledgeable SUKUK experts from the Lead Arranger/Transaction Manager- Yusra SUKUK Company Limited, from Pre-Issuance, Issuance Stage and Post Issuance Stages to SUKUK maturity.*

The presence of Takaful Sharia'h compliant credit enhancement adds to Issuer/Trustee/SPV risk mitigation against any default on its financial obligations and continuous presence of the Lead Arranger/Transaction Manager and all transaction agents throughout the SUKUK tenor for SPV management and reports issuing is well secured for investors' interests and rights.

5.2 Risk Related to Originator

5.2.1 Risk Relating to Current Regional and Geopolitical Instabilities

While the Tanzania (and consequently Zanzibar) enjoys a relatively stable political environment, certain other jurisdictions in the East and Central Africa as well as the Middle East are not and there is a risk that regional geopolitical instability could impact the Tanzania and hence Zanzibar.

Instability in East and Central Africa may result in civil unrests like the recent ones in Kenya or civil war like the one in Eastern DR Congo. Political unrest and military coups in Western

Africa (the “SAHEL”) region comprising of Mali, Niger and Burkina Faso where coup de tat, military regimes declared secession from West Africa Economic Community (ECOWAS). In the Middle East and North Africa (“MENA”) region, unrests in form of civil wars or external forces military attacks are happening in a range of countries in the region, including Egypt, Libya, Yemen, the Republic of Iraq, Syria, Palestine, and Sudan have been recorded.

Eruption of Russia-Ukrainian war that began in 2014 and Houthis attacks in maritime vessels along the Red Sea and Bay of Yemen and the recent Israel-Gaza war have been the most disruptive geopolitical events globally which have not spared any country economically. Oil prices and cost of goods have gone up globally fuelling inflations in many countries including Tanzania.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of Tanzania (and consequently, Zanzibar. These circumstances adversely impact the prices of goods imported into Tanzania and Zanzibar including oil prices, number of tourists to visit Zanzibar since Zanzibar is a tourism-led economy, and thus directly or indirectly impacting attractiveness for foreign investments and capital.

Risk Mitigation

For geopolitical risks, Zanzibar can't prevent them single handedly. However, the United Republic of Tanzania is a founder and prominent member of AUR, EAC and SADC. It plays its role in making sure there is peace in Africa. ***The Revolutionary Government of Zanzibar (RGoZ) has put constitutional measure to make sure that Zanzibar itself is stable, peaceful and there are no civil unrest by having a Government of National Unity (GNU)*** in which not only the ruling Chama cha Mapinduzi (CCM) rules but one of Tanzanian major political parties (ZCT-Wazalendo) is part of the government with the 1st Vice-President being from it and its members are not only Honourable Members of House of Representative but also Members of the Revolutionary Council of Zanzibar.

5.2.2 Risk Related to Zanzibar's Limitations in its Control over Monetary Policy

The Government of Zanzibar is not responsible for monetary policy, which is the responsibility of the United Republic of Tanzania (URT). Limited monetary policy control prevents the Government of Zanzibar from responding to macroeconomic conditions, which may affect Government spending and liquidity within Zanzibar; changing macroeconomic conditions are likely to affect Zanzibar's economy indirectly through their impact on the tourism, trade, construction, real estate and blue economy sectors, given, in particular, the openness of Zanzibar's economy, which does not have any capital or exchange controls. The inability of the Government of Zanzibar to respond or react to such conditions through monetary policy may have a long-term negative impact on its economy as a whole.

Risk Mitigation

Zanzibar President's Office-Finance and Planning closely follows micro economic conditions within Zanzibar to contain inflation. The Revolutionary Government of Zanzibar (RGoZ)

Planning Commission and Zanzibar Economic Empowerment Agency (ZXEEA) watches closely Zanzibar micro economic factors to ensure any impact of macro economics are contained.

5.2.3 Risk Relating to Correctness of Statistical Information

Statistical information in this SUKUK Programme Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information under the heading “Monetary and Financial System”) is only available for the URT, and potential investors should note that Zanzibar’s specific position may differ in material respects from the position at an overall URT level.

The data on non-trade flows into and out of the URT set out in this SUKUK Programme Base Prospectus under “Balance of Payments and Foreign Trade” is not complete and is subject to revision, reflecting, in part, weaknesses of the central statistical bodies, and in part, the operation of multiple sources within the URT. No data is released by the Zanzibar on external debt and accordingly only URT can issue data on external debt as set out in this SUKUK Programme Base Prospectus

While public finance data is consistent with the data from the Government of Zanzibar’s financial management system, this data is normally not subject to an external auditor’s opinion. Therefore, there can be no assurance that the statistical data appearing in this SUKUK Programme Base Prospectus is as accurate or as reliable as those published by other countries save those related to the Revolutionary Government of Zanzibar from its own sources.

Risk Mitigation

The issuance Reporting Accountant has thoroughly reviewed the Audited Financial Report for its compliance with IPSAS public accounting guidelines and found they are in conformity with **International Public Sector Accounting Standards (IPSAS)** guidelines. The Reporting Accountant shall continue to review the Forensic (Audited) Financials and Forward Looking financials of SUKUK Programmes income streams.

5.2.4 Risk Relating to Adjusted Value of Tanzania Shilling

The functional and reporting currency of the Government of Zanzibar SUKUK is the Tanzanian Shillings. The United Republic of Tanzania (URT) Shilling is currently not “pegged” at a fixed exchange rate to the US Dollar like in some jurisdictions. The current official buying and selling rates for the Tanzanian Shillings is showing that the Shilling has gained much strength against US Dollar.

No one is sure that the current situation will persist and for how long or it will reverse. However, there can be no assurance that URT government’s monetary policy that has helped in making the Shilling gain so much ground in a sustained manner will remain unchanged in the future.

Risk Mitigation

The RGoZ has no direct control over the Shilling valuation or devaluation. However, it has in place a formidable mechanism to ensure that the SUKUK underlying asset does not depreciate by having a watchful eyes of President's Office - Finance and Planning and Zanzibar Presidential Delivery Unit (ZPDB) to keep watch over the asset as the Originator since it has Asset's Service Agency Agreement.

The RGoZ too, has its own Debt Service Account (DSA), a bank account kept in United States Dollar (USD) with deposits made every month. Furthermore, advised by The Lead Arranger/Transaction Agent, *RGoZ has put into mechanism an Escrow/Sinking Fund Account to be kept in Tanzanian Shillings (TZS) to ensure that any fluctuation in the value of Shilling, the ability of the Issuer/Trustee/SPV to honour its financial obligations towards investors is not affected at all.*

By depositing TZS 159,285,714,290.00 per annum, the RGoZ can make profits every year for the whole SUKUK tenor which amount between 31-41% of the whole SUKUK Programme value.

5.3 Shari'ah Compliance Risk

Zanzibar SUKUK Programme Trust Certificate may face Shari'ah compliance risks inherent in its SUKUK documentations, the underlying asset, the revenue streams to pay for the investors' periodic returns and principal amounts, not complying with Shari'ah governance and Shari'ah ethics.

Risk Mitigation

The Issuer/Trustee/SPV in in contract agreement with Centre for Islamic Finance Compliance, and Advice (CIFCA) having a Shari'ah Advisory Committee made up of prominent, competent and experienced Shari'ah Scholars and experts in Islamic Finance, Shari'ah Review and Auditing.

In SUKUK Pre-Issuance stage, CIFCA and its team of Shari'ah Scholars and experts in Islamic Finance has thoroughly reviewed all Zanzibar SUKUK Programme documentations and duly issued Shari'ah Opinion Pronouncement and Shari'ah Compliance Certificate.

CIFCA shall remain under service to the Issuer/Trustee/SPV until maturity of this instrument with scheduled Shari'ah reviews and Audits to be carried out throughout Zanzibar SUKUK tenor.

5.4 Risk Factors Relating to the Trust Certificates

5.4.1 Risk Related to Limited Recourse Obligations on the Trust Certificates

The Trust Certificates are not debt obligations of the Issuer/Trustee/SPV. Instead, the Trust Certificates represent an undivided legal beneficial ownership interest solely in the Trust Asset. Recourse to the Issuer/Trustee/SPV in respect of the Trust Certificates is limited to the Trust Asset and the proceeds from such Trust Asset as rentals of the leased asset are the sole source of payments on the Trust Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the SUKUK Certificateholders and, through the SUKUK Delegate, the SUKUK Certificateholders, will be against the Government to perform its obligations under the Purchase Undertaking Agreement of the Transaction Documents to which it is a part. SUKUK Certificateholders will have no recourse to any asset of the Issuer/Trustee/SPV or the Government in respect of any shortfall in the expected amounts due under the Trust Asset.

Risk Mitigation

The Government is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Issuer/Trustee/SPV, and the SUKUK Delegate will have direct recourse against the Government to recover such payments due to the Issuer/Trustee/SPV pursuant to the Transaction Documents to which it is a party if necessary through a court injunction.

In the absence of default by the Issuer/Trustee/SPV, investors have no direct recourse to the Government and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Asset (which, as described above, will be by way of enforcing each of the Government's and the Issuer/Trustee/SPV's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Trust Certificates.

Risk Mitigation

In an event of default by the Issuer/Trustee/SPV caused by the Originator failing to honour its financial obligations as the SUKUK Programme Obligor, the Credit Enhancement shall come into rescue by paying the SUKUK investors and later claim the amount from the Originator.

A Recourse to a Court of Law

Pursuant to Master Declaration of Trust, the SUKUK Delegate can initiate a recourse from a court of competent jurisdiction to recover the investors' rights to payments. After enforcing the rights in respect of the Trust Asset (in the manner described above) and distributing the net proceeds of such Trust Asset in accordance with Condition 5.2 of the Final Terms and Conditions of this SUKUK Programme, the Obligations of the Issuer/Trustee/SPV in respect of the Trust Certificates shall be satisfied and neither the SUKUK Delegate nor any SUKUK Certificateholder may take any further steps against the Issuer/Trustee/SPV to recover any further sums in respect of the Trust Certificates and the right to receive any such sums (with no interest attached to it this being a Shari'ah-compliant instrument. All unpaid claims shall be extinguished.

Furthermore, under no circumstances shall the Issuer/Trustee/SPV, the SUKUK Delegate or any SUKUK Certificateholder have any right to cause the sale or other disposition of any of the Trust Asset except pursuant to the Transaction Documents and an order from a court of law. The sole right of the Issuer/Trustee/SPV, the SUKUK Delegate and the SUKUK Certificateholders against the Government shall be to enforce the obligation of the Government under the Transaction Documents to which it is a party through a court of law.

5.4.2 Risk Related to Rating Downgrade of the Trust Certificate

The instrument Rating Agency may assign ratings to the Trust Certificates issued under the Programme. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and any other factors that may affect the value of the Trust Certificates.

The instrument rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Other than pursuant to international best practices for Sovereign and Quasi-Sovereign SUKUK Issuances, the Issuer/Trustee/SPV has no obligation to inform Certificateholders of any revision, downgrade or withdrawal of its current or future Quasi-Sovereign instrument ratings. A suspension, downgrade or withdrawal at any time of an instrument rating assigned to the Trust Certificates may adversely affect the trading price of the Trust Certificates.

Risk Mitigation

Risk rating and mitigation are processes that help organizations identify, assess, and reduce the impact of potential risks.

The Issuer/Trustee/SPV has a formidable contract with the SUKUK rating agency, Sovereign Africa Rating of Johannesburg, South Africa to have continuous rating of the instrument.

To mitigate risks associated with credit rating agency, the Issuer/Trustee/SPV has put in place key strategies including regulating its operations to address conflicts of interest, enhancing transparency in its corporate governance and management, cooperating closely with SUKUK Delegate to ensure that investors are given opportunity to air their views and exercise their rights through SUKUK Certificates annual or if need be extraordinary SUKUK investors general meeting to be convened by the SUKUK Delegate and implementing various reviews and audit reports.



SUKUK Pricing Supplement/ Fact Sheet (6)

6. Section Six: SUKUK Pricing Supplement / Fact Sheet

Pursuant to this SUKUK Programme issuance Trust Deed (the “**Mater Declaration of Trust**”) dated on or about the issuance date of this issuance between the Issuer/Trustee/SPV, the Originator and the investors represented by the SUKUK Delegate in this SUKUK issuance. The Issuer/Trustee/SPV has undertaken to issue and sell to the SUKUK investors trust certificates at the face value of Certificates as set forth in the Pricing Supplement Section of the SUKUK Programme Base Prospectus below.

<ul style="list-style-type: none"> □ Issuer/SPV/Trustee 	<ul style="list-style-type: none"> □ Zanzibar Treasury SUKUK1 Limited (RTS Limited), a wholly owned company of the President’s Office-Finance and Planning of the Revolutionary Government of Zanzibar hence having a full weight of the RGoZ (See Appendix “C” at the end of this SUKUK Programme Base Prospectus)
<ul style="list-style-type: none"> □ SUKUK issue size 	<ul style="list-style-type: none"> □ TZS 1,115,000,000,000.00 (One Trillion One Hundred and Fifteen billion Tanzanian shillings only) issued under SUKUK programme in three tranches. The 1st tranche of TZS 300 billion (Three Hundred billion Tanzanian Shillings only) and in case of an oversubscription, with a Green Shoe option of TZS 300,000,000.00 (Three Hundred billion Tanzanian Shillings only).
<ul style="list-style-type: none"> □ SUKUK Certificate Face Value 	<ul style="list-style-type: none"> □ Face Value means the price of the SUKUK certificates according to the value of the asset backing them, in this case the SUKUK certificate face value is TZS 100,000 per a single ‘Sakk’ (plural SUKUK). The minimum Subscription shall be Tanzanian Shillings 1,000,000.00 (One Million Tanzanian Shillings only) equivalent to Ten SUKUK registered as a single unit
<ul style="list-style-type: none"> □ Issuance Purpose 	<ul style="list-style-type: none"> □ Financing of various development projects for the Revolutionary government of Zanzibar as per The Revolutionary Government of Zanzibar 2024/25 budget as shown in the SUKUK Offer Subscription Information (see page 21 of this Base Prospectus)
<ul style="list-style-type: none"> □ SUKUK Denomination and Rate of Return 	<ul style="list-style-type: none"> □ The SUKUK Programme is to be offered in Tanzanian Shillings currency 100,000.00 per a Sakk (plural SUKUK) or multiples thereof with Rate of return to investment 10.5% per annum payable semi-annually (every six months)
<ul style="list-style-type: none"> □ Opening Date for Subscription 	<ul style="list-style-type: none"> □ One month starting from the 5th March, 2025. In case of undersubscription, (extended subscription period for 30 more Calendar Days with a notice to CMSA
<ul style="list-style-type: none"> □ Closing Date 	<ul style="list-style-type: none"> □ The 11th March, 2025
<ul style="list-style-type: none"> □ Allotment Date 	<ul style="list-style-type: none"> □ The 12th March, 2025
<ul style="list-style-type: none"> □ SUKUK Commencement (Issuing) Date 	<ul style="list-style-type: none"> □ The 12th March, 2025
<ul style="list-style-type: none"> □ Maturity Date 	<ul style="list-style-type: none"> □ SUKUK issue with its maturity date on 12th March, 2032
<ul style="list-style-type: none"> □ SUKUK Programme Tenor 	<ul style="list-style-type: none"> □ A 7-years tenor SUKUK programme equal to 2,555 days ending with the SUKUK Certificates Redemption on Redemption Date

<ul style="list-style-type: none"> □ SUKUK Redemption 	<ul style="list-style-type: none"> □ The SUKUK certificate shall be redeemed via Purchase Undertaking Agreement between the Originator and the Issuer/Trustee/SPV at the end of its maturity at market value of the SUKUK underlying asset to pay back the investor's principal amounts. The principal amounts will be returned to investors in "as it is" basis being a Shari'ah compliance principle that says "Verily incomes are by taking risks"
<ul style="list-style-type: none"> □ Investment Value 	<ul style="list-style-type: none"> □ Investment Value of a successful subscribers shall be equal to Investment Value per SUKUK portionate beneficial ownership share subscribed by the investor into the Ijarah Asset usufructs. Every SUKUK Certificate shall represent the undivided portionate ownership in the usufructs of the Ijarah Asset in <i>pari passu</i> value as per investor's subscription.

	<p>The undivided percentage ownership in the Ijarah Asset for each SUKUK will be at market value of subscribed SUKUK Certificates</p>
<ul style="list-style-type: none"> □ Profit Rate to Investment 	<ul style="list-style-type: none"> □ The return to investment on principal amounts shall be fixed 10.5% per annum payable semi-annually.
<ul style="list-style-type: none"> □ Periodic payment intervals 	<ul style="list-style-type: none"> □ The periodic profit returns payments to investors shall begin in 6 (six) months time after the SUKUK issuance commencement date starting six months from that date i.e. 12th April 2025. The periodic distributions to SUKUK holders shall be determined based on rental income generated from the underlying asset and not by reference to any conventional interest benchmarks or percentage of the invested amounts."
<ul style="list-style-type: none"> □ Securing the SUKUK Certificate 	<p>The SUKUK is an asset-based and secured with SUKUK Furthermore, this SUKUK has been secured by Takaful insurance as a hedging (At-tahayyut) through ZIC Takaful Company Limited for the periodic returns payments ensuring that there will be no periodic returns payment failure. The RGoZ has designated income streams from public entities That will deposit money into the Issuer/Trustee/SPV account every month. As for final redemption amounts, the government shall open an Escrow/Sinking Fund account at a Shari'ah-compliant commercial bank, depositing TZS 117,075,000,000.00 into a Mudaraba fixed-deposit account to generating profits in preparation for the SUKUK redemption amounts.</p>
<ul style="list-style-type: none"> □ Listing and Trading in Secondary Market 	<p>This Ijarah SUKUK will be listed and tradable freely in Dar es Salaam SUKUK (DSE) via the issuance Zanzibar SUKUK Licensed Dealer - Yusra SUKUK Company Limited, the first ever Shari'ah compliant capital Market intermediary in both primary</p>

	and secondary market. Yusra SUKUK Company Limited is an official issuance Licensed Dealer.
<ul style="list-style-type: none"> ▪ SUKUK Rating 	<p>This is the first ever Sovereign SUKUK in East and Central Africa and is also the first ever rated Sovereign SUKUK in this region. The SUKUK rating has been conducted by Africa Rating (SAR) of Thornhill Office Park, Block 13, Ground Floor, Midrand, Johannesburg, Gauteng-South Africa. Email: zweli@saratings.com Tel: +27 78 743 0981 Website: www.saratings.com</p>
<ul style="list-style-type: none"> ▪ Risk Factors 	As elucidated in Risk Factors Section Four (4) of this SUKUK Programme Base Prospectus/ SUKUK Programme Prospectus
<ul style="list-style-type: none"> ▪ SUKUK Certificates Tradability 	The SUKUK certificates will be tradable freeing after they have been duly listed at Dar es Salaam Stock Exchange (DSE). The trading of the SUKUK at DSE will be under watchful eye of Shari'ah Advisors to the issuance - The Centre for Islamic Finance, Compliance and Advice (CIFCA). The certificates will tradable at market value

<ul style="list-style-type: none"> □ Lead Arranger/ Transaction Manager/ Advisor/ Manager to the Issuance 	<ul style="list-style-type: none"> □ Yusra SUKUK Company Limited, a limited liability Company, CMSA and DSE licensee with Dealers in Securities and Investment Advisers license
<ul style="list-style-type: none"> ▪ Programme Issuance Methodology 	<ul style="list-style-type: none"> ▫ The SUKUK shall be issued as a public offer with each Certificate having an equal value. The Subscriptions shall be allotted and in case of Oversubscription, the Green Shoe Option shall be used to allocate the SUKUK certificate to those with higher Subscription amounts
<ul style="list-style-type: none"> □ Rental Payment Obligation & SUKUK Asset Purchase Undertaking 	<ul style="list-style-type: none"> ▫ The rental (rate of return) is a financial obligation of the RGoZ Treasury under President's Office- Finance and Finance and Planning. At maturity, the Revolutionary Government of Zanzibar (RGoZ) shall purchase the SUKUK certificates at market value but the investors will not loose their money as the SUKUK Certificates are secured via ZIC Takaful
<ul style="list-style-type: none"> ▫ Ijarah Asset Details & Valuation 	<ul style="list-style-type: none"> ▫ The Asset to be used as SUKUK underlying asset is Abeid Amani Karume International Airport (AAKIA), situated in Zanzibar town. The asset's valuation report can be found as <i>Appendix "B"</i> at the end of this SUKUK Programme Base Prospectus

<p>□ Transaction Structure, Shari’ah Compliance Approval</p>	<p>□ Transaction structure is based on Usufruct Lease (Man’faa Ijarah) according to AAOIFI Shari’ah Standard No 32. The Ijarah Asset shall be the SUKUK underlying asset and AAOIFI Shari’ah Standard No. 17.</p> <p>□ A detailed transaction structure (including Shari’ah Advisor’s Opinions and Shari’ah Compliance Certificate (See Shari’ah Compliance on Section Seven (7) , showing the SUKUK Structure with transaction Cashflow, as approved by the Shari’ah Advisor through its Shari’ah opinion pronouncement and Shari’ah Compliance Certificate</p>
<p>□ Eligible Investors</p>	<p>The whole public, resident and non-resident Tanzanians (Diaspora) as well as non-Tanzanians resident in Tanzanians, matured people and minors (with their parents or guardians being their Agents) eligible investors as per the Institutional (sophisticated investors) eligible to invest into this SUKUK Programme issuance include but not limited to:</p> <ul style="list-style-type: none"> ▪ Corporate bodies Including financial and non-financial licensed corporate bodies: <ul style="list-style-type: none"> ▪ Banks, Social Securities Funds, Pension Funds etc. ▪ Microfinances, Saccos and economic groups ▪ Educational Institutions ▪ Religious bodies ▪ Endowment (Awqaafs) ▪ Trusts and Trusteeship bodies ▪ Government Owned Entities (GOEs) and other public entities
<p>SUKUK Structuring Expert</p>	<p>Sheikh Mohamed Issa</p> <p>As a Muslim Scholar, Islamic finance expert and a Certified SUKUK Professional (CSP) is a prominent Shari’ah Advisor and Islamic Finance Consultant. He is Yusra SUKUK Company Limited Executive Chairman, Mayzuh Company Limited CEO & Executive Chairman (Tanzania), Yusra Takaful Brokerage Company Limited Executive Chairman, Savanna Ethical Financing Instruments Limited (Kenya) and Executive Chairman and Mayzuh Company Limited (Zambia).</p> <p>He has been providing SUKUK training to governments, capital markets regulators, Stock Exchanges, central banks and commercial banks, corporates in various countries globally for more than 10 years.</p> <p>SUKUK trainings to Tanzania Capital Markets and Securities Authority (CMSA) 2022, Dar es Salaam Stock Exchange (DSE)</p>

	<p>2023, Lusaka Securities Exchange (LuSE) 2024 and Uganda Capital Markets Authority (CMA) 2024.</p> <p>In 2023, he was amongst 10 Trainers mandated by Alhuda Centre for Islamic Banking and Economics to provide a Two-Day SUKUK training to Officials from Bangladesh Ministry of Finance, Bangladesh Central bank, Bangladesh Stock Exchange, Commercial and Investment Banks, Company CEOs and CFOs</p> <p>He has structured and is currently structuring a number of SUKUK issuance in Tanzania and Zambia, including but not limited to the first ever listed corporate SUKUK in East and Central Africa- KCB Sahl Fursa SUKUK (2022) and the first ever non-financial SUKUK - Premier SRI SUKUK (2024)</p> <p>Sheikh Issa has also been heavily involved in establishment of SUKUK issuances Legal and Regulatory framework in a number of countries:</p> <ul style="list-style-type: none"> i) Sovereign, Quasi-Sovereign and GREs SUKUK Bond Guidelines under the Ministry of Finance of the United Republic of Tanzania (2022)-still unadopted ii) Sovereign, Quasi-Sovereign and GREs SUKUK Bond Guidelines under the Ministry of Finance of the United Republic of Tanzania (2022)-still unadopted iii) Corporate, Municipals and Subnationals SUKUK Bond Guidelines under CMSA (Tanzania), Gazetted in the Government Gazette No. 731 of 2023 <p>He is currently working as a Consultant to United Nations Economic Commission for Africa (UNECA) to establish Islamic Capital Markets (ICM) Regulations for Uganda, 2024-25.</p>
Governing Laws	<ul style="list-style-type: none"> ▪ This SUKUK Programme issuance is governed by the Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania on complying to global capital market practices; ▪ Zanzibar Public Finance Management Act, 2016; ▪ Zanzibar’s Public Private Partnership Act No.8 of 2025 ▪ Zanzibar Office of Treasury Registrar and Public Management Act ▪ Zanzibar Appropriation Act No.12 of 2016
Shari’ah Governance Indemnification	<ul style="list-style-type: none"> □ This SUKUK Programme is being issued pursuant to Accounting Auditing Organization of Islamic Financial Institution (AAOIFI) Shari’ah Standards, International Islamic Financial Markets (IIFM) SUKUK guidelines and Islamic Financial Service Board (IFSB) SUKUK Guidelines Shari’ah applied by the issuance Shari’ah Advisor <p>The Issuer/Trustee/SPV respective directors, officers, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each</p>

	<p>case arising out of or in connection with or relating to the Issue except to the extent such claim has resulted from such respective Party's gross negligence or wilful misconduct.</p>
<p>□ Arbitration</p>	<ul style="list-style-type: none"> ▪ Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through the courts of law with the Tanzania jurisdiction. ▪ On matters of Shari'ah Compliance, the matter shall be raised to this SUKUK Programme issuance Shari'ah Advisors. In the absence of mutual consent of the parties concerned, the matter shall be raised to Zanzibar Kadhi's Courts.



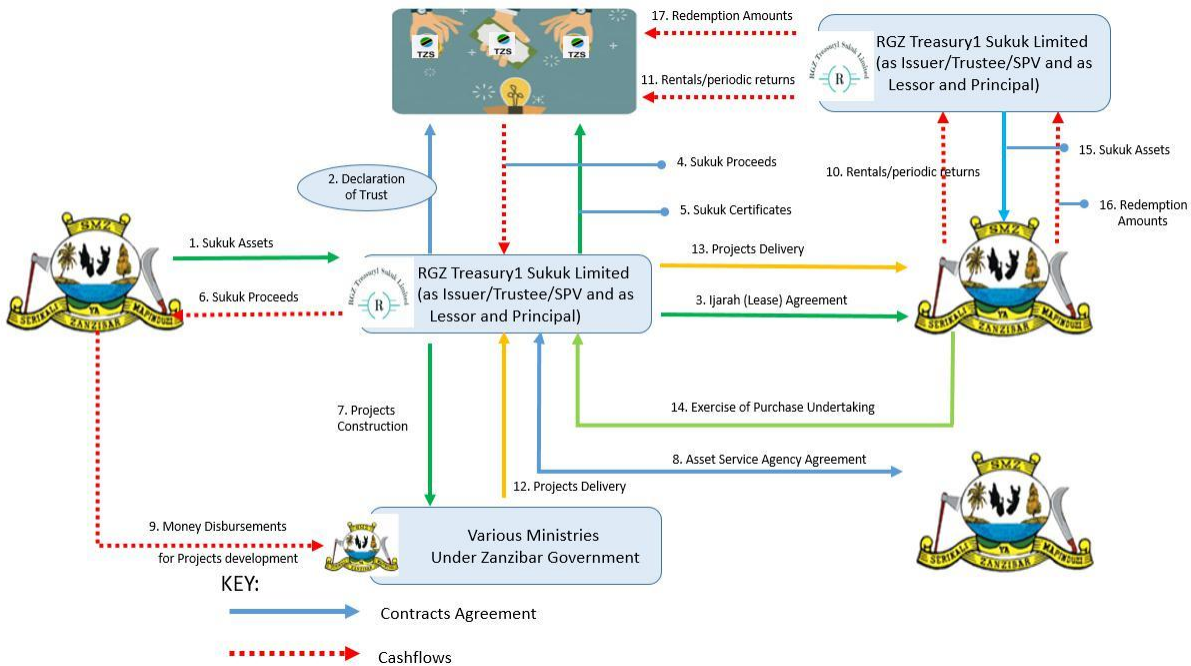
SUKUK Structure and Transaction Cashflows (7)

7. Section Seven: SUKUK Structure and Transaction Cashflows

7.1 SUKUK Financing Structure

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Trust Certificate to be issued under the. potential investors are referred to the Terms and Conditions of the Trust Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Chart: RGOZ SUKUK Structure & Cashflows



7.2 Transaction Flow

Payments by the Certificateholders and the Issuer/Trustee/SPV On the Subscription Dates of Trust Certificates, the relevant SUKUK subscribers / future Certificateholders will pay the issue price (the “SUKUK Proceeds”) to the Government in respect thereof to the Issuer/Trustee/SPV, and the Issuer/Trustee/SPV will pay:

- The designated government asset’s usufructs, shall be sold/transferred from the Government to the Issuer/Trustee/SPV to act as the SUKUK underlying asset on which the Ijarah SUKUK Certificates are based upon;
- The Issuer/Trustee/SPV declares the SUKUK Trust over the SUKUK asset (usufructs of the tangible asset (Abeid Amani Karume International Airport)) to be used as per the Final Terms and Conditions of the Trust Certificates;
- the Manf’aa Ijarah (Lease) Agreement thereof specified in Trust Deed entered between the Issuer/Trustee/SPV (as the Lessor) and the Government (as the Lessee);
- The SUKUK Certificates are offered for subscription by interested investors at a specified period and specified rate of return per annum paid as fixed rentals and the interested investors subscribe

and deposit their subscription amounts into the Issuer/Trustee/SPV Transaction Account specified in the Subscription Forms issued by the Issuer/Trustee/SPV);

- (e) The SUKUK Issuer/Trustee/SPV then transfers the Subscription Amount (the “SUKUK Proceeds”) into the Revolutionary Government of Zanzibar Treasury Account specifically setup at the Receiving Bank to receive SUKUK Proceeds ready for disbursement into the designated development projects as per normal government financial and projects construction/rehabilitation procedures;
- (f) The Issuer/Trustee/SPV, shall enter into SUKUK undelying Asset Servicing Agreement (as Principal) with the Revolutionary Government of Zanzibar (as Agent) to service the SUKUK asset to SUKUK maturity;
- (g) The Treasury will then make disbursement of money for designated projects (sse page 29 of this Base Prospectus) as per normal procedures governing government development projects construction/rehabilitation;
- (h) At the periodic payment dates, the government shall pay the rentals on the leased asset’s usufructs to the Issuer/Trustee/SPV which will release the same to SUKUK investors as part of its mandated continuous obligations over the SUKUK governance;
- (i) On completion of the development projects, the ministries shall handover the completed projects built using SUKUK proceeds to the SUKUK Issuer/Trustee/SPV and in turn, it will hand over the projects to the government;
- (j) The government shall, obliged by its Purchase Undertaking, purchase back the leased assets. It will then make the final periodic return payment as well as pay the redemption amounts/exercise price to the Issuer/Trustee/SPV which in turn will do the same to the SUKUK investors bringing the SUKUK transaction to a closure.

7.3 Use of SUKUK Proceeds

It was agreed and authorised by the Originator and approved by the Revolutionary Council of Zanzibar to use the proceeds of each tranche of SUKUK to finance the budget for development. More specifically, the funds will be applied towards the construction of various key strategic projects including Mangapwani seaport, Abeid Amani Karume Internattional Airport, roads constrution, Binguni hospital cancer unit ,electricity transmission and distribution system rehabilitation and fish markets (See “Use of SUKUK proceeds on page 29 of this Base Prospectus).

The Shari’ah Advisors shall oversee the manner of allocation and utilization of proceeds through semi-Annual Compliance Shari’ah Reviews and Annual Shari’ah Audit to ensure the asset usage and SUKUK proceeds remains within permissible Shari’ah activities.”

7.4 Cash Flows and Payments

All money received by the Issuer and the use of such cash flows with respect to the SUKUK or amounts due will be in accordance with the Declaration of Trust Agreement, except for any amounts received in accordance with Clause (13) “Fees and Expenses” that will be payable in accordance with Condition (4) “Status”, Condition (6) (d) “Use of Proceeds - Transaction Account” and Condition (14) “Events of Default” (For more details, please see Paragraph (15-4) “Condition 4: Status and Subparagraph (d) “Use of Proceeds - Transaction Account” from Paragraph (15-5) “Condition 6: SUKUK” of Section (15) “SUKUK Terms and Conditions”).

Payments will be made by the Issuer and not the Originator in accordance with Condition (12) “Payments” (for more details on this condition, please see paragraph (15-11) “Condition 12: Payments” of Section (15) “Terms and Conditions of the SUKUK”). In accordance with the Payment Administration Agreement entered between BM Advocates (in its capacity as the SUKUK Delegate) and Zanzibar Treasury SUKUK1 Limited as the Issuer/Trustee/SPV, payments are made as follows:

7.5 Periodic Payments by the Issuer/Trustee/SPV

On each Periodic Distribution Date, the Servicing Agent (on behalf of the Issuer/Trustee/SPV) will apply amounts standing to the credit of a collection account (comprised of a rental payment (pursuant to the relevant Lease Agreement) as paid by the Government (acting in its relevant capacity under the Ijarah (Lease) Agreement as applicable, into the Collection Account)) in payment into the relevant Issuer/Trustee/SPV Transaction Account of an amount which is intended to be sufficient to fund the Periodic Distribution Amount payable by the Issuer/Trustee/SPV under the Trust Certificates and shall be applied by the Issuer/Trustee/SPV for that purpose.

7.6 Dissolution Payments

On the Scheduled Dissolution Date:

- (a) the final rental payment and the aggregate amounts of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable by the Government; and
- (b) the Issuer/Trustee/SPV and the SUKUK Delegate will have the right under the Purchase Undertaking to require the Government (in its capacity as SUKUK Originator) to purchase all of its rights, title and interests in, to and under the Relevant Lease Asset(s) for an amount equal to the Exercise Price.

The Exercise Price payable by the Government (in its capacity as Purchaser) to the Issuer/Trustee/SPV (in its capacity as seller), together with the aggregate amounts of the Deferred Sale Price then outstanding, if any, are intended to fund the relevant Final Dissolution Amount payable by the Issuer/Trustee/SPV under the Trust Certificates. The Trust may be dissolved prior to the Scheduled Dissolution Date for a number of reasons including: (i) upon the occurrence of a Total Loss Event (as defined herein); (ii) upon the occurrence of a Tax Event; (iii) upon the occurrence of a Dissolution Event (as defined herein) Early Redemption. In the case of (ii), (iii) and (iv) above, the relevant Dissolution Amount will be funded by requiring the Government purchase the Relevant Lease Asset and pay the relevant Exercise Price. In the case of (i) above, the Dissolution Amount will be funded using (a) any proceeds of Takaful Insurances (as defined in the Servicing Agency Agreement) payable in respect of the Total Loss Event (as defined herein) (save where the Government replaces the Relevant Lease Asset using the proceeds of the Takaful Insurances received by the Issuer/Trustee/SPV as provided in the Servicing Agency Agreement), which are required to be paid into the Transaction Account (as defined herein) by no later than the 30th day after the occurrence of the Total Loss Event and (b) the aggregate amounts of the Deferred Sale Price then outstanding.

Should there be any shortfall in the proceeds of the Takaful Insurances paid into the Transaction Account for funding the amounts payable by the Issuer/Trustee/SPV on the due date for dissolution in the case of (i) above, unless the Servicing Agent proves beyond any doubt that such shortfall is not in any way attributable to its negligence nor its failing to comply with the terms of the Servicing Agency Agreement relating to the Insurances, the Servicing Agent will irrevocably and unconditionally undertake to pay an amount equal to such shortfall into the Transaction Account by no later than close of business in Tanzania on the 30th day after the occurrence of the Total Loss Event.



Zanzibar SUKUK Shari'ah Compliance (8)

8. Section Eight: Zanzibar SUKUK Shari’ah Compliance

All of the Advisors and Auditors, whose names are listed herein have given and, as of the date of this Prospectus, have not withdrawn, their written consent to the publication of their names, addresses, logos and statements attributed to each of them in this Prospectus, and neither they nor their employees forming part of the team serving the Issuer and the Originator, nor any of their relatives have any interest of any kind in the Issuer, the Originator and its Subsidiaries as of the date of this Prospectus which would impair their independence.

8.1 Shari’ah Advisors

The transaction structure relating to the Certificates (as described in this Prospectus) has been approved by the Shari’ah Advisors, the “Centre for Islamic Finance, Compliance and Advice (CIFCA)”.

A Shari’ah Compliance Certificate has been issued to that effect (herein attached below) witnessing that this Programme procedures, asset and documentations are Shari’ah compliant. Prospective SUKUK Certificateholders should not rely on any of the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own Shari’ah Advisors as to whether the posed transaction is in compliance with Shari’ah Principles.

There are no Shari’ah issues with Ijarah (Lease) SUKUK and in fact, it is the most favoured SUKUK issued by many sovereigns globally.

8.1.1 Shari’ah Advisors’ Scholars

This SUKUK Programme has been reviewed and approved by the Shari’ah Scholars of the Shari’ah Advisors; the names of Scholars are provided in the table below:

No.	Shari’ah Scholar’s Name	Status/Title	Institution of Origin
1.	Professor Hamed H.R Hikmany	Chairman	UKUEM
2.	Sheikh Yassir Salim Masoud	Secretary	TAMPRO
3.	Sheikh Shaaban Salum Albatash	Member	Grand Mufti’s Office
4.	Sheikh Abdallah Saleh Ndauga	Member	Hay’aul Ulamaa
5.	Dr. Said Seif Mzee	Member	Wakf Commission

The above-named Shari’ah Scholars are all reputable and respected Muslim Leaders with years of experience in finance matters and have been involved with SUKUK issuances in Tanzania as Shari’ah Advisors since 2021. Therefore, their Shari’ah review is dependable upon although, as it is in all Shari’ah matters, their views may differ from other Shari’ah Scholars’ view. For the sake of this issuance, their view is the official Issuer/Trustee/SPV’s Shari’ah view.

The Shari’ah Advisors have independently reviewed the following SUKUK Transaction Documents to ascertain their Shari’ah compliance:

- 9 SUKUK Programme Base Prospectus
- 10 Master Trust Deed/Declaration of Tust
- 11 Ijarah (Lease) Contract Agreement
- 12 Final Terms and Conditions to the Programme
- 13 Asset Usufruct Reallocation Agreement
- 14 Asset Service Agency Agreement
- 15 Purchase/Sale Undertaking
- 16 Transaction Agents Agreement

In the Name of Allah, Most Gracious, Most Merciful

SHARI'AH ADVISOR'S PRONOUNCEMENT

The Shari'ah Advisory Committee (SAC) for the Zanzibar Treasury Sukuk1 Programme from the Centre for Islamic Finance, Compliance and Advice (CIFCA), has conducted a thorough and meticulous review of the Sukuk structure, mechanisms, underlying asset, and key documentations.

This review focused on evaluating the programme's compliance with Shari'ah principles, particularly in relation to: The structure and mechanism of the Sukuk; The underlying asset supporting the issuance; The key Sukuk documentations related to operations, management of proceeds, and the roles of the Issuer, Trustee, and Special Purpose Vehicle (SPV); Compliance with pronouncements of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Islamic Financial Services Board (IFSB) and the International Islamic Financial Market (IIFM).


Following this comprehensive assessment, the Shari'ah Scholars confirm that the Zanzibar Treasury Sukuk1, which offers investors an opportunity to participate in the programme, are generally compliant with Shari'ah principles and align with global best practices for Sukuk issuances.

Furthermore, the Sukuk Issuer and Trustee, which also functions as the Special Purpose Vehicle (SPV) for the programme, is a government-related entity duly registered under Zanzibar Companies Act No. 15 of 2013. The investors in the Sukuk programme shall be issued Global Investment Certificates of equal value, representing proportionate beneficial ownership interests in the underlying Sukuk assets. Investors shall be eligible to receive semi-annual periodic returns, reflecting their share of the net rental income generated from the Sukuk's underlying assets.

Based on the Shari'ah Advisor's assessment of the Ijarah Sukuk structure, key documentations, SPV operations, and investment of Sukuk proceeds, the Shari'ah Scholars conclude that the Sukuk structure and documentations are acceptable within the principles of Shari'ah.

However, this Shari'ah Pronouncement does not constitute a lifetime validation of the Sukuk's compliance. The compliance of this Sukuk remains subject to continuous Shari'ah adherence by the Issuer, Originator, and all transaction agents throughout the Sukuk tenure that will be validated through (i) Shari'ah Advisory Committee's continuous monitoring; (ii) semi-annual Shari'ah reviews and (iii) An annual Shari'ah audit.

Signed,



Prof. Hamed R.H. Hikmahy
Chairman

Shari'ah Advisory Committee to the Zanzibar Treasury Sukuk1 Limited

In the Name of Allah, Most Gracious, Most Merciful

SHARI'AH ADVISOR'S PRONOUNCEMENT

The Shari'ah Advisory Committee (SAC) for the Zanzibar Treasury Sukuk1 Programme from the Centre for Islamic Finance, Compliance and Advice (CIFCA), has conducted a thorough and meticulous review of the Sukuk structure, mechanisms, underlying asset, and key documentations.

This review focused on evaluating the programme's compliance with Shari'ah principles, particularly in relation to: The structure and mechanism of the Sukuk; The underlying asset supporting the issuance; The key Sukuk documentations related to operations, management of proceeds, and the roles of the Issuer, Trustee, and Special Purpose Vehicle (SPV); Compliance with pronouncements of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Islamic Financial Services Board (IFSB) and the International Islamic Financial Market (IIFM).

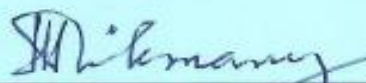
Following this comprehensive assessment, the Shari'ah Scholars confirm that the Zanzibar Treasury Sukuk1, which offers investors an opportunity to participate in the programme, are generally compliant with Shari'ah principles and align with global best practices for Sukuk issuances.

Furthermore, the Sukuk Issuer and Trustee, which also functions as the Special Purpose Vehicle (SPV) for the programme, is a government-related entity duly registered under Zanzibar Companies Act No. 15 of 2013. The investors in the Sukuk programme shall be issued Global Investment Certificates of equal value, representing proportionate beneficial ownership interests in the underlying Sukuk assets. Investors shall be eligible to receive semi-annual periodic returns, reflecting their share of the net rental income generated from the Sukuk's underlying assets.

Based on the Shari'ah Advisor's assessment of the Ijarah Sukuk structure, key documentations, SPV operations, and investment of Sukuk proceeds, the Shari'ah Scholars conclude that the Sukuk structure and documentations are acceptable within the principles of Shari'ah.

However, this Shari'ah Pronouncement does not constitute a lifetime validation of the Sukuk's compliance. The compliance of this Sukuk remains subject to continuous Shari'ah adherence by the Issuer, Originator, and all transaction agents throughout the Sukuk tenure that will be validated through (i) Shari'ah Advisory Committee's continuous monitoring; (ii) semi-annual Shari'ah reviews and (iii) An annual Shari'ah audit.

Signed,



Prof. Hamed R.H. Hikmany
Chairman

Shari'ah Advisory Committee to the Zanzibar Treasury Sukuk1 Limited

8.1.4 SUKUK Structure Technical Expert



This SUKUK structure and its other technical aspects have been worked out by **Sheikh Mohamed Issa Hemed**, a Certified SUKUK Professional (CSP), Shari'ah Advisor, Trainer, Consultant on SUKUK Regulations and Guidelines and one of SUKUK pioneering champions in Sub-Saharan Africa.

Sheikh Issa is a Tanzanian Muslim Scholar, Islamic finance expert and a prominent Shari'ah Advisor and Islamic Finance Consultant. He is a Certified SUKUK Professional and Shari'ah Advisory Member for PBZ-Ikhlās since 2023.

He also Yusra SUKUK Company Limited's Executive Chairman, Mayzuh Company Limited CEO & Executive Chairman (Tanzania), Yusra Takaful Brokerage Company Limited Executive Chairman, Savanna Ethical Financing Instruments Limited (Kenya) and Executive Chairman and Mayzuh Company Limited (Zambia).

He has been providing SUKUK training to governments, capital markets regulators, Stock Exchanges, central banks and commercial banks, corporates in various countries globally for more than 10 years.

SUKUK trainings to Tanzania Capital Markets and Securities Authority (CMSA) 2022, Dar es Salaam Stock Exchange (DSE) 2023, Lusaka Securities Exchange (LuSE) 2024 and Uganda Capital Markets Authority (CMA) 2024.


In 2023, he was amongst 10 Trainers mandated by Alhuda Centre for Islamic Banking and Economics to provide a Two-Day SUKUK training to Officials from Bangladesh Ministry of Finance, Bangladesh Central bank, Bangladesh Stock Exchange, Commercial and Investment Banks, Company CEOs and CFOs

He has structured and is currently structuring a number of SUKUK issuance in Tanzania, Zambia and beyond, including but not limited to the first ever listed corporate SUKUK in East and Central Africa- KCB Sahl Fursa SUKUK (2022) while working as Centre for Islamic Finance, Compliance and Advice (CIFCA) Coordinator-Fursa SUKUK Sharia'h Advisor. He has structured the first ever non-financial SUKUK in Tanzania- Premier SRI SUKUK (2024) and the first ever corporate SUKUK in Zambia- Eden Villas Real Estate SUKUK (2024).

Knowing his prowess and expertise in SUKUK industry, his company has been engaged by the Revolutionary Government of Zanzibar (RGoZ) to structure its maiden SUKUK from 2024 to-date. Sheikh Issa has also been heavily involved in establishment of SUKUK issuances Legal and Regulatory framework in a number of countries:

- i) Sovereign, Quasi-Sovereign and GREs SUKUK Bond Guidelines under the Ministry of Finance of the United Republic of Tanzania (2022)-still unadopted
- ii) Sovereign, Quasi-Sovereign and GREs SUKUK Bond Guidelines under the Ministry of Finance of the United Republic of Tanzania (2022)-still unadopted
- iii) Sovereign, Quasi-Sovereign and GREs SUKUK SRI SUKUK Bond Guidelines under the Ministry of Finance of the United Republic of Tanzania (2022) with technical assistance from the United Nations Development Programme (UNDP)-still unadopted
- iv) Corporate, Municipals and Subnationals SUKUK Bond Guidelines under CMSA (Tanzania), Gazetted in the Government Gazette No. 731 of 2023
- v) He is currently working as a Consultant to United Nations Economic Commission for Africa (UNECA) to establish Islamic Capital Markets (ICM) Regulations for Uganda, 2024-25 as a Consultant from Nairobi-based Savanna Ethical Financing Instruments Limited.

8.1.5 Shari'ah Scholars' Profiles

Position: Chairman - Shar'iah Advisory Committee (SAC)	
Name:	Prof Hamed R.H.Hikmany
	<p>Professor Hamed R.H Hikmany is a Chairman for the Shari'ah Advisory Committee (SAC) member.</p> <p>Professor Hikmany holds a PhD in Economics of Education from University of Wales, College of Cardiff in 1990 and an MA in the same field from the University of London).</p> <p>He is also a recognized scholar by Office of Grand Mufti of Zanzibar, Union of African Muslim Scholars based in Senegal and Hayat Ulamaa Tanzania. He is a renowned member of the Executive Committee of Centre for Islamic Finance, Consultancy and Advice (CIFCA). His knowledge and specialization in the Islamic Finance arena includes: Islamic Economics, Islamic Finance and Banking, Islamic Social Finance, Islamic Commercial Law, Waqf and Zakat Management, Islamic Capital Markets (SUKUK) and Takaful (from IIIT and INCIEF in Malaysia; Khartoum, Dubai and UK).</p> <p>Professor Hikmany, is Currently serving as the Chairman of Board of Directors for Zanzibar Revenue Authority; Chairman of Sharia'h Advisory Committee (SAC) for PBZ Bank - IKHLAS; Member of Governing Board for Indian Institute of Technology Madras Zanzibar Campus and the Principal of Zanzibar School of Health-a private higher learning institution;.</p> <p>Professor Hikmany has served various positions through his career journey:</p> <ol style="list-style-type: none"> 1. From 1991 to 2008 he held various Presidential appointments in Finance, Education, Investment and Development Planning and was simultaneously engaged by UNDP on various assignments 2. From 1992 to 1993 he was a member of Technical Committee for Financial Reforms (including banking reforms) in the United Republic of Tanzania and retired from public services in 2010 3. From 2011 to 2014 he became the Principal for University College of Education Zanzibar and later promoted to Acting Vice Chancellor, Abdulrahman Al-Sumait University (2014 -2018) 4. On Technology he was a consultant for Karume Institute of Science and Technology 5. In the field of Banking and Finance, he is the founder of Zanzibar Institute of Financial Administration, and a retired Chairman of the Boards for: Zanzibar Insurance Cooperation and Wakf and Trust Commission. <p>Throughout his career, Professor Hikmany has demonstrated his deep experience in bilateral and multilateral negotiations for project financing with: World Bank, IMF, AfDB, Islamic Development Bank, UNDP, SIDA, CIDA, OPEC, NORAD, UNIDO, UNCTAD, Saudi Development Fund and Abu Dhabi Fund for Development.</p>
Education:	<ul style="list-style-type: none"> ▪ Phd in Education (Economics of) (University of Wales College of Cardiff), UK (1987 -1990) ▪ M. A. in Economics of Education (University of London, Institute of Education). London, UK. (1985 - 1987) ▪ Diploma in Education Planning (University of London Institute of Education) London, UK (1984 - 1985) ▪ Certificate in Educational Planning (Murray House College of Education, Glasgow, Scotland (April 1981)

	<ul style="list-style-type: none"> ▪ Diploma in Educational Administration (University of Leeds), Leeds, UK (1980 -1981) ▪ Certificate in Teacher Education (Nkrumah Teacher Training College, Zanzibar), Nkrumah, Zanzibar (1976).
Other Related Trainings	<ul style="list-style-type: none"> ▪ Certificate in KYC (Know Your Customer) ▪ Certificate in Shari’ah Compliant Business ▪ Certificate in Sharia’h Audit in the Light of AAOIFI ▪ Certified Islamic Finance Risk Assessment and Mitigation Specialist ▪ Diploma in Islamic FINTECH ▪ Certified Waqf Practitioner

Position: Member - Shar’iah Advisory Committee (SAC)

Name: Yassir Salim Awadh



Yassir Salim Awadh is a Member for the Shari’ah Advisory Committee (SAC) member.

Yassir holds an MBA (Marketing) from Oxford Brookes University, UK and a Bachelor of Business Administration (BBA - Hons) in International Studies, Finance, IT & Marketing from International Islamic University, Malaysia (1993 - 1997).

He is a highly experienced Islamic finance expert, corporate leader, and Shari’ah advisor with over 25 years of experience in banking, financial management, Islamic finance, and corporate governance.

He is skilled in strategic planning, product development, training, and compliance in Islamic banking; adept at translating Islamic principles into financial solutions and development projects.

His areas of expertise include: Islamic Finance & Shari’ah Advisory; Strategic Business Management; Corporate Governance & Compliance; Islamic Marketing & Business Development; Product Development & Shari’ah Structuring; Financial Inclusion & Microfinance; and Training & Capacity Building

Yassir has held various executive and Shari’ah advisory roles, including:

1. Executive Committee Member - Tanzania Education & Development Trust (TEDT) (2023 - Present)
2. Shari’ah Advisor - Yusra SUKUK & Takaful, Tanzania (Aug 2022 - Present)
3. Executive Chairman - TAMPRO SACCOS Ltd, Tanzania (Jan 2022 - Present)
4. Shari’ah Advisor - NBC Bank (March 2020 - Present)
5. Shari’ah Advisor - Shirkah Investors Network (2019 - Present)
6. Islamic Finance Expert - USAID-Engine Program (2019)
7. Secretary General - CIFCA (2011 - 2020)
8. Head of Islamic Banking - NBC La Riba (2010 - 2016)
9. Shari’ah Advisor to KCB Sahl Dursa SUKUK (2022) and Premier SUKUK (2024)

In addition, Yassir has held additional leadership and consultancy roles, including:

10. Institutional Review Board Member - Ifakara Health Institute (2012 - 2021)
11. Executive Chairman (Tanzania Chapter) - Helping Hands for Relief & Development (2013 - Present)
12. Executive Director - IDB Education Trust Fund (2007 - 2009)
13. Consultant & Translator - MADA (2003 - 2010)

14. Executive & Secretary General - TAMPRO (2001 - 2008)

15. Health Administrator & Financial Controller - Al-Jumaa Charitable Dispensary (1998)

16. Trainee in Islamic Banking - Bank Islam Malaysia (1996)

Education:

- MBA (Marketing) - Oxford Brookes University, UK (1999 - 2000)
- BBA (Hons.) in International Studies, Finance, IT & Marketing - International Islamic University, Malaysia (1993 - 1997)

Other Related Trainings

- Certified in Shari'ah Compliance Banking (Bank of Tanzania, 2012 & 2013)
 - Certified in Health Research Ethics & Practice (Harvard School of Public Health, 2012)
 - Investment in Excellence Certification (Pacific Institute, 2012)
 - Certified in Shari'ah Banking & Governance (Tadamon Islamic Bank, Khartoum-Sudan 2011)
 - Entrepreneurship Training (UDEC, 2007)
- Critical Thinking & Professional Development (Law Society, 1996)

Position: Shar'iah Advisory Committee (SAC Member)

Name: Dr. Said S. Mzee



Dr. Said S. Mzee is a Shari'ah Advisory Committee (SAC) member.

Dr. Said S. Mzee holds PhD in Finance from University Putra Malaysia (UPM), and Masters in Business Administration (MBA) with option in Finance and Banking from Mzumbe University, Tanzania in 2002.

Said S. Mzee (PhD) is currently serving as a Deputy Principal Secretary at the Ministry of Trade and Industrial Development. Before occupying the current post, he was an Accountant General of the Revolutionary Government of Zanzibar from January 2022 to February 2024.

Dr. Said S. Mzee was formerly working as a Managing Director of Zanzibar State Trading Corporation (ZSTC) State Owned Enterprises from July, 2016 to January, 2022, Deputy Principal Secretary of the Ministry of Trade, Industry and Marketing between 2014 and 2016, Project Officer (Zanzibar) Millennium Challenge Account Tanzania (MCA-T), Zanzibar Office between 2008 to 2009, Chief Academic Officer and Head of Finance and Account Department at the then Zanzibar Institute of Financial Administration (ZIFA) now known as School of Business of the State University of Zanzibar (SUZA) between 2005 to 2014. Dr. Said S. Mzee has researched and published number of articles in Banking, Economic and Finance in International Journals. He also served as reviewer for number of International Journals.

Dr. Said S. Mzee has vast experience in Finance, Economic, Business Administration, Export Market, Strategic Management, Leadership, Banking and Monitoring and Evaluation career for over 20 years. He has:

1. Undertaken consultancies in both Public and private sectors in the areas of Finance, Economics, Trade, Management, Leadership, Change Management and Poverty. He was part of the team that had undertaken the economic and financial analysis for the Millennium Challenge Corporation (MCC) from United State of America projects in Tanzania (Millennium Challenge Account) between 2006 and 2008
2. Served and continues to serve various Public and Private Boards and Committees including Zanzibar Fair Competition Tribunal, Zanzibar Weights and Measures Agency, Abdulrahman Al Sumait Memorial University, TIB Development Bank, National Council for Technical Education (NACTE) Business and Management, Zanzibar National Business

and Incubation and Zanzibar Monitoring and Evaluation Association (ZAMEA), Zanzibar Road Fund (ZRF), Zanzibar Revenue Authority (ZRA) and Deep-Sea Fishing Authority

Education:	<ul style="list-style-type: none">▪ PhD in Finance, Graduate School of Management, University Putra Malaysia, Malaysia (2009-2013)▪ MBA (Finance and Banking), Graduate School, Mzumbe University, Morogoro, Tanzania (2000-2002)▪ Advanced Diploma in Legal and Industrial Metrology, College of Business Education, Dar es Salaam, Tanzania (1994-1997)▪ Full Technician Certificate in Automotive Engineering, Karume Technical College, Zanzibar (1986-1989)
Other Related Trainings	<ul style="list-style-type: none">▪ Fellow of American Academy of Project Management (FAAPM), 2018▪ Certified Public Finance Management Accountant (CPFMA), Mombasa, Kenya, 2019▪ Doctor of Executive Leadership and Management (DELM), (Honoris Causa), Geofidel Institute for Leadership and Management, London, United Kingdom and Stratford University of United States of America, November 2021▪ Doctor of Business Administration (DBA) in Finance and Administration (Honoris Causa), Commonwealth University, London, United Kingdom, 2018.

Position:

Member - Shar'iah Advisory Committee (SAC)

Name:

Sheikh Abdallah Swaleh Ndauga



Sheikh Abdallah Swaleh Ndauga is a **Member** for the Shari'ah Advisory Committee (SAC) member. Sheikh Ndauga holds a Bachelor's degree in Hadith & Islamic Studies, Islamic University of Madina, in the Kingdom of Saudi Arabia.

Sheikh Abdallah Swaleh Ndauga is a highly respected Islamic scholar, educator, humanitarian leader, and Islamic finance expert. With extensive knowledge in Hadith, Fiqh, and Shariah governance, he has played a pivotal role in shaping Islamic education, social welfare, and financial inclusion in Tanzania.

As Chairman of the Organisation of Muslim Scholars in Tanzania (Hay'at Ulamaa) and African Relief Organization (ARO), he has led numerous initiatives to uplift communities, educate future scholars, and promote ethical Islamic financial practices.

In addition to his work in Islamic education and humanitarian efforts, Sheikh Ndauga has made significant contributions to Islamic finance, particularly in Shariah compliance and SUKUK structuring, Shariah governance, and financial ethics. His deep understanding of Islamic jurisprudence (Fiqh al-Muamalat) has made him a key figure in reviewing, guiding, and advising on various Islamic financial instruments including:

1. KCB Sahl SUKUK - One of Tanzania's pioneering Islamic bond instruments
2. Premier Education SUKUK - Designed to fund education projects under Islamic financial principles
3. Other Upcoming SUKUK - Actively involved in reviewing SUKUK structures yet to be launched in Tanzania
4. Shariah Compliance & Ethical Finance - Advises financial institutions on Islamic banking, risk management, and interest-free financial models

Through these contributions, Sheikh Ndauga continues to bridge the gap between Islamic scholarship and modern financial practices, ensuring that Islamic finance in Tanzania

- Education:**
- Bachelor of Hadith & Islamic Studies, Islamic University of Madina, Saudi Arabia (1985-1989)
 - Certificate of Secondary Education in General Islamic Studies Madina University, Saudi Arabia (1981-1984)
 - Certified in Shari'ah Banking & Governance (Tadamon Islamic Bank, Khartoum-Sudan 2011)
 - Certificate of Middle School in Islamic Studies, Islamic Centre, Dar es Salaam, Tanzania (1980).

Relevant Skills

- **Islamic Jurisprudence (Fiqh) & Hadith Sciences - Deep knowledge in Islamic rulings, Hadith authentication, and Tafsir (Qur'an Translation)**

Islamic Finance & SUKUK - Expertise in Shariah-compliant finance, SUKUK reviews, and ethical financial practices

Leadership & Governance - Leads multiple Islamic institutions, ensuring per Shariah compliance and organizational management

Education & Training - Over three decades of teaching experience in Islamic studies, finance, and community development

Humanitarian & Social Work - Passionate about orphanage care, relief aid, and poverty alleviation

Public Speaking & Advocacy - A respected Islamic speaker, addressing contemporary Islamic finance, ethics, and social issues

Teamwork & Collaboration - Works with Islamic scholars, financial

institutions, and policymakers to promote ethical Islamic banking and social justice.

Position: Member - Shar'iah Advisory Committee (SAC)

Name: Sheikh Shaaban Salum Humud Albattash



Sheikh Shaaban Salum Albattash is a Member for the Shari'ah Advisory Committee (SAC) member.

Sheikh Shaaban holds a Bachelor's degree in Education from College of Education of Nizwa, in Sultanate of Oman.

Sheikh Shaaban has an intensive experience is providing advise on Islamic jurisprudence. He is currently working as a member of scholars for the High Court of Zanzibar. He is also a member of scholars of Grand Mufti's office in Zanzibar.

Sheikh Shaaban also is a renowned contributor to the Television Educational programs with various stations including As-Salaam Television, Zanzibar Cable Television. ZBC2 and others.

Sheikh Shaaban in his capacity as a religious leader, he has held various positions including:

1. Teacher at Mahad Ihyaa;
2. Head Teache Mahad Istiqama;
3. Grand Sheikh - Istiqama Muslim Community of Tanzania;
4. Director, Grand Mosque of Zanzibar (Jamii Zinjibar)
5. Coordinator, Consulate of Oman in Zanzibar; and
6. Member of the sexual abuse committee in office of the Director of Public Prosecutions of Zanzibar.

Education:


- Bachelor's degree in Education from College of Education of Nizwa, in Sultanate of Oman (2007).
- Advanced Secondary Certificate in Islamic Knowledge and Shari'ah, Islamic Institute for Islamic Studies (2003).

Other Related Trainings

- Training on Mass Media & Communication, Al-Istiqama TV (2015 &2017);
- First Assurance Security and Services, 2021;
- Awareness through Mosque tours training, 2023;
- Understanding of Islamic financial system, 2015; and
- Development of Endowment (Waqf), 2023.

8.1.6 Zanzibar Sukuk Shari'ah Compliant Certificate

مركز مراقبة المعاملات المالية الإسلامية والإستشارات
Centre for Islamic Finance Compliance and Advice



In the Name of Allah, Most Beneficent, Most Merciful

SHARI'AH COMPLIANCE CERTIFICATE

This certificate is presented to **ZANZIBAR TREASURY SUKUK1 LIMITED** for its first **Quasi-Sovereign, Asset Based, Ijara Usufruct – Sukuk**, worth **TZS 1,115,000,000,000 (One Trillion, One Hundred Fifteen Billion Tanzanian Shillings Only)**, and structured in three (3) tranches, with the first tranche being **TZS 300,000,000,000 (Three Hundred Billion Tanzanian Shillings Only)** with a **Green Shoe option of TZS 300,000,000,000 (Three Hundred Billion Tanzanian Shillings Only)**.

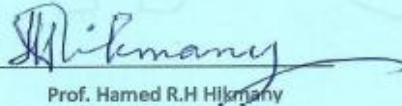
The Shari'ah Advisory Team from the Centre for Islamic Finance, Compliance and Advice (CIFCA), acting as the Shari'ah Advisor and Transaction Agent for this issuance, has reviewed the proposed Sukuk structure, including: Prospectus; Ijarah Agreement; Master Trust Deed (Declaration of Trust); Final Terms and Conditions; Assets Transfer Agreement; Purchase/Sale Undertaking; Sukuk Assets Service Agency Agreement; Transaction Agents Agreement; and Takaful Repayment Enhancement (*At-Tahayyut*).

Following an extensive review, the Shari'ah scholars have reached an independent conclusion that: the proposed Ijarah Sukuk structure, its key documentations, SPV operations, and the investment of Sukuk proceeds are **fully compliant** with the principles of Shari'ah. Thus, the issuance is declared **Shari'ah-compliant**.

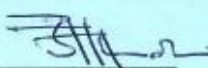
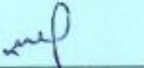
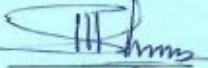

However, this certificate **does not constitute a lifetime validation** of the Sukuk's compliance. It is issued **conditionally**, requiring continuous Shari'ah adherence by the Issuer, Originator, and all Transaction Agents throughout the Sukuk tenure. Compliance shall be validated through: (1) Ongoing monitoring by the Shari'ah Advisory Committee, (2) Semi-annual Shari'ah reviews and (3) An annual Shari'ah audit.

Should the **Shari'ah Advisors** find any **non-compliance** with Shari'ah principles during the Sukuk tenure, they will not hesitate to issue a **Fatwa** declaring this instrument **non-compliant**.

Issued and signed under our hands this 12th day of February 2025.


Prof. Hamed R.H Hijmamy
Chairman
Shari'ah Advisory Committee to the Zanzibar Treasury Sukuk1 Limited

Other Committee Members:

 Sheikh Abdallah S. Ndauga	 Sheikh Yassin Masoud	 Dr. Said S. Mzee	 Sheikh Shaaban S. Albatashi
--	---	--	--

1

P.O. Box 5533, Plot 13 HSE No. 2, Morogoro/Lumumba Road, Dar es Salaam, Tanzania
Tel: +255 22 210 2687 | Fax: +255 22 210 2682 | Email: enquiries@cifca.online
www.cifca.online



**Zanzibar SUKUK
Programme
Offering Overview
(9)**

9. Section Nine: Zanzibar SUKUK Programme Offering Overview

The following overview should be read as an introduction, and is qualified in its entirety by reference, to the more detailed information appearing elsewhere in this SUKUK Programme Base Prospectus/Offering Circular. This overview does not contain all of the information that an investor should consider before investing in the Certificates. Each investor should read the entire SUKUK Programme Base Prospectus/Offering Circular carefully, especially the risks of investing in the Certificates discussed under “*Risk Factors*” as well as the accompanying transaction documents (the “*Schedules to SUKUK Programme Base Prospectus*”).

Words and expressions defined in the Conditions shall have the same meanings in this overview.

Certificates:	TZS 1,115,000,000,000.00 (One Thousand One Hundred and Fifteen billion Tanzanian Shillings only) Asset-based SUKUK Trust Certificates.
Issuer/Trustee/SPV:	Zanzibar Treasury SUKUK1 Limited, formed and registered by the RGoZ a legal entity incorporated on 07th February, 2025 under the laws of the Zanzibar and with its offices at Takwimu House, Mazizini, Urban West, Zanzibar.
Ownership of the Issuer/Trustee/SPV:	The authorised share capital of the Issuer/Trustee/SPV TZS 5,000,000,000.00 (Five billion Tanzanian Shillings) consisting 50,000 ordinary shares of TZS 100,000.00 each. The Issuer /Trustee/SPV's entire issued share capital is held in trust on behalf of the RGoZ under the terms of Master Declaration of Trust
Administration of the	The affairs of the Issuer/Trustee/SPV are managed by appointed Issuer/Trustee/SPV Directors of the Issuer/Trustee/SPV, who have been appointed by The Revolutionary Government of Zanzibar to perform certain managerial functions of the SPV and provide certain clerical, administrative, financial and other services pursuant to Company Memarts and Memorandum of Articles of the Issuer/Trustee/SPV
Originator/Seller/ and Service Agent:	The Revolutionary Government of Zanzibar(RGoZ)
Risk Factors:	Certain factors may affect the Issuer/Trustee/SPV's ability to fulfil Its obligations under the Certificates and the Originator's ability to fulfil its financial obligations under the Transaction Documents to which it is a party. In addition, certain factors are material for the purpose of assessing the market risks associated with the Certificates. These are set out under “ <i>Risk Factors</i> ” in Section Four (4) of the Base Prospectus.

Lead Arranger/Manager: Yusra SUKUK Company Limited, a fully-fledged first Shari’ah compliant capital markets Dealer in Securities and Investment Adviser, duly licensed by Capital Markets and Securities Authority (CMSA), with its office at 23rd Floor, Rita Tower, Dar es Salaam, Tanzania

E-mail: ceo@yusraSUKUK.world
Website: www.yusraSUKUK.world

Shari’ah Advisor: Centre for Islamic Finance, Compliance and Advice (CIFCA), 4th Floor, Plot No 13, House No.2, Morogoro Road/Lumumba Street
Dar es Salaam, Tanzania.
info@cifca.online
Website: www.cifca.online

Legal Advisor: Lawfields Advocates & Legal Consultants
Plot No 559, Kiembe Samaki, Nyerere Road,
P.O. Box 1342, Unguja West “B”, Zanzibar.
Tel: +255 746 900 020 +255 754 711 333
Email: info@lawfields.co.tz
Website: www.lawfields.co.tz

SUKUK Delegate: BM Attorneys,
RITA Tower, 22nd Floor, Plot No. 727/11, Makunganya Street, New Postal Area,
Dar Es Salaam - Tanzania.
Mob: +255 713 956 803
E-mail: info@bmattorneys.com
Website: www.bmattorneys.com

Receiving Bank :Peoples Bank of Zanzibar-Ikhlās
PBZ Head Office Mpirani,
P.O Box 1173
Zanzibar, Tanzania.
Tel: +255 242234579
Mob:080 000 0004
E-mail: info@pbzbank.co.tz
Website: www.pbzbank.co.tz

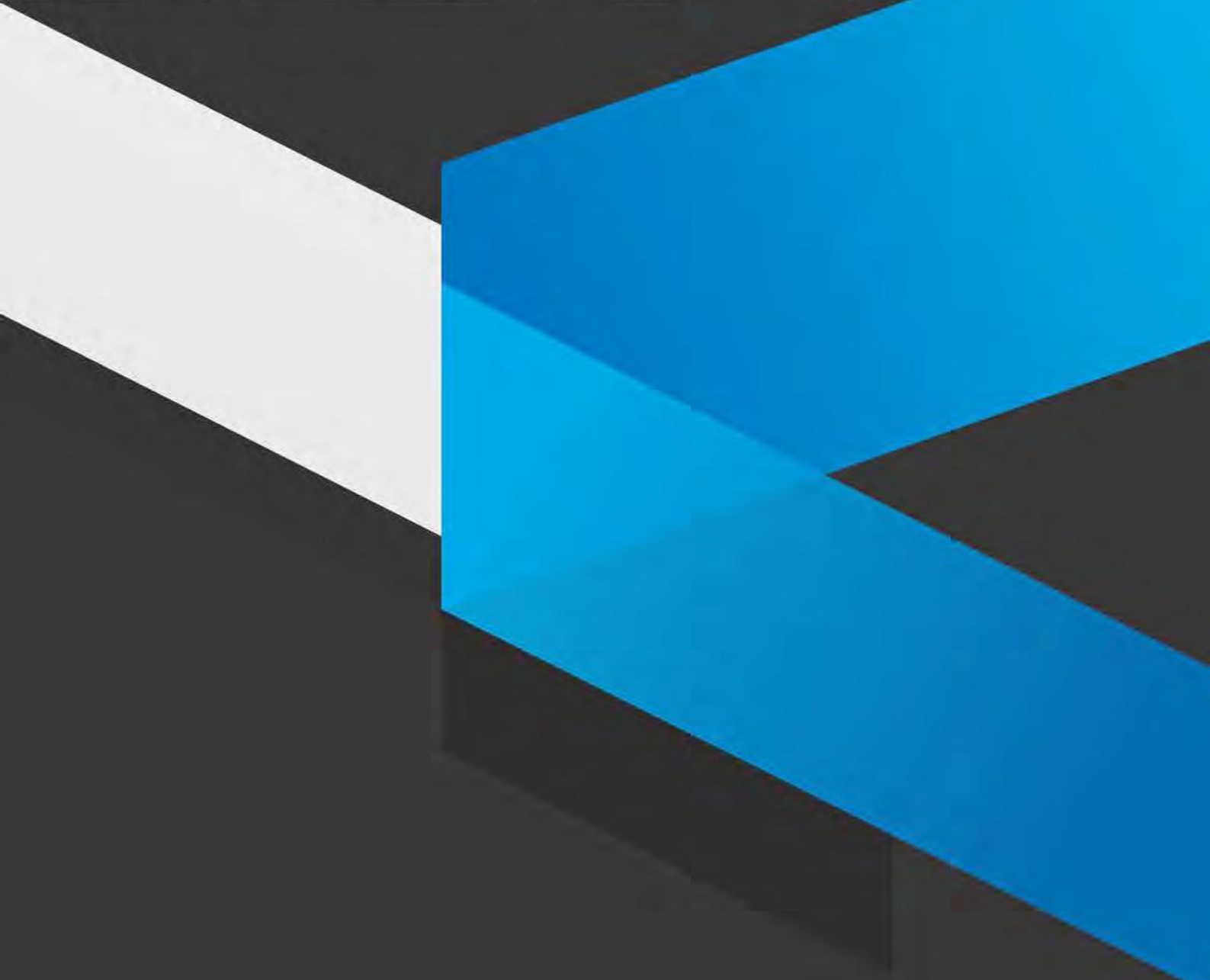
Collecting Bank/Agent :CRDB Bank Plc, (Albarakah), Ali Hassan Mwinyi Road,
Plot No. 25 & 26 Dar es Salaam, Tanzania.

a :Amana Bank, Ohio Street,57PQ+6HP, Dar es Salaam, Tanzania

Plaza, :KCB Tanzania Limited (KCB Sahl Banking), KCB Harambee
677H+M5V, Dar es Salaam, Tanzania.

:National Bank of Commerce (NBC) Limited (NBC La Riba)
Sokoine Drive & Azikiwe Street, Dar es Salaam Tanzania

:Shirkah Asset Management Company (Shirkah), 2nd Floor, 5
Bains Avenue, Masaki, Dar es Salaam, Tanzania.



Registrar/Transfer Agent:	CSD & Registry, P. O. Box 70081, 1st Floor, the Exchange Tower, Morocco Square, Ali Hassan Mwinyi Road & Mwai Kibaki Road Junction, Dar es salaam, Tanzania Tel: 255 22 2128740 Mob: 255 746 160516/255 677 070414 Email: info@CSD & Registry.co.tz Website: www.CSD & Registry.co.tz
Takaful Insurers:	ZIC Takaful Company Limited, Head Office, 3rd Floor, ZIC Building, Maisara Mpirani, Zanzibar. Tanzania. Tel: +255 777 410 204 / +255 24 223 267 E-mail: takaful@zic.co.tz Website: www.zictakaful.co.tz
Reporting Accountant:	BDO Tanzania 4th Floor, ZO Spaces, Plot No.4 New Bagamoyo Road P.O Box 9912 Dar es Salaam Tanzania Email: tanzania@bdo-ea.co.tz www.bdo-ea.com
Rating Agency:	Sovereign Africa Rating (SAR), 94 Bekker Street, Vorna Valley, Midrand, Thornhill Office Park Block 13 Johannesburg, South Africa. Tel: Call: +27 10 203 9921 Mob: +27 78 743 0981 E-mail: info@saratings.com Website: www.saratings.com
Structure and Transaction Documents:	cashflows is set out under “ <i>Structure Diagram and Cashflows</i> ” and a description of the principal terms of certain of the Transaction Documents is set out under “ <i>Summary of the Principal Transaction Documents</i> ”
Subscription Opening Date:	Thursday 6 th March, 2025
Subscription Closing Date:	Friday 4 th April, 2025
Allotment Day:	Saturday 5 th April, 2025
Issue Date:	Saturday 5 th April, 2025
Maturity Date:	Monday 5 th April, 2031
Issue Price:	TZS 100,000.00 single unit “Sakk”, minimum amount TZS 1,000,000.00 (10 SUKUK or units)

Scheduled Dissolution Date: Unless previously purchased and cancelled or otherwise redeemed, the Certificates will be redeemed on Monday 5th April, 2032.

Periodic Distribution Dates: 5th April and 5th October every year, commencing on 5th October 2025 when the first periodic distribution to investors shall be made.

Periodic Distributions: Periodic Distribution Amounts shall be payable in arrears of monthly rentals in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such dates and shall accrue at the rate of 10.5 per cent. per annum

Early Dissolution for The Conditions will contain a provision for optional

Taxation Reason In respect of the Certificates on each Periodic Distribution not in part, if:

(i) the Issuer/Trustee/SPV has or shall not become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Zanzibar enforced by any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30th April 2025, and (B) such obligation cannot be avoided By the Issuer/Trustee/SPV taking reasonable measures to pay additional amounts pursuant to terms of any Transaction Document as a result of any change in, or to, the laws or regulations of the Islands of Zanzibar enforced by any government authority thereof or therein authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 6th March, 2025, and (B) such obligation cannot be avoided by the Originator taking reasonable measures available to it. The terms of exercise are further described in Condition 8(b) (Early Dissolution for *Taxation Reasons*) of the Final Terms and Conditions.

Dissolution at the Option of the Issuer/Trustee/SPV This Conditions will contain a provision for optional redemption by Issuer/Trustee the Issuer/Trustee /SPV by paying the Dissolution Amount.

Early Redemption: Early Redemption shall occur if the Issuer/Trustee/SPV decides to redeem the certificates following (i) a major Force Majure event that renders the ability of the Issuer/Trustee/SPV and the Originator to honour their financial obligation towards the Certificate holders (ii) the SUKUK underlying asset are totally devalued below 33% of the certificate value and are

Form of Certificates:

The Certificates will be issued in Dematerialized form as described in “”. The Certificates will be represented on issue by ownership interests in a Dematerialized Certificate which will be deposited with, and registered in the name of a nominee of, a common depository at **CSD & Registry**. Ownership interests in the Dematerialized Certificate will be shown on, and

transfers thereof will only be effected through, CSD & Registry records maintained by each relevant clearing system and its participants. Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in the Dematerialized Certificate only in limited circumstances.

Clearance and Settlement: Certificateholders shall hold their interest in the Dematerialized Certificate in book-entry form through CSD & Registry as the programme Registrar and Transfer Agent. Transfers within and between Tanzania will be in accordance with the usual rules and operating procedures of the relevant clearing systems.

Denomination of Certificates:

The Certificates will be issued in registered form in face amounts of TZS 100,000.00 per a unit (Sakk) with minimum subscription Amount of 10 SUKUK (units) TZS 1,000,000.00 and thereafter integral multiples of TZS 1,000,000.00 in excess thereof.

Status of the Certificates:

Each Certificate will represent an undivided ownership interest in the Trust Asset, will be a limited recourse obligation of the Issuer/Trustee/SPV and will rank *pari passu* without any preference or priority with all other Certificates. See Condition 4 (*Status*). The payment obligations of the Originator under the Transaction Documents to which it is a party, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b) (*Originator Covenants*), at all times, rank at least equally with all other unsecured and unsubordinated obligations of the Originator, present and future.

Trust Asset:

The Trust Asset comprise of:

- (i) Abeid Amani Karume International Airport (AAKIA). It is the main airport in the Zanzibar Archipelago located on Unguja Island. It is about 5 kilometres (3.1 mi) south of Zanzibar City, the capital of Zanzibar, and has flights to East Africa, Eue, and the Middle East;
- (ii) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (iii) the ownership interest, rights, benefits and entitlements, present and future, of the

Issuer/Trustee/SPV in basing the SUKUK Certificates and to the rights on projects asset purchased by the Issuer/Trustee/SPV pursuant to the Asset Transfer Relocation letter, transferring the usufructs of AAKIA to the Issuer/Trustee/SPV, issued by the Originator and which remain to be leased pursuant back to the Originator at SUKUK via the Purchase Undertaking or the Sale Undertaking (as the case may be);

- (iv) the benefits, rights, and entitlements, present and future, of the Issuer/Trustee/SPV in, to and under the Transaction Documents (excluding any representations given by the Originator to the Issuer/Trustee/SPV and/or the SUKUK Delegate pursuant to any of the Transaction Documents); and
- (v) all moneys standing to the credit of the Issuer/Trustee/SPV/SPV Transaction Account from time to time, and all proceeds of the foregoing, upon trust for the Certificateholders *pro rata* according to the face amount of Certificates held by each holder in accordance with the Declaration of Trust and the Conditions.

Dissolution Events:

Subject to Condition 12 (*Dissolution Events*) and Condition 13 (*Realisation of Trust Asset*), upon the occurrence of a Dissolution Event, the Issuer/Trustee/SPV and/or the SUKUK Delegate shall take the actions referred to in Condition 12(b) (*Enforcement and Exercise of Rights*).

Withholding Tax:

Subject to Condition 9(b) (*Payments subject to Fiscal Laws*) and Condition 10 (*Taxation*), all payments in respect of the Certificates shall be made without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Zanzibar Islands, the United Republic of Tanzania or enforced by any authority thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer/Trustee/SPV will pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required.

The Transaction Documents provide that payments thereunder by the Originator shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law and, in such case, provide for the payment by the Originator of additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer/Trustee/SPV.

Issuer/Trustee/SPV Covenants:

The Issuer/Trustee/SPV has agreed to certain restrictive covenants as set out in Condition 6(a) (*Issuer /Trustee/SPV Covenants*).

Originator Negative Pledge:

The Originator has agreed to certain negative pledge provisions as set out in Condition 6(b) (*Originator Covenants*).

Ratings:	The Certificates will be rated by Sovereign Africa Rating, Johannesburg, South Africa before the programme and after programme.
Certificateholder Meetings:	A summary of the provisions for convening meetings of the Certificateholders to consider matters relating to their interests as such is set out in Condition 14 (<i>Meetings of Certificateholders, Modification, Waiver and Substitution</i>).
Tax Considerations:	See “ <i>Taxation</i> ” for a description of certain tax considerations applicable to the Certificates.
Listing and Admission to Trading	The SUKUK Certificate is made to the Dar es Salaam Stock Exchange Limited (the “DSE”) for the listing on the Exchange after the SUKUK programme has been issued the Certificates will be traded on the DSE at a minimum board
Transaction Documents	This SUKUK Programme Base Prospectus, the Usufructs Ijarah (Lease) Agreement, the Declaration of Trust, The Final Terms And Conditions, the Asset Transfer Agreement, the Letter of Allocation of Asset, the Asset Service Agency Agreement, the Purchase/Sale Undertaking Agreement, the Transaction Agency Agreement and the Takaful Credit Enhancement and the Report. These shall be referred to herein as the “ Transaction Documents ”.
Governing Law:	The Certificates and the Transaction Documents and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with the laws of the United Republic of Tanzania and Zanzibar.
Waiver of Immunity:	To the extent that the Originator may, claim for itself or its asset or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to the Originator or its assets or revenues from such assets and has agreed not to claim and irrevocably and unconditionally waive such immunity to full extent permitted by the laws of the United Republic of Tanzania and Zanzibar
Limited Recourse:	The Originator’s sources of revenue designated to the Trust Certificates are the sole source of payments to enable it to honour its financial obligations towards the SUKUK Certificateholders through the Issuer/Trustee/SPV. Save as otherwise provided in Condition 4 (b) of the Final Terms and Conditions “ <i>Limited Recourse and Agreement of Certificateholders</i> ”, the Certificates do not represent an interest right in or obligation of the Issuer/Trustee/SPV, the Lead Arranger/Transaction Manager, SUKUK Delegate and the Originator or any of the Transaction Agents or any of their respective affiliates. The proceeds of the Trust Asset are the sole source of payments on the Certificates. If the proceeds of the Trust Asset are insufficient to make all payments due in respect of the Certificates, Certificateholders will have a limited recourse to any asset of the Issuer/Trustee/SPV (and/or its directors, officers or shareholders) (other than the Trust Asset) or of the SUKUK Delegate or the Agents or any of their respective affiliates, Credit enhancers, officers, directors or employees, in each case in respect of any shortfall or otherwise.



See Condition 4(b) (*Limited Recourse and Agreement of Certificateholders*) for further details.

Selling Restrictions:

These SUKUK certificates are restricted from sale and/or distribution of this Offering Circular and therefore these certificates shall not be sold outside the United Republic of Tanzania jurisdiction Tanzania (See “*Subscription and Sale*” in the Final Terms and Conditions of the SUKUK Programme)



Description of the Originator (10)

10. Section Ten: SUKUK Originator's Description

The Revolutionary Government of Zanzibar (“Zanzibar” or the “Government”) is made up of group of Islands in the Indian Ocean that form part of the United Republic of Tanzania (Tanzania). Zanzibar gained its independence from Britain in 1963 and in 1964, it formed a political union with Tanganyika to form Tanzania but retained its semi-autonomy with the union with its own government, parliament (House of Representatives) as well as its judiciary.

Zanzibar is the second largest Islands in the east coast of African continent after Madagascar. The Zanzibar Archipelago is made up of over 23 islands and islets, including two main islands of Unguja and Pemba.

10.1 Geographical Location

Zanzibar archipelago is located 30 kilometres off the Coast of East Africa, between 5- and 7-degrees South of the Equator, at a distance of about 257.56 nautical miles (477.32 kilometres) and about 73 kilometres (24 minutes), is estimated to have land area of 2,654 square kilometres and an Exclusive Economic Zone (EEZ) of 241,541 square kilometres.


10.2 Administratively

Zanzibar is a semi-autonomous part of the United Republic of Tanzania, with its own President and Government structure including the Cabinet, Legislature, and Judiciary. The Government of Zanzibar is officially known as the Revolutionary Government of Zanzibar, which is fully responsible for all non-union Zanzibar related matters. Zanzibar practices multiparty democracy, and its constitution of 1984 calls for the inclusion of the opposition party in the government to form a Government of National Unity.

10.3 Economy

Overall, Zanzibar's economic performance has been impressive in recent years, growing at an average of 7.3 percent from 2017 to 2019, while average prices increased by 4.1 percent during the same period. The economy of Zanzibar is divided into three major sectors: service (tourism, trade, transportation and storage, and other private and public services); industries (manufacturing, construction, and mining); and agriculture (including forestry, cs, livestock, and fishing). The contributions of these sectors to GDP are 51.7 percent, 20.1 percent, and 18.4 percent, respectively, for services, agriculture, and industries respectively.

The recently released reports of the IMF and World Bank, indicate global growth to be relatively stable in 2024. Specifically, in the last quarter of 2024, there was a remarkable improvement in the global economic conditions. Growth improved, inflation continued to decline in many economies, financial conditions eased, and commodity prices, particularly crude oil, moderated, thereby significantly benefiting Zanzibar economy.



A more assessment made by the Sovereign Africa Ratings in February 2024, confirmed the improvement in the macroeconomic environment, thereby rating the country with B+ rating with a stable outlook on a short-term while the rating over long-term is BBB+ with a stable outlook. The key points of the assessment of the economic performance and outlook are as follows:

- (a) Zanzibar economy demonstrated robust performance in 2024, with a growth path reflecting resilience and effective policy implementation. The economy grew at 6.4 percent and 7.2 percent in the first and second quarters of 2024, respectively, and is positioned to be sustained in the subsequent two quarters. This will result in annual growth of 7.2 percent. The key drivers included tourism, manufacturing, construction, and real estate development.

Projections for 2025 indicate continued strength in the economy. Mainland Tanzania is expected to grow at around 6 percent, and Zanzibar economy is expected to grow at around 6.8 percent. The positive outlook is underpinned by several factors, including tourism, progress in construction projects, improvements in transport and logistics, real estate development, manufacturing, and supportive fiscal and monetary policies.

- (b) Inflation remained stable throughout 2024, well-below the target of 5 percent. In the fourth quarter of 2024, annual inflation was around 4.5 percent, driven by the adequate food supply, supportive fiscal and monetary policies, and moderation in commodity prices, particularly crude oil, in the world market.

Inflation is projected to remain low in the first quarter of 2025, at around 4.0 percent mainly due to sufficient food availability, stable exchange rate, and moderate global commodity prices, particularly crude oil. The risk to the inflation outlook is low, but the OPEC+ production decision might slightly elevate the risk.

- (c) Foreign exchange liquidity improved significantly during the quarter ending December 2024, driven by a combination of factors. A decline in interest rates in advanced economies owing to monetary policy easing, and an increase in foreign exchange earnings from tourism, seaweed, and cloves exports contributed the most to the improvement of liquidity in the foreign exchange market. These factors, combined with the implementation of monetary policy stance intended to tame the impact of exchange rate depreciation on inflation, led to exchange rate appreciation. Exchange rate speculative tendencies and the parallel market also disappeared.

Exchange rate pressures are expected to be muted in the first quarter of 2025, which is usually characterized by seasonal low inflow of foreign exchange. This is due to a large carryover of foreign exchange liquidity from the preceding quarter, the impact of monetary policy (maintaining the Central Bank Rate, CBR at 6 percent), and moderate prices in the world market. In addition, the implementation of Section 26 of the Bank of Tanzania Act that encourages the use of Shilling in conducting domestic

transactions, is expected to continue to reduce unnecessary foreign exchange demand. The Bank also is expected to continue holding adequate foreign exchange reserves of more than USD 5.5 billion, through domestic gold purchases and other sources, thus providing confidence to the market.

- (d) Fiscal performance was broadly satisfactory, with tax revenue surpassing the target, largely attributable to improved economic activities and enhanced tax administration and compliance. The Government continued to rationalize expenditure to match with available resources.

The public debt remains sustainable with a moderate risk of debt distress. In 2023/24, the ratio of public debt to GDP was 19.24 percent, in present value terms, below the national debt sustainability threshold and the EAC convergence benchmark ceiling of 55 percent and 50 percent, respectively.

- (e) The external sector of the economy improved remarkably in 2024. The current account balance in Zanzibar was a surplus in 2024, as in the preceding year. During the fourth quarter of 2024, the current account is estimated at a surplus of USD 124.5 million, from a surplus of USD 136.6 million in a similar period in 2023, largely due to an increase in imports of goods and services relative to exports. The current account balance is projected to remain in surplus.

Zanzibar's demonstrated ability to generate revenue provides a solid foundation for its debt repayment capacity, directly supporting the Originator's creditworthiness. This revenue generation capacity, coupled with prudent debt management practices, reinforces the Government's ability to meet its financial obligations. Furthermore, effective control for inflation and a relatively stable local currency contribute to economic stability and ensure long-term sustainability, benefiting SUKUK holders.

10.4 Zanzibar in the United Republic of Tanzania

Zanzibar, as part of The United Republic of Tanzania, is a semi-autonomous part of Tanzania. The existence of Zanzibar under the United Republic of Tanzania Constitution is mentioned in Chapter Four (4) of the United Republic of Tanzania Constitution of 1977 version 2005.

Apart from this, Zanzibar has its own Constitution that caters for matters pertaining to Zanzibar affairs not under the union which is the mother law to Zanzibar. The Constitution was enacted in 1984 and the existing constitution is of 2010 version.

Under the constitution of Zanzibar, Zanzibar has its own three arms of the government - the Executive, the Parliament, and the Judiciary. Zanzibar Cabinet of Ministers is known as the Revolutionary Council of Zanzibar with the President of Zanzibar as its Chairman. The Council is the ultimate body of the Executive and runs the affairs of the Government by providing security, peace, harmony and services to Zanzibaris as well as being the link to the United Republic of Tanzania in union matters.

As per Zanzibar Constitution Section 43(1), the Revolutionary Council is formed by the Ministers and Members of the House of Representative appointed by the President to be Council Members as well as the Attorney General of Zanzibar.

Section 43(4) of the Constitution provides the functions of the Revolutionary Council shall be: (a) to assist and advise the President regarding all matters of the Revolutionary Government of Zanzibar; (b) to co-ordinate the functions of the President, Chief Minister and the Ministries of the Revolutionary Government of Zanzibar in the exercise of their functions. The Revolutionary Council shall collectively be responsible to the House of Representatives and the people in general regarding all matters implemented by and or the President's order or any other Minister in the execution of his functions.

10.5 Zanzibar House of Representatives

Zanzibar House of Representative exists pursuant to Zanzibar Constitution Chapter 5 Section 63(1). The House of Representatives is the legislative arm of Zanzibar government and, according to the Constitution, it is formed by two parts, the President of Zanzibar on one part and the House of Representatives on the other.

10.6 Legal and Court System

To complete its semi-autonomy nature, apart from having a Executive arm and Parliament, Zanzibar too has its own Judiciary system pursuant to Chapter Six (6) Part One, of its Constitution which states that “There shall be a High Court of Zanzibar which shall be a Establish Superior Court of record and which shall have unlimited jurisdiction on criminal and civil cases and other powers as may be conferred in accordance with this Constitution or any other law”.

10.7 International Relation

Pursuant to the Constitution of the United Republic of Tanzania, International or Foreign Relations falls under the union matters referred to in the First Schedule (Union Matters) of the Constitution. **First Schedule** (Referred to in Article 4).

9.8 Zanzibar Government's Economic Strategy

The Government's economic strategy is focused on sustainable development, i.e. growing the economy in a manner that is socially beneficial, that can be maintained on a long-term basis and that protects the natural environment of Zanzibar. The Government of Zanzibar considers this crucial to the long-term prosperity of the Islands.

The Government's strategy has also been designed to ensure the Islands' continued resilience to short- and medium-term economic shocks. Zanzibar economy is in a period of

relative uncertainty and heightened financial and macro risk, primarily arising from lower global prices for hydrocarbons. Meanwhile, geopolitical risks have evolved significantly and present new considerations (see “Risk Factors – Risks relating to Zanzibar and Zanzibar – Current Regional Political Instability”). In this environment, the Government’s focus on sustainable long-term development provides resilience through the Islands:

- relatively low reliance on volatile sectors (real estate, hydrocarbons) for economic activity and government revenues;
- well established concentrations of economic activity in more stable sectors;
- low commercial exposure to volatile sectors through Government-Related Entities (“GREs”) and investments;
- diverse sources of revenue and ability to reduce expenditure (if necessary);
- very low Government and GRE debt levels; and
- well capitalised banking sector displaying strong mutual support from and to the Government.



Zanzibar Treasury SUKUK - The SPV Background (11)

11. Section Eleven: Background About Zanzibar Treasury SUKUK1 Limited

11.1 About Zanzibar Treasury SUKUK1 Limited (Issuer/Trustee/SPV)

Zanzibar Treasury SUKUK1 Limited (SPV: Special Purposes Vehicle) was established under the Companies Act No. 13 2003 under the Laws of Zanzibar, with Certificate in Incorporation No. Z0000262957. The company was incorporated for the purpose of issuing capital market instruments based on the Islamic principles.

The Head Office is located at Takwimu House, First Floor, Mazizini - Unguja with PO Box 874/1154 Urban West, Zanzibar, Tanzania.

The authorised share capital of Zanzibar Treasury SUKUK1 Limited is TZS 5,000,000,000 consisting of 50,000 Ordinary Shares of TZS 100,000.00 each, of which ALL shares have been issued at the date of this Prospectus. All of the issued shares (the “Shares”) are fully-paid and are held by the Treasury Registrar of Zanzibar under the terms of a declaration of trust (the “Declaration of Trust”) under which the Treasury Registrar of Zanzibar holds the shares in trust of the Revolutionary Government of Zanzibar until the end of the Trust Period (as defined in the Declaration of Trust).

11.2 Date of Incorporation of Zanzibar Treasury SUKUK1 Limited

- On 11th January 2025, the Zanzibar Council of Revolutionary in its meeting that sat in Pemba, issued its Resolution dated 11th January, 2025 approving the establishment of a programme for the issuance of up to TZS 1,115,000,000,000 in aggregate nominal amount of Sharia-compliant SUKUK (the “**Programme**”) for the purposes of financing the budget for development projects in Zanzibar, through a public offering in the stock exchange market to be conducted through a Special Purposes Vehicle (SPV).
- The President’s Office - Finance and Planning acting through the Treasury Registrar of Zanzibar in the capacity as the Sponsor (“the Originator”), submitted an application to Zanzibar Business and Perty Registration Agency (the “ZBPRA”) to establish a special purposes entity under the name of “Zanzibar Treasury SUKUK1 Limited”.
- The Capital Market and Securities Authority (the “CMSA”) granted opinion and clearance for the Programme Prospectus for the purpose of issuing capital market instruments based on Ijarah. Zanzibar Treasury SUKUK1 Ltd will act as the Issuer and Trustee and the Government of Zanzibar through the President’s Office - Finance and Planning will act as the Originator and Sponsor.

11.3 Activities of Zanzibar Treasury SUKUK1 Limited

According to Memorandum and Articles of Association of the Company (MEMARTS):

1. The Company being the Issuer/Trustee/SPV of the SUKUK Programme will not have any substantial liabilities other than in connection with the Certificates and any further certificates issued pursuant to the Conditions.
2. Although according to the World Bank paper titled “**Establishing a Legal Framework for Sovereign SUKUK Issuance: A Public Debt Management Perspective**”, page 22 , it is stated that there are case studies where the Issuer/Trustee/SPV has no new employees butt uses employees from Ministry of Finance, Zanzibar Treasury SUKUK1 Limited being the first ever SPV for a Sovereign SUKUK issuance, the Lead Arranger advices that the Issuer/Trustee/SPV should have its own employees at least for Administration & Communication, Financial matters and Legal matters.
3. The objectives for which the Company was established are set out in Clause 3 of its Memorandum and Articles of Association as registered and adopted on 07th February, 2025.
4. The company is an orphan ‘Bankruptcy-remote’ entity of the Revolutionary Government of Zanzibar formed for the sole purpose of Zanzibar maiden SUKUK issuance and shall be wind-up upon completion of its mandate at SUKUK maturity in year 2032.
5. Being a newly formed entity, it has no historic (forensic) audited financial reports and by virtue of its being a Special Purpose Vehicle (SPV) no indulging in any business activity of its own save the one for which it has been created, it shall not have Financial Projections at all.

According to the MEMARTS, the SPV (Zanzibar Treasury SUKUK1 Ltd) must have Seven (7) Board Members. A Board Member is appointed or removed by the Minister of State, President’s Office - Finance and Planning. Only the Chairman of the Board will be appointed or removed by the President of Zanzibar and Chairman of the Revolutionary Council.

As on 10th February 2025, the President of Zanzibar and Chairman of the Revolutionary Council, appointed the Chairperson of the Board of Directors to Zanzibar Treasury SUKUK1 Limited. The Minister President’s Office-Finance and Planning appointed the members of the Board of Directors of Zanzibar Treasury SUKUK1 Limited were appointed as follows:

11.4 Issuerr/Trustee/SPV Board of Directors



CPA Juma Amour Mohammed
The Chairman

1

Juma Amour Mohammed is a retired Banker, Advisor, Consultant, and Accountant with a demonstrated history of working in the banking industry for twenty-five (25) years. Skilled in Business Planning, Risk Management, International Banking and Finance, Islamic Finance and Banking, Islamic Capital Markets and Fund Management.

He holds a Master of Science in Finance from the University of Strathclyde and a Diploma in International Banking and Finance by the Union Bank of Switzerland (UBS) at Wolfsberg in Switzerland. He is a qualified and registered Certified Public Accountant (CPA) by the National Board of Accountants and Auditors, Associate Member (Senior Associate) of the Chartered Institute of Islamic Finance Professional (CIIF) of Malaysia and Affiliate Member of the Association of Shariah Advisory in Islamic Finance of Malaysia (ASAS).

During his career, CPA Amour held position of Chief Executive Officer (CEO) of the People's Bank of Zanzibar (PBZ), a role that he was promoted for by the appointed of the President of Zanzibar, after serving the bank as Director of Finance.

During his tenure, CPA Amour led the restructuring process of the bank and managed to turn around the bank from loss making entity with undercapitalization and negative net worth to a profitable and strong bank, without capital injection from the Shareholders. He was instrumental in establishing of a stand-alone Islamic Banking Division, PBZ Ikhlas Banking.

CPA Amour served on different Boards including Zanzibar Institute of Accountants, Auditors and Tax Consultants (ZIAAT), Zanzibar Economic Empowerment Agency (ZEEA), a Member of the Shariah Advisory Board of the CRDB Albarakah Banking, Member of the Governing Board of the National Board of Accountants and Auditors (NBAA-Tanzania) and Member of Governing Council of the Sumait University.

CPA Amour also serves as a Member of Special Task Team selected by the Government of Zanzibar to spearhead the review of the activities of the Waqf and Trust Commission that involve Awqaf, Amana, Zakah, Inheritance, and Hajj Management. The team is tasked to review the structure of the Commission and its activities, and pose an ideal setup that would help it efficiently manage its resources taking advantage of Shari'ah-compliant investments avenues available in the market and governance structure that will allow the Commission to operate efficiently and independently.



Dr. Masoud Rashid Mohamed
The Executive Director



Dr. Masoud Rashid Mohamed is the Director General of Zanzibar Seaweed Company Limited (ZASCO), a state-owned enterprise under the Ministry of Trade and Industrial Development, Zanzibar. Prior to joining ZASCO, Dr. Masoud was a Senior Lecturer in Economics at Zanzibar University, specializing in Islamic banking, macroeconomics, financial economics and international trade. He played a pivotal role in advancing Islamic finance education as the founding Director of the Institute of Islamic Banking and Finance (IIBF), the first of its kind in East Africa. Additionally, he led the Institute of Continuing Education for three years, managing executive and professional training programs.

Dr. Mohamed holds a PhD and MSc in Economics from Malaysia and BA. in Economics from Zanzibar University. His expertise in Islamic finance and economic policy has earned him positions such as Shariah Board Member at LAINA Finance and Member of the Technical Committee of Zanzibar Planning Commission.

As a researcher and consultant, he has published extensively on economic growth and foreign capital flows, contributing to policy development and the growth of Shariah-compliant financial systems in Tanzania.



Mr. Akif Ali Khamis
Board Director

3

Mr. Akif is the Director General of Zanzibar Ports Corporation (ZPC), overseeing its transformation and modernisation efforts. At 32 years of age, Mr. Akif is the youngest Director General, symbolising youth, innovation and progress.

Mr. Akif holds a Bachelor Degree in Mechatronic Engineering and a Master Degree in Petroleum, Energy, Economics and Finance reflecting his diverse educational foundation.

4

Mr. Yassin Ameir Juma
Board Director



Mr. Yaasin is the Director General at the Zanzibar Health Services Fund (ZHSF), the role that he has assumed since June 2024 after acting as Acting Director and Fund Coordinator from 2023 and 2022 respectively. At his capacity as Fund Coordinator, Mr Yassin was instrumental in establishing and designing ZHSF.

With 14 years of experience in Universal Health Insurance, he has held the role of Director of Planning, Policy and Research in the President's Office for Public Service & Good Governance and Labour and Public Service from 2011 to 2016. During his tenure, he led efforts to develop multiple governmental policy documents and manage the creation and implementation of extensive sector plans and strategies, including the Public Service Reform Program, Public Service Pay Policy, Public Service Transport Policy, and e-Government Policy.

He also served as a Special Senior Officer from 2016 to 2022, where he successfully led the team in developing the Leader's Ethics Commission Strategic Plan and M&E Framework, the ZAECA Strategic Plan and M&E Framework, Legal Aid Policy along with Legal Framework for the Zanzibar Health Service Fund.

Mr. Yaasin holds a Master degree of Business Administration (MBA) and a Bachelor degree of Business Administration from Kenya Methodist University. He also has an Advanced Diploma in International Business Administration from the University of Northumbria at Newcastle, Malaysia campus. He has extensive skills in Health Financing, Macroeconomic Analysis, Fiscal Analysis, Trade Negotiation, Policy Formulation, Innovation and Product Development, Community-Based Health Insurance, and Universal Health Insurance.



Mr. Seif Abdalla Juma
Board Director

5

Mr. Seif is a distinguished aviation expert with nearly thirteen (13) years of experience driving transformation within the industry. Renowned for his innovative vision, he has led initiatives that are reshaping the aviation sector in Zanzibar.

As the Director General of the Zanzibar Airports Authority (ZAA) and former Head of the Public-Private Partnership (PPP) desk at the President's Office - Finance and Planning, Mr. Seif has made significant contributions to the enhancement of airport operations and tourism infrastructure. His leadership has been crucial in the ongoing constructions of Terminal One and Terminal Two, a new Business Centre, a Fuel Farm, and the AGL approach lighting system. Additionally, he has been instrumental in the development of the new Pemba International Airport.

Under his guidance and leadership, the Zanzibar Airports Authority (ZAA) has achieved notable accolades, including the Airport Council International Award for Best Airport in Africa, recognizing excellence in airport operations and customer service. The ZAA also received a prestigious Food and Beverage Award, highlighting its commitment to quality and innovation in food and service provisions at the airports. Furthermore, the RA3 Certification for Operational Excellence underscores Mr. Seif's dedication to maintaining high standards in aviation safety and efficiency.

Mr Seif holds a Master of Science in Economics, blending international best practices with deep local insights. He is recognized for his expertise in aviation management and sustainability with focuses on enhancing performance metrics, driving sector growth, and achieving national objectives promptly.

6

Mr. Nassor Shaaban Ameir
Board Director



Mr. Nassor is the Managing Director of Zanzibar Social Security Fund (ZSSF). Mr Nassor also serves as Member of the Boards of various Public and Private Corporate Boards and Council. As the Managing Director of ZSSF, Mr. Nassor has made a significance contribution in transforming the fund including sustainably of fund's portfolio.

Mr. Nassor has an impeccable track record of exceeding targets for income generation and advanced planning at minimal cost, dedicated and enlightened business leader with a key eye for detail and a drive to get things done - execution oriented.

Mr. Nassor holds a Master of Science in Accounting and Finance, Postgraduate Diploma in Tax Management with over seventeen (17) years of combined experience in banking and finance, tax management, and social security sector service provision.
above areas.

7



Mr. Jape Ussi Khamis
Board Director

Mr. Jape Ussi Khamis is a seasoned insurance professional and visionary leader with over fifteen (15) years of experience in the insurance and financial services industry.

As the Acting Managing Director of Zanzibar Insurance Corporation (ZIC), he been pivotal in driving the company's growth agenda, innovation, and commitment to providing exceptional insurance solutions to individuals and businesses across Tanzania and beyond.

Under Mr. Jape's leadership, ZIC has achieved significant milestones, including, expanding the company's market share by 4% through strategic product development and customer-centric initiatives, spearheading digital transformation efforts to enhance

Mr. Jape is known for his strategic thinking, collaborative leadership style, and commitment to excellence. He believes in empowering teams, fostering innovation, and delivering value to customers while maintaining the highest standards of integrity and professionalism.

Mr. Jape holds Master degree in Economics and Finance from Bradford. University, a Master of Science in Finance and Investment from Coventry University, and The Postgraduate Diploma of Insurance and Risk Management from The Institute of Finance Management.



Governing Rules of the Trust Certificates (12)

12 Section Twelve: Governing Rules of The Trust Certificates

The following is the text of the Terms and Conditions of the Trust Certificates, which (subject to modification and except for the text in italics) will be endorsed on each Trust Certificate in individual registered form issued under the Programme and will apply to Trust Certificate. The applicable Final Terms in relation to any Tranche of Trust Certificates complete the following Terms and Conditions for the purpose of such Trust Certificates.

Zanzibar Treasury SUKUK1 Limited (in its capacity as issuer and as trustee, the “**Issuer/Trustee/SPV**”) has authorised the issue of Trust Certificates (the “**Certificates**”) in an aggregate face amount of TZS 1,115,000,000,000 (One Trillion, One Hundred Fifteen billion Tanzanian Shillings only) to be issued in three tranches with the first tranche being of TZS 300,000,000,000.00 (Three Hundred billion Tanzanian Shillings only) having a Green Shoe option of TZS 300,000,000,000.00 (Three Hundred billion Tanzanian Shillings only).

The Certificates are constituted by a Declaration of Trust dated on or about 10th February, 2025 between the Issuer/Trustee/SPV, and Revolutionary Government of Zanzibar (the “**Originator**”) and Zanzibar Treasury SUKUK1 Limited as the Issuer/Trustee/SPV’s and The SUKUK Delegate (the “**SUKUK Delegate**”, which expression shall include all persons for the time being the SUKUK Delegate and any succeeding SUKUK Delegate under the Declaration of Trust) (the “**Declaration of Trust**”).

An Ijarah Contract, (the “**Ijarah Agreement**”), a lease financial instrument to be implemented for Trusts Asset upon which the SUKUK Certificates is based upon, has been entered between the Issuer/Trustee/SPV, as the Lessor (on behalf of the SUKUK Certificateholders) and the Originator as the Lessee of the Trust Asset, with agreed periodic rentals to be paid by the Lessee onto the Issuer/Trustee/SPV Transaction Account.

A SUKUK Asset Service Agency Agreement (the “**Service Agency Agreement**”), dated on or about the SUKUK Issuance Date, has been entered into, in relation to the Certificates, with the Issuer/Trustee/SPV being its Principal (the “**Principal**”) and the Originator its Agent (the “**Agent**”), for the servicing of the Trust Asset, to make sure that the Trust Asset is perly taken care of against unnecessary depreciation.

These Terms and Conditions (the “**Conditions**”, dated on or about the SUKUK Issuance date, include summaries of, and are subject to, the detailed provisions of the Declaration of Trust, which includes the Form of Certificates referred to below, the Agency Agreement and the remaining Transaction Documents (as defined below). The SUKUK Certificateholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. Copies of the Transaction Documents are available for inspection and collection during usual business hours with reasonable prior written notification at the specified Offices of the Issuer/Trustee/SPV, the Lead Arranger/transaction Manager, the Receiving Bank Agent and Collecting Bank/Agent.

Each initial SUKUK Certificateholder, by its acquisition and holding of its ownership interest rights in a Certificate, shall be deemed to authorise and direct the Issuer/Trustee/SPV, on behalf of the SUKUK Certificateholders:

- to apply the proceeds of the SUKUK issuance of the Certificates towards the purchase from the Originator of the Trust Asset described in the Purchase of Services Agreement ; and
- to enter into each Transaction Document to which it is a party, subject to the provisions of the Declaration of Trust and these Conditions.

1.1 Interpretation

1.1.1 Definitions:

Unless defined herein or the context otherwise requires, capitalised words and expressions used but not defined herein shall have the meaning given to them in the Declaration of Trust and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings

“ATA” has the meaning given to it in the Asset Transfer Agreement;

“**Authorised Representative**” means, in relation to the Issuer/Trustee/SPV or the Originator, any person who is a director of the Issuer/Trustee/SPV; or (ii) is duly authorised and in respect of whom a certificate has been provided to the SUKUK Delegate signed by a director, secretary or other duly authorised person of the Issuer/Trustee/SPV or the Originator, as applicable, setting out (in each case) the name and signature of such person and confirming such person’s authority to act;

“**Business Day**” means a day (other than a Sunday) on which commercial banks exchange markets settle payments;

“**Certificateholder**” or “**holder**” has the meaning given to it in Condition 2 (*Form, Denomination and Title*);

“**Change of Control**” means the Government of Zanzibar ceases to be the ultimate owner (either directly or indirectly) of at least 51 per cent. of the Originator’s issued and paid-up share capital;

“**Change of Control Dissolution Distribution Amount**” means, in relation to each Certificate to be redeemed in accordance with Condition 8(c) (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*), the sum of:

- 100 per cent. of the outstanding face amount of such Certificate; and
- any due and unpaid Periodic Distribution Amounts for such Certificate;

“**Change of Control Exercise Notice**” has the meaning given to it in Condition 8(c);

“**Change of Control Notice**” has the meaning given to it in Condition 8(c);

“**Day Count Fraction**” has the meaning given to it in Condition 7(b);

“**Delegation**” has the meaning given to it in Condition 15(a);

“**Dispute**” has the meaning given to it in Condition 19(b);

“**Dissolution Date**” means, as the case may be:

- (i) the Scheduled Dissolution Date;
- (ii) any Early Tax Dissolution Date;
- (iii) any Change of Control Call Right Date; or
- (iv) any Dissolution Event Redemption Date;

“**Dissolution Distribution Amount**” means, in relation to each Certificate to be redeemed on the relevant Dissolution Date, the sum of:

- (i) the outstanding face amount of such Certificate; and
- (ii) and any due and unpaid Periodic Distribution Amounts for such Certificate;

“**Dissolution Event**” means an Event at maturity of the SUKUK or the Call option by the Issuer/Trustee/SPV Event;

“**Dissolution Event Redemption Date**” has the meaning given to it in Condition 12(a);

“**Dissolution Notice**” has the meaning given to it in Condition 12(a);

“**Early Tax Dissolution Date**” has the meaning given to it in Condition 8(b) (*Early Dissolution for Taxation Reasons*);

“**Escrow Account/Sinking Fund**” means an Escrow account to be opened by the SUKUK Issuer/Trustee /SPV at any Shari’ah compliant commercial bank offering Mudhwaarabah investment fixed deposit services at a negotiated profit return to investment in preparation for SUKUK redemption at its maturity;

“**Exercise Notice**” means an exercise notice given pursuant to the terms of the Purchase Undertaking or the Sale Undertaking (as the case may be);

“**Extraordinary Resolution**” has the meaning given to it in the Declaration of Trust;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness, including (without limitation):

- (i) any obligation to rectify such Indebtedness, as the case may be, by a third party;

- (ii) any obligation to provide money, by the Credit enhancer, in order to provide funds for the payment of such Indebtedness, as the case may be;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness, as the case may be;

“**Indebtedness**”, for this transaction, means any indebtedness of the Originator and the Issuer/Trustee/SPV for money raised via this programme including (without limitation) any indebtedness for or in respect of:

- (ii) amounts raised by acceptance of proceeds under this financing facility;
- (ii) obligations of such entities evidenced by bonds, notes, debentures or other similar instruments;
- (iv) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (v) the amount of any liability in respect of any purchase price for asset or services the payment of which is deferred for a period in excess of 60 days;
- (vi) amounts raised under any other transaction (including, without limitation, any sale or purchase agreement) having the commercial effect of a borrowing; and
- (vii) (to the extent not included above) any other financing arrangement intended to comply with the principles of *Shari’ah*, to the extent such other financing is recorded as financial indebtedness in accordance with the relevant accounting standard;

“**Liability**” means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding (whether arbitral or court) or other liability whatsoever (including, without limitations, in respect of taxes) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to “**Liabilities**” shall mean all of these;

“**Management Agreement**” means the management agreement entered into between the Issuer/Trustee/SPV and the Issuer/Trustee/SPV Administrator on or before the Issue Date;

“Originator Event” means any of the following events:

- (b) **Non-payment:** the Originator (acting in any capacity) fails to pay an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or a part of a Dissolution Distribution Amount payable by the Issuer/Trustee/SPV on a Dissolution Date and the failure continues for a period of seven days, or the Originator (acting in any capacity) fails to pay an amount payable by it pursuant to any Transaction Document to which it is a party which corresponds to all or a part of a Periodic Distribution Amount payable by the Issuer/Trustee/SPV on a Periodic Distribution Date and the failure continues for a period of 14 days; or
- (b) **Breach of Other Obligations:** the Originator (acting in any capacity) does not perform or comply with any one or more of its covenants or other obligations under these Conditions or in the Transaction Documents to which it is a party, which failure is incapable of remedy or, being a failure which is capable of remedy, remains unremedied for 30 days after written notice of such failure shall have been given to the Originator by the Issuer/Trustee/SPV (or the SUKUK Delegate) requiring the same to be remedied; or

Cross-default:

- (a) any Indebtedness or SUKUK Obligation of the Originator is not paid when due or (as the case may be) within any applicable grace period; or
- (b) any Indebtedness or SUKUK Obligation of the Originator becomes due and payable (or becomes capable of being declared due and payable) prior to its stated maturity by reason of any event of default or the like (howsoever described); or
- (c) the Originator fails to pay, when due any amount payable by it under any Guarantee of any Indebtedness or SUKUK Obligation; or
- (d) any of the matters referred to in sub-paragraphs (A) to (C) above apply to an Entity of the Originator (rather than the Originator itself) and the same remain unpaid or unsatisfied for a period of 14 days thereafter, **provided that** the amount of Indebtedness or SUKUK Obligation referred to in sub-paragraphs (A), (B) and (D) above, and/or the amount payable under any Guarantee referred to in sub-paragraph (C) and (D) above, in the aggregate, exceeds TZS 1,500,000,000,000 (or its equivalent in any other currency or currencies); or
- (e) **Unsatisfied Judgment:** one or more judgment(s) or order(s) for the payment of an amount which in the aggregate exceeds TZS 1,500,000,000,000 (or its equivalent in any other currency or currencies) is rendered against the Originator or any of its entities and continue(s) unsatisfied and unstated for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

Insolvency, etc.:

- (f) the Originator or any of its Principal Entities becomes (or is declared by a court of competent jurisdiction to be) insolvent or is or is deemed unable to pay its debts (or

any class of its debts) as they fall due pursuant to or for the purposes of applicable law;

- (g) an administrator, liquidator, bankruptcy Issuer/Trustee/SPV (or other similar official), is appointed in respect of the Originator or any of its Principal Entities or in relation to the whole or substantially the whole of the undertaking, asset and revenues of the Originator (or application for any such appointment is made);
- (h) the Originator or any of its Principal Entities takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or SUKUK Obligation or any Guarantee of any Indebtedness or SUKUK Obligation given by it;
- (i) the Originator or any of its Principal Entities ceases or threatens to cease to carry on all or substantially the whole of its obligations (otherwise than, for the purposes of or pursuant to reorganisation or restructuring whilst solvent) or the Originator stops or threatens to stop payment of any of its debts, (each such event in such paragraphs (A) to above being an “**Insolvency Event**”); or (D) any Insolvency Event happens or applies to any Principal Entities and such Insolvency Event is continuing for a period of 30 days thereafter; or
- (j) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed in respect of the whole or a substantial part of the undertaking, asset and revenues of the Originator or any of its Principal Entities; or
- (k) **Winding-up, etc.:** an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any of its Principal Entities (otherwise than for the purposes of or pursuant to reorganisation or restructuring whilst solvent); or
- (l) **Failure to take action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order: (A) to enable the Originator lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under and in respect of the Transaction Documents to which it is a party; or (B) to ensure that those duties, obligations and undertakings are legal, valid, binding and enforceable is not taken, fulfilled or done; or
- (m) **Illegality:** it is or will become unlawful for the Originator to perform or comply with any one or more of its duties, obligations and undertakings under any of the Transaction Documents or any duties, obligations or undertakings of the Originator under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or under any Guarantee referred to in sub-paragraph (C) and (D) above, in the aggregate, exceeds TZS 1,500,000,000,000 (or its equivalent in any other currency or currencies); or
- (n) **Unsatisfied Judgment:** one or more judgment(s) or order(s) for the payment of an amount which in the aggregate exceeds TZS 1,500,000,000,000 (or its equivalent in any other currency or currencies) is rendered against the Originator or any of its

entities and continue(s) unsatisfied and unstated for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

- (o) **Insolvency, etc.:** (A) the Originator or any of its Principal Entities becomes (or is declared by a court of competent jurisdiction to be) insolvent or is or is deemed unable to pay its debts (or any class of its debts) as they fall due pursuant to or for the purposes of applicable law;

(B) an administrator, liquidator, bankruptcy Issuer/Trustee/SPV (or other similar official), is appointed in respect of the Originator or any of its Principal Entities or in relation to the whole or substantially the whole of the undertaking, asset and revenues of the Originator (or application for any such appointment is made); (C) the Originator or any of its Principal Entities takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or SUKUK Obligation or any Guarantee of any Indebtedness or SUKUK Obligation given by it;

- (a) the Originator or any of its Principal Entities ceases or threatens to cease to carry on all or substantially the whole of its obligations (otherwise than, for the purposes of or pursuant to reorganisation or restructuring whilst solvent) or the Originator stops or threatens to stop payment of any of its debts, (each such event in such paragraphs (A) to above being an “**Insolvency Event**”); or (D) any Insolvency Event happens or applies to any Principal Entities and such Insolvency Event is continuing for a period of 30 days thereafter; or
- (b) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed in respect of the whole or a substantial part of the undertaking, asset and revenues of the Originator or any of its Principal Entities; or
- (c) **Winding-up, etc.:** an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any of its Principal Entities (otherwise than for the purposes of or pursuant to reorganisation or restructuring whilst solvent); or
- (d) **Failure to take action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order: (A) to enable the Originator lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under and in respect of the Transaction Documents to which it is a party; or (B) to ensure that those duties, obligations and undertakings are legal, valid, binding and enforceable is not taken, fulfilled or done; or
- (e) **Illegality:** it is or will become unlawful for the Originator to perform or comply with any one or more of its duties, obligations and undertakings under any of the Transaction Documents or any duties, obligations or undertakings of the Originator under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) **Repudiation:** the Originator repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or
- (g) **Analogous events:** any event occurs which under the laws of Zanzibar or any other relevant jurisdiction has an analogous effect to any of the events referred

to in paragraphs (v) and (vii) above, or any event occurs which under the laws of the jurisdiction under which the relevant Entity is incorporated or constituted has an analogous effect to any of the events referred to in paragraphs (v) and (vii) above;

“Outstanding” shall have the meaning given to it in the Declaration of Trust;

“Originator” means the Originator and its Principal Entities under this Revolutionary Government of Zanzibar SUKUK programme;

“Principal Entities” means Ministries, Departments or Parastatal Organizations of the Originator directly involved in this SUKUK programme as part of the project(s) being funded by the SUKUK proceeds or as part of revenue streams providing entities.

“Periodic Distribution Amount” has the meaning given to it in Condition 7(a);

“Periodic Distribution Date” means every 5th April and 5th October in each year, commencing on 5th October, 2025, and subject to Condition 7(c);

“Permitted Security Interest Rights” means:

Any Security Interest rights securing the Relevant Indebtedness or Relevant SUKUK Obligation created by the Originator or any Principal Entity upon

- (i) any Trust Asset or Trust Asset engine acquired, purchased or owned, or
- (ii) Trust Asset, to be acquired, purchased or owned, by the Originator or any Principal Entity for the purpose of securing the payment of any sum due in respect of the Relevant Indebtedness or Relevant SUKUK Obligation or any payment under any guarantee of, or indemnity or other like obligation relating to the Relevant Indebtedness or Relevant SUKUK Obligation, the proceeds of which are to be applied towards (A) financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such Trust Asset (including, without limitation, the equipping, alteration, repair or improvement of such Trust Asset or Trust Asset engine) or (B) financing the cost of the acquisition;
- (iii) or purchase of such Asset, provided that any Security Interest in respect of any such financing undertaken by the Originator or any Principal Entities is limited to the Trust Asset, so acquired, purchased, developed, constructed or redeveloped (as the case may be); or
- (iv) any Security Interest existing on any perty or asset prior to the acquisition thereof by the Originator or any Principal Entity and not created in contemplation of such acquisition; or
- (v) any renewal of or substitution for any Security Interest permitted by any of paragraphs (a); and

- (vi) (inclusive) of this definition, provided that with respect to any such Security Interest the amount of Relevant Indebtedness or Relevant SUKUK Obligation secured has not increased and the Security Interest has not been extended to any additional asset (other than the proceeds of such asset);

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Potential Dissolution Event**” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing) could constitute a Dissolution Event;

“**Principal Entity**” means at any time an entity of the Originator:

- (a) whose revenue and/or total asset (consolidated in the case of an entity which itself has entities) represents in each case (or, in the case of an Entity acquired after the end of the financial period to which the then latest audited consolidated accounts of the Originator and its Entities relate, are equal to) not less than five per cent. of the consolidated revenue or, as the case may be, consolidated total asset, of the Originator and its Entities taken as a whole, all as calculated respectively by reference to the then latest audited consolidated accounts (consolidated or, as the case may be, unconsolidated) of such Entity and the then latest audited consolidated accounts of the Originator and its Entities, **provided that** in the case of an Entity of the Originator acquired after the end of the financial period to which the then latest audited consolidated accounts of the Originator and its Entities relate, the reference to the then latest audited consolidated accounts of the Originator and its Entities for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Entity had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Originator;
- (b) to which is transferred the whole or substantially the whole of the undertaking and asset of an Entity of the Originator which immediately prior to such transfer is a Principal Entity of the Trust Asset, provided that the transferor Entity shall upon such transfer forthwith cease to be a Principal Entity and the transferee Entity shall cease to be a Principal Entity pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Originator and its Entities for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Entity or such transferee Entity may be a Principal Entity on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above of this definition or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or asset which, taken together with the undertaking or asset of the transferee Entity, generated (or, in the case of the transferee Entity being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Originator and its Entities relate, generate revenue equal to) not less than five per cent. of the consolidated revenue of the Originator, or represent (or, in the case aforesaid, are equal to)

not less than five per cent. of the consolidated total asset of the Originator and its Entities taken as a whole, all as calculated as referred to in subparagraph (a) above of this definition, provided that the transferor Entity (if a Principal Entity) shall upon such transfer forthwith cease to be a Principal Entity unless immediately following such transfer its undertaking and asset generate (or, in the case aforesaid, generate revenue equal to) not less than five per cent. of the consolidated revenue of the Originator, or its asset represent (or, in the case aforesaid, are equal to) not less than five per cent. of the consolidated total asset of the Originator and its Entities taken as a whole, all as calculated as referred to in subparagraph (a) above of this definition, and the transferee Entity shall cease to be a Principal Entity pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Originator and its Entities for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Entity or such transferee Entity may be a Principal Entity on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above of this definition or, prior to or after such date, by virtue of any other applicable provision of this definition;

“Profit/Rate of Return” means rental payment from the Lessee (the Originator) payable as a rate of return to investors, which, in this SUKUK issuance, is fixed rental at 10.5per cent. per annum for each investment amount made the SUKUK Subscriber;

“Purchase Agreement” means the Purchase Agreement dated the Issue Date and entered into between the Originator and the Issuer/Trustee/SPV, following the transfer of the SUKUK underlying asset from the Originator to the Issuer/Trustee/SPV;

“Purchase Undertaking” means the Purchase Undertaking (Al Wa’d Lishiraa) Agreement dated the Issue Date and granted by the Originator for the benefit of the Issuer/Trustee/SPV and the SUKUK Delegate (on behalf of the SUKUK investors) and includes the form of sale agreement to be entered into in SUKUK Programme maturity in accordance with the terms of the Purchase Undertaking;

“Record Date” has the meaning given to it in Condition 9(a);

“Register” has the meaning given to it in Condition 2 (*Form, Denomination and Title*);

“Relevant Date” has the meaning given to it in Condition 10 (*Taxation*);

“Relevant Powers” has the meaning given to it in Condition 15(a);

“Relevant SUKUK Obligation” means any SUKUK Obligation, where the trust certificates or instruments, as the case may be, concerned are, or are intended to be, or are capable of being, quoted, listed, or ordinarily dealt in on any SUKUK, over-the-counter or other securities market other than any such SUKUK Obligation incurred or issued by the Originator or its Principal Entities where (a) more than 75 per cent. of the aggregate principal amount of which is initially distributed by or with the consent of the Originator in Tanzania and (b) by its terms, is denominated or payable in the currency of the programme;

“Return Accumulation Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

“Sale Undertaking” means the Sale Undertaking Agreement dated the Issue Date and granted by the Issuer/Trustee/SPV for the benefit of the Originator and includes the form of Asset Transfer back to the SUKUK Originator agreement to be entered into in accordance with the terms of the Purchase/Sale Undertaking;

“Scheduled Dissolution Date” means 5th April, 2032;

“Security Interest Rights” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (other than any mortgage, charge, lien, pledge or other security interest or anything analogous to any of the foregoing arising only by operation of law rather than arising out of or in connection with any act or omission of the Originator or any of its Principal Entities);

“Service Agency Agreement” means the Service Agency agreement dated on or around the SUKUK Programme Issuance Date and entered into between the Originator (in its capacity as **“Service Agent”**) and the Issuer/Trustee/SPV (in its capacity as the **“Principal”** on behalf of the SUKUK Certificateholders);

“Service Agent” means the RGoZ President’s Office-Finance and Planning and Ministry under which the SUKUK underlying asset (and the Ministries under which projects financed by the SUKUK proceeds from Trust Asset for this programme), in its capacity as Service Agent under the Service Agency Agreement;

“Entity” means, in relation to any government entity (the **“First Public Entity”**) involved in this SUKUK programme at any particular time, President’s Office-Finance and Planning (the **“Second Public Entity”**) (i) whose affairs and policies the first Public Entity controls or has the power to control, whether by ownership of share capital, contract or the power to appoint or remove members of the governing body of the second Public Entity or otherwise; or (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the First Public Entity;

“SUKUK Obligation” means any undertaking or other obligation to pay any moneys given in connection with the issue of SUKUK trust certificates or other instruments intended to be issued in compliance with the principles of *Shari’ a*, whether or not in return for consideration of any kind;

“Transaction Account” means the account in the Issuer/Trustee/SPV’s name opened with the Receiving and Paying Bank, into which the SUKUK subscribers will deposit the SUKUK proceeds and the Originator will deposit all amounts due to the Issuer/Trustee/SPV under the Transaction Documents;

“Transaction Documents” means:

1. the SUKUK Programme Base Prospectus;

2. the Declaration of Trust;
3. Final Terms and Conditions;
4. the Ijarah (Lease) Agreement;
5. the Asset Transfer Agreement;
6. the Asset Service Agency Agreement;
7. the Sale/Purchase Undertaking; and
8. SUKUK Transaction Agents Agreement
9. Takaful Insurance Cover/Credit Enhancement document
10. Asset Relocation Letter

“Trust” means the trust constituted by the Declaration of Trust;

“Trust Asset” has the meaning given to it in Condition 5(a); and

“Issuer/Trustee/SPV Event” means any of the following events:

- (h) **Non-Payment:** Default is made for more than seven days in the payment of the Dissolution Distribution Amount (or any other amount in the nature of principal) on the date fixed for payment thereof or default is made for more than 14 days in the payment of any Periodic Distribution Amount on the due date for payment thereof; or
- (i) **Breach of Other Obligations:** The Issuer/Trustee/SPV does not perform or comply with any one or more of its other duties, obligations or undertakings in the Certificates or the Transaction Documents to which it is a party, which failure is incapable of remedy or, being a failure which is capable of remedy, remains unremedied for 30 days after written notice of such failure shall have been given by the SUKUK Delegate to the Issuer/Trustee/SPV requiring the same to be remedied; or
- (j) **Enforcement Proceedings:** Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the party, asset or revenues of the Issuer/Trustee/SPV and is not discharged or stayed within 90 days; or
- (k) **Insolvency:** The Issuer/Trustee/SPV is insolvent or bankrupt or unable to pay its financial obligations/arrears as they fall due, poses or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or

declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer/Trustee/SPV; or

- (l) **Winding-up:** An administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer/Trustee/SPV, or the Issuer/Trustee/SPV shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the SUKUK Delegate or by an Extraordinary Resolution; or
- (m) **Authorisation and Consents:** Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order:

(i) to enable the Issuer/Trustee/SPV lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under the Certificates and the Transaction Documents; (y) to ensure that those duties, obligations and undertakings are legally binding and enforceable; or (z) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of Tanzania is not taken, fulfilled or done; or

(ii) **Illegality:** It is or will become unlawful for the Issuer/Trustee/SPV to perform or comply with any one or more of its duties, obligations and undertakings under any of the Certificates or the Transaction Documents or any duties, obligations or undertakings of the Issuer/Trustee/SPV under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

(iii) **Repudiation:** The Issuer/Trustee/SPV repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or

(iv) **Analogous Events:** any event occurs that under the laws of Tanzania has an analogous effect to any of the events referred to in paragraphs (iv) or (iv) above.

For the purpose of this programme, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts expressed to be payable under Condition 7 (*Periodic Distribution Amounts*)) notwithstanding that the Issuer/Trustee/SPV has at the relevant

time insufficient funds or Trust Asset to pay such amounts (whether as a result of the application of Condition 5(b) or otherwise).

All references to the face amount of a Certificate shall be deemed to include the Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 (*Taxation*) as SUKUK programme

requirement and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) as SUKUK programme requirement and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

2. Form, Denomination And Title

a) Form and Denomination

The Certificates are issued in registered form in denominations of TZS 100,000.00 per a Sakk with minimum subscription amount TZS 1,000,000.00 (10 SUKUK) and then integral multiples of TZS 1,000,000 in excess thereof. Certificates are represented by registered certificates and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Issuer/Trustee/SPV shall procure to be kept by the Registrar/Transfer Agent/Paying Agent in accordance with the provisions of the capital markets and securities laws of Tanzania (the "**Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania**"). Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Dematerialised Certificate of a particular SUKUK tranche and in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. The registered holder of a Certificate of a particular SUKUK programme tranche will be recognised by the Issuer/Trustee/SPV as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Issuer/Trustee/SPV against the original or any intermediate holder of such tranche Certificate.

In these Conditions, "**Certificateholder**" or "**holder**" means the person in whose name a Certificate of a particular tranche of this SUKUK is registered in the **Register** kept by the **SUKUK Programme Registrar/Transfer Agent/Paying Agent** and not otherwise.

b) Title

Title to the Certificates passes only by registration in the Register kept by the Registrar/Transfer and Paying Agent (in this case **Central Securities Depository & Registry**). Subject to the terms of the Global Certificate and/or the definition of "Certificateholders", the registered SUKUK Certificateholder of any Definitive Certificate will (except as otherwise required by law) be treated as the absolute owner of the Certificates represented by the Definitive Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest right or any writing on, or the theft or loss of, the Definitive Certificate)

and no person will be liable for so treating the holder of any Definitive Certificate. The registered holder of a Definitive Certificate will be recognised by the Issuer/Trustee/SPV as entitled to his Definitive Certificate free from any equity, set-off or counterclaim on the part of the Issuer/Trustee/SPV against the original or any intermediate holder of such Definitive Certificate.

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Issuer/Trustee/SPV, each person who is for the time being shown in the records of CSD & REGISTRY clearing system as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by a clearing system as to the face amount of such Certificates standing to the account of any person, shall be conclusive and binding for all purposes save in the case of manifest error), Such a person shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Originator and the Transaction Agents, in the primary and secondary market, as the holder of such face amount of such Certificates for all purposes other than with respect to payment in respect of such Certificates, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Originator and any Transaction Agent as the holder of such face amount of such Certificates in accordance with and subject to the terms of the Global Certificate and the expressions “Certificateholder” and “holder” in relation to any Certificates and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular face amount of Certificates as aforesaid, each of the Issuer/Trustee/SPV and the SUKUK Delegate may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

3. Certificate Transfers

a) Transfer of Registered Certificates:

Subject to Condition 3(d), one or more Certificates may be transferred upon the presentation and surrender (at the specified office of the Registrar/ Transfer Agent) for the Certificate of a particular SUKUK tranche representing a Certificate to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer/Trustee/SPV), duly completed and executed and any other evidence as the Registrar/Transfer Agent/Paying Agent may reasonably require. In the case of a transfer of part only one Certificate, among several SUKUK certificates held by a SUKUK Certificateholder, only a transferred portion of the certificates owned by one Certificateholder shall be allowed.

Transfers of Certificates in a Global Certificate will be effected by CSD & REGISTRY and, in turn, by other participants in the secondary market participants Dar es Salaam Stock Exchange (DSE) securities clearing systems, acting on behalf of transferors and transferees of such Certificates. A Certificate in a Global

Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Certificates only in an amount equal to TZS 1,000,000.00 (One Million Tanzanian Shillings only) or any integral multiple thereof and only in accordance with the rules and operating procedures for the time being of DSE and in accordance with the terms and conditions specified in the Declaration of Trust and the Final Terms and Conditions.

b) Delivery of New Certificates

(i) When the transfer has been duly effected, a new Certificate shall be issued to the transferee in respect of the transferred SUKUK certificate of the particular tranche and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(ii) In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Certificate representing the amount or value of the certificate shall only be issued against presentation and surrender of the Certificate representing the existing holding. All transfers of Certificates and entries on the SUKUK Certificateholders' Register will be made subject to the detailed procedures concerning transfers of Certificates. The procedures may be changed by the Issuer/Trustee/SPV, with the prior written approval of the Originator, Registrar, the SUKUK Delegate, and CMSA, **provided that** any such change is not materially prejudicial to the interests of the Certificateholders. A copy of the current procedures will be made available for inspection by the Registrar to any Certificateholder upon request.

Transfers of interests in the Certificates evidenced by the Dematerialized Certificate will be effected in accordance with the rules of the relevant clearing systems under CDS & Registry of Tanzania.

(iii) Each new Certificate to be issued pursuant to Condition 3(a) shall be available for delivery within five business days of receipt of the form of transfer and presentation and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or presentation and surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(b), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfers Free of Charge:

Transfers of Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer/Trustee/SPV, the Registrar/Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) Closed Periods:

No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of 15 days ending on the due date for payment of any Dissolution Distribution Amount or Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of that Certificate falls due, (ii) after any such Certificate has been called for redemption pursuant to Condition 8(b) or (iii) during the period of seven days ending on (and including) any Record Date, time insufficient funds or Trust Asset to pay such amounts (whether as a result of the application of Condition 5(b) or otherwise).

All references to the face amount of a Certificate shall be deemed to include the Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 (*Taxation*) as SUKUK programme requirement and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) as SUKUK programme requirement and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

(e) Regulations

All transfers of Certificates and entries on the relevant Register will be made subject to the detailed regulations concerning transfers of Certificates attached as a **Schedule** to the Final Terms and Condition of the SUKUK Programme. ***A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.***

Unless otherwise requested by him, each Certificateholder shall be entitled to receive, in accordance with Condition 2(b) (**Form, Denomination and Title - Title**), only one Definitive Certificate in respect of his or her entire holding of Certificates. ***In the case of a transfer of a portion of the face amount of a Definitive Certificate, a new Definitive Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3(b) (Transfers of Certificates - Delivery of New Certificates).***

4. Certificates Status,

Limited Recourse and Agreement of Certificateholders

(a) The Certificate Status

The Certificates represent an undivided ownership interest in the Revolutionary Government of Zanzibar SUKUK Trust Asset and are limited recourse obligations of the Issuer/Trustee/SPV. Each Certificate will constitute secured obligations of the

Issuer/Trustee/SPV and shall at all times rank *pari passu* and without any preference or priority with all other Certificates. The payment obligations of the Originator (in any capacity) under the Transaction Documents shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Originator, present and future.

The payment obligations of the Originator (acting in any capacity) under the Transaction Documents to which it is a party thereof shall be direct, unconditional, unsubordinated and (subject to the negative pledge provisions in Condition 5 (Negative Pledge) unsecured obligations of the Originator which (save for such exceptions as may be provided by applicable capital market laws and subject to the negative pledge provisions in Condition 5 (Negative Pledge) at all times rank equally with all of its other present and future unsecured and unsubordinated External Indebtedness of the Originator from time to time outstanding. It is understood that this provision shall not be construed so as to require the Originator to make payments under the Transaction Documents rateably with payments being made under any other external indebtedness of the Originator.

(b) Limited Recourse and Agreement of Certificateholders:

The proceeds of the Trust Asset are not the sole source of payments on the Certificates. Other sources of payment of the Originator shall be brought in since depending on AAKIA (the SUKUK asset alone, would render it inoperable. The Originator has designated the following government institutions to be sources of income streams to collect money to honour its financial obligations towards Zanzibar SUKUK investors.

The Revolutionary Government Cashflows Projections for SUKUK Revenue Streams

Source of Revenue	Year 0 TZS (Billion)	Year 1 TZS (Billion)	Year 2 TZS (Billion)	Year 3 TZS (Billion)	Year 4 TZS (Billion)	Year 5 TZS (Billion)	Year 6 TZS (Billion)	Year 7 TZS (Billion)	Total (Year1- Year7)
Airport Safety Fee	20	11	11	12	13	14	15	16	93
Infrastructure Fee Fund	80	86	92	98	105	112	120	128	741
Consolidation Fund (CF)	0	100	100	120	120	120	120	125	805
ZIPA 10% of Transfer of Share and Licenses fees	0	0.30	0.32	0.34	0.37	0.49	0.42	0.45	3
Total (TZS)	100	200	207	234	242	252	260	274	1,667

The designated income streams from Shari’ah-compliant government projects will be a measure for periodic return payments at 10.5% per annum (TZS 117,075,000,000.00). these revenue streams will be depositing into the Issuer/Trustee/SPV transaction account TZS 9,756,250.000.00 each month ready for periodic return payments payable semi-annually. Their incomes are more than enough to avoid default. There is also a designated Escrow /

Sinking Fund account at a Shari'ah -compliant bank Mudaraba fixed deposit account by depositing TZS 159,285,714,285.70 every year.

Save as provided in this Condition 4(b) (Limited Recourse and Agreement of Certificateholders), the Certificates do not represent an interest in, or obligation of, any of The Issuer/Trustee/SPV, the Originator, The SUKUK Delegate or any of the Agents.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates.

By subscribing for or acquiring the Certificates, each Certificateholder is deemed to have acknowledged and agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document, that, in relation to the Certificates:

- (i) No payment of any amount whatsoever shall be made by the Issuer/Trustee/SPV or the SUKUK Delegate or any of their respective directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the designated government revenue streams and further acknowledge and agree that;
- (ii) no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Issuer/Trustee/SPV to the extent the Trust Asset have been exhausted, the Takaful insurance shall come in to ensure the SUKUK Issuer/Trustee/SPV financial obligation to ensure that all obligations of the Issuer/Trustee/SPV shall be duly honoured;
- (iii) The Issuer/Trustee/SPV may not sell, transfer, assign or otherwise dispose of the Rights to Trust Asset to a third party (save as permitted pursuant to the Service Agency Agreement), and may only realise its interest rights, benefit and entitlements, present and future in, to and under the Rights to Trust Asset by way of use of such Rights, sale of such Rights to another person or entity or purchase by the Originator of such rights at SUKUK maturity, in each case in the manner expressly provided in the Transaction Documents;
- (iv) if the proceeds of the Trust Asset are insufficient to make all payments due in respect of the Certificates, the Credit Enhancer shall come in and if after that the insufficiency persists, the Certificateholders will have no recourse to any asset of the Issuer/Trustee/SPV (and/or its directors, officers or shareholders) (other than the Trust Asset) or of the SUKUK Delegate or any of the Transaction Agents or any of their respective affiliates, officers, directors or employees of the Issuer/Trustee/SPV or Originator, in each case in respect of any shortfall or otherwise;
- (v) No Certificateholders will be able to petition for, institute, or join any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings

under any bankruptcy or similar law against the Issuer/Trustee/SPV (and/or its directors), the SUKUK Delegate, the Transaction Agents or any of their respective affiliates, officers, directors or employees as a consequence of such shortfall or otherwise;

- (vi) No recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Issuer/Trustee/SPV or SUKUK Delegate arising under or in connection with the Declaration of Trust by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director or corporate service provider in their capacity as such. The obligations of the Issuer/Trustee/SPV and the SUKUK Delegate under this SUKUK programme Transaction Documents are corporate or limited liability obligations of the Issuer/Trustee/SPV and/or the SUKUK Delegate, as the case may be, and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents, directors or corporate service providers of the Issuer/Trustee/SPV and/or the SUKUK Delegate (in each of their respective capacities as such), save in the case of their wilful default or fraud. Reference in these Conditions to wilful default or fraud means, in each case, a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (vii) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates (without prejudice to the negative pledge provisions described in Condition 6(b)).
- (viii) Pursuant to the terms of the SUKUK programme Transaction Documents, the Originator is obliged to make payments under the relevant Transaction Documents to which it is a party directly to, or to the order of, the Issuer/Trustee/SPV. Such payment obligations form part of the Trust Asset and the Issuer/Trustee/SPV and the SUKUK Delegate will thereby have direct recourse against the Originator to recover payments due to the Issuer/Trustee/SPV from the Originator pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4(b). Such right of the Issuer/Trustee/SPV and the SUKUK Delegate shall (subject to the negative pledge provisions described in Condition 6(b)) constitute an unsecured claim against the Originator. None of the Certificateholders, the Issuer/Trustee/SPV and the SUKUK Delegate shall be entitled to claim any priority right in respect of any specific asset of the Originator in connection with the enforcement of any such claim.

5. The Sukuk Trust

(a) Trust Asset:

Pursuant to the Declaration of Trust, the Issuer/Trustee/SPV holds the SUKUK Trust Asset upon trust absolutely for and on behalf of the Certificateholders *pro rata* according to the face amount of Certificates held by each holder. The term “Trust Asset” means:

- (i) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (ii) the interest rights, benefits and entitlements, present and future, of the Issuer/Trustee/SPV in and to the Rights to Trust Asset which are purchased by the Issuer/Trustee/SPV pursuant to the Purchase Agreement and which remain to be sold pursuant to the Purchase Undertaking Agreement, the Purchase Undertaking or the Sale Undertaking (as the case may be);
- (iii) the interest rights, benefits and entitlements, present and future, of the Issuer/Trustee/SPV in, to and under the Transaction Documents (excluding any representations given by the Originator to the Issuer/Trustee/SPV and/or the SUKUK Delegate pursuant to any of the Transaction Documents); and
- (iv) all moneys standing to the credit of the Transaction Account from time to time, and all proceeds of the foregoing.

(b) Application of Proceeds from Trust Asset:

On each Periodic Distribution Date and on any Dissolution Date, the SUKUK Delegate shall issue a notice of payment (the “Notice of Payment”), *at least one (1) month*, to the Issuer/Trustee/SPV and Originator with a copy to the Lead Arranger/Transaction Manager which shall notify the Reporting Accountant/Calculation Agent to make calculation for each periodic return due to the investor and submit the same to the Paying Bank and the later shall apply the monies standing to the credit of the Issuer/Trustee/SPV Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *firstly*, to the SUKUK Transaction Agents in respect of all amounts owing to them under the Transaction Documents in its capacity as Paying Agent by the order of the Issuer/Trustee/SPV and to any receiver, manager or administrative receiver or any other analogous officer and any agent appointed in respect of the Trust by the SUKUK Delegate in accordance with the Declaration of Trust;
- (ii) *secondly*, only if such payment is due on a Periodic Distribution Date, to pay *pro rata* and *pari passu* (A) the Issuer/Trustee/SPV in respect of all amounts accruing by it due to fulfilment of its obligation under this SUKUK programme under the Transaction Documents in its capacity as Issuer/Trustee/SPV; (B) the Issuer/Trustee/SPV Administrator (if any) in respect of all amounts owing to it under the Transaction Documents and the Management Agreement in its capacity as Issuer/Trustee/SPV administrator; and (C) any other Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any liability incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;

- (iii) *thirdly*, only if such payment is due on a Periodic Distribution Date, to the Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (iv) *fourthly*, only if such payment is due on a Dissolution Date, to the Paying Agent for application in or towards payment *pari passu* and rateably of all Dissolution Distribution Amounts; and
- (v) *fifthly*, only on a Dissolution Date on which all Certificates of a particular tranche are to be redeemed in full and **provided that** all amounts required to be paid on the Certificates hereunder have been discharged in full, in payment of any residual amount to the Originator in its capacity as Service Agent as an incentive fee for its performance under the Service Agency Agreement.

6. Covenants

(a) Issuer/Trustee/SPV Covenants:

The Issuer/Trustee/SPV covenants that, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the SUKUK Delegate):

- (i) incur any indebtedness in respect of borrowed money or in respect of financing raised in accordance with the principles of Shari'ah, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (d) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future asset, parties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);
- (e) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Asset except pursuant to any of the Transaction Documents;
- (f) except as provided in Condition 14 (*Meeting of Certificateholders, Modification, Waiver and Substitution*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (g) except as provided in the Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the

Certificateholders or engage in any other business, own any other assets, or act in any other capacity than as trustee pursuant to the relevant Transaction Documents;

- (h) have any subsidiaries or permanent employees;
- (i) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (j) use the SUKUK proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (k) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it up and until the SUKUK certificates maturity; or
- (l) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than as contemplated, provided for or permitted in the Transaction Documents;
- (m) the ownership, management and disposal of the Trust Asset as provided in the Transaction Documents; and
- (n) such other matters which are incidental thereto.

The Issuer/Trustee/SPV covenants that, among other things, for so long as any Certificate is outstanding (as defined in the Declaration of Trust), it shall at all times, keep the SUKUK Trust separate and distinct from the Originator's other entities and from any other assets held by it as executor, administrator, guardian, trustee, receiver, or depository of another person or entity.

(b) The Originator Covenants:

(a) Negative Pledge:

The Originator will not, and will ensure that none of its Principal Entities will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, asset or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant SUKUK Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant SUKUK Obligation other than any Permitted Security Interest, without (A) at the same time or prior thereto securing equally and rateably therewith its obligations under this SUKUK programme Transaction Documents to which it is a party (in whatever capacity) or (B) providing such other security for those obligations as shall be approved by an Extraordinary Resolution (as defined in the **Declaration of Trust**).

(b) Financial Covenants:

So long as any Certificate remains outstanding (as defined in the **Declaration of Trust**), the Originator shall ensure that, at all times:

- (i) It is solvent to enable it to carry its financial obligation for the payment of both SUKUK Certificateholders' periodic returns and principals;
- (ii) It doesn't move the Trust Asset or any of its components or place them under any encumbrances;
- (iii) Will make bank deposits into the Issuer/Trustee/SPV Transaction account opened at a Shari'ah compliant bank as per the notices delivered to it by the Issuer/Trustee/SPV during the periodic payments dates as indicated in this SUKUK Programme Base Prospectus;
- (iv) Will make deposits to the Issuer/Trustee/SPV Escrow/Sinking Fund account opened at a Shari'ah compliant bank in preparation for the Redemption of the SUKUK certificates

7. Periodic Distribution Amounts

(a) Periodic Distribution Amounts:

A profit distribution shall be payable in arrears, in respect of the Certificates on each SUKUK programme tranche Periodic Distribution Date in equal instalments, in respect of the Return Accumulation Period ending on such date, shall accrue at the Profit Rate and the amount of which shall be calculated as provided in Condition 7(b) (each such distribution being referred to in these Conditions as a "**Periodic Distribution Amount**"). Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Issuer/Trustee/SPV, *pro rata* to their respective certificates holdings, out of amounts transferred to the Transaction Account and subject to Condition 5(b) (*Application of Proceeds from Trust*) and Condition 9 (*Payments*).

(b) Calculations:

The amount of profit payable per Calculation Amount calculated by the Reporting Agent/Calculation Agent in respect of any SUKUK tranche certificate is equal to the yield rate of a particular tranche paid by the originator as rentals on the Ijarah SUKUK asset, an amount payable by Originator to the Issuer/Trustee/SPV transaction account as defined under the "**Financial Covenants**" above.

The Day Count Fraction for such period, with the result being rounded to the nearest TZS 0.01, TZS 0.005 being rounded upwards. For these purposes, “**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Certificate for any period (whether or not constituting a Return Accumulation Period, the “**Calculation Period**”), the number of days in the Calculation Period divided by 360 (the number of days in such period to be calculated on the basis of a year of 360 days with 12 on 30-day months and, in the case of an incomplete month, the number of days elapsed).

"The periodic distributions amounts to SUKUK holders shall be determined based on rental incomes generated from the SUKUK Underlying Asset and not by reference to any conventional interest benchmarks."

(c) Cessation of Profit Entitlement

No further amounts will be payable on any Certificate from and including:

- (i) the relevant Dissolution Date (excluding a **Total Loss Dissolution Date**), unless default is made in the payment of the Dissolution Distribution Amount and provided that a Sale Agreement has not been entered into in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 8 (*Periodic Distribution Provisions*) to the earlier of (A) the Relevant Date; or (B) the date on which the relevant Exercise Price or Tangibility Event Exercise Price, as the case may be, has been paid and a Sale Agreement is executed in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be; and
- (ii) the date on which a Total Loss Event occurs.

(d) Entitlement to Periodic Distribution Amounts:

Periodic Distribution Amounts shall cease to accumulate in respect of each Certificate on the due date for a SUKUK programme tranche redemption unless, upon due presentation, payment is imperly withheld or refused, in which event Periodic Distribution Amounts shall, subject to the terms of the Transaction Documents, continue to accumulate (both before and after judgment) at the rate of return (rental rate) in the manner provided in this Condition 7 (*Periodic Distribution Amounts*) to the Relevant Date **provided that**, (i) Rights to Trust Asset remain available for sale pursuant to the Service Agency Agreement or the Purchase Undertaking; and (ii) in respect of such redemption, no sale agreement has been executed in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be.

8. Redemption of Certificates and Dissolution of The Trust

(a) Dissolution on the Scheduled Dissolution Date:

Unless previously redeemed, or purchased and cancelled, in full, as provided below, each SUKUK programme tranche Certificate shall be finally redeemed on the Scheduled Dissolution Date at its Dissolution Distribution Amount and the Trust shall be dissolved by the Issuer/Trustee/SPV following the payment of all such amounts in full. Upon such dissolution as aforesaid, the Certificates shall cease to represent interests in the Trust Asset and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

(b) Early Dissolution for Taxation Reasons (Call Option): If:

- (A) the Issuer/Trustee/SPV shall not become obliged to pay additional amounts as described under Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Tanzania capital markets or any other law on securities in Tanzania or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 26th February, 2025, and
- (B) such obligation cannot be avoided by the Issuer/Trustee/SPV taking reasonable measures available to it; or
- (i) the Originator shall not become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of the Originator of Zanzibar, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 26th February, 2025, and such obligation cannot be avoided by the Originator taking reasonable measures available to it, (the occurrence of an event described in Condition 8(b)(i) or (ii) being a “**Tax Event**”), the Originator may in its sole discretion deliver to the Issuer/Trustee/SPV a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking. On receipt of such notice, the Issuer/Trustee/SPV shall, on giving not less than 30 nor more than 60 days’ notice to the SUKUK Delegate and the Certificateholders (which notice shall be irrevocable) redeem the Certificates in whole but not in part at any time (such date being an “**Early Tax Dissolution Date**”) at their Dissolution Distribution Amount **provided that** no such notice of dissolution may be given earlier than 90 days prior to the earliest date on which the Issuer/Trustee/SPV or the Originator, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Issuer/Trustee/SPV) or pursuant to any Transaction Document (in the case of the Originator) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8(b), the Issuer /Trustee/SPV or the Originator, as the case may be, shall deliver to the SUKUK Delegate:

- (ii) a certificate signed by two Authorised Representatives of the Issuer/Trustee/SPV (in the case of Condition 8(b)(i)) or the Originator (in the case of Condition 8(b)(ii)), as the case may be, in each case stating that the obligation referred to in Condition 8(b)(i) or 8(b)(ii), as the case may be, cannot be avoided by the Issuer/Trustee/SPV or the Originator, as the case may be, taking reasonable measures available to it; and
 - (iii) an opinion in form and substance satisfactory to the SUKUK Delegate of independent legal advisers of recognised standing to the effect that the Issuer/Trustee/SPV or the Originator, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment, and the SUKUK Delegate shall be entitled to accept and rely upon such certificate and legal opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the condition precedent set out in Condition 8(b)(i) or, as the case may be, Condition 8(b)(ii) above, in which event it shall be conclusive and binding on Certificateholders. Upon expiry of any such notice given in accordance with this Condition 8(b) and payment of the Dissolution Distribution Amount to Certificateholders, the Issuer/Trustee/SPV shall be bound to dissolve the Trust. Upon such dissolution as aforesaid, the Certificates shall cease to represent interests in the Trust Asset and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.
- (C) **Dissolution following a Dissolution Event:** Upon the occurrence of a Dissolution Event, the Certificates may be redeemed at the Dissolution Distribution Amount and the Issuer/Trustee/SPV shall dissolve the Trust, in each case as more particularly specified in Condition 12 (*Dissolution Events*).
- (D) **Purchases:** Each of the Issuer/Trustee/SPV, the Originator and the Originator's Entities may at any time purchase Certificates in the open market or otherwise at any market price provided that purchase doesn't exceed 10% of the total value of the SUKUK volume. Any Certificates held by the Issuer/Trustee/SPV, the Originator, or any of the Originator's Entities shall not entitle the holder to exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums, meetings or for passing Extraordinary Resolutions for the purposes of Condition 14(a) and those certificates have to be sold before the first periodic return payment in order that the Originator shall not be amongst the receivers of the periodic distribution payment.
- (E) **Cancellation:** Certificates purchased by or on behalf of the Issuer/Trustee/SPV, the Originator or any of the Originator's Entities may in the Issuer/Trustee/SPV's and Originator's sole discretion shall be surrendered for sale and transfer and a cancellation in accordance with the terms of the

Declaration of Trust, the Sale Undertaking and the Agency Agreement before the first periodic payment occurs. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer/Trustee/SPV in respect of any such Certificates shall be discharged.

- (F) **Calculations:** Neither the SUKUK Delegate nor any of the SUKUK Transaction Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Certificateholders or any other person for not doing so. That obligation will remain a sole obligation of the Reporting Accountant/Calculation Agent Receiving/ Calculations and payment effected by the Paying Agent after the Receiving Bank remits the amount into the Registrar/Transfer/Paying Agent Account.
- (G) **No other Dissolution:** The Issuer/Trustee/SPV shall not be entitled to redeem the Certificates or dissolve the Trust other than as provided in this Condition 8 (*Redemption and Dissolution of the Trust*) and Condition 12 (*Dissolution Events*).

9.0 Payments

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Issuer/Trustee/SPV, each payment in respect of the Global Certificate will be made to the person shown as the holder in the relevant Register at the close of business on the 15th Business Day before the due date for such payment (the “Record Date”) where “Business Day” means any day on which DSE is open for business. None of the Issuer/Trustee/SPV, the Originator, the Lead Arranger, the SUKUK Delegate, the Paying bank, the Registrar and Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership common ownership in the Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership rights.

(a) Payments in respect of Certificates

Payment of each Periodic Distribution Amount and the relevant Dissolution Distribution Amount, as applicable, will be made by the Paying Agent in Tanzanian Shillings (TZS), by wire transfer in same day funds to the registered account of each Certificateholder. Payments of the Dissolution Distribution Amount will only be made against surrender of the relevant Certificate at the specified office of the relevant Paying Agent. The Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the relevant holder shown on the relevant Register at the close of business on the relevant Record Date.

For the Purposes of These Conditions:

- (iv) a Certificateholder’s “**Central Securities Depository account**” means an account maintained by or on behalf of an investors with **Central Securities Depository and**

Registry (CSD & REGISTRY) that processes payments in Tanzanian Shillings (TZS), details of which appear on the Certificateholders' Register at the close of business on the relevant Record Date;

- (v) a Certificateholder's "**registered address**" means the address appearing on the relevant Certificateholders' Register at that time; and
- (vi) A "**Record Date**" means, in the case of the payment of a Periodic Distribution Amount, the date falling on the fifteenth day before the relevant Periodic Distribution Date and, in the case of the payment of any Dissolution Distribution Amount, the date falling two (2) Payment Business Days before the relevant Dissolution Date or other due date for payment of such amount.

(b) Payments subject to Applicable Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Condition 9 (Payment) and Condition 11 (Taxation). No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) Payment only on a Payment Business Day

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the Dissolution Distribution Amount, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of the relevant Paying Agent.

Certificateholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Distribution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, or if the relevant Certificateholder is late in surrendering his Certificate (if required to do so).

If any Dissolution Distribution Amount or any Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the relevant Register with a record of the amount actually paid.

In these Conditions "**Payment Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in New York City are open for general business and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

(d) Paying Bank and Paying Agents

In acting under the Agency Agreement and in connection with the Certificates, the Paying Bank and Paying Agents act solely as agents of the Issuer/Trustee/SPV and (to the extent provided in the Declaration of Trust and the Transaction Agency Agreement) The SUKUK Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders or any other party to the Transaction Documents.

The names of the Paying Bank and Paying Agents and their specified offices are set out in this Condition 9(d). The Issuer/Trustee/SPV reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents provided that the Issuer/Trustee/SPV shall at all times maintain: (i) a Principal Paying Agent; (ii) a Registrar; (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Certificates may be listed in each case, as approved by the Issuer/Trustee/SPV.

Notice of any such change or any change of any specified office shall be given to The Issuer/Trustee/SPV, The SUKUK Delegate and the Certificateholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Receiving/Paying Bank:

**People's bank of Zanzibar Limited,
2nd Floor ZIC Building, Mpirani
Zanzibar - Tanzania**

Tel: + 255 767 278 381 / 255 777 434 141

E-mail: info@pbzbank.go.tz

Website: www.pbzbank.go.tz

**Attention: Mr. Arafat A. Haji
Managing Director**

The name and specified office of the Registrar/Transfer/Paying Agent:

**CSD & Registry Company Limited,
2nd Floor, Kambarage House, 6 Ufukoni Rd,
Dar es Salaam-Tanzania**

Tel: +255 746 160516/+255 677 070 414

Email: registrar@CSD & Registry.go.tz

Website: www.CSD & Registry.go.tz

**Attention: Mr. Benitho Kyando
Managing Director**

(e) Method of Payment:

Payments of the Dissolution Distribution Amount shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount in respect of each Certificate under a SUKUK programme tranche shall be paid to the person shown on the Register's bank account at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date").\

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount in respect of each Certificate shall be made in Tanzanian Shillings currency by transfer to an account in Tanzanian Shillings currency maintained by the payee.

So long as the Dematerialized Certificate is held by CSD & Registry, each payment in respect of the Dematerialized Certificate will be made to the person shown as the Holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except Public holidays in Tanzania.

(f) Payments subject to Fiscal Laws:

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*); and (ii) any withholding or deduction required pursuant to Tanzanian taxation laws, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

NOTWITHSTANDING THE PARAGRAPH ABOVE, no tax, commission or expenses shall be charged to the Certificateholders in respect of such payments as per Bank of Tanzania "Guidelines for Participation in Primary and Secondary Markets for Treasury Bonds" section 4.3.

(g) Payment Initiation:

Where payment is to be made by transfer to an account in U.S. dollars, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of the Dissolution Distribution Amount, where the relevant Certificate has not been presented and surrendered at the specified office of the Registrar or any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is presented and surrendered.

(h) Appointment of Agents:

The Lead Arranger, SUKUK Delegate, Legal Advisor, Shari'ah Advisor, Reporting Accountant, Receiving and Paying Bank, the Registrar/Transfer and Paying Agent, the Rating Agent have been appointed by the Issuer/Trustee/SPV and their respective specified offices are listed in this SUKUK Programme Base Prospectus. The Transaction Agents act solely as agents of the Issuer/Trustee/SPV and do not assume any obligation or relationship of partnership or trust for or with any Certificateholder.

The Issuer/Trustee/SPV reserves the right at any time with the approval of the SUKUK Delegate to vary or terminate the appointment of the any Transaction and to appoint additional or other transaction Agents, **provided that** the Issuer/Trustee/SPV shall at all times maintain (i) The Lead Arranger, a capital markets licensed dealer in securities (ii) Shari'ah Advisor (iii) a SUKUK Delegate (iv) a Legal Advisor, (v) Receiving and Bank (vi) Registrar, Transfer & Paying Agent (vii) the Reporting Accountant and Calculation Agents and (viii) a Rating Agent and such other agents as may be required later on when the Certificates are be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Certificateholders.

(i) Non-Business Days:

If any date for payment in respect of any Certificate is not a business day, the holder shall not be entitled to payment until the next following business day nor to any Periodic Distribution Amount or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (except Sunday) on which banks and DSE is open for business in the place in which the specified office of the Registrar is located and, where payment is to be made by transfer to an account maintained with the Receiving /Paying Bank.

10. Capital Distributions of the Trust

(a) Scheduled Dissolution:

Unless the Certificates are previously redeemed or purchased and cancelled, the Issuer/Trustee/SPV will redeem each Certificate at the Dissolution Distribution Amount on the Periodic Distribution Date falling on the Scheduled Dissolution Date. Upon payment in full of the Dissolution Distribution Amount to the Certificateholders, the Trust will be dissolved, the Certificates shall cease to represent undivided ownership interests in the Trust Asset and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

(b) Dissolution Following a Dissolution Event

Upon the occurrence of a Dissolution Event which is continuing, the Certificates may be redeemed at the Dissolution Distribution Amount and the Trust dissolved as more particularly specified in Condition 14 (Dissolution Events).

Upon redemption of all of the Certificates outstanding in accordance with this Condition 10(b) (Dissolution Following a Dissolution Event) and payment in full of

the Dissolution Distribution Amount to the Certificateholders, the Trust will be dissolved, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect of the Certificates and the Issuer/Trustee/SPV shall have no further obligations in respect of the Certificates.

(c) Early Dissolution for Tax Reasons

Upon receipt of a duly completed Exercise Notice from the Originator in accordance with the Sale and Substitution Undertaking, the Certificates shall be redeemed by the Issuer/Trustee/SPV in whole, but not in part, on the date specified in the Exercise Notice (a “**Tax Dissolution Date**”), on giving not less than 30 nor more than 60 days’ notice to The SUKUK Delegate and to the Certificateholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable), at the applicable Dissolution Distribution Amount, if a “**Tax Event**” has occurred or will occur, where Tax Event means:

- i. the Issuer/Trustee/SPV has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Signing Date; and (B) such obligation cannot be avoided by the Issuer/Trustee/SPV taking reasonable measures available to it; or
- ii. the Issuer/Trustee/SPV has received notice from the Originator that it has or will become obliged to pay additional amounts to the Issuer/Trustee/SPV pursuant to the terms of any Transaction Document to which it is a party as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Signing Date; and (B) such obligation cannot be avoided by the Originator taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (in the case of (i) above) the Issuer/Trustee/SPV would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due or (in the case of (ii) above) the Originator would be obliged to pay such additional amounts if a payment to the Issuer/Trustee/SPV under the relevant Transaction Document was then due.

Prior to the publication of any notice of redemption pursuant to this Condition 10(c) (*Capital Distributions of the Trust - Early Dissolution for Tax Reasons*), the Issuer/Trustee/SPV or, as the case may be, the Originator shall deliver to The SUKUK Delegate:

- (A) a certificate signed by an Authorised Signatory on behalf of the Issuer/Trustee/SPV or, as the case may be, the Originator stating that the obligation referred to in paragraph (i) or (ii) above cannot be avoided by the Issuer/Trustee/SPV or, as the case may be, the Originator, taking reasonable measures available to it; and
- (B) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer/Trustee/SPV or, as the case may be, the Originator, has or will become obliged to pay such additional amounts as a result of such

change of amendment.

The SUKUK Delegate shall be entitled to accept and rely upon the certificate and the opinion without further enquiry and without liability to any person, as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Certificateholders.

Upon the expiry of any such notice given in accordance with this Condition 10(c) (*Capital Distributions of the Trust - Early Dissolution for Tax Reasons*), and payment in full of the applicable Dissolution Distribution Amount to Certificateholders, the Issuer/Trustee/SPV shall be bound to dissolve the Trust and the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

For the purpose of these Conditions, the “**Relevant Jurisdiction**” means the United Republic of Tanzania (URT).

(d) Dissolution at the Option of the Certificateholders

Upon receipt of a Tangibility Event Issuer/Trustee/SPV Notice from the Originator in accordance with the Service Agency Agreement, the Issuer/Trustee/SPV shall promptly give notice (a “**Tangibility Event Notice**”) to The SUKUK Delegate and the Certificateholders in accordance with these Conditions specifying:

- i. that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- ii. that, as determined in consultation with the Shari’ah Advisor, the Certificates should be tradable only in accordance with the Shari’ah principles of Manfa’a Ijarah securities trading in the secondary market);
- iii. that, on the date falling 15 days following the Tangibility Event Date, the Certificates will be delisted from the Stock Exchange (if any) on which the Certificates are admitted to listing or, if such date is not a business day, the next following business day (“business day” being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and
- iv. the Tangibility Event Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates.

Upon receipt of the Tangibility Event Notice, Certificateholders may elect, within the Tangibility Event Period, for all or any of their Certificates to be redeemed.

If any Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 10(d) (*Dissolution at the Option of the Certificateholders (Tangibility Event)*), the Issuer/Trustee/SPV shall redeem

such Certificates on the Tangibility Event Date at the applicable Dissolution Distribution Amount.

To elect to redeem all or any of its Certificates in accordance with this Condition 10(d) (***Dissolution at the Option of the Certificateholders (Tangibility Event)***), a Certificateholder must deposit its Certificate(s) with the Registrar/Transfer Agent at its specified office, together with a duly completed exercise notice (a “***Tangibility Event Exercise Notice***”) in the form obtainable from the Issuer/Trustee/SPV, the Lead Arranger, Paying Bank, the Paying Bank, the Registrar/Transfer/Paying Agent and any Collecting Bank/Agent (as applicable). No Certificate so deposited and right exercised may be withdrawn (except if the condition referred to in the previous paragraph is not satisfied and as otherwise provided in the Agency Agreement).

If the holder of every Certificate outstanding delivers a Tangibility Event Exercise Notice in accordance with this Condition 10(d) (***Dissolution at the Option of the Certificateholders (Tangibility Event)***), and upon payment in full of the applicable Dissolution Distribution Amount to Certificateholders, the Issuer/Trustee/SPV shall be bound to dissolve the Trust and the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

For the avoidance of doubt, neither the SUKUK Delegate nor any Transaction Agent will have any responsibility for monitoring or ensuring compliance with any such Shari’ah principles of securities trading referred to in sub-paragraph (ii) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

In these Conditions:

“**Tangibility Event**” means if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Loss Event, falls below 33 per cent.;

“**Tangibility Event Period**” means a period of 30 days commencing on the date that a Tangibility Event Notice is given;

“**Tangibility Event Date**” means the first Business Day falling 75 days following the expiry of the Tangibility Event Period; and

“**Tangible Asset Ratio**” has the meaning given to it in the Asset Service Agency Agreement.

(e) **Dissolution following a Total Loss Event**

Upon receipt of notice from the Originator or otherwise becoming aware of the occurrence of a Total Loss Event, unless the SUKUK underlying Asset has been replaced in accordance with the Asset Service Agency Agreement, the Issuer/Trustee/SPV shall redeem the Certificates in whole, but not in part, by no later than the close of business on the 61st day after the occurrence of the Total Loss Event (the “**Total Loss Dissolution Date**”) at the applicable Dissolution Distribution Amount.

Following the occurrence of a Total Loss Event, the Service Agent shall forthwith notify the Issuer/Trustee/SPV and The SUKUK Delegate of the same and the Issuer/Trustee/SPV shall promptly notify Certificateholders (the “**Trading**

Notice”) in accordance with Condition 17 (*Notices*):

- v. of the occurrence of the Total Loss Event; and
- vi. that, from the date of the Trading Notice, and until any further notice from The Issuer/Trustee/SPV, in consultation with the Shari’ah Advisor stating otherwise, the Certificates should be tradable only in accordance with the Shari’ah principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis),

provided that following any replacement of the relevant Ijarah Asset in accordance with the Asset Service Agency Agreement and upon receipt of notice thereof from the Service Agent (the **Originator**) pursuant to the Service Agency Agreement, the Issuer/Trustee/SPV shall promptly give notice to Certificateholders in accordance with Condition 17 (*Notices*) that the Certificates may be traded at any price from the date of that notice.

The Asset Service Agency Agreement will provide that, following the occurrence of (in relation to the Lease Assets comprised in the Wakala Portfolio) a Partial Loss Event (as defined below) and the ratio (expressed as a percentage) of (A) the aggregate Value of the Wakala Assets (which for this purpose shall exclude any Impaired Lease Assets) to (B) the aggregate Value of the Wakala Portfolio at such time, falling below 33 per cent., the Asset Service Agent shall request the Issuer/Trustee/SPV to, and upon such request the Issuer/Trustee/SPV shall, promptly deliver a Trading Notice to the Certificateholders in accordance with Condition 17 (*Notices*) specifying (I) the occurrence of such event; and (II) that, from the date of the Trading Notice, and until any further notice from the Issuer/Trustee/SPV, in consultation with the Shari’ah Advisor stating otherwise, the Certificates should be tradable only in accordance with the Shari’ah principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis), provided that following any replacement of the relevant Wakala Assets in accordance with the Service Agency Agreement and upon receipt of notice thereof from the Asset Service Agent pursuant to the Asset Service Agency Agreement, the Issuer/Trustee/SPV shall promptly give notice to Certificateholders in accordance with Condition 17 (*Notices*) that the Certificates may be traded at any price from the date of that notice.

For the avoidance of doubt, neither the SUKUK Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such Shari’ah principles of debt trading referred to above nor shall it be liable to any Certificateholder or any other person in respect thereof.

For the purposes of this Condition 10(e) only, a “**Partial Loss Event**” means the partial impairment of one or more Lease Assets in a manner that substantially deprives the Lessee from the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which (A) has been certified in writing by a recognised independent industry expert; and (B) does not constitute a Total Loss Event.

In these Conditions,

“**Impaired Lease Assets**” means the Lease Assets subject of impairment following the occurrence of a Partial Loss Event; and

“**Value**” has the meaning given to it in the Service Agency Agreement.

b. No Other Dissolution

The Issuer/Trustee/SPV shall not be entitled to redeem the Certificates, and the Issuer/Trustee/SPV shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 10 (*Capital Distributions of the Trust*), Condition 13(c) (*Purchase and Cancellation of Certificates - Dissolution of the Trust upon cancellation of all outstanding Certificates*) and Condition 14 (*Dissolution Events*).

c. Cancellations

All Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold.

d. Effect of payment in full of the Dissolution Distribution Amount

Upon payment in full of the Dissolution Distribution Amount and the termination of the SUKUK Trust, the Certificates shall cease to represent an undivided ownership interest in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

11. Taxation

All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Republic of Tanzania, Zanzibar or any authority thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer/Trustee/SPV shall pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

(a) Other connection:

To, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with the United Republic of Tanzania or Zanzibar Islands other than the mere holding of the relevant Certificate; or

(b) Presentation and Surrender more than 30 days after the Relevant Date: if the relevant Certificate is presented and surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting and surrendering the Certificate for payment

on the last day of such period of 30 days assuming that day to have been a business day (as defined in *Condition 9(e)*); or

- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Tanzanian Capital Markets Law, Regulations and Guidelines or circular (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such laws.

As used in these Conditions, “**Relevant Date**” in respect of any Certificate means the date on which payment of a particular SUKUK tranche in respect of its first becomes due or (if any amount of the money payable is withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to Periodic Distribution Amounts and the Dissolution Distribution Amount shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Declaration of Trust. Neither the SUKUK Delegate nor the Agents shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 10 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer/Trustee/SPV, the Originator, Certificateholders or any other person to pay such tax, duty, charges, withholding or other payment.

The Transaction Documents to which the Originator is a party each provide that payments thereunder by the Originator shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by a change of law and, in such case, provide for the payment by the Originator of additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer/Trustee/SPV on behalf of the SUKUK Certificateholders.

Further, in accordance with the Declaration of Trust, the Originator has undertaken that for so long as the Issuer/Trustee/SPV is required to pay any additional amounts in respect of the Certificates pursuant to Condition 11 (*Taxation*) and fails to do so, it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of The SUKUK Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by The SUKUK Delegate (after any such withholding, retention or deduction) equals any and all additional amounts required to be paid by the Issuer/Trustee/SPV in respect of the Certificates pursuant to Condition 11 (*Taxation*).

12 Payments Prescription

Claims against the Issuer/Trustee/SPV for payment in respect of a particular SUKUK programme tranche the Certificates shall be prescribed and become void unless made within 7 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

13. Purchase and Cancellation of Certificates

(a) Purchases

The Originator may at any time purchase Certificates in the open market or otherwise at any price. Certificates so purchased, while held by or on behalf of the Originator, shall not entitle the holder to vote at any meeting of the Certificateholders and shall not be deemed to be outstanding for the purposes of calculating the quorum at any meeting of Certificateholders.

(b) Cancellation of Certificates held by the Originator

Certificates purchased by or on behalf of the Originator may, at the option of the Originator, be surrendered for cancellation in accordance with the terms of the Declaration of Trust and the Agency Agreement. Any Certificates so surrendered will forthwith be cancelled and accordingly may not be reissued or resold.

(c) Dissolution of the Trust upon cancellation of all outstanding Certificates

In the event that the Originator purchases all the outstanding Certificates and all such Certificates are subsequently cancelled by or on behalf of the Issuer/Trustee/SPV, the Trust will be dissolved and the Certificates shall cease to represent an undivided ownership interest in the Trust Asset and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

14. Dissolution Events

If any of the following events (each a “Dissolution Event”) shall have occurred and is continuing:

(a) *Non-payment:*

Default is made in the payment of any Dissolution Distribution Amount or any Periodic Distribution Amount due in respect of the Certificates or any of them and the default continues for a period of 30 days;

(b) *Breach of other obligations:*

The Issuer/Trustee/SPV (acting in any capacity) fails to observe or perform any of its other duties, obligations or undertakings under these Certificates or the Transaction Documents to which it is a party and such default is not capable of remedy or (if capable of remedy) is not remedied within 60 days after written notice of such default shall have been given to the Issuer/Trustee/SPV by The SUKUK Delegate;

(c) *Originator Event:*

An Originator Event occurs;

(d) *Validity:*

Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in public, is not taken, fulfilled or done;

(e) Repudiation:

The Issuer/Trustee/SPV repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party;

(f) Illegality: (i) at any time it is or will become unlawful or impossible for the Issuer/Trustee/SPV (by way of insolvency, termination or dissolution events or otherwise) **(A)** to execute, enter into or exercise its rights in, the Certificates or the Transaction Documents; or **(B)** to perform or comply with any or all of its duties, obligations and undertakings under the Certificates or the Transaction Documents; or (ii) any of the duties, obligations and undertakings of the Issuer/Trustee/SPV under the Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable;

(g) Insolvency: (a) the Issuer/Trustee/SPV is (or is deemed by law or a court to be) insolvent

or is unable to pay its financial obligations as they fall due; (b) an administrator, rehabilitator, or liquidator or any similar officer of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer/Trustee/SPV is appointed (or application for any such appointment is made); (c) the Issuer/Trustee/SPV takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness given by it; or (d) the Issuer/Trustee/SPV ceases or threatens to cease to carry on all or substantially the whole of its business, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the SUKUK Delegate or by an Extraordinary Resolution of the Certificateholders;

(h) Substitution: (i) if the Issuer/Trustee/SPV which is the SUKUK Trust Administrator resigns, or is removed or dissolved or otherwise become incapable of acting as administrator of the Zanzibar SUKUK Trust, or shall be adjudged as bankrupt or insolvent, or if substantially the SUKUK asset party shall be placed under receivership, or if any public officer or entity shall take control of the Trust Asset or of its party or affairs for the purpose of rehabilitation, conservation or liquidation or, in the most general sense, if the financial condition of the Issuer/Trustee/SPV - the SUKUK Trust Administrator is such that the it is generally unable to pay its liabilities as they fall due in the ordinary course of business or has liabilities that are greater than its asset; and (ii) the replacement and substitute administrator of the SUKUK Trust is not appointed in accordance with the Establishment Deed;

(i) Winding-up, liquidation, termination or dissolution:

An order or decree is made or an effective resolution is passed for the winding up, liquidation, termination or dissolution of The Issuer/Trustee/SPV; or

(j) **Analogous Event:**

Any event occurs which under the laws of the United Republic of Tanzania and/or Zanzibar jurisdiction has an analogous effect to any of the events referred to in paragraph (g) and (i) above;

The SUKUK Delegate shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, and having been notified in writing that such Dissolution Event has occurred and is continuing, give notice in writing thereof to the Certificateholders in accordance with Condition 17 (**Notices**) with a request to such SUKUK Certificateholders to indicate if they wish the SUKUK Trust to be dissolved.

Following the issuance of such notice, the SUKUK Delegate may, or if so requested in writing by the Certificateholders of at least 25 per cent. of the then aggregate face amount of the SUKUK Certificates outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a “**Dissolution Notice**”), shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer/Trustee/SPV and the Originator of the Dissolution Notice and, upon receipt of such notice, the Issuer/Trustee/SPV or The SUKUK Delegate, in the name of the Issuer/Trustee/SPV, shall exercise its rights under the Purchase Undertaking and the Issuer/Trustee/SPV or the SUKUK Delegate, in the name of The Issuer/Trustee/SPV, shall distribute to the Certificateholders the proceeds of the resultant sale credited to the Transaction Account in accordance with the Purchase Undertaking and the Certificates shall be redeemed at the Dissolution Distribution Amount on the date specified in such notice (the “**Dissolution Event Redemption Date**”) and the Trust shall be dissolved on the day after the last outstanding Certificate has been redeemed.

15. Enforcement and Exercise of Rights

- (a) Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Certificates has not been paid in full, the Issuer/Trustee/SPV or the SUKUK Delegate (subject to the SUKUK Delegate being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefits of the Certificateholders) take one or more of the following steps:
- (i) enforce the provisions of the Transaction Documents in accordance with their terms; and/or
 - (ii) take such other actions, steps or proceedings as the Trustee or the Delegate may consider necessary to recover amounts due to the Certificateholders.
- (b) Following the enforcement, realisation of the Certificates and ultimate distribution of the net proceeds of the Trust Assets in respect of the Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the obligations of the Issuer/Trustee/SPV in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished. Following which, neither the Issuer/Trustee/SPV nor the SUKUK Delegate shall be liable for any such sums and, accordingly, Certificateholders may not take any action against the Issuer/ Trustee/SPV, The

SUKUK Delegate, the Agents or any other person (including the Original) to recover any such sum or asset in respect of the Certificates or the Trust Assets. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding up of The Issuer/Trustee/SPV.

a. Subject to paragraph (b), no Certificateholder shall be entitled to proceed directly against the Issuer/Trustee/SPV or to provide instructions to the Issuer/Trustee/SPV to proceed directly against the Originator under any Transaction Document to which any of them is a party unless (a) The SUKUK Delegate, having become bound so to proceed:

(i) fails or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, in each case, within a reasonable period and such failure or inability is continuing; and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who pose to proceed directly against any of the Issuer/Trustee/SPV or the Originator as the case may be) holds at least 25 per cent. of the then outstanding aggregate face amount of the Certificates. Under no circumstances shall the SUKUK Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the SUKUK Delegate and the Certificateholders against the Issuer/Trustee/SPV and/or the Originator shall be to enforce their respective obligations under the Transaction Documents.

(c) Subject to paragraph (b), neither the Issuer/Trustee/SPV nor The SUKUK Delegate shall be bound in

any circumstances to take any action to enforce or to realise the Trust Assets or take any action against, in the case of The SUKUK Delegate only, the Issuer/Trustee/SPV and/or, in the case of the Issuer/Trustee/SPV or The SUKUK Delegate, the SUKUK under any Transaction Document to which any of the Issuer/Trustee/SPV or the Originator is a party unless directed or requested to do so: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Certificates and, in either case, then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and *provided that* neither the Issuer/Trustee/SPV nor the SUKUK Delegate shall be held liable for the consequences of exercising or not exercising its discretion or taking or not taking any such action and may do so without having regard to the effect of such action or the failure to take action on individual SUKUK Certificateholders.

16. Replacement of Definitive Certificates

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Dar es Salaam Stock Exchange or other relevant authority regulations, at the specified office of the

Registrar/Transfer & Paying Agent, as the case may be, as may from time to time be designated by the Issuer/Trustee/SPV for the purpose and notice of whose designation is given to SUKUK Certificateholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer/Trustee/SPV on demand the amount payable by the Issuer/Trustee/SPV in respect of such Certificate) and otherwise as the Issuer/Trustee/SPV, the Registrar, Transfer & Paying Agent, may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17. Notices

Notices to the SUKUK Certificateholders shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the relevant SUKUK Certificateholders Register and deemed to have been given on the fourth weekday (being a day other than a Sunday) after the date of mailing. The Issuer/Trustee/SPV shall also ensure that notices are duly published in a manner that complies with any other relevant rules of Dar es Salaam Stock Exchange (DSE) or other relevant authority on which the Certificates are being admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Certificates is held in its entirety on behalf of the SUKUK Certificateholders by DSE, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to DSE for communication by them to the SUKUK Certificateholders of the Certificates. Any such notice shall be deemed to have been given to the SUKUK Certificateholders on the day on which the said notice was given to DSE.

18. Meetings of Certificateholders and Modifications

(e) Convening Meetings of Certificateholders; Conduct of Meetings of SUKUK Certificateholders; Written Resolutions

- (i) The SUKUK Delegate, the Issuer/Trustee/SPV or the Originator may convene a meeting (including by way of conference call or by use of a videoconference platform) of the Certificateholders at any time in respect of the Certificates in accordance with the Declaration of Trust. The SUKUK Delegate, the Issuer/Trustee/SPV or the Originator (as the case may be) will determine the time and place (or the details of the electronic platform to be used in the case of a virtual meeting) of the meeting. The SUKUK Delegate, the Issuer/Trustee/SPV or the Originator (as the case may be) will notify the Certificateholders of the time, place and purpose of the meeting (or the details of the electronic platform to be used in the case of a virtual meeting) not less than 30 and not more than 60 days before the meeting.
- (ii) The Issuer/Trustee/SPV, the Originator or The SUKUK Delegate will convene a

meeting (including by way of conference call or by use of a videoconference platform) of Certificateholders if the holders of at least 10.0 per cent. in face amount of the Certificates outstanding (as defined in the Declaration of Trust and subject to Condition 18(i) (***Certificates controlled by the Issuer/Trustee/SPV or the Originator***)) have delivered a written request to The Issuer/Trustee/SPV, the Originator or The SUKUK Delegate (with a copy to the Issuer/Trustee/SPV and the Originator) setting out the purpose of the meeting. The SUKUK Delegate will agree the time and place of the meeting (or the details of the electronic platform to be used in the case of a virtual meeting) with the Issuer/Trustee/SPV and the Originator promptly. The Issuer/Trustee/SPV, the Originator or The SUKUK Delegate, as the case may be, will notify the Certificateholders within ten days of receipt of such written request of the time and place of the meeting (or the details of the electronic platform to be used in the case of a virtual meeting), which shall take place not less than 30 and not more than 60 days after the date on which such notification is given.

- (iii) The Issuer/Trustee/SPV or the Originator (as the case may be) (with the agreement of The SUKUK Delegate) will set the procedures governing the conduct of any meeting in accordance with the Declaration of Trust. If the Declaration of Trust does not include such procedures, or additional procedures are required, The Issuer/Trustee/SPV, the Originator and The SUKUK Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer/Trustee/SPV or the Originator (as the case may be) poses any modification to the terms and conditions of, or action with respect to, two or more series of securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*;
 - (A) the date, time and location of the meeting (or the details of the electronic platform to be used in the case of a virtual meeting);
 - (B) the agenda and the text of any Extraordinary Resolution to be posed for adoption at the meeting;
 - (C) the record date for the meeting, which shall be no more than five Business Days before the date of the meeting;
 - (D) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;
 - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Certificates are traded and/or held by SUKUK Certificateholders;
 - (F) whether Condition 18(b) (*Modification of a Single Series of Certificates only*), or Condition 18(c) (*Multiple Series Aggregation – Single limb voting*), or Condition 18(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of securities it applies;

- (G) if the posed modification or action relates to two or more series of securities issued by it and contemplates such series of securities being aggregated in more than one group of securities, a description of the posed treatment of each such group of securities;
 - (H) such information that is required to be provided by the Issuer/Trustee/SPV or the Originator(as the case may be) in accordance with Condition 18(f) (**Information**);
 - (I) the identity of the Aggregation Agent and the Calculation Agent, if any, for any posed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 18(g) (**Claims Valuation**); and
 - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.
- (v) In addition, the Declaration of Trust contains provisions relating to Written Resolutions. All information to be provided pursuant to Condition 18(a) (**Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions**) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.
- (vi) A “**Record Date**” in relation to any posed modification or action means the date fixed by the Issuer/Trustee/SPV or the Originator (as the case may be) for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution, which date shall be no more than five Business Days before the date of any such meeting.
- (vii) An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be;
- (viii) A “**Written Resolution**” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be;
- (ix) Any reference to “**securities**” means any trust certificates (including, without limitation, the Certificates), notes, bonds, debentures or other securities issued by the Issuer/Trustee/SPV or the Originator in one or more series with an original stated maturity of more than one year;

- (x) “**Securities Capable of Aggregation**” means those securities which include or incorporate by reference this Condition 18 (*Meetings of Certificateholders and Modifications*) and Condition 19 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.

(f) **Modification of a Single Series of Certificates only**

- (i) Without prejudice to clause 6.3 of the Declaration of Trust, any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below;
- (ii) A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Originator and The SUKUK Delegate pursuant to Condition 18(a) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*) by a majority of:

(A) in the case of a Reserved Matter, at least 75.0 per cent. of the aggregate face amount of the outstanding Certificates that are represented at a meeting; or

(B) in the case of a matter other than a Reserved Matter, more than 50.0 per cent. of the aggregate face amount of the outstanding Certificates that are represented at a meeting.

- (iii) A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75.0 per cent. of the aggregate face amount of the outstanding Certificates; or

(B) in the case of a matter other than a Reserved Matter more than 50.0 per cent. of the aggregate face amount of the outstanding Certificates.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.

- (iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(g) Multiple Series Aggregation – Single Limb Voting

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
- (ii) A “**Multiple Series Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Originator (as the case may be) and The SUKUK Delegate pursuant to Condition 18(a) (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75.0 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate).
- (iii) A “**Multiple Series Single Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75.0 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of securities.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.
- (v) The “**Uniformly Applicable**” condition will be satisfied if:
 - (A) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (B) the amendments posed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).
- (vi) Any modification or action posed under Condition 18(c)(i) may be made in respect of some series only of the Securities Capable of Aggregation and, for

the avoidance of doubt, the provisions described in this Condition 18(c) (***Multiple Series Aggregation – Single limb voting***) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(h) Multiple Series Aggregation – Two Limb Voting

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Originator (as the case may be) and The SUKUK Delegate pursuant to Condition 18(a) (***Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions***), as supplemented if necessary, which is passed by a majority of:

(A) at least 66 2/3 per cent. of the aggregate face amount of the outstanding securities of affected series of Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50.0 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

(iii) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66 2/3 per cent. of the aggregate face amount of the outstanding securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50.0 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities

Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

- (v) Any modification or action posed under Condition 18(d)(i) (Multiple Series Aggregation – Two limb voting) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18(d) (***Multiple Series Aggregation – Two limb voting***) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(i) Reserved Matters

In these Conditions, “**Reserved Matter**” means any posal:

- (i) to change the Scheduled Dissolution Date, any Periodic Distribution Date or any other date, or the method of determining the Scheduled Dissolution Date, any Periodic Distribution Date or any other date, for payment of the Dissolution Distribution Amount, the Periodic Distribution Amount or any other amount in respect of the Certificates, to reduce or cancel the amount of the Dissolution Distribution Amount, the Periodic Distribution Amount or any other amount payable on any date in respect of the Certificates or to change the method of calculating the amount of the Dissolution Distribution Amount, the Periodic Distribution Amount or any other amount payable in respect of the Certificates on any date;
- (ii) to change the currency in which any amount due in respect of the Certificates is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “securities” or “Securities Capable of Aggregation”;
- (vi) to change the definition of “Uniformly Applicable”;
- (vii) to change the definition of “outstanding” or to modify the provisions of Condition 18(i) (***Certificates controlled by the Issuer/Trustee/SPV or the Originator***);
- (viii) to change the legal ranking of the Certificates;
- (ix) to permit early redemption of the Certificates or, if early redemption is already permitted, set a redemption date earlier than the date previously specified or reduce the redemption price;

- (x) to change any provision of the Certificates describing circumstances in which the Certificates are to be redeemed upon the occurrence of a Dissolution Event, set out in Condition 14 (*Dissolution Events*);
- (xi) to change the law governing the Certificates, the dispute resolution provisions including any courts to the jurisdiction of which the Issuer/Trustee/SPV and/or the Originator have submitted in the Certificates, any of the arrangements specified in the Certificates to enable proceedings to be taken or The Issuer/Trustee/SPV's or the Originator's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 24 (*Governing Law and Jurisdiction*);
- (xii) to impose any condition on or otherwise change The Issuer/Trustee/SPV's obligation to make payments of the Dissolution Distribution Amount, the Periodic Distribution Amount or any other amount in respect of the Certificates, including by way of the addition of a call option;
- (xiii) to modify the provisions of this Condition 18(e) (*Reserved Matters*);
- (xiv) to amend any of The Issuer/Trustee/SPV's or the Originator's covenants or undertakings in the Declaration of Trust or any other Transaction Document to which it is a party (including any of the Originators's covenants or undertakings to make a payment under any Transaction Document to which it is a party);
- (xv) to exchange or substitute all the Certificates for, or convert all the Certificates into, other obligations or securities of the Issuer/Trustee/SPV or the Originator(as the case may be) or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Certificates for, or the conversion of the Certificates into, any other obligations or securities of the Issuer/Trustee/SPV or the Originator(as the case may be) or any other person, which would result in the Conditions as so modified being less favourable to the Certificateholders which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or securities of the Issuer/Trustee/SPV or the Originator or any other person resulting from the relevant exchange or substitution or conversion; or
 - (B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate face amount, and for the avoidance of doubt, nothing in this sub-paragraph (e) shall restrict the operation of Condition 21.

(j) Information

Prior to or on the date that The SUKUK Delegate, the Issuer/Trustee/SPV or the Originator poses any Extraordinary Resolution or Written Resolution pursuant to 18(b) (*Modification of a Single Series of Certificates only*), or Condition 18(c) (*Multiple Series Aggregation – Single limb voting*), or Condition 18(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer/Trustee/SPV or the Originator(as the case may be) shall publish in accordance with Condition 19

(**Aggregation Agent; Aggregation Procedures**), and provide The SUKUK Delegate with the following information:

- (i) a description of the Originator's economic and financial circumstances, a description of the Originator's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook, in each case to the extent that such matters are, in the Originator's opinion, relevant to the request for any potential modification or action;
- (ii) if the Originator shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Originator's posed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and
- (iv) if any posed modification or action contemplates securities being aggregated in more than one group of securities, a description of the posed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in Condition 18(a)(iv)(G).

(k) Claims Valuation

For the purpose of calculating the face value of the Certificates and any affected series of securities which are to be aggregated with the Certificates in accordance with Condition 18(c) (**Multiple Series Aggregation – Single limb voting**) and Condition 18(d) (**Multiple Series Aggregation – Two limb voting**), the Issuer/Trustee/SPV or the Originator (as the case may be) may appoint a Calculation Agent (the "**Calculation Agent**"). The Issuer/Trustee/SPV or the Originator (as the case may be) shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the face value of the Certificates and such affected series of securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

(l) Manifest error, etc.

The Certificates, these Conditions and the provisions of the Declaration of Trust or any other Transaction Document may be amended, without the consent of the Certificateholders, to correct a manifest error. In addition, the parties to the Declaration of Trust or any other Transaction Document may pose to modify any provision thereof, but The SUKUK Delegate shall not agree, without the consent of the Certificateholders, to any such modification unless, in the opinion of The SUKUK Delegate, it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Certificateholders.

(m) Certificates controlled by the Issuer/Trustee/SPV or the Originator

For the purposes of (i) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the

signature of, any Written Resolution, (ii) this Condition 18 (*Meetings of Certificateholders and Modifications*) and (iii) Condition 14 (*Dissolution Events*), any Certificates which are for the time being held by or on behalf of The Issuer/Trustee/SPV, the Originator or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer/Trustee/SPV or the Originator or by any public sector instrumentality of the Issuer/Trustee/SPV or the Originators shall be disregarded and be deemed not to remain outstanding, where:

- (i) “**public sector instrumentality**” means Zanzibar President’s Office-Finance and Planning, any other department, ministry or agency of the government of the the Originator or any corporation, trust, financial institution or other entity owned or controlled by the Originator or any of the foregoing; and
- (ii) “**control**” means the power, directly or indirectly, through the ownership of voting securities or other ownership interests rights or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Certificate will also be deemed to be not outstanding if the Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer/Trustee/SPV or the Originator(as the case may be) has previously satisfied its obligations to make all payments due in respect of the Certificate in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution, the Issuer/Trustee/SPV or the Originator(as the case may be) shall provide to The SUKUK Delegate a copy of the certificate prepared pursuant to Condition 19(d)(*Certificate*), which includes information on the total number of Certificates which are for the time being held by or on behalf of the Issuer/Trustee/SPV or the Originator(as the case may be) or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer/Trustee/SPV or the Originator(as the case may be) or by any public sector instrumentality of the Issuer/Trustee/SPV or the Originator(as the case may be) and, as such, such Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution. The SUKUK Delegate shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(n) **Publication**

The Issuer/Trustee/SPV or the Originator (as the case may be) shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 19(g) (*Manner of publication*).

(o) **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the option of the Issuer/Trustee/SPV or the Originator(as the

case may be) by way of a mandatory exchange or conversion of the Certificates and each other affected series of securities, as the case may be, into new securities containing the modified terms and conditions if the posed mandatory exchange or conversion of the Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the posed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

For the avoidance of doubt, neither The SUKUK Delegate nor any Agent will have any responsibility for monitoring or facilitating any such exchange or conversion of the Certificates.

19. Aggregation Agent; Aggregation Procedures

(p) Appointment

The Issuer/Trustee/SPV or the Originator (as the case may be) will appoint an aggregation agent (the “**Aggregation Agent**”) to calculate whether a posed modification or action has been approved by the required face amount outstanding of Certificates, and, in the case of a multiple series aggregation, by the required face amount of outstanding securities of each affected series of Securities Capable of Aggregation. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the posed modification of any provision of, or any action in respect of, these Conditions, the Declaration of Trust or any other Transaction Document in respect of the Certificates and in respect of the terms and conditions or documentation in respect of each other affected series of Securities Capable of Aggregation. The Aggregation Agent shall be independent of the Issuer/Trustee/SPV and the Originator.

(q) Extraordinary Resolutions

If an Extraordinary Resolution has been posed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions or the Declaration of Trust and other affected series of Securities Capable of Aggregation, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Certificates and, where relevant, each other affected series of Securities Capable of Aggregation, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(r) Written Resolutions

If a Written Resolution has been posed under the terms of these Conditions or the Declaration of Trust to modify any provision of, or action in respect of, these Conditions or the Declaration of Trust and the terms and conditions of other affected series of Securities Capable of Aggregation, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Certificates and, where relevant, each other affected series of Securities Capable of Aggregation, have signed or confirmed in writing in favour of the

Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(s) SUKUK Certificate

For the purposes of Condition 19(b) (*Extraordinary Resolutions*) and Condition 19(c) (*Written Resolutions*), the Issuer/Trustee/SPV and Originator will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 18(b) (*Modification of a Single Series of Certificates only*), or Condition 18(c) (*Multiple Series Aggregation – Single limb voting*), or Condition 18(d) (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total face amount of Certificates and, in the case of a multiple series aggregation, the total face amount of each other affected series of Securities Capable of Aggregation, outstanding on the record date; and
- (ii) clearly indicate the Certificates and, in the case of a multiple series aggregation, securities of each other affected series of Securities Capable of Aggregation, which shall be deemed not to remain outstanding as a consequence of Condition 18(i) (*Certificates controlled by the Issuer/Trustee/SPV or the Originator*) on the record date identifying the holders of the Certificates and, in the case of a multiple series aggregation, securities of each other affected series of Securities Capable of Aggregation.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(t) Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 19 (*Aggregation Agent; Aggregation Procedures*) to be notified to The SUKUK Delegate, the Issuer/Trustee/SPV and the Originator as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders by The Issuer/Trustee/SPV.

(u) Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 19 (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on The Issuer/Trustee/SPV, the Originator, The SUKUK Delegate, the Certificateholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(v) **Manner of publication**

The Issuer/Trustee/SPV and the Originator will publish all notices and other matters required to be published pursuant to these Conditions, the Declaration of Trust and the other Transaction Documents including any matters required to be published pursuant to Condition 18 (*Meetings of Certificateholders and Modifications*), this Condition 19 (*Aggregation Agent; Aggregation Procedures*) and Condition 14 (*Dissolution Events*):

- (i) on the following websites:
www.zanzibarSUKUK.go.tz/;
www.CSD & Registry.co.tz;
www.crdbbank.co.tz;
www.tz.kcbgroup.com;
www.shirkah.co.tz;
www.yusraSUKUK.world ;
www.pbzbank.co.tz;
www.amanabank.co.tz;
www.nbc.co.tz;
- (ii) through DSE;
- (iii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iv) in such other places and in such other manner as may be customary.

20. The SUKUK Delegate

The Issuer/Trustee/SPV has in the Declaration of Trust irrevocably and unconditionally appointed The SUKUK Delegate to be its attorney and in its name and on its behalf and as its act and deeds:

- (w) to execute, deliver and perfect all documents;
- (x) to exercise all of the present and future powers (including the power to sub-delegate), trusts, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Issuer/Trustee/SPV by the Declaration of Trust, that The SUKUK Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event or Potential Dissolution Event, to exercise all of the rights of the Issuer/Trustee/SPV under the Purchase Undertaking, the Service Agency Agreement and any of the other Transaction Documents; and
- (y) make such distributions from the Trust Assets as the Issuer/Trustee/SPV is bound to make in accordance with the Declaration of Trust, (together the “**Delegation**” of the “**Relevant Powers**”), provided that:
 - (a) no obligations, duties, Liabilities or covenants of the Issuer/Trustee/SPV pursuant to the Declaration of Trust or any other Transaction Document shall be imposed on The SUKUK Delegate by virtue of this delegation;
 - (b) in no circumstances will such Delegation of the Relevant Powers result in The SUKUK Delegate holding on trust or managing the Trust Assets; and
 - (c) such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to dissolve any of the trusts constituted by the Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution

Event or to determine the remuneration of The SUKUK Delegate.

The Issuer/Trustee/SPV shall ratify and confirm all things done and all documents executed by The SUKUK Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Declaration of Trust, The SUKUK Delegate also has certain powers which are vested solely in it from the date of the Declaration of Trust.

The appointment of a delegate by the Issuer/Trustee/SPV is intended to be in the interests of the Certificateholders and does not affect The Issuer/Trustee/SPV's continuing role and obligations as sole trustee.

The Declaration of Trust contains provisions for the indemnification of The SUKUK Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the Trust Assets or any other right it may have pursuant to the Declaration of Trust, The SUKUK Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 15 (***Enforcement and Exercise of Rights***), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The SUKUK Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Originator under the Transaction Documents to which they are a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Originator but are not so paid and shall not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

21. Substitution of the SUKUK Trust Administrator

Zanzibar Treasury SUKUK1 Limited (in its capacity as administrator of Zanzibar Treasury SUKUK1 Limited SUKUK Trust (or of any previous substitute and successor under this Condition 21) may be substituted as the administrator of the Zanzibar Treasury SUKUK1 Limited SUKUK Trust under these Conditions, the Transaction Documents and any other documents in connection thereto with another governmental bank or financial institution licensed to engage in trust functions being appointed as the replacement or successor administrator of the Zanzibar Treasury SUKUK1 Limited SUKUK Trust (such substituted and successor governmental bank or financial institution licensed to engage in trust functions being hereinafter called the **New SUKUK Trust Administrator**) in accordance with applicable law and regulations, and the terms of the Establishment Deed, subject to:

- (a) The SUKUK Delegate being provided with evidence to its satisfaction that the appointment of the New SUKUK Trust Administrator has been completed in accordance with applicable law and regulations, and the terms of the Establishment Deed, including a copy of the deed or other document supplemental to the Establishment Deed providing for such appointment, a confirmation from the Originator that the SUKUK Trust (as defined in the **Master Declaration of Trust**) under the SUKUK Trust has been vested in the New SUKUK Trust Administration, and an opinion from independent Legal Advisors of recognised standing to the effect such appointment of the New SUKUK Trust

Administrator is legal, valid and binding on SUKUK Trust; and

- (b) the other conditions set out in Clause 26(b) of the Declaration of Trust being complied with.

The New SUKUK Trust Administrator shall deliver to The SUKUK Delegate a certificate signed by authorised signatories of the New SUKUK Trust Administrator stating that the appointment of the New SUKUK Trust Administrator has been completed in accordance with applicable laws and regulations, and the terms of the Establishment Deed and that the conditions set out in the Declaration of Trust for the substitution of the New SUKUK Trust Administrator have been complied with and The SUKUK Delegate shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Certificateholders. Upon the execution of any amendment or supplement to the Transaction Documents and any other documents in connection thereto (to the extent required) and compliance with the requirements set out in this Condition 21, the New SUKUK Trust Administrator shall be deemed to be named in these Conditions, the Transaction Documents and any other documents in connection thereto as the administrator of the SUKUK Trust in place of Zanzibar Treasury SUKUK1 Limited (in its capacity as administrator of SUKUK Trust) (or in place of the previous substitute under this Condition 21) under these Conditions;

The Transaction Documents and any other documents in connection thereto, and these Conditions, the Transaction Documents and any other documents in connection thereto shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these Conditions, the Transaction Documents and any other documents in connection thereto to Zanzibar Treasury SUKUK1 Limited (in its capacity as administrator of SUKUK Trust) or the SUKUK Trust Administrator (or in place of the previous substitute and successor under this Condition 21) shall, unless the context otherwise requires, be deemed to be or include references to the New SUKUK Trust Administrator.

Pursuant to the Declaration of Trust, each of the Certificateholders has acknowledged, consented and delegated the authority to the Originator to appoint the New SUKUK Trust Administrator pursuant to the Establishment Deed and provided that the conditions therein are satisfied, including (a) the New SUKUK Trust Administrator is a governmental bank or financial institution licensed to engage in trust functions; (b) all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated in the Establishment Deed shall be undertaken by the New SUKUK Trust Administrator, (c) all legal and regulatory approvals have been obtained by the Originator for the removal of the current SUKUK Trust Administrator and the appointment of the New SUKUK Trust Administrator; and (d) such appointment does not result in a breach or contravention of the provisions set forth in the Conditions and the Transaction Documents (including Clause 26 of the Declaration of Trust and this Condition 21).

22. Further Issues

The Issuer/Trustee/SPV shall be at liberty from time to time without the consent of the Certificateholders to create and issue additional Certificates having the same terms and conditions as the outstanding Certificates on terms and conditions which are the same in all respects, save for the date and amount of the first payment of

the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue and so that the same shall be consolidated and form a single series with the outstanding Certificates. Any additional Certificates which are to form a single series with the outstanding Certificates previously constituted by the Declaration of Trust shall be constituted by a Supplemental Declaration of Trust. References in these Conditions to the Certificates include (unless the context requires otherwise) any other certificates issued pursuant to this Condition and forming a single series with the Certificates.

23. Contracts (Rights of Third Parties)

Tanzania, the legal concept of "contracts rights of third parties" is largely governed by the common law principle of privity of contract, meaning only parties directly involved in a contract can enforce its terms; however, this principle can be modified by specific contractual clauses explicitly granting rights to third parties, allowing them to enforce certain contract terms intended to benefit them, similar to the "Contracts (Rights of Third Parties) Act 1999" found in the UK legal system.

For this particular SUKUK transaction, no person shall have any right to enforce any term or condition of these SUKUK Certificates.

24. Governing Law and Jurisdiction

a. Governing Law

The Declaration of Trust and the Certificates, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and shall be construed in accordance with, United Republic of Tanzanian laws and/or Zanzibar laws.

b. Jurisdiction

- i. Subject to sub-Condition (iii) below, the United Republic of Tanzania and/or courts have exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out of or in connection with the Declaration of Trust and the Certificates, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Declaration of Trust and the Certificates (a **Dispute**) and each party submits to the exclusive jurisdiction of the United Republic of Tanzania courts and or courts of Zanzibar.
- ii. For the purpose of Condition 24(b), the Originator waives any objection to the courts of United Republic of Tanzania and/or Zanzibar on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- iii. To the extent allowed by law, the Issuer/Trustee/SPV and The SUKUK Delegate (as the case may be) may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.
- iv. For matters related to Shari'ah compliance, any dispute referred to, first to the SUKUK Programme issuance Shari'ah Advisors. If the matter is not settled, it may be raised to the Kadhi's court in Zanzibar and the Kadhi's courts ruling

shall be the least as with Shari'ah compliance matters.

c. Process Agent

Each of the Issuer/Trustee/SPV and the Originator irrevocably appoints the The Office of Zanzibar Attorney General (with an office on the date hereof at Mazizini, T637+FRJ, Zanzibar) as its agent under the Declaration of Trust and the Certificates for service of process in any proceedings before the courts of law in Tanzania in relation to any Dispute and agrees that, in the event of the AG's Office being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in respect of any Dispute on terms acceptable to The SUKUK Delegate, failing which The SUKUK Delegate may appoint another process agent for this purpose. The Issuer/Trustee/SPV and the Originator agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

d. Waiver of Immunity

To the fullest extent permitted by law and without prejudice to Condition 24(b) the Originator and the Issuer/Trustee/SPV each irrevocably and unconditionally:

- i. submits to the jurisdiction of the United Republic of Tanzania courts in relation to any Dispute and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the courts in relation to any Dispute (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf; and
- ii. consents to the enforcement of any order or judgment made or given in connection with any Dispute and the giving of any relief in the English courts and the courts of any other jurisdiction, whether before or after final judgment including, without limitation: (i) relief by way of interim or final injunction or order for specific performance or recovery of any party; (ii) attachment of its assets; and (iii) enforcement or execution against any party, revenues or other assets whatsoever (irrespective of their use or intended use) and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the courts of the United Republic of Tanzania and/Zanzibar in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

The foregoing waiver constitutes only a limited and specific waiver for the purpose of the Declaration of Trust and the Certificates and under no circumstances shall it be interpreted as a general waiver of the Originator with respect to proceedings unrelated to the Declaration of Trust and the Certificates. The Originator's waiver of immunity does not extend to any: (A) party or assets of the Originator that are used by a diplomatic or consular mission of the Originator (except as may be necessary to effect service of process), (B) party or assets of a military character and under the control of a military authority or defense agency, or (C) party or assets otherwise dedicated to governmental use (as distinguished from patrimonial party or party dedicated to commercial use). In addition, the Originator does not waive its sovereign immunity in connection with any action arising out of or based on the United Republic of Tanzania securities laws or any state securities laws.

25. Waiver of Interest Payments

25.1 Each of The Issuer/Trustee/SPV, The SUKUK Delegate and the Originator has agreed in the Declaration of Trust that if any proceedings are brought by or on behalf of any party under the Declaration of Trust, it will:

- (a) not claim interest under, or in connection with, such proceedings; and
- (b) to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by any court as a result of such proceedings.

25.2 For the avoidance of doubt, nothing in Condition 25.1 shall be construed as a waiver of rights in respect of any Ijara Rental, Required Amount, Exercise Price, Tangibility Event Exercise Price, Loss Shortfall Amount, Revenue Streams, Escrow/Sinking Fund Mudharaba Profit Amount Asset Undertaking Sale Price, Periodic Distribution Amounts, Dissolution Distribution Amounts or rate of return to investors or principal of any kind howsoever described payable by the Revolutionary Government of Zanzibar (in any capacity as the SUKUK Originator) or SUKUK Trust (in any capacity) pursuant to the Transaction Documents and/or these Conditions or any other document or agreement, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal

25.3 If a court of law rewards the Issuer/Trustee/SPV or the Originator and interest following a court contest with any of the parties or Zanzibar SUKUK Certificateholder, such interest amount shall not be treated as an income of the Issuer/Trustee/SPV or Originator. Rather the amount be deposited in the Charity account to be owned by the Issuer/Trustee/SPV at the Receiving Bank.

(c) Shari'ah Compliance

Each of SUKUK Trust and the Originator has agreed in the Declaration of Trust that it has accepted the Shari'ah compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, has further agreed thereunder that:

- a. it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is ultra vires or not compliant with the principles of Shari'ah;
- b. it shall not take any steps or bring any proceedings in any forum to challenge the Shari'ah compliance of the Transaction Documents to which it is a party; and
- c. none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of Shari'ah.

(d) No Separate Legal or Juridical Personality

Zanzibar SUKUK Trust is a special purpose trust established and administered by Zanzibar Treasury SUKUK1 Limited (in its capacity as administrator of SUKUK Trust). SUKUK Trust does not have a separate legal or juridical personality and accordingly,

in these Conditions, all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated to be given, assumed, discharged or performed by SUKUK Trust, and all rights, powers and duties of SUKUK Trust, shall be construed and take effect as representations and warranties given by, as undertakings and other obligations and liabilities assumed or to be discharged and performed by, and as rights, powers and duties of, Zanzibar Treasury SUKUK1 Limited in its capacity as administrator of SUKUK Trust, in accordance with the Establishment Deed.

Notwithstanding the foregoing Zanzibar Treasury SUKUK1 Limited (i) is recognised under the laws of the the United Republic of Tanzania as a legal entity as a Special Purpose Vehicle (SPV) created by the Revolutionary Government of Zanzibar as a public liability company the legal authority to, *inter alia*, issue the Certificates and enter into the Transaction Documents and (ii) is capable of suing and being sued (including in connection with any breach or contravention in these Conditions of any representations and warranties given by, undertakings and other obligations and liabilities assumed or to be discharged and performed by, and rights, powers and duties of, Zanzibar Treasury SUKUK1 Limited in its capacity as administrator of SUKUK Trust).

(e) Language

- (a) Any notice given under or in connection with the Certificates, the Declaration of Trust or any other Transaction Document must be in English or Kiswahili language.
- (b) Subject to Conditions 20(c) and (d) below, all other documents provided under or in connection with the Certificates, the Declaration of Trust or any other Transaction Document must be:
 - (i) in English; or if not in English, and if so, required by the SUKUK Delegate, accompanied by a certified English translation into Kiswahili and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.
 - (ii) The Originator shall supply to the SUKUK Delegate and, by no later than the Issue Date, documents in Kiswahili translation of the SUKUK Price Settlement and the other Transaction Documents and shall do any other act as reasonably required by the SUKUK Delegate only to the extent necessary to comply with the Laws of Tanzania regarding Flag, Language, National Emblem and National Anthem.
 - (iii) The Kiswahili translations of the SUKUK Price Supplement shall be deemed effective as of the Issue Date, and both the English version and the Kiswahili translation shall be equally authentic. In the event of any inconsistency or difference in interpretation between the Kiswahili translation and the English version, the English version shall prevail in a court of law.



General Information About SUKUK Issuance (13)

13 Section Thirteen: General Information About the SUKUK Issuance

13.1 Authorisation

The establishment of Zanzibar Treasury SUKUK1 Limited and the entry of the Issuer/Trustee/SPV into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by the Council of the Revolutionary Government of Zanzibar resolution dated 11th January, 2025.

The SUKUK documentations have undergone the necessary regulatory reviews and have consents of CMSA in connection with the establishment of the SUKUK Programme issuance and the Issuer/Trustee/SPV is bound to execute and fulfil the Transaction Documents to which they are a party.

13.2 Listing of Trust Certificates

This SUKUK Programme Trust Certificates are up for listing on Dar es Salaam Stock Exchange (DSE) secondary market to allow the SUKUK Certificateholders to trade their Certificates. The listing is planned on or before 5th April, 2025. It is expected that Trust Certificates which are to be admitted to the Official List and to trading on the Exchange for the Programme tranches will be admitted separately as and when issued, subject only to the issue of a Global Trust Certificate initially representing the Trust Certificates of such Issuance.

The Issuer/Trustee/SPV provides that Trust Certificates may be cross-listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets in East African Community stock or other securities exchanges as may be agreed between Issuer/Trustee/SPV, the Government and the relevant Transaction Agents.

13.3 No Significant Change

There has been no significant change in the tax and budgetary systems, foreign trade and balance of payments, foreign exchange reserves, financial position, prospects and resources and income and expenditure figures of the Revolutionary Government of Zanzibar since 30 June 2024 and there has been no significant change in gross public debt of the Revolutionary Government of Zanzibar since 30 June 2024.

There has been no significant change in the financial or trading position of the Issuer/Trustee/SPV and no material adverse change in the financial position or prospects of the Issuer/Trustee/SPV, in each case, since the date of its incorporation.

13.4 Litigation

Neither the Revolutionary Government of Zanzibar nor the Issuer/Trustee/SPV is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government or the Issuer/Trustee/SPV is aware) during the 12 months preceding the date of this SUKUK Programme Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Government and/or the Issuer/Trustee/SPV.

13.5 Language of SUKUK Base Prospectus

The language of this SUKUK Programme Base Prospectus is English and Kiswahili. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

13.6 Documents Associated with Zanzibar Sukuk

For the period of twelve (12) months following the date of this SUKUK Programme Base Prospectus, copies of the following documents will, when published, be available in physical/electronic form for inspection at the specified office of the Issuer/Trustee/SPV Takwimu House, Mazizini Urban West, Zanzibar):

- (a) copies of the constitutional documents (MEMARTS) of the Issuer/Trustee/SPV;
- (b) the extract of Revolutionary Council Resolution date 11th January, 2025 declaring the Government of Zanzibar decision to issue a SUKUK and forming of a Special Purpose Vehicle (together with its formative procedures, registration, transaction agents' engagements, management procedures as applicable to Zanzibar Treasury SUKUK1 Limited, this Issuer and Trustee);
- (c) the current fiscal budget of the Government of Zanzibar;
- (d) the Master Declaration of Trust, the Final Terms and Conditions of the Trust Certificates, the Master Ijarah (Lease) Agreement, the Master Sale-Purchase/Transfer Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking, the Transaction Agency Agreement and the forms of the Global Trust Certificate and the Trust Certificates in definitive form;
- (e) a copy of this SUKUK Programme Base Prospectus; and
- (f) any future offering circulars, supplementary SUKUK Programme Base Prospectus and supplements including the Trust Deed, the Final Terms and Conditions (save that the Final Terms and Conditions relating to a Trust Certificate which is not listed on the Official List and neither admitted to trading on the Exchange or any other regulated market in the East African Economic Area nor offered in the East African Economic Area in circumstances where a SUKUK Programme Base Prospectus is required to be published under the Act will only be available for inspection by a holder of such Trust Certificate in Tanzania and such holder must produce evidence satisfactory to the Issuer/Trustee/SPV, the Lead Arranger/Transaction Manager and the Principal Paying Agent as to its holding of Trust Certificates and identity) to this SUKUK Programme Base Prospectus and any other documents incorporated herein or therein by reference.

The applicable Final Terms and Conditions for Trust Certificates that are listed on the: (i) Official List and admitted to trading on the Exchange; and (ii) Admitted to trading on the Exchange and, for a period of twelve (12) months only from the date hereof, this SUKUK Programme Base Prospectus will be published on the website of the DSE ([http://www.CSD & Registry.co.tz](http://www.CSD&Registry.co.tz)), the website of Zanzibar President's Office-Finance and Planning (<http://mofzanzibar.go.tz>), www.zanzibarsukuk.go.tz; the website of the Lead Arranger (<http://www.yusrasukuk.world> and the websites of all Collecting Bank/Agents

13.7 Clearing Systems

The Trust Certificates have been accepted for clearance through Central Securities Depository and Registry (CSD & Registry) (which are the entities in charge of keeping the SUKUK Certificateholders' records). The appropriate Common Code and ISIN for Trust Certificates allocated by Central Securities Depository and Registry (CSD & Registry) will be

specified in the applicable Final Terms and Conditions. If the Trust Certificates are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms and Conditions.

The address of CSD & Registry: 1st Floor, the Exchange Tower, Morocco Square, Junction of Ali Hassan Mwinyi Road & Mwai Kibaki Road, Dar es salaam, Tanzania.

13.8 Third-Party Information

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer/Trustee/SPV or the Government is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13.9 Transaction Agents Not Acting for Prospective or Trust Certificates Holder


The Lead Arranger/Transaction Manager is authorised licensee of the Capital Markets and Securities Authority (the “CMTA”) and the Dar es Salaam Stock Exchange (the “DSE”). None of the Transaction Agents or the Lead Arranger/Transaction Manager, except the SUKUK Delegate, BM Attorneys (the “Delegate”) is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Issuer/Trustee/SPV for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Prospectus and/or the relevant Final Terms and Conditions or any transaction or arrangement referred to herein or therein.

13.10 Transaction Agents Transacting with the Government

Certain of the Transaction Agents and their affiliates have been engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for, the Revolutionary Government of Zanzibar and/or their affiliates (including any other public sector instrumentality, as defined in the Conditions) in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In connection with any offering under the Issuer/Trustee/SPV, the Transaction Agents may also purchase and sell the issuance Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Transaction Agents and their affiliates may make or hold a broad array of investments and actively trade Shari’ah compliant debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Revolutionary Government of Zanzibar and/or their respective affiliates (including any other public sector instrumentality).

Certain of the Transaction Agents or their affiliates that have a lending relationship with the Revolutionary Government of Zanzibar and/or their respective affiliates (including any other public sector instrumentality) routinely hedge their credit exposure to the Revolutionary Government of Zanzibar and/or their respective affiliates (including any other public sector instrumentality) consistent with their customary risk management policies.



Typically, such Transaction Agents and their affiliates would hedge such exposure by entering into Shari'ah compliant transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Trust Certificates. Any such short positions could adversely affect future trading prices of the Trust Certificates issued under the issuance. The Transaction Agents and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



SPV Status and General Information (14)

14 Section Fourteen: Statutory and General Information

14.1 Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the Issue of the Notes, including but not limited to a resolution of the Council of the Revolution of Zanzibar passed on 11th January 2025.

14.2 Incorporation

The Issuer was incorporated in Zanzibar under the Companies Act as a public company limited by shares with Registration Number Z0000262957 dated 7th February 2025.

14.3 SUKUK Subscription Allotment

The Issuer wishes to achieve a balanced distribution of the SUKUK Subscription between investors, retail and institutional investors.

In the event of oversubscription, the allotment of SUKUK Subscription shall be at Issuer discretion. In consultation with the Transaction Manager, the Issuer reserves the right to decline any application in whole or in part and, to make the allotment as it deems fit in accordance with the applicable. The Issuer shall provide reasons of all applications not accepted.

All applicants will be notified by email or telephone of their allotment and or non-acceptance by no later than the allotment and the notification date specified in the applicable Pricing Supplement.

14.4 Significant or Material Changes

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer and Originator since the most recent financial statements presented in the Reporting Accountants Report.

14.5 Conflicts of Interest

At the date of this Prospectus, there are no potential conflicts of interest between any duties to the Issuer or the members of its administrative, management or supervisory bodies and their private interests or other duties. However, it cannot generally be ruled out that such persons have interests at the time of the offer or issue of Notes; whether this is the case will depend upon the facts at the time of the offer or issue. A description of any potential conflicting interests that are of importance to an offer or issue of Notes will be included in the relevant Pricing Supplement, specifying the persons involved and the types of interests.

14.6 Issuers Auditors

The Controller and Auditors General of Zanzibar, OCAGZ Zanzibar, Ukaguzi House, P. O. Box 258 Maisara, Zanzibar.

14.7 Transaction Agents Consents

Yusra Sukuk Company Limited, acting in its capacity as the Transaction Lead Arranger/Transaction Manager, has given and has not withdrawn their consent to the issuance of this Prospectus with the inclusion in it of its capital market and SUKUK expertise opinion. The company has structured the SUKUK, prepared transaction documentation and advised and led the whole pack of entities dealing with Zanzibar SUKUK from

Issuer/Trustee/SPV, the Originator, the transaction Agents and general stakeholders in advising, providing capacity building and attending to legal and regulatory matters vis-à-vis the SUKUK Issuance.

CIFCA - Centre for Islamic Finance Compliance and Advice, acting as **Shari'ah Advisors** in respect of the Issue, has given and has not withdrawn its written consent to the issuance of this Prospectus with the inclusion in it of its Shari'ah Opinion and Shariah Compliance Certificate in the form and context in which it appears.

BM Attorneys -acting as **SUKUK Delegate representing investors** in respect of the Issue, has given and has not withdrawn its written consent to the issuance of this Prospectus with the inclusion in it of its standing for investors interest with its legal expertise by scrutinizing in the form and context in which it appears.

Lawfields Advocates and Legal Consultants, acting as **Transaction Legal Advisors** in respect of the Issue, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion in it of its Legal Opinion in the form and context in which it appears.

BDO Tanzania, Certified Public Accountants (Tanzania), acting as **Reporting Accountant/Calculating Agent**, has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion in it of its Report in the form and context in which it appears.

CSD & Registry, acting as **Registrar/Transfer & Paying Agent**, has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion in it of its opinion and declaration in the form and context in which it appears.

Peoples, Bank of Zanzibar-Ikhlas), acting as **Collecting/Receiving and Paying Bank**, has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion in its consent in the form and context in which it appears.

Sovereign Africa Rating), acting as **Rating Agency to the issuance**, has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion in it of the SUKUK instrument rating report consent in the form and context in which it appears.

ZIC Takaful Company Limited, acting as **Takaful Credit Enhancer to the issuance**, has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion in its consent and commitment in the form and context in which it appears.

14.8 Documents Available for Inspection

As long as any Note remains outstanding, copies of the following documents will, when published, be available for inspection at the Specified Offices of the Issuer in Zanzibar.

1. Copies of Constitutional Documents of the Issuer;
2. An Extract of the Minutes of the Council of Revolution of Zanzibar Approval with respect to the Programme and Issue of Notes thereunder;
3. The Audited Financial Statements of the Originator and Sponsor in respect of the 3 years financial years;
4. Issuer/Trustee/SPV Board of Directors Declaration Approving the Issue;
5. Issuer/Trustee/SPV Management Declaration;

6. The Reporting Accountants' Report as reproduced in this Prospectus and their written consent to the issue of this Prospectus with their report included herein in the form and context in which it is so included;
7. The Legal Opinion of Legal Advisors to the SUKUK Certificateholder and the Note Trustee as reproduced in this Prospectus and their written consent to the issue of this Prospectus with their opinion included herein in the form and context in which it is so included;
8. The Shari'ah Advisors Shari'ah Opinion Pronouncement and Shari'ah Compliance Certificate as reproduced in this SUKUK Programme Prospectus;
9. A copy of the Transaction Agents' Agreement;
10. A copy of Rating Agency Report;
11. SUKUK Asset Valuation Report.



**Legal Advisor's
Opinion
(15)**

16. Section Fifteen: Legal Advisor's Opinion



2nd Floor, T.D.F.I. Building, Ohio Street
P.O. Box 35970, Dar es salaam - Tanzania
Plot No. 559, Kiembe Samaki, Nyerere Rd,
P.O. Box 1342, Unguja West "B" - Zanzibar

+255 746 900 020,
+255 754 711 333
info@lawfields.co.tz
www.lawfields.co.tz

Ref. No. LFDS/ZTSK1/2025/02/12

12th February 2025

Board Chairman,
Zanzibar Treasury Sukuk1 Limited,
1st Floor, Takwimu House,
Mazizini - Unguja
P. O. Box 874/1154
70402 Urban West

Dear Sir/Madam,

RE: LEGAL OPINION ON SUKUK BOND OF TANZANIA SHILLINGS ONE THOUSAND ONE HUNDRED FIFTEEN BILLION (TZS 1,115,000,000,000/=)

Kindly refer to the above caption.

Pursuant to our appointment as Legal Transaction Advisors in connection with the above captioned matter, we have had the opportunity to review various documents availed to us in relation thereto, for the purpose of assessing their compliance with the applicable legal requirements.

1.0 Preliminaries:

1.1 We, **LAWFIELDS ATTORNEYS (ADVOCATES & LEGAL CONSULTANTS)**, a law firm duly registered under the laws of Tanzania and Zanzibar, are competent to give this legal opinion (the "Opinion") as independent legal Advisors to Zanzibar Treasury Sukuk1 Limited (the "**Issuer**") in connection with the Sukuk Bond of Tanzania Shillings One Thousand One Hundred Fifteen Billion (TZS 1,115,000,000,000), to be issued by the Issuer in various tranches (the "Sukuk Programme") as described in the Sukuk Programme Base Prospectus dated 10th February 2025.

1.2 Our legal opinion is based on an examination of the relevant laws, regulations, and constitutional provisions of the Revolutionary Government of Zanzibar, as well as the constitutional framework of the United Republic of Tanzania, to the extent applicable. We have also examined the following Governing Rules:

- (a) The Capital Markets and Securities Authorities Act, Cap 79;
- (b) The Public Management Finance Act, No. 12 of 2016 – Zanzibar;
- (c) The Public Private Partnerships Act No.8 of 2015 and its Amendment of 2021 – Zanzibar;
- (d) The Office of the Treasury Registrar and Public Asset Management Act No. 6 of 2021 – Zanzibar;
- (e) The Finance (Public Revenue Management) Act No.3 of 2021 – Zanzibar; and
- (f) We have equally relied on information obtained from the Sukuk Programme Base Prospectus and in particular we have sighted the following:
 - i. The Sukuk Term Sheet;
 - ii. The Sukuk Programme's Shari'ah Compliance & Opinion by the Shariah Board;
 - iii. Zanzibar Profile;
 - iv. Consolidated Financial Statements of the President's Office – Finance and Planning Ministry as reported by the Reporting Accountant; and
 - v. Sukuk Trust Deed & Form of Trust Certificates.

2.0 Assumptions

For the purposes of this Opinion, we have assumed without independent verification that:

- (a) All documents provided to us are authentic, complete, and accurate;
- (b) Signatures on all documents are genuine;

(c) All parties to the transaction have the legal capacity to enter into and perform their obligations under the relevant agreements.

Words and expressions defined in the Sukuk Programme Base Prospectus have the same meanings when used in this Opinion.

3.0

Opinion

Based on our review of the aforementioned documents and applicable laws, and subject to the qualifications and limitations set forth herein, we are of the opinion that:

3.1 Due Incorporation and Capacity of the Issuer

Zanzibar Treasury Sukuk1 Limited as the Issuer is duly incorporated as a Special Purpose Vehicle (SPV) under the laws of Zanzibar and is wholly owned by the Revolutionary Government of Zanzibar. The Issuer has been established for the sole purpose of issuing Sukuk under the Programme and has the legal capacity to enter into the transaction documents and perform its obligations thereunder. As at the date of this Opinion, there is no winding up order, appointment of a liquidator or notice of administration order that has been filed on the Issuer's file at the Registry of Companies.

3.2 Authorization and Approvals

The establishment of the Sukuk Programme and the issuance of the Sukuk have been duly authorized by the Revolutionary Government of Zanzibar, acting through the President's Office - Ministry of Finance and Planning and approved by the House of Representatives, which approval was granted on 9th February 2025.

All other necessary approvals, including those from the Capital Markets and Securities Authority (CMSA) and other relevant regulatory bodies, have been obtained or are in the process of being obtained.

3.3 Compliance with Islamic Finance Principles

The structure of the Sukuk Programme and the underlying transactions comply with the principles of Shariah, as confirmed by the Shari'ah Advisory Board (Centre for Islamic Compliance, Finance and Advice). The Sukuk certificates represent undivided ownership interests in the underlying assets, and the transaction documents do not contravene any prohibitions under Islamic finance principles, such as interest and gambling.

3.4 Tax and Regulatory Considerations

The Sukuk Programme and the issuance of the Sukuk are structured in a manner that complies with the tax laws and regulations of Zanzibar and United Republic of Tanzania. The Revolutionary Government of Zanzibar has provided the necessary tax exemptions and incentives to ensure the tax efficiency of the Sukuk issuance. As indicated in the Sukuk Programme Base Prospectus, payments on the Certificates will be made free and clear of, and without deduction for any taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by Government taxation bodies of the Revolutionary Government of Zanzibar or any other Authority therein or thereof having power to tax to the extent described under Condition 19 the Sukuk Programme Base Prospectus.

3.5 Validity and Enforceability of the Transaction Documents

The Sukuk Programme Agreement and related transaction documents constitute valid, binding, and enforceable obligations of the Issuer under the Laws of Zanzibar and of the United Republic of Tanzania, subject to customary exceptions such as bankruptcy, insolvency, and other general equitable principles.

Neither the execution and delivery of the Sukuk Documents or the Certificates, nor the consummation of the transactions therein contemplated nor compliance with their terms and conditions will contravene any existing law, governmental rule, regulation or order of the Revolutionary Government of Zanzibar.

3.6 Legal and Regulatory Risks

Based on the information provided, we do not foresee any significant legal or regulatory risks that would adversely affect the validity or enforceability of the Sukuk Bond, or its issuance in accordance with the terms outlined in the Sukuk Programme Base Prospectus. However, it is important to note that any changes in applicable laws, regulations, or government policy could potentially impact the issuance or performance of the Sukuk Bond contemplated in this bond transaction.

3.7 Sukuk Bond and Default Provisions

We have reviewed the default provisions in the terms and conditions highlighted in the Sukuk documents and confirm that the remedies available to bondholders/certificate holders are legally enforceable under the laws of Zanzibar and the United Republic of Tanzania. Any potential claims by bondholders in the case of default or failure to meet obligations will be subject to the procedures outlined in the Sukuk Documents and the applicable legal framework.

3.8 Litigation

To the best of our knowledge, having made reasonable inquiry, neither the Issuer nor any of its directors is subject to any litigation, prosecution or other criminal litigation instituted against it.

3.9 No Event of Default

No Event of Default (as described in the Conditions stated in the Sukuk Programme Base Prospectus) has occurred or will occur as a result of the issue of the Notes or the execution of the Sukuk Documents or the Issuer's compliance with the terms thereof.

4.0 Qualifications

This Opinion is subject to the following qualifications:

- (a) It is limited to the laws of the United Republic of Tanzania and the Revolutionary Government of Zanzibar as in effect on the date hereof and is given solely for the purpose of this Issuance of the Sukuk Bond described above. We express no opinion on the laws of any other jurisdiction, and the Opinion should not be relied upon for any other purpose;

(b) We express no opinion on matters of fact, accounting, or Shari'ah compliance; and


(c) The enforceability of the transaction documents may be limited by applicable bankruptcy, insolvency, reorganization, or moratorium laws.

5.0 Conclusion

Based on the foregoing, we are of the opinion that the Issuer has the legal capacity and authority to establish the Programme and issue the Sukuk Bond, and that the transaction documents are legally valid and binding under the applicable laws and regulations of Zanzibar and of the United Republic of Tanzania.

Yours Sincerely,

LAWFIELDS ATTORNEYS



Abdulaziz H. Mahmoud

SENIOR PARTNER



**Reporting Accountant's
Report on Originators
Financials
(16)**

16. Section Sixteen: Reporting Account's Report



ZO Spaces, 4th Floor,
New Bagamoyo Road, Plot No.04,
P. O. Box 9912, Dar es Salaam, Tanzania.

Tel: +255 746 339 900
Email: tanzania@bdo-ea.co.tz
www.bdo-ea.com

Reporting Accountant's Report

To
Executive Director,
Zanzibar Treasury SUKUK1 Limited,
Takwimu House-First Floor,
Mazizini - Unguja,
PO Box 874/1154,
70402 Urban West
Zanzibar.

Introduction

At your request, we submit our Reporting Accountant's Report for the purpose of issuance of Quasi-Sovereign SUKUK ("SUKUK") pursuant to "Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania" and The Capital Markets And Securities (Prospectus Requirements) Regulations

Responsibilities of the Minister

The Minister of President's Office Finance And Planning is responsible for the preparation and accuracy of the consolidated financial statements of President's Office of Finance and Planning for the years ended 30 June 2023, 30 June 2022, and 30 June 2021 in accordance with **International Public Sector Accounting Standards (IPSAS)- Cash Basis**.

The statutory financial statements for the years ended 30 June 2023, 30 June 2021, and 30 June 2021 were audited by Controller and Auditor General of Zanzibar and received unmodified audit reports.

Accounting Basis

The financial statements have been prepared on a cash basis, which means that:

- a) Revenues and expenditures are recognized only when cash is received or paid;
- b) The financial statements do not recognize assets such as receivables, property, plant, and equipment, nor liabilities such as payables and provisions; and

Our Responsibilities as Reporting Accountants

Our responsibilities are detailed in our engagement letter. These included compiling a Reporting Accountant's Report that includes the following:

A compilation report in accordance with the International Standard on Related Services applicable to compilation engagements (ISRS) 4410 *Compilation Engagements* set out on pages 4 to 48; and

Emphasis of the Matter - Departure from IPSAS Accrual Basis

We draw attention to the fact that the financial statements are prepared on the IPSAS - Cash Basis, rather than the IPSAS Accrual Basis. Users of these financial statements should be aware of these limitations.

Consent

We as the Reporting Accountants confirm that we have given, and have not, prior to the date of the Information Memorandum, withdrawn our written consent to the inclusion of the Reporting Accountant's Report in the Prospectus in the form and context in which it appears.

The engagement partner responsible for the engagement resulting in this Reporting Accountant's Report Ali Selemani (ACPA 1874).

For and on behalf of:
BDO East Africa
Certified Public Accountants
P.O. Box 9912 - Dar es Salaam, Tanzania

Date: 28 February 2025

Reporting Accountant's Report on Originator's Audited Financial Reports

To:
**The Executive Director,
Zanzibar Treasury Sukuk1 Limited,
Takwimu House, First Floor,
Mazizini – Unguja,
PO Box 874/1154,
70402 Urban West.**

Zanzibar-Tanzania.

We have compiled the accompanying financial statements of President's Office Of Finance And Planning ("the President's Office") on pages 4 to 48, based on information you have provided. These financial statements comprise the statements of financial performance of President's Office Of Finance And Planning as at 30 June 2023, 30 June 2022, and 30 June 2021, statement of cash flows and statement of Budget comparison for the for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with **international Public Sector Accounting Standards (IPSAS) - Cash Basis**. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on the financial statements.

The engagement partner responsible for the engagement resulting in this Reporting Accountants' Report is Ali Selemani ACPA 1874.

For and on behalf of:
**BDO East Africa
Certified Public Accountants
P. O. Box 9912 - Dar es Salaam, Tanzania**

Date: 28 February 2025

REPORTING ACCOUNTANT'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	NOTE	2022/23 TZS '000'	2021/22 TZS '000'	2020/2021 TZS '000'
RECEIPTS				
Taxation	9	1,042,405,853	751,432,218	624,053,051
External Assistance	10	372,858,551	449,038,093	158,667,705
Domestics Grants and Loans	11	28,682,649	144,826,107	55,893,167
Dividends	12	18,204,467	15,094,958	15,375,513
Capital Receipts	13	4,992,172	27,917,720	4,575,762
Other Receipts	14	181,064,815	163,563,668	92,334,782
		1,551,872,7	1,551,872,7	950,899,980
Total Receipt		1,648,208,50	64	
		7		
PAYMENTS				
Operations				
Personnel Emoluments	15	(570,251,447)	(392,742,477)	(357,687,868)
Currents Grants, Transfers and Subsidies	16	(168,026,259)	(100,486,041)	(157,570,150)
Supplies and Consumable Goods	17	(271,489,274)	(187,190,444)	(128,348,577)
Routine Maintenance and Repair	18	(15,679,024)	(14,863,302)	(7,025,847)
Social Benefits	19	(59,444,474)	(77,478,475)	(61,574,584)
Other Payments	20	(120,723,004)	(93,081,829)	(121,357,559)
Interest Payment	21	(24,280,290)	(20,157,031)	(12,866,312)
		(1,229,893,77		(846,430,897)
Sub-total		2)	(885,999,599)	
Capital expenditure				
Purchase of assets	22	(396,215,924)	(335,943,833)	(67,347,471)
		(396,215,924	(335,943,83	(67,347,471)
Sub-total)	3)	
				(913,778,36
Total payments		(1,626,109,6	(1,221,943,4	8)
		96)	32)	
Increase /(decrease) in Cash		22,098,811	329,929,332	37,121,612
Cash at beginning of the year	23	305,182,378	(24,746,954)	(61,836,803)
		327,281,189	305,182,378	
Cash at the end of the year	23			(24,715,191)

REPORTING ACCOUNTANT'S REPORT

CONSOLIDATED CASHFLOW STATEMENTS

	NOTE	RECEIPTS/PAYMENTS 2022/23 TZS 000	RECEIPTS/PAYMENTS 2021/22 TZS 000	RECEIPTS/PAYMENTS 2021/22 TZS 000
CASHFLOW FROM OPERATING ACTIVITIES				
RECEIPTS				
Taxation	9	1,042,405,853	751,432,218	624,053,051
External Assistance	10	372,858,551	449,038,093	158,667,705
Domestics Grants and Loans	11	28,682,649	144,826,107	55,893,167
Dividends	12	18,204,467	15,094,958	15,375,513
Capital receipt	13	4,992,172	27,917,720	4,575,762
Other receipt	14	181,064,815	163,563,668	92,334,782
Total Receipt		1,648,208,507	1,551,872,764	950,899,980
PAYMENTS				
Operations				
Personnel Emoluments	15	(570,251,447)	(392,742,477)	(357,687,868)
Currents Grants, Transfers and Subsidies	16	(168,026,259)	(100,486,041)	(157,570,150)
Supplies and Consumable Goods	17	(271,489,274)	(187,190,444)	(128,348,577)
Routine Maintenance and Repair	18	(15,679,024)	(14,863,302)	(7,025,847)
Social Benefits	19	(59,444,474)	(77,478,475)	(61,574,584)
Other Payments	20	(120,723,004)	(93,081,829)	(121,357,559)
Interest Payment	21	(24,280,290)	(20,157,031)	(12,866,312)
		(1,229,893,772)	(885,999,599)	(846,430,897)
Total Payment		(1,229,893,772)		
Net Cashflow From Operating Activities		418,314,735	665,873,165	104,469,083
CASHFLOW FROM INVESTING ACTIVITIES				
Payment on Purchase of Assets	22	(396,215,924)	(335,943,833)	(67,347,471)
Net Cashflow Used on Investing Activities		(396,215,924)	(335,943,833)	(67,347,471)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan and interest repayments		-	-	(12,866,312)
Increase /(Decrease) in Cash		22,015,859	329,929,332	24,255,300
Cash at Beginning of the Year	23	305,214,141	(24,715,191)	(48,970,491)
Cash at the End of the Period	23	327,312,952	305,214,141	(24,715,191)

REPORTING ACCOUNTANT'S REPORT

CONSOLIDATED STATEMENT OF COMPARISONS OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30TH JUNE 2023

	ORIGINAL BUDGET 2022/23 TZS '000	ADJUSTMENTS TZS '000	FINAL BUDGET TZS '000 2022/23	ACTUAL RECEIPT/PAYMENT TZS '000	VARIANCES TZS '000
INFLOWS					
Tax Revenue	1,054,559,024	-	1,054,559,024	1,042,405,851	(12,153,173)
Non-Tax Revenue	179,483,560	-	179,483,560	141,641,192	(37,842,368)
External Assistance - (Grants and Loans)	823,664,901	-	823,664,901	370,250,936	(453,413,965)
Domestics Grants and Loans	515,000,000	-	515,000,000	27,000,000	(488,000,000)
LGA Own Sources	17,620,335	-	17,620,335	15,153,549	(2,466,787)
TOTAL RECEIPT	2,590,327,820	-	2,590,327,820	1,596,451,528	(993,876,293)
OUTFLOWS					
Wages and Salaries					
MDA's-Personnel Emoluments	(556,646,709)	15,482,442	(541,164,267)	(509,187,994)	31,976,273
CFS-Wages and Salaries	(1,304,800)	(1,189,800)	(2,494,600)	(2,360,698)	133,902
Subvention -personnel Emoluments	(68,872,200)	(28,520,326)	(97,392,526)	(97,823,451)	(430,925)
Sub-total	(626,823,709)	(14,227,684)	(641,051,393)	(609,372,143)	31,679,250
Operating Expenses					
MDA's-Other Charges	(265,383,329)	14,439,877	(250,943,452)	(148,805,783)	102,137,669
CFS-Other Charges	(210,300,000)	-	(210,300,000)	(169,372,499)	40,927,501
Subventions-Other Charges	(118,007,950)	-	(118,007,950)	(65,967,267)	52,040,683
Local Government Authority	(17,620,335)	-	(17,620,335)	(16,667,596)	952,739
Sub-total	(611,311,614)	14,439,877	(596,871,737)	(400,813,145)	196,058,592
Recurrent Expenditure	(1,238,135,323)	212,193	(1,237,923,130)	(1,010,185,288)	227,737,842

REPORTING ACCOUNTANT'S REPORT

Development Expenditure					
Local Development	(682,540,000)	12,733,980	(669,806,020)	(308,491,186)	361,314,834
Foreign Development	(669,652,497)	(12,356,173)	(682,008,670)	(143,992,434)	538,016,236
		377,807		(452,483,620)	899,331,070
Development Expenditure	(1,352,192,497)		(1,351,814,690)		
		590,000		(1,462,668,908)	
TOTAL PAYMENTS	(2,590,327,820)		(2,589,737,820)		1,127,068,912
NET RECIPT/PAYMENTS	-	590,000	590,000	133,782,620	133,192,619

CONSOLIDATED STATEMENT OF COMPARISONS OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30TH JUNE 2022

	ORIGINAL BUDGET 2021/22 TZS '000	ADJUSTMENTS TZS '000	FINAL BUDGET TZS '000 2021/22	ACTUAL RECEIPT/PAYMENT TZS '000	VARIANCES TZS '000
CASH INFLOWS					
RECEIPT					
Taxation	959,159,347	-	959,159,347	751,432,218	(207,727,131)
External Assistance	383,096,133	-	383,096,133	449,038,093	59,074,644
Domestic Grants and Loans	312,000,000	-	312,000,000	144,826,107	(172,000,000)
Dividends	50,750,000	-	50,750,000	15,094,958	(35,655,042)
Capital Receipt	2,879,951	-	2,879,951	27,917,720	15,623,409
Other Receipt	124,047,410	-	124,047,410	163,563,668	(4,383,704)
Total Receipt	1,831,932,841	-	1,831,932,841	1,551,872,764	(345,067,824)
CASH OUTFLOWS					
Personnel Emolument	(378,618,655)	6,162,650	(372,456,005)	(392,742,477)	28,040,376
Currents Grants Transfers and Subsidies	(184,051,873)	(3,991,999)	(188,043,872)	(100,486,041)	67,875,421
Supplies and Consumable Goods	(328,279,941)	(16,252,182)	(344,532,123)	(187,190,444)	172,814,143
Routine Maintenance and Repair	(25,947,222)	(147,741)	(26,094,963)	(14,863,302)	16,918,168
Social Benefits	(80,517,827)	(655,787)	(81,173,614)	(77,478,475)	5,294,581
Other Payments	(115,606,438)	336,121	(115,270,317)	(93,081,829)	33,767,618
Purchase of Assets	(784,555,357)	83,899,584	(700,655,773)	(335,943,833)	424,285,844

REPORTING ACCOUNTANT'S REPORT

Interest Payments	(35,652,446)	-	(35,652,446)	(20,157,031)	16,211,112
Total Payment	(1,933,229,759)	69,350,646	(1,863,879,113)	(1,221,943,432)	765,207,263
NET CASHFLOW	(101,296,918)	69,350,646	(31,946,272)	329,929,332	420,139,439

CONSOLIDATED STATEMENT OF CAMPARISON BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2021

	ORIGINAL BUDGET 2020/21 TZS '000	ADJUSTMEN TS TZS '000	FINAL BUDGET TZS '000 2020/21	ACTUAL RECEIPT/PAYMENT TZS '000	VARIANCES TZS '000
CASH INFLOW					
Taxation	921,266,775		921,266,775	624,053,051	(297,213,724)
External Assistance	484,223,610		484,223,610	158,667,705	(325,555,905)
Domestic Grants and Loans	45,000,000		45,000,000	55,893,167	10,893,167
Dividends	24,000,000		24,000,000	15,375,513	(8,624,487)
Other Receipts	121,391,362		121,391,362	92,334,782	(29,056,580)
Total Cash inflow	1,595,881,747		1,595,881,747	946,324,218	(649,557,529)
CASH OUTFLOW					
Operating expenses					
Personal Emoluments	(316,817,900)	(4,484,000)	(312,333,900)	(357,687,868)	(45,353,968)
Transfers and Subsidies	(231,990,400)	-	(231,990,400)	(157,570,150)	74,420,250

REPORTING ACCOUNTANT'S REPORT

Suppliers - goods, works and services						(88,916,152)
		(39,432,425)	-	(39,432,425)	(128,348,577)	
Routine Maintenances and Repair		(8,066,388)	-	(8,066,388)	(7,025,847)	1,040,541
Social Benefits		(124,613,063)	4,484,000	(129,097,063)	(61,574,584)	67,522,479
Other Payments		(128,829,754)	-	(128,829,754)	(121,357,559)	7,472,195
Development expenditure		(609,958,800)	-	(609,958,800)	(240,584,590)	369,374,210
Total operating expenses Capital expenditure		(1,459,708,730)	-	(1,459,708,730)	(1,074,149,175)	385,559,555
Purchase of Assets		(96,137,744)	-	(96,137,744)	(67,347,471)	28,790,273
Total Capital expenditure		(96,137,744)	-	(96,137,744)	(67,347,471)	28,790,273
Loan and Interest Payment						
Loan and interest repayments		(23,312,324)	-	(23,312,324)	(12,866,312)	10,446,012
Total Loan and Interest Payment		(23,312,324)	-	(23,312,324)	(12,866,312)	10,446,012
Total Cash outflow		(1,579,158,798)	-	(1,579,158,798)	(1,154,362,958)	424,795,840
Net Cash flow during the year		16,722,949	-	16,722,949	(208,038,740)	(224,761,689)

1. GENERAL INFORMATION

<p>Principal Place of Business President's Office-Finance and Planning 10,12 Mtaa wa Vuga 70402 Mjini Magharibi P.O.Box 1154 Vuga. Zanzibar.</p>	<p>Banker Bank of Tanzania Kinazini P.O.Box Zanzibar</p>
<p>Paymaster General Dr Juma Malik Akil 10,12 Mtaa wa Vuga 70402 Mjini Magharibi P.O.Box 1154 Vuga. Zanzibar</p>	<p>Lawyers Attorney General Chambers P.O.Box Mazizini Zanzibar</p>
<p>Auditor Controller and Auditor General The Controller and Auditor General Office Maisara Street P.O Box Zanzibar.</p>	

2. BASIS OF PREPARATION

The Consolidated Financial statements Revolutionary Governments of Zanzibar have been prepared in accordance with Public Finance Management Act, No. 12 of 2016, and comply with the requirements of **International Public Sector Accounting Standards (IPSAS) - Cash Basis** of Accounting and the accounting Policies have been applied consistently throughout the period. The Cash flow is prepared using the Direct Method.

The reporting period for these financial statements is the financial year of the Government, which runs from 1st July to the 30th June of the following year. The financial statements are presented in Tanzania Shilling (TZS), which is the functional currency of the Government.

3. SCOPE OF CONSOLIDATION

As per requirements of IPSAS 35 Consolidated Financial Statements, paragraph 5 gives the controlling entity mandate of consolidating all the controlled entities and exempts some of the controlled entities, which are controlling entities in nature to prepare consolidated financial statement. IPSAS 35 paragraph 40 gives elaboration on the elimination of balances and transactions between entities within the economic entity for reporting periods.

4. REPORTING ENTITY

The Revolutionary Government reporting entities, referred to as Public Entities covered by these Consolidated Financial Statements, which comprise: Ministries, Regions, Special Departments, Local Government Authority, Commission, Agency, College/Institution Corporation/Authorities, Offices and Board/Council. Below is the list of entities consolidated into the Revolutionary Government of Zanzibar:

Table 1 - List of Ministries, Regions, Special Departments, Local Government Authorities, Commissions, Agencies, Colleges/Institutions Corporation/Authorities, Offices and Board Councils

S.no	Name of Reporting Entity	Sub Sector Description
1	Ministry of Social Welfare Elderly, Gender & Children	Budgetary Central Government
2	Ministry of Health	Budgetary Central Government
3	President's Office -Labour Economic Affairs and Investments	Budgetary Central Government
4	The First Vice Presidents Office	Budgetary Central Government
5	President's Office-Labour Economic Affairs and Investments	Budgetary Central Government
6	Ministry of Blue Economy and Fisheries	Budgetary Central Government
7	The Second Vice Presidents Office	Budgetary Central Government
8	Ministry of Trade and Industrial Developments	Budgetary Central Government
9	Ministry of Agriculture Irrigation Natural Resources	Budgetary Central Government
10	Ministry of Infrastructure Communication and Transport	Budgetary Central Government
11	Ministry of Education and Vocational	Budgetary Central Government
12	The President's Office State House	Budgetary Central Government
13	Ministry of Tourism and Heritage	Budgetary Central Government

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S.no	Name of Reporting Entity	Sub Sector Description
14	President's Office Finance and Planning	Budgetary Central Government
15	President's Office-Constitution Legal Affairs Public Services and Good Governance	Budgetary Central Government
16	Ministry of Land and Housing Deve	Budgetary Central Government
17	Ministry of Information Youth Culture and Sports	Budgetary Central Government
18	Ministry of Water Energy and Mineral Resources	Budgetary Central Government
19	President's Office-Regional Administration Local Gover	Budgetary Central Government

4. REPORTING ENTITY (CONTINUED)

Table 1 - List of Ministries, Regions, Special Departments, Local Government Authorities, Commissions, Agencies, Colleges/Institutions Corporation/Authorities, Offices and Board Councils

S.no	Name of Reporting Entity	Sub Sector Description
20	Consolidated Funds Services	Budgetary Central Government
21	Urban Region Unguja	Budgetary Central Government
22	North Region Unguja	Budgetary Central Government
23	South Region Unguja	Budgetary Central Government
24	South Region Pemba	Budgetary Central Government
25	North Region Pemba	Budgetary Central Government
26	People's Militia Unit	Budgetary Central Government
27	Zanzibar Training Centers for Offenders	Budgetary Central Government
28	Anti-Smuggling Unit	Budgetary Central Government
29	Fire and Rescue Force	Budgetary Central Government
30	Economic Brigade	Budgetary Central Government
31	Zanzibar Drugs Control and Enforcement Authority	Budgetary Central Government
32	Zanzibar Anti-Corruption and Economic Crimes Authority	Budgetary Central Government
33	Mnazi Mmoja Hospital	Budgetary Central Government
34	House of Representative Zanzibar	Budgetary Central Government
35	The Office of Controller and Auditor General Zanzibar	Budgetary Central Government

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

36	Public Services Commission	Budgetary Central Government
37	Zanzibar Planning Commission	Budgetary Central Government
38	Law Review Commission	Budgetary Central Government
39	Civil Services Commission	Budgetary Central Government
40	Zanzibar Commission for Tourisms	Budgetary Central Government
41	Zanzibar Aids Commission	Budgetary Central Government
42	High Court Zanzibar	Budgetary Central Government
43	The Office of Director of Public Prosecution	Budgetary Central Government
44	Zanzibar Electoral Commission	Budgetary Central Government
45	Zanzibar Civil Status Registration Agency	Budgetary Central Government
46	Attorney General's Chamber	Budgetary Central Government
47	Zanzibar Public Leaders Ethics Commision	Budgetary Central Government
48	Zanzibar e-Government Agency	Budgetary Central Government
49	Grand Mufti's Office of Zanzibar	Budgetary Central Government
50	Office of Accountant General	Budgetary Central Government
51	Zanzibar Environmental Management Authority	Budgetary Central Government
52	Office of Government Statisticians	Budgetary Central Government
53	Office of Internal Auditor General	Budgetary Central Government
54	Wakfu and Trust Commission	Budgetary Central Government

4. REPORTING ENTITY (CONTINUED)

Table 1 - List of Ministries, Regions, Special Departments, Local Government Authorities, Commissions, Agencies, Colleges/Institutions Corporation/Authorities, Offices and Board Councils

S.No	Name of Reporting Entity	Sub Sector Description
55	Commission for Lands	Budgetary Central Government
56	Office of Revolutionary Councils	Budgetary Central Government
57	North A District	Local Government Authorities

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

58	North B District	Local Government Authorities
59	South District Council	Local Government Authorities
60	Contrary District Council	Local Government Authorities
61	Zanzibar City Council	Local Government Authorities
62	West B Municipal	Local Government Authorities
63	West A Municipal Council	Local Government Authorities
64	Urban Municipal Council	Local Government Authorities
65	Micheweni District Council	Local Government Authorities
66	Wete Town Council	Local Government Authorities
67	Chake Chake Town Council	Local Government Authorities
68	Mkoani Town Council	Local Government Authorities
69	Zanzibar Broadcasting Commission	Extra budgetary Units/Entities
70	Zanzibar Fair Competition Commission	Extra budgetary Units/Entities
71	Disaster Management Commission Zanzibar	Extra budgetary Units/Entities
72	Zanzibar Labor Commission	Extra budgetary Units/Entities
73	JKU Security Guard	Extra budgetary Units/Entities
74	The Copyright Society Of Zanzibar	Extra budgetary Units/Entities
75	The Office of Chief Government Valuer	Extra budgetary Units/Entities
76	Registrar Of Education	Extra budgetary Units/Entities
77	The Office Of The Chief Inspector Of Education	Extra budgetary Units/Entities
78	Zanzibar Institute of Public Administration	Extra budgetary Units/Entities
79	Karume Institute of Science Technology	Extra budgetary Units/Entities
80	Zanzibar Muslim Academy	Extra budgetary Units/Entities
81	Zanzibar School of Law	Extra budgetary Units/Entities
82	Zanzibar Law Recourses Centre	Extra budgetary Units/Entities
83	Zanzibar Health Research Institute	Extra budgetary Units/Entities
84	Zanzibar Livestock Research Institute	Extra budgetary Units/Entities
85	Zanzibar Agricultural Research Institute	Extra budgetary Units/Entities
86	Zanzibar Fisheries and Marine Resources Research Institute	Extra budgetary Units/Entities
87	Zanzibar Institute of Education	Extra budgetary Units/Entities
88	Zanzibar Economic Empowerment Fund	Extra budgetary Units/Entities
89	Zanzibar Broadcasting Corporation	Extra budgetary Units/Entities
90	Zanzibar Water Authority	Extra budgetary Units/Entities

4. REPORTING ENTITY (CONTINUED)

Table 1 - List of Ministries, Regions, Special Departments, Local Government Authorities, Commissions, Agencies, Colleges/Institutions Corporation/Authorities, Offices and Board Councils

S.no	Name of Reporting Entity	Sub Sector Description
91	Zanzibar Petroleum Regulatory Authority	Extra budgetary Units/Entities
92	Zanzibar Investment Promotion Authority	Extra budgetary Units/Entities
93	Stone Town Conservation and Development Authority	Extra budgetary Units/Entities

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

94	Zanzibar Multiplex Company	Extra budgetary Units/Entities
95	ZPPDPAA	Extra budgetary Units/Entities
96	Corporation of Zanzibar Newspapers	Extra budgetary Units/Entities
97	Vocational Training Authorities	Extra budgetary Units/Entities
98	Zanzibar Road Transport and Safety Authority	Extra budgetary Units/Entities
99	The Zanzibar Youth Council	Extra budgetary Units/Entities
100	Business licensing Regulatory Council	Extra budgetary Units/Entities
101	The Zanzibar Swahili Council	Extra budgetary Units/Entities
102	Condominium Board of Zanzibar	Extra budgetary Units/Entities
103	Architects, Engineers, Quantity Surveyors Registration Board	Extra budgetary Units/Entities
104	Zanzibar Contractors Board	Extra budgetary Units/Entities
105	Land Transfer Board	Extra budgetary Units/Entities
106	The Zanzibar Arts Censorship Council	Extra budgetary Units/Entities
107	Zanzibar Library Services Board	Extra budgetary Units/Entities
108	The Zanzibar National Sports Council	Extra budgetary Units/Entities
109	Zanzibar Examination Council	Extra budgetary Units/Entities
110	Zanzibar National Business Council	Extra budgetary Units/Entities
111	The Rent Restriction Board	Extra budgetary Units/Entities
112	Zanzibar Higher Education Loans Board	Extra budgetary Units/Entities
113	Agency For Tractors And Farm Machineries Services	Extra budgetary Units/Entities
114	Government Agency For Automobile Workshop Service In Zanzibar	Extra budgetary Units/Entities
115	Zanzibar Food And Drug Agency	Extra budgetary Units/Entities
116	Zanzibar Information Communication Technology Infrastructure Agency	Extra budgetary Units/Entities
117	Business Properties Registration Agency	Extra budgetary Units/Entities
118	The Zanzibar Micro, Small And Medium Industrial Development Agency	Extra budgetary Units/Entities
119	The Zanzibar Government Printing Press Agency	Extra budgetary Units/Entities
120	Zanzibar Buildings Agency	Extra budgetary Units/Entities
121	Chief Government Chemist Laboratory Agency	Extra budgetary Units/Entities
122	Zanzibar Road Agency	Extra budgetary Units/Entities
123	Special Department Services Commission	Extra budgetary Units/Entities
124	Economic Empowerment	Extra budgetary Units/Entities
125	Zanzibar Labour Commission	Extra budgetary Units/Entities
126	Kadhi Court	Extra budgetary Units/Entities

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial Statement have been prepared on the basis of the accounting policies applicable to a going concern. The accounting policies laid down are subject annual review to ensure continuing compliance with international Public Sector Accounting Standards (IPSAS)- **Cash Basis**. The Accounting policies Adopted, which reflect compliance with IPSAS Cash Basis are shown.

Foreign currency translation Functional and Presentation Currency

Item included in the financial Statement of the *Revolutionary Government of Zanzibar* are measured using the currency of the primary economic environment in which the *Revolutionary Government of Zanzibar* operate (Functional Currency) The financial statements are presented in of Tanzania Shilling (TZS) which is Government functional and Presentation Currency.

Transaction and Balances

Foreign currency transactions are translated into Tanzanian Shilling using the exchange rate prevailing at the date of Transaction. Foreign exchange gain and loss resulting from settlement of such transaction and from a translations at year-end are reporting on the statement of Cash receipt and Payment and Cash flow statement. Financial Assets that are not recognised at year end.

Employee benefits

Employee benefits include salaries, social security contributions, leave fare assistance, pensions and other related-employment costs. Employee benefits are recognized when paid. The *Governments* operates a defined contribution plan where contributions are paid to Zanzibar Social Security Fund (ZSSF). The employer contributes 13% and the employee contributes 7% of basic salary. Employer's portion of social security contributions are made directly to the respective Funds by the President's Office Finance and Planning.

Revenue

Revenue includes Taxation, External Assistance, Domestic Grants and Loans, Capital Receipt Other Receipt Capital Receipt are recognized when cash receipt.

Expenditure

Expenditure includes Personnel Emolument, Current Grants, Transfers and Subsidies, Supplies and consumable Goods, Social Benefits, Other payments, Purchase of Assents etc are recognized when the payment made.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment's (PPE)

Property Plant and equipment are initially recorded at construction, acquisition or purchase cost plus any direct attributable cost. Where any item of PPE comprises major components having different useful lives, they are accounted for separately. Property that is being constructed or developed for future use to support operation is classified as Work in Progress (WIP) and stated at cost until construction or development is complete and is available for use, at which time it is reclassified as Property Plant and Equipment in use.

6. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTION.

The preparation of these financial statements requires management to make judgment estimates and assumptions that affect reported amount of Revenue and Expenses. Although these estimates are based on management best knowledge of current events and actions, actual results ultimately may differ from those estimates.

7. ORIGINAL AND FINAL APPROVED BUDGET AND COMPARISON OF ACTUAL AND BUDGET AMOUNT

Para 14 of IPSAS 24 require entity to disclose reasons for the material difference between net approved estimate and actual Amount spent The Budget information presented with these statements has been Prepared on Cash Basis. The Budget approval was for financial year 2022/2023. The approval of budget as a matter of procedure passed through the President's Office of Finance and Planning and then the House of Representative. During the financial year 2022/2023 the Government revised some expenditure items to cover unforeseen expenditure items and under/overestimate.

8. RISK MANAGEMENT

The Entity is subject to a number of financial risks, which arise because of transactions with various categories, and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation. The Categories of risk are as follows:

Credit Risk:

- Credit Risk refers to the risk of a loss due to the non-performance by counterparties to discharge an obligation. Financial instruments, which subject the Government to credit risk, include bank balances and receivables, advances and investments.

8. RISK MANAGEMENT (CONTINUED)

The entities within the Government reporting entity manage their exposure to credit risk by:

- Maintaining credit exposure only with highly rated institutions, for which the probability of default is low. The credit worthiness of counter parties is continuously monitored.
- Ensuring diversification of credit exposure by limiting the exposure to anyone financial institution.
- In some instances, requiring a form of collateral from counterparties.

Interest Rate Risk

Interest rate risk refers to the risk of loss due to adverse movement in interest rates. In general interest rate risk is managed strategically by issuing a mix of fixed and floating rate debt or pegging the interest rate to the interest rate on the Government securities prevailing in the market at the particular time of issuing and obtaining the guarantees

Foreign Exchange Risk:

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. The range of instruments

Currently being used to minimize the Government's exposure to foreign exchange risk, which includes currency.

Liquidity Risk:

Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost-effective liquidation of products, positions or portfolios. Liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet all their obligations as they fall due

Contractual: Typically the failure of contractors to deliver goods or services to the agreed price or specifications.

9. TAXATION

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Airport Safety Fee	13,976,628	8,158,720	5,521,640
Airport Services Charges	61,046,681	35,476,600	23,894,808
Cross boarder Currency Declaration fee	532,411	262,899	-
Driving License Fees	1,611,484	1,601,090	1,584,960
Excise Duty - Petrol	11,344,951	11,345,427	8,703,993
Excise Duty Local	35,572,678	32,875,917	28,851,794
Excise Duty on Import	23,238,699	12,405,931	13,242,582
Exercise on local product	875,054	1,937,077	1,396,383
Fine on Import	1,013,683	395,365	640,992
Government levy mobile money and withdrawals	9,987,074	3,935,334	-
Hotel Levy-Accommodation	7,721,101	5,995,646	15,750,360
Import Duty	95,265,820	80,580,062	49,766,778
Income Tax Individuals	2,697,222	6,805,240	8,474,249
Income Tax Private Companies	60,807,495	42,916,778	32,107,135
Infrastructure Tax	19,770,461	18,563,307	31,325,476
Land lease	9,600,452	7,938,150	6,732,854
Miscellaneous Customs Duties	1,955,452	1,396,655	1,477,167
Motor Licensing Fees	2,491,561	3,017,063	4,915,308
Motor Vehicle Levy	1,405,717	1,608,479	1,558,725
motor vehicle registration (Car)	2,400,201	2,329,514	1,483,924
Pay as You Earn (PAYE)	101,345,438	54,908,190	56,456,116
PAYE Transfer	21,000,000	21,000,000	21,552,710
Petroleum Levy	55,836,669	48,626,795	47,334,969
Restaurant Levy	2,487,023	1,337,457	1,832,542
Road Development Fund	13,566,815	12,673,291	13,210,564
Sea Transport Tax	3,580,850	3,067,218	2,817,031
Seaport Services Charges	2,998,410	2,731,354	1,955,828
Skill Development Levy	15,075,482	11,894,994	13,162,543
Stamp Duty	11,435,082	8,835,112	9,095,040
Tour Operator Levy	2,555,735	1,277,159	568,742
Trade Levy	84,497,882	-	9,638,592
VAT Import	4,783,606	74,242,676	61,958,830
VAT Local	309,252,027	180,255,926	118,059,272
Withholding Tax	50,676,009	51,036,792	28,981,144
Sub-total	1,042,405,853	751,432,218	624,053,051

10. EXTERNAL ASSISTANCE

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Current Grants from Development Partners	61,849,381	49,868,208	22,835,854
Fund from Development Partners (Basket Fund)	21,951	3,573,114	-
General Budget Support (GBS) - URT	67,433,027	2,348,389	9,460,790
Loan from Development Partners	243,554,192	393,248,382	126,371,061
Sub-total	372,858,551	449,038,093	158,667,705

11. DOMESTIC GRANTS AND LOANS

Current Grants from Other General Government Units	1,527,941	2,099,431	707,091
Treasury Bill	-	-	54,732,936
Loan for Development Project	27,000,000	-	-
Treasury Bond	-	140,000,000	-
Capital Grants from Other General Government Units	154,708	2,726,676	453,140
Sub-total	28,682,649	144,826,107	55,893,167

12. DIVIDENDS

Bank of Tanzania	4,500,000	9,000,000	6,750,000
Peoples Bank of Zanzibar (PBZ)	10,000,000	2,403,553	4,975,195
Zanzibar Electricity Corporations	800,000	2,091,405	1,382,164
Zanzibar Insurance Corporation (ZIC)	404,467	600,000	500,000
Zanzibar Ports Corporations (ZPC)	500,000	1,000,000	1,768,154
Zanzibar State Trading Corporation (ZSTC)	2,000,000	-	-
Sub-total	18,204,467	15,094,958	15,375,513

13. CAPITAL RECEIPT

Hire of equipment	20,005	22,866	15,672
Principal Investments Received	-	2,000,000	-
Rent for Deport	1,151,434	1,155,748	1,314,573
Rent of Government Buildings	2,337,650	5,493,142	542,298
Rent of Government Houses	13,990	116,763	-
Rent of Stalls	167,041	1,168,521	2,580,632
Rental of Clove Plantations	7,000	10,000	2,000
Rental of Machine	683	9,353	-
Returns from Investments	-	105,000	-
Sale of Obsolete Stores	1,294,369	17,836,327	120,587
Sub-total	4,992,172	27,917,720	4,575,762

14. OTHER RECEIPTS

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Immigration Charges	67,443,833	46,123,804	30,215,072
Quarrying Fees	13,151,003	10,739,208	492,641
Trading Licenses	8,221,033	6,630,375	6,371,504
Contribution from ZURA	6,000,000	-	
Tuition Fees	4,536,869	3,520,988	3,065,092
Payment for Construction Work	4,113,955	3,424,176	160,267
Loan Recovering	4,003,122	4,167,022	3,635,743
Medical Licensing Fees	3,240,850	2,571,673	6,702
Work Permits for immigrant	2,939,783	1,029,815	762,393
Counterfoils	2,921,408	2,656,773	31,480
Advertisements & Announcements	2,638,466	2,210,044	3,451,510
Inspection of vehicles	2,405,514	2,463,720	1,074,090
Revenue for Guard Services	2,284,758	1,761,855	1,692,150
Veterinary Services	2,130,997	59,951	1,066,351
Permits	1,939,116	1,903,935	575,247
Visitors Entrance Fee	1,938,680	583,634	20,213
Revenue from Covid Test	1,917,594	-	
Operation lines for commercial vehicles	1,891,574	1,262,884	485,600
Investors Licenses	1,766,336	961,969	1,145,173
WS-Commercial/Industrial Consumers	1,566,409	1,064,397	904,361
Payment for Business Activities	1,537,510	1,317,407	200,715
Investments (Van Rest)	1,527,058	2,870	-
Airtime	1,436,257	1,116,394	1,029,089
Fines	1,378,392	117,603	312,465
Deep See Fishing	1,352,786	262,884	441,966
Forest Produce Charges	1,284,790	592,336	775,293
Certificate of land use and occupancy	1,273,807	63,511	29,882
Driving Tests	1,166,900	774,745	257,271
Zanzibar Bureau of Standards	1,041,336	1,034,500	325,000
Venue Fees	1,040,621	1,510,618	
Application Forms	950,689	427,990	781,523
Receipt from Bodi ya Vileo	950,000	416,962	-
WS-Domestic Consumers	940,565	1,130,250	1,026,416
Other Fees	923,549	1,043,196	4,043

14. OTHER RECEIPTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Fee for Sea Produce	908,136	770,769	102,946
Registration of Bidders and Tendering Documents	898,575	473,686	152,780
Construction permit	812,073	521,905	4,345
Contribution from Land Transfer Board	779,562	-	
Parking Fees	764,179	1,133,762	828,897
Registration of Births and Deaths	754,263	577,019	373,576
Fee for Health Services	681,361	375,027	627,533
Sales Charges	675,527	105,929	12,759
Fees From Registration Certificates	666,853	-	106,230
Court Fees	660,650	105,004	493,048
Drilling of Mineral Fees	632,875	133,585	3,872,292
Contribution from Contractor Board	610,433	-	
Sand Collection Form	605,717	377,625	1,990
Miscellaneous Income	501,047	154,248	311,487
Environmental Conservation	482,493	124,409	280,128
Registration fees and Fines on Mergers	477,000	744,222	321,979
Studio Air Time Services	465,419	431,715	-
Entrance Fees to Museum	444,821	82,139	30,191
Route Card	424,553	422,397	151,901
Fiber Optic Services Charge	424,156	1,839,193	-
Security fee	408,860	180,001	281,310
Document Fees	383,659	243,407	318,298
Inspection of Health and Safety on Work Place	382,039	214,856	67,974
Advertisements Slogans	359,460	228,068	
Service Charge	356,101	677,151	662,499
Registration of Companies	355,286	263,306	757,301
Identity Card fee	344,519	366,876	2,532
Weighting and measuring services	323,786	210,902	86,428
Contribution from Architecture	320,417	-	
Registration of Condominium	319,796	-	63,234
Registration and Licenses	315,512	185,855	3,240
Cleaning fees	312,819	904,044	530,726
Valuation Fees	312,586	494,340	106,495
Fee for registration Certificates	309,200	196,246	85,245

14. OTHER RECEIPTS (CONTINUED)

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Environment Protection Fees	301,042	432,657	191,394
Fee for Inspection of Produce	291,275	55,919	224,804
Audit Fees	283,666	-	98,786
learner	276,259	219,134	167,324
Penalties	273,824	11,250	46,753
Inspection Fee for Employment Contracts Abroad	271,732	118,630	33,312
X-rays and Blood Tests	271,466	94,114	4,300
Licenses Registration of Private schools	263,030	196,705	187,750
Research Fees	252,528	80,749	206,499
Fees for Stores Verification	238,992	78,504	69,051
Ngoma Permit	244,960	159,399	17,605
Tax on Badge	237,897	255,361	122,020
Tax on Lean	237,283	235,781	-
WS-Institutional Consumers	233,681	553,061	332,837
Fast Track	225,580	329,669	167,423
Food Vendor	222,704	254,641	-
Marketing Services	218,797	176,137	49,751
Consultancy Fee	216,928	304,072	171,103
Earning from Sales of Rice	213,207	10,000	4,000
Contact Fee	204,901	124,064	-
Media Licensing Fees	204,768	412,087	-
Business Licenses	196,940	182,129	
Trade Marks	195,597	1,117,160	559,505
Late Registration	194,785	122,840	9,820
Students Loans Recovery	188,002	-	
Auctions Fess	183,275	69,789	49,123
Estate Duty	169,720	7,239	1,901
Water Connection Fees	155,923	247,669	218,331
Infectious Diseases Certificates	151,394	21,556,033	13,452

14. OTHER RECEIPTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Rental Shop	129,920	44,150	63,762

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	2022/23	2021/22	2020/21
	TZS 000	TZS 000	TZS 000
Farm Earnings	124,401	-	2,295
Royalties	116,875	-	-
Product License	116,687	71,101	11,650
Rental of Commercial Sites	102,922	1,575,548	59,887
Teachers' Licenses	96,254	125,770	98,819
Medical Inspections & Crew & Passenger Lists	96,042	111,145	2,250
Sale of Nursery Produce	95,721	38,132	31,763
Environmental Audit Fees	93,112	106,085	72,808
Decoder	90,900	234,585	172,170
Revenue from towers	84,202	161,253	62,190
Rental for stall	81,219	67,784	-
Export Documents	76,587	-	-
Renewal of Certificate	76,287	74,226	376,327
Port Fees	72,259	63,671	12,109
Registration fees and Fines on Consumer Protection	70,776	57,228	125,052
Revenue for Sales of Newspapers	70,301	48,560	41,376
Other Income	70,055	186,869	28,607
Fee for Maps and Plans	65,218	359,921	102,987
Traditional Medicines Fees	64,103	36,708	7,981
Earning from Livestock	63,845	2,999,597	58,121
Sales of sticker	60,230	32,800	32,520
Registration of Ship	56,670	11,775	-
Issuing of Fire Certificate	54,420	45,510	8,835
Fee Card for Land Registration	51,567	272,839	30,267
Registration of Marriage and Divorce	51,334	52,464	5,165
Fishery Licenses	48,825	68,663	146,438
Sale of Government Building	48,725	72,240	32,510
Small scale industries	47,827	58,871	69,500
Registration of Business name	47,666	60,545	397,408
Environment Inspections	46,420	27,510	17,238
Registration for community corporation	45,220	92,857	15,059
Revenue on Material/Service Rendered	45,054	169,373	35,223
Towers Fees	42,922	501,347	629,298
Production Activities	39,080	-	-
14. OTHER RECEIPTS (CONTINUED)			
	2022/23	2021/22	2020/21
	TZS 000	TZS 000	TZS 000
Membership Fees	37,921	25,996	118,265
Crop Fee	37,208	17,461	18,773

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Import Documents	35,331	23,253	
Transfer of Land Property	32,904	35,015	883,516
Developments Control Unit (DCU)	32,506	37,385	-
Earning From Sales of Horticulture	28,500	15,263	9,526
Auditing Fees for Cooperative and Services	26,997	30,980	18,698
Conference Fees	25,215	43,441	16,733
Sales of Printing Services	21,113	9,174	3,827,602
Fees Fines and Penalties	20,483	20,731	
Revenue of Special Project	19,701	35,375	88,730
Sale of Seedlings and Produce	18,890	2,217	21,090
Fee for Land Transfer and Car Transportation	17,845	29,657	52,455
Examination Fees	14,686	-	149,652
Maintenance of Fire Extinguisher	13,540	11,648	7,300
Earning from Wakfu	12,260	161,885	122,886
Staff Loan Received	11,772	54,804	76,027
Private Well Fees	11,600	16,905	18,790
Boreholes Fees	11,510	6,610	14,210
Venue	11,450	9,940	14,370
Sale of Photographs	11,194	106,962	54,205
Late Registration for Birth Certificate	11,188	11,589	93,778
Identification fee	11,042	-	
Slaughter House	10,739	19,805	51,096
Zanzibar Contractor Body	9,375	801,437	833,536
Processing Card System	9,174	53,481	54,205
License and Registration for Driving School	8,815	14,563	-
Rent	7,843	360	-
Registration of Bidders and Tendering Documents	6,455	70	182,145
P.A. System	5,555	25,920	500
Sales of fire Extinguisher	5,490	3,996	6,880
WS-Agriculture Consumers	5,319	3,751	3,341
Graduation Gown Fee	5,060	8,000	15,990
WS-Kiosk Consumers	5,055	588	1,374
14. OTHER RECEIPTS (CONTINUED)			
	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Antenna/ware/remote control	4,085	41,240	26,950
Pipe & Fittings	4,078	34,399	52,198
Earning from Pharmacy	3,000	2,052	
Zanzibar land Transfer Body	2,273	2,453,359	2,447,323

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Appeal Matter	2,152	-	
Handicraft	1,170	6,685	-
Registration of Sports Association and Clubs	716	1,018	
Bidder and tender Documents	190	195,327	8,455
Water Reconnection Fees	170	2,519	2,607
Instructor Licenses	150	-	
Capacity Fees	-	-	963,226
Car Registration Fee	-	-	200
Annual Fee	-	-	593,966
Registration and Licenses Fees	-	-	198,458
CDF Fund (Mfuko wa Jimbo)	-	-	30,000
Water Applications Fees	-	170	778
Rent and Hiring	-	-	2,068
WS-Stand Pipe Consumers	-	29,745	29,761
Others	-	-	483
Project Profile Forms	-	33,805	182,089
GMP License	-	-	30,290
Surface Rental Fees	-	409,308	413,579
Permit License	-	-	1,129,438
Operation & Maintenance Charges	-	-	1,550,680
Training and Research fee	-	345,000	393,285
Conference Charges	-	53,960	56,117
Umoja wa walemavu	-	-	1,000
Health Basket Funds	-	-	88,141
Land Transfer from Firm	-	-	87,312
Arch Engineers	-	297,914	365,427
Workshop Services Fee	-	-	20,971
Revenue from ZURA	-	6,000,000	6,000,000
Farming and Harvesting	-	-	97,759
Pharmacist License	-	-	32,158

14. OTHER RECEIPTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Losing Identity Card Fee	-	-	74,494
Other tractors services	-	-	8,286
Driving Licenses	-	360	-
Site Instruction Fees	-	-	6,800

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Certified Documents	-	-	1,950
Professional Fees	-	8,498	-
Salary notice	-	-	428
Sale of Goods and Services	-	450	532,984
Inter segments Transaction			(9,824,888)
Planning Guidance	-	54,752	41,266
Survey and mapping	-	425,921	257,924
Plot Application Forms	-	407,087	-
Sale of Obsolete Stores	-	46	4
Fee for Late Registration Marriage	-	-	3,319
Receipt from business Pass	-	-	70
Premises License	-	-	180,371
Sale of Statistical Publications and Tender Doc.	-	1,700	-
Receipts from Loan	-	-	46,572
Sales and Marriage and Divorces Book	-	-	74,799
Turning and Welding	-	-	1,763
Land Documents	-	281,588	241,815
land registration	-	37,985	73,555
Sales of Fertilizer	-	-	2,611
Land Transfer from Gift	-	-	28,321
Land Transfer from Investment	-	-	1,479,515
Earning from ZPRA	-	12,000	5,000
Sales of Stationaries	-	-	357,750
Sales of Transfer Form	-	-	24,191
Airport Safety Fee	-	4,985	-
Administration Fees	-	-	1,901
motor vehicle services	-	-	5,160
ZSSF (TRIKA)	-	-	209,814
Self-Generated Income	-	64,438	265,540
Sub-total	181,064,815	163,563,668	92,334,782

15. PERSONAL EMOULMENT

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Casual Labour	32,530,725	7,756,470	1,741,728
Civil Servants	447,150,728	300,794,948	285,343,922
Constituency Allowances	85,444	501,446	1,436,037
Contribution to PSSF	-	9,800	3,305,433
Contribution to ZSSF 13%	26,098,386	30,918,583	23,173,497
Councilors Allowance	-	61,270	147,758
Non-Civil Services	2,572,551	1,256,283	1,830,193
Salary Adjustment	303,956	2,149	20,485
Special Allowances	61,509,657	51,441,528	40,688,815
Sub-total	570,251,447	392,742,477	357,687,868

16. CURRENT GRANTS, TRANSFERS AND SUBSIDIES

Subvention For Other Charges	85,082,912	41,388,433	41,342,135
Subvention For Salary	82,943,347	59,097,608	116,228,015
Sub-total	168,026,259	100,486,041	157,570,150

17. SUPPLIES AND CONSUMABLE GOODS

Interview Expenses	2,400	461	45
Accommodation of Settlement Services	1,466,862	1,759,976	4,192
Acquisition of Fertilizers	18,560	6,411	51,919
Acting Allowances	45,103	76,752	41,556
Administrative Expenses	654,539	329,408	339,851
Admission expenses	3,000	16,600	-
Advertising Charges	518,994	437,025	503,246
Advocates Allowance	764,766	51,027	41,780
Air time and Media Advocacy	-	58,087	55,972
Airports Charges	538,846	318,325	1,760
Allowance for Data Collectors	-	7,070	-
Allowance for Survey/Censure/Research	56,660	241,166	236,983
Annual Board Fees	60,525	77,689	52,665
Annual planning and Budgeting	12,345	4,100	16,353
Audit Expenses	8,800	-	-
Audit Fees	59,652	50,848	43,090
Bank Charges and Commission	304,674	225,707	262,562

17. SUPPLIES AND CONSUMABLE GOODS

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Board meeting and Staff Allowance	-	9,134	-
Board Meetings	107,808	62,780	62,780
Board Terminal Benefit	80,950	-	-
Boarding and Lodging	4,923	-	-
Broadcasting Charges	-	-	-
Burial Expenses	165,819	228,350	31,750
Bus Fare Allowance	300	940	52,830
CDF Fund	31,181	43,136	30,000
Ceremony and Decoration	-	9,559	-
Cleaning Supplies	2,473,761	1,801,647	1,208,023
Clearing and Forwarding	795,718	80,431	135,555
Clearing and forwarding	-	-	112,537
Collaboration Working Mission (OCGS/NBS)	-	-	8,240
Computer Accessories Supplies	1,343,175	1,202,629	524,243
Consultancy Fees	56,702,511	18,110,339	11,698,518
Contracting fees	7,679,988	2,489,796	636,070
Cordinate and Conduct Students Activities	42,816	23,944	19,849
Cost of Building Valuation	-	8,000	-
Cost of Land Survey	93,744	247,756	170,241
Cost of land Tittle	717,484	185,193	8,125
Cross Cutting Task Team	-	4,501	6,980
Customer Survey	-	-	-
Decoder Expenses	193,832	311,586	63,353
Diesel	7,859,134	6,284,772	4,468,505
Disturbance Allowance	-	123,167	30
Domestic Travel	8,209,962	9,269,770	10,653,660
Drug Registration	-	-	-
DSA/Field Allowance	-	3,887,077	1,942,440
Electrical and Other Cabling Materials	102,426	250,558	47,982
Exhibitions	-	-	-
Exhibition and Celebration	-	4,703	4,200

17. SUPPLIES AND CONSUMABLE GOODS(CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
--	--------------------	--------------------	--------------------

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Facilitator Fees	582,693	381,947	86,558
Fiber network Maintenances	260,777	120,130	361,491
Field Work and Research Report Expenses	31,257	4,640	-
Food and Refreshment (seminars/meeting)	6,768,475	6,310,543	3,054,026
Food and Refreshment (Students Meals)	63,572	33,299	187,581
Food for Security Staffs	356,935	246,477	313,781
Food Evaluation	-	-	12,500
Foreign Travel	6,118,540	3,807,969	2,449,975
Fumigation	56,059	42,228	103,915
Garden Maintenance	9,300	26,563	4,238
Gas Expenses	442,907	14,968	9,448
Gifts/ prizes	180,786	209,155	152,964
Government Offices Electricity Bills	3,643,217	2,911,518	2,934,150
Government Offices Electricity Bills (Pump House)	-	135,975	131,500
Graduation Costs	36,695	48,681	41,507
Hardship Allowance	-	-	480
Health Basket Fund	43,837	31,089	88,141
Health Insurance	-	-	35,382
Health Services	127,968	32,420	55,981
Hiring of Boat Expenses	900	-	-
Honorarium	-	-	320,453
Honoraria	57,251	17,695	19,900
Honorarium Allowance	-	-	19,174
Hosting Websites	23,976	4,590	3,899
Inspection Allowances	194,873	223,524	154,694
Inspection for Actors Prosecutor/ Actors	-	8,335	-
Internet Services	1,735,244	812,948	854,874
Internship Allowances	-	-	68,750
Interview Expenses	50,739	15,000	-
Kerosine	1,671,609	863,779	318

17. SUPPLIES AND CONSUMABLE GOODS(CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Leave travel	1,217,505	1,636,063	645,820
Legal fees	13,161	35,049	17,973

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Legal service expenses	-	-	900
Lift Services	-	6,900	7,100
Loan for Staff	-	28,167	98,000
Local Training	5,934,572	2,730,327	5,138,601
Lubricants	531,732	586,532	295,569
Management Meeting	-	710	3,730
Meal Allowance	-	-	2,200
Medical Allowance for Members and Staffs of HR	850,565	645,063	252,913
Medical Expenses Abroad	2,969,239	2,801,300	1,964,836
Medicine	-	-	1,500
Membership Fees	-	400	-
Military Cluttering services	8,181,898	7,005,926	4,774,441
Military Uniforms	188,909	952,991	511,077
Minor Equipment of Agriculture	9,600	25,756	27,059
Multiplexers licenses	8,369	13,956	2,339
Office Expenses	-	10,921	41,070
Other Allowance	24,471	30,103	13,820
Outfit	10,529	5,801	4,335
Outfit Allowances	120,832	87,526	90,516
Outsourcing Cost	16,486	18,185	11,690
Over time	3,091,435	3,117,469	2,025,181
Packaging Materials	111,550	35,226	-
Paper Shredder	10,100	18,527	150
Payee	38,850	41,300	345,067
Per Diem	10,310,396	8,911,064	4,996,504
Periodicals and Newspapers	175,009	298,884	169,759
Petrol	5,843,772	4,779,290	4,205,395
Petty Cash	-	3,800	9,000
Piles & Fittings	-	234,547	55,896
Policy and Laws	76,830	87,053	58,142

17. SUPPLIES AND CONSUMABLE GOODS(CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Postal Charges	7,900	10,807	28,014
Pourage Expenses	-	4,950	205,873
Printing Expenses	3,517,514	2,214,979	2,135,795
Printing Material	784,459	352,498	
Procurement of Farms Seeds	199,086	181,667	27,629

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Procurement of Brass Band Items	6,770	72,798	-
Procurement of building material	257,079	107,008	-
Procurement of Chemical	-	-	151,846
Procurement of Drugs	17,450,150	12,919,581	1,258,517
Procurement of Food Supplies for Patients	750,876	400,262	488,577
Procurement of Goods - Supplies	-	-	784,757
Procurement of Medical Supplies	7,572,397	2,285,040	4,508,860
Procurements of Goods	-	3,540	15,618
Procurement of Reagent	-	-	47,207
Production Costs	-	-	411,013
Promotion Expenses/Participation	79,199	420,740	411,462
Public Relation Holidays	-	8,600	8,600
Publications and Journals	95,063	74,789	110,040
Purchase of Blood Sample	-	49,007	-
Purchase of CPI Basket	-	12,000	12,000
Purchase of film	246,880	161,758	85,971
Purchase of Food Crops	105,095	-	-
Purchase of Modulator	6,725	-	-
Purchase of Pesticides	14,686	55,500	21,970
Purchase of Raw materials	-	-	950,523
Purchase of Screen/Green house	-	44,724	8,220
Purchase of Seamen	5,940	-	-
Purchase of SMZ flags	630	1,800	3,041
Purchase of stamp	225	-	-
Purchase of Stamps	20,074	107,798	-
Purchase of Working Tools	-	-	17,557
Purchases of Animal	12,207	20,950	14,524

17. SUPPLIES AND CONSUMABLE GOODS(CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Purchases of Feeds	32,211	46,312	17,872
Purchases of herbicide	-	184,090	-
Purchasing Brochures	371,955	160,855	58,339
Radio Call	39,316	84,056	2,400
Recording and Shooting Expenses	164,870	238,365	28,238
Refreshment	813,813	661,755	225,805
Registration Expenses	18,120	1,479	42,143
Remuneration of Instructors	44,511	72,173	17,140

**REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Rent of Vehicles	30,116	-	1,040
Rent/Commission	38,738	26,266	23,743
Responsibility Allowance	-	84,714	31,355
Risk Allowance	71,560	81,165	206,769
Securities Services	265,334	204,675	1,343,059
Security Services	147,850	46,708	127,531
Seminar and Workshop	1,000	4,370	175,154
Seminar, Workshop, Training & Meetings	-	68,115	68,115
Seminars and Workshop	-	-	1,500
Sitting Allowances	15,187,018	10,743,157	6,730,430
Small Tools and Implements	383,621	1,127,998	28,486
SMZ Scholarship Allowance	203,400	306,754	-
SMZ Scholarship Tuition Fees	329,400	313,874	-
Software License Fees	20,743	-	10,601
Soil Test	300	40,464	-
Special Allowance	-	-	7,905
Special Allowance	61,250	145,961	56,982
Sports Goods	435,758	445,235	259,958
Staff Debts	-	37,655	44,195
Stationary Supplies	4,996,279	3,530,544	3,065,590
Students Allowances	6,602,638	5,143,273	7,500,899
Studio Air Time Services	138,800	72,382	98,535
Studio Programme Services	392,631	493,410	466,024
Sundry Items	277,318	276,867	2,733,265

17. SUPPLIES AND CONSUMABLE GOODS(CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Supporting Staff Allowance	6,430	4,830	3,840
Tape records, Hansard Tape and Discs Expenses	24,140	10,331	15,794
TASAF Projects Expenses	14,398,512	16,280,335	1,317,029
Teaching Allowances	356,910	591,339	567,481
Teaching Materials and Books	15,379,828	5,844,062	6,780,131
Technical Allowance	33,115	35,486	44,320
Technical Support	-	-	30,414
Telephone and Telegram	226,060	187,634	336,653
Telex and Telefax	100,854	80,390	30,684
Tender Board	-	2,530	4,150
Tender Board Meeting	-	-	3,880
Tent	4,400	1,165	-
Trade registration fees	-	-	2,020
Trainee Services	125,198	142,333	735
Training Foreign	710,861	1,132,167	92,609
Training Materials	968,900	570,982	253,245
Transport Allowance	6,430,297	4,426,735	3,377,040
Transportation of Blood Sample and Medical Items	-	9,000	-
Tuition Fees	12,638,409	10,789,200	8,543,664
Uniforms	550,274	367,676	604,377
Vaccination	1,500	8,006	39,292
Veterinary Drugs and Medicine	3,859	1,644	1,692
Visa	2,305,293	1,466,258	22,000
Waste Disposal	2,005	-	-
Water Bills	907,155	1,524,200	131,584
Water Disposal Expenses	611,577	558,104	217,539
Withholding Tax	-	-	1,537
Witnesses Allowance	187,514	249,840	72,032
Sub-total	271,489,274	187,190,444	128,348,577

18. ROUTINE MAINTANANCE AND REPAIR

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Fiber network Maintenances	19,675	22,772	-
Grave Renovation	89,853	8,187	-
Insurance and Road License	402,115	256,919	203,690
Maintenance of Computer Software	2,164	-	-
Maintenance of ICT Equipment	855,319	-	-
Maintenance of Machine	34,127	56,479	35,789
Maintenance of Studio Equipment	12,773	-	-
Maintenance of Computers	-	42,663	-
Maintenance of Motor Cycles	145,755	96,695	97,162
Maintenance of Motor vehicles	1,740,953	1,550,577	1,242,960
Maintenance of Motor vehicles	9,777	167,448	75,264
Major Maintenance of Buildings	4,177,543	5,172,890	1,367,536
Minor Civil Work	4,080,211	3,136,332	2,595,471
Purchase of Bitumen	1,154,729	1,651,054	-
Rehabilitation of Modern Houses	183,581	15,544	260,000
Repair and Maintenance of Building	10,673	-	-
Repair and Maintenance of Equipment	2,005,822	1,909,028	602,551
Service of Motor Vehicles	753,954	776,714	545,424
Sub-total	15,679,024	14,863,302	7,025,847

19. SOCIAL BENEFITS

Counseling and Guidance for Schools	-	4,257	-
Executive Fund for Leaders	3,094,740	2,874,501	2,159,811
Expenses for Top Retired Leaders	183,649	102,088	168,001
General Social Welfare	218,648	214,701	341,747
General Social Welfare	841,407	586,052	504,070
Gratuity	20,260,543	32,594,418	26,270,533
Hardship Allowance	-	-	39,346
Pension	32,632,438	38,446,125	31,252,290
Running Expenses for Elders' Home	275,971	286,858	1,236
Support for the Disabled	95,696	80,265	20,356
Support for Women and Children	300	700	2,000
Support for Women and Children development	328,972	213,039	136,536
Supporting Social-economic Activities	1,512,110	2,075,471	678,658
Sub-total	59,445,474	77,478,475	61,574,584

20. OTHER PAYMENTS

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Airtime refund	450	370	-
Al Jumuraa	-	648,783	17,784
Allowance for Data Collectors	-	21,570	4,690
Bill of Quantity	-	-	1,000
Burial Expenses	756,774	548,560	169,222
compensation for properties	17,548,573	4,844,975	5,604
Compensation of Soldiers	10,250	1,717,929	2,400
Compensation Expenses	-	-	648,783
Construction Material	9,200	24,283	-
Construction of water distribution structures	7,557,572	63,790	-
constructions of beacons	-	4,850	-
Contingency Fund	44,677	52,154	122,294
Drilling Expenses of Bore hole	1,570,834	-	-690
Examination Expenses	3,572,989	7,331,826	3,573,901
Exhibition and Calibration	-	-	2,000
General Election Costs	570,303	105,752	5,292,819
General Expenses	2,000	-	-
Government Special Exp	58,017,857	46,354,417	85,401,500
Government Stocks	799,940	1,633,585	-
Grants	21,309	-	-
Health Insurance	-	-	47,650
Hiring of Conference Facilities	511,778	325,477	187,630
KIST Programme	36,280	140,781	8,075
Loan to departments	4,560	-	-
Loan to Entrepreneurs	190,900	-	-
Membership Fees	196,697	113,458	-
National Festival	973,738	1,387,280	893,108
National Suppliers Debts	384,191	6,690,262	293,426
Office Rent	382,238	579,054	137,035
Other Payments	-	-	31,100
Other Running Expenses	29,867	71,648	71,648
Outsourcing Contracts	-	280,917	535,224
Peoples Bank of Zanzibar Loan	-	-	2,061,808
Political Parties Subvention	1,374,432	1,377,112	1,307,390
Purchase of Bread	14,699	12,752	-

20. OTHER PAYMENTS (CONTINUED)

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
--	--------------------	--------------------	--------------------

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Purchase of Fire Wood	34,990	41,569	-
Purchase of SMZ Flags	43,016	23,551	6,085
Quality Assurance Expenses	26,100	14,975	5,855
Refund for National Resources	5,475,762	3,703,417	1,286,299
Refunded cheques	-	-	11,790
Registration fee	650	1,880	3,000
Remembrance of the Top National Leaders	-	330	455
Rental of Motor vehicles	8,950	24,800	19,190
Rents of Properties Land /House	103,828	30,000	11,233
SADEC Membership Fees	-	-	11,007
Special Expenditure (PV)	930,000	1,011,577	652,400
Spices for Food	63,385	51,375	-
staffs advance Loan	10,610	18,550	27,900
Trainees' services (Prisoners)	54,461	30,057	61,921
Treasury Bonds	-	-	13,943,000
Trika Expenses	-	-	209,814
Uhuru Touch	17,720	19,962	32,621
Universal Pension	7,311,240	33,120	-
Withholding tax	-	4,225	73,031
Workmen's Compensation	45,218	113,842	320,825
Z.S.S.F Loan	12,014,966	13,627,014	3,865,732
	120,723,004	93,081,829	121,357,559
21. INTREST PAYMENT			
Interest on Treasury Bonds	23,317,266	16,153,958	12,866,312
Loan	688,053	3,287,376	-
Interest on PBZ Loan	274,971	715,697	-
Sub-total	24,280,290	20,157,031	12,866,312

22. PURCHASE OF ASSETS

	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Construction of Buildings	258,483,014	148,797,377	53,315,082
Road Construction Expenses	89,708,329	28,282,632	34,193
Purchase of Laboratory Equipment	9,671,388	898,534	143,837
Purchases of Computers	4,501,189	2,261,542	749,550
Purchase of Medical Equipment	4,165,777	-	-
Purchase of Furniture /Desk/Tables/Chairs/Cabinet/Shelves	3,446,249	2,401,457	2,609,717
Purchasing of Pump	2,940,680	3,595,114	564,307
Purchase of Pipe & Fittings	2,685,738	9,442,139	210,296
Purchases of Motor Vehicles	2,471,180	3,081,565	2,714,868
Purchase of Spare Parts	2,169,538	2,270,018	718,052
Purchase of Communication Tower Equipment	2,093,058	10,100	-
Equity and Investment Fund Share	1,569,405	31,200,000	-
Installation of Electricity	1,514,471	502,230	15,756
Sites Preparation	1,288,201	3,171,236	-
Constructions Pumping House	934,629	1,771,199	-
Purchase of fiber Equipment	885,925	944,720	36,337
Purchase of Computer software	739,724	38,176	9,950
Purchase of Building	640,755	-	-
Purchase of Survey Equipment	509,838	1,754,847	161,322
Purchases of Generator	457,826	732,283	44,840
Purchases of Printers	409,042	592,273	103,183
Purchases of Motor Cycles	385,047	196,859	206,148
Major Maintenance of Building	350,100	26,286	-
Construction of Commercial Business	300,000	-	-
Purchase of Processing Plants	288,189	247,201	500
Purchases of Transformer	272,680	77,790	-
Constructions of Flows	251,180	88,615	65,140
Purchases of Photocopiers	240,087	96,315	53,883
Contractor Fees	216,106	63,000	-
Purchases of Refrigerator	210,444	18,892	13,320
Purchases of Air Conditioning	199,787	169,115	111,466
Purchase of Studio Equipment	190,350	302,857	213,011
Construction of Fence	146,313	24,314	295,652
Curtains, Bedsheets and Flooring	135,168	93,066	134,461
Purchase of Server	126,670	55,187	-
Ununuzi wa Boti	120,000	25,499	590
Purchase of Moving Camera	117,348	78,231	19,196
Purchase of ICT Equipment	114,499	-	15,320
Land Degradation and Foods Security Projects	109,627	343,924	115,501
Purchase of Fire Equipment	107,465	62,183	48,860
Purchase of Computer Hardware	106,679	5,340	-
22. PURCHASE OF ASSETS(CONTINUED)			
	2022/23 TZS 000	2021/22 TZS 000	2020/21 TZS 000
Purchase of Database	92,000	-	-

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Kitchen/Appliances/Utensils	85,206	57,470	67,813
Purchase of EFD Machines	76,582	48,173	23,317
Purchases of Projector	76,574	26,532	4,759
Purchases of CCTV Camera	67,126	11,991,378	10,250
Purchases of Scanners	65,936	51,645	10,531
Compensation for Properties	58,395	4,203,687	573,558
Small Engineering tools and Equipment	57,500	-	-
Construction of Stand	53,759	318,554	-
Purchase of Microphone	42,927	12,618	4,323
Purchase of Electric Equipment	33,747	10,435,357	5,436
Purchases of Telephone	32,831	29,999	4,295
Purchase of Printing machine	26,565	148,000	-
Purchases of Television	24,216	50,025	5,155
Purchase of Biometric Machine	19,647	4,526	138
Purchase of Weighing Instrument	16,135	601,965	48,234
Purchase of Saver	13,000	-	-
Purchase of Machinery and Equipment	11,692	-	37,502
Purchase of Agriculture Equipment	10,625	25,647	5,159
Purchases of Radio	10,229	18,868	6,722
Purchase of Stitching Machine	9,200	-	-
Purchase of Equipment	8,741	4,757	5,795
Purchase of washing Machine	7,585	-	2,600
Construction of Seaweed Dryer	7,388	15,137	27,603
Purchase of Paper Shredder	6,933	180	-
Drill of new bore holes	5,090	1,451,494	-
Purchase of Pipes	4,896	13,141,508	-
Construction of Slab	4,666	6,743	-
Purchase of Meter	3,600	-	-
Purchase of Binding Machine	2,400	-	-
Purchase of Communication Tower	1,484	-	-
Equipment			
Purchases of Typewriters	1,200	26,000	150
Purchase of Sports Infrastructure	1,120	-	-
Purchase of land Mower	1,000	-	-
Purchase of magazebo	922	-	-
Purchase of Goods Sample	780	1,809,266	249,461
Purchase of Bicycles	370	-	-
Purchase of fan	162	-	-
Purchases of Tractor	-	-	26,000
Basket Fund	-	-	55,687
Payments of Construction Debts	-	-	22,042

22. PURCHASE OF ASSETS(CONTINUED)

	2022/23	2021/22	2020/21
	TZS 000	TZS 000	TZS 000
Construction of farm road	-	-	38,264
Purchase of Decoder	-	2,835	-
Purchase of System	-	-	238
Purchase of Process Plants	-	5,783,913	-
Investments Payments	-	-	2,000,000
Purchase of Lane	-	253,440	-
Purchase of Speed Master	-	-	593,178
Purchase of Machine	-	-	8,000

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Construction of School	-	5,609	11,835
Construction of water distribution structures	-	4,060,136	2,832
Purchases of Buildings	-	8,525,073	116,236
Purchase of Recording Tools	-	-	2,146
Purchase of Sim tank	-	1,400	-
Purchase of STBs	-	-	488,547
Road Maintenance Expenses	-	9,236	-
Purchase of Ship	-	29,087,147	-
Construction of beacons	-	5,642	-
Purchase of Antenna	-	-	127,110
Construction of lined irrigation canal	-	-	1,466
Construction of Maternity and Child Health Care	-	7,757	36,751
Sub-total		396,215,924	67,347,471

23. CASH AND CASH EQUIVALENTS

Central Bank of Tanzania	(81,219,488)	(24,746,954)	-
Commercial Banks -Exchequer	450,115,559	108,858,849	-
Local Governments	3,334,863	4,884,269	-
Office	1,110,992	1,212,526	-
Commission	3,540,482	758,975	-
Corporation/Authority	23,015,208	9,932,811	-
Council/Board	1,887,024	889,426	-
Agency	10,485,375	6,301,452	-
College/Institute	2,390,001	1,413,899	-
Sub-total	414,660,016	109,505,253	(28,151,964)

24. STATEMENT OF EXCHEQUER ISSUED FOR 2022/2023

S.no	Name of Reporting Entity	Personnel Emoluments	Other Charge	Consolidate Fund Services	Development Fund/Development Government	Subventions	Total
		TZS 000	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
1	Ministry of Community Development Gender, Elderly and Children	3,086,458	8,990,537	-	45,455	-	12,122,450
2	Ministry of Health	57,525,143	24,745,953	-	67,006,333	4,265,296	153,542,725
3	PO-Labour Economic Affairs and Investments	2,515,136	1,057,602	-	-	1,432,596	5,005,335
4	The First Vice Presidents Office	2,963,618	1,284,461	-	388,293	-	4,636,372
5	PO-Labour Economic Affairs and Investments	740,616	512,687	-	3,384,484	3,030,731	7,668,518
6	Ministry of Blue Economy and Fisheries	3,716,390	1,124,253	-	2,213,466	2,395,423	9,449,532
7	The Second Vice Presidents Office	4,394,711	1,565,274	-	14,656,514	16,452,466	37,068,965
8	Ministry of Trade and Industrial Developments	4,619,174	766,554	-	4,880,038	3,869,444	14,135,210
9	Ministry of Agriculture Irrigation Natural Resources	16,855,577	1,887,837	-	16,680,527	8,051,108	43,475,049
10	Ministry of Infrastructure Communication and Transport	2,700,360	1,297,786	-	98,571,766	10,792,373	113,362,284
11	Ministry of Education and Vocational	185,803,290	14,680,568	-	71,010,526	49,371,113	320,865,498
12	The President's Office State House	6,608,172	2,436,164	-	-	1,201,204	10,245,540
13	Ministry of Tourism and Heritage	3,234,034	1,015,386	-	492,227	943,506	5,685,154
14	President's Office Finance and Planning	10,200,867	2,768,431	-	5,406,377	26,018,450	44,394,125

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

S.no	Name of Reporting Entity	Personnel Emoluments	Other Charge	Consolidate Fund Services	Development Fund/Development Government	Subventions	Total
		TZS 000	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
15	PO-Constitution Legal Affairs Public Services and Good Governance	3,264,611	1,840,087	-	207,510	2,822,335	8,134,543
16	Ministry of Land and Housing Deve	3,876,973	528,018	-	-	923,228	5,328,218

24. STATEMENT OF EXCHEQUER ISSUED FOR 2022/2023 (CONTINUED)

S.no	Name of Reporting Entity	Personnel Emoluments	Other Charge	Consolidate Fund Services	Development Fund/Development Government	Subventions	Total
		TZS 000	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
17	Ministry of Information Youth Culture and Sports	5,407,072	1,108,294	-	17,902,392	9,048,722	33,466,481
18	Ministry of Water Energy and Mineral Resources	2,420,494	889,588	-	81,402,085	5,859,779	90,571,946
19	PO-Regional Administration Local Gover	2,065,455	1,960,798	-	26,263,801	62,214	30,352,268
20	Consolidated Funds Services	-	-	171,733,198	-	-	171,733,198
21	Urban Region Unguja	2,266,285	673,401	-	-	7,252,929	10,192,615
22	North Region Unguja	1,910,929	292,219	-	-	2,088,553	4,291,701
23	South Region Unguja	1,951,023	288,386	-	-	1,628,137	3,867,545
24	South Region Pemba	1,415,199	352,291	-	-	2,903,989	4,671,479
25	North Region Pemba	1,471,909	366,580	-	-	1,780,113	3,618,602
26	People's Militia Unit	19,634,845	2,360,632	-	-	-	21,995,476

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27	Zanzibar Training Centers for Offenders	20,129,363	2,449,754	-	2,232,650	-	24,811,767
28	Anti-Smuggling Unit	31,360,185	3,516,848	-	5,877,892	-	40,754,925
29	Fire and Rescue Force	14,464,167	2,416,838	-	2,792,772	-	19,673,778
30	Economic Brigade	5,479,100	29,924,583	-	8,542,845	-	43,946,529
31	Zanzibar Drugs Control and Enforcement Authority	662,473	411,672	-	2,075,255	-	3,149,400
32	Zanzibar Anti-Corruption and Economic Crimes Authority	2,976,947	902,661	-	-	-	3,879,607
33	Mnazi Mmoja Hospital	23,101,823	5,166,627	-	671,566	-	28,940,016

24. STATEMENT OF EXCHEQUER ISSUED FOR 2022/2023 (CONTINUED)

S.no	Name of Reporting Entity	Personnel Emoluments	Other Charge	Consolidate Fund Services	Development Fund/Development Government	Subventions	Total
		TZS 000	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
34	House of Representative Zanzibar	9,712,696	11,859,969	-	-	-	21,572,665
35	The Office of Controller and Auditor General Zanzibar	4,241,527	1,327,354	-	-	-	5,568,881
36	Public Services Commission	751,110	354,628	-	-	-	1,105,738
37	Zanzibar Planning Commission	1,845,797	1,775,384	-	630,669	-	4,251,849
38	Law Review Commission	814,935	445,644	-	-	-	1,260,579
39	Civil Services Commission	373,672	235,971	-	-	-	609,643
40	Zanzibar Commission for Tourisms	1,507,430	1,228,614	-	-	-	2,736,044
41	Zanzibar Aids Commission	655,368	278,357	-	345,092	-	1,278,817
42	High Court Zanzibar	7,198,405	1,653,098	-	-	1,453,578	10,305,081

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

43	The Office of Director of Public Prosecution	2,562,246	631,251	-	-	83,504	3,277,000
44	Zanzibar Electoral Commission	2,422,063	505,210	-	-	-	2,927,273
45	Zanzibar Civil Status Registration Agency	2,630,202	886,802	-	809,399	-	4,326,403
46	Attorney General's Chamber	1,917,651	1,481,799	-	-	-	3,399,450
47	Zanzibar Public Leaders Ethics Commission	609,296	526,748	-	-	-	1,136,044
48	Zanzibar e-Government Agency	1,180,609	954,645	-	-	-	2,135,254
49	Grand Mufti's Office of Zanzibar	1,043,441	459,387	-	-	-	1,502,828
50	Office of Accountant General	8,520,995	1,293,649	-	-	-	9,814,644
51	Zanzibar Environmental Management Authority	1,033,001	203,207	-	-	-	1,236,208

24. STATEMENT OF EXCHEQUER ISSUED FOR 2022/2023 (CONTINUED)

S.no	Name of Reporting Entity	Personnel Emoluments	Other Charge	Consolidate Fund Services	Development Fund/Development Government	Subventions	Total
		TZS 000	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
52	Office of Government Statisticians	2,220,059	707,693	-	17,993,688	-	20,921,440
53	Office of Internal Auditor General	3,597,347	864,623	-	-	-	4,461,970
54	Wakfu and Trust Commission	1,294,109	306,477	-	-	-	1,600,586
55	Commission for Lands	2,838,628	562,850	-	-	60,634	3,462,112
56	Revolutionary Councils	1,395,007	679,653	-	-	-	2,074,660
	Total	509,188,993	148,805,783	171,733,198	452,483,622	163,791,425	1,446,002,020

STATEMENT OF REVENUE COLLETED FOR 2022/23

Name of Reporting Entity	Tax Revenue	Non-Tax Revenue (Dividends, Other Receipt, Capital Receipt)	Domestic (Grants and Loans)	External Assistance (Grants and Loans)	Total
	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
Ministry of Social Welfare Elderly, Gender & Children	-	6,780	-	-	6,780
Ministry of Health	-	2,814,100	-	-	2,814,100
PO-Labour Economic Affairs and Investments	-	1,889,397	-	-	1,889,397
Ministry of Blue Economy and Fisheries	-	3,615,762	-	-	3,615,762
The Second Vice Presidents Office	-	33,565	-	-	33,565
Ministry of Trade and Industrial Developments	-	3,768,021	-	-	3,768,021
Ministry of Agriculture Irrigation Natural Resources	-	3,747,155	-	-	3,747,155
Ministry of Infrastructure Communication and Transport	-	5,359,535	-	-	5,359,535
Ministry of Education and Vocational	-	355,310	-	-	355,310
Ministry of Tourism and Heritage	-	604,840	-	-	604,840
President's Office Finance and Planning	1,021,405,851	83,674,576	-	172,438,360	1,277,518,786
Ministry of Land and Housing Deve	-	1,132,074	-	-	1,132,074

25. STATEMENT OF REVENUE COLLETED FOR 2022/23 (CONTINUED)

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Name of Reporting Entity	Tax Revenue	Non-Tax Revenue (Dividends, Other Receipt, Capital Receipt)	Domestic (Grants and Loans)	External Assistance (Grants and Loans)	Total
	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
Ministry of Information Youth Culture and Sports	-	626,628	-	-	626,628
Ministry of Water Energy and Mineral Resources	-	12,574,306	-	-	12,574,306
Urban Region Unguja	-	26,804	-	-	26,804
North Region Unguja	-	9,320	-	-	9,320
South Region Unguja	-	21,391	-	-	21,391
South Region Pemba	-	18,420	-	-	18,420
North Region Pemba	-	4,385	-	-	4,385
Zanzibar Training Centers for Offenders	-	102,452	-	-	102,452
Anti-Smuggling Unit	-	72,332	-	-	72,332
Fire and Rescue Force	-	73,450	-	-	73,450
Economic Brigade	-	537,910	-	-	537,910
Mnazi Mmoja Hospital	-	837,036	-	-	837,036
The Office of Controller and Auditor General Zanzibar	-	245,659	-	-	245,659
Civil Services Commission	-	609,643	-	-	609,643

25. STATEMENT OF REVENUE COLLECTED FOR 2022/23 (CONTINUED)

REPORTING ACCOUNTANT'S REPORT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Name of Reporting Entity	Tax Revenue	Non-Tax Revenue (Dividends, Other Receipt, Capital Receipt)	Domestic (Grants and Loans)	External Assistance (Grants and Loans)	Total
	TZS 000	TZS 000	TZS 000	TZS 000	TZS 000
Zanzibar Commission for Tourisms	-	5,770,759	-	-	5,770,759
High Court Zanzibar	-	975,463	-	-	975,463
Zanzibar Electoral Commission	-	400	-	-	400
Zanzibar Civil Status Registration Agency	-	1,281,973	-	-	1,281,973
Zanzibar land Commissions	-	2,350,944	-	-	2,350,944
Office of Accountant General	21,000,000	11,988,762	27,000,000	197,812,577	257,801,338
Zanzibar Environmental Management Authority	-	305,875	-	-	305,875
Office of Government Statisticians	-	64,486	-	-	64,486
Wakfu and Trust Commission	-	168,641	-	-	168,641
Total	1,042,406,851	145,668,154	27,000,000	370,250,937	1,585,324,940

25. STATEMENT OF AMOUNT OF TAX COLLECTED FOR THE YEAR 2022/23

DESCRIPTION	APPROVED	ACTUAL
	BUDGET	COLLECTION
	2022/2023	2022/2023
	TZS 000	TZS 0000
TAX-REVENUE		
Tanzania Revenue Authority- (Domestic Revenue Department)		
Income Tax Individual	15,859,732	2,697,222
Pay as you Earn-PAYE	74,327,511	101,345,438
Withholding Tax	63,421,800	50,676,009
Income Tax Private Company	47,734,602	60,807,495
Skill Development Levy	15,880,072	15,075,482
Exercise on local product	1,395,166	875,054
PAYE Transfers	21,000,000	21,000,000
Government levy mobile money and withdrawals	7,400,332	-
Sub-total - Domestic Revenue	247,019,215	252,476,700
Tanzania Revenue Authority-Custom Department)		
Trade Levy	-	-
Motor vehicle levy	5,039,197	1,405,717
Import Duty	94,775,742	95,265,820
VAT Imports	87,380,283	84,497,882
Excise Duty-petrol	17,610,882	11,344,951
Miscellaneous Customs Duties	4,152,276	1,955,452
Excise Duty on Import	18,550,881	23,238,699
Fine on Import	367,900	1,013,683
Money Laundry	160,465	532,411
Customs processing Fees	-	4,783,606
Sub-total - Customs	228,037,626	224,038,221
Total -Tanzania Revenue Authority	475,056,841	476,514,921
Zanzibar Revenue Authority		
VAT Local	221,510,554	309,252,027
Hotel Levy Accommodation	20,050,766	7,721,101
Restaurant Levy	6,069,073	2,487,023
Tour Operating Levy	4,078,777	2,555,735
Infrastructure Tax	28,706,460	19,770,461
Excise Duty local	58,151,707	35,572,678
Road Development Fund	22,757,956	13,566,815
Petroleum Levy	69,384,605	55,836,669
Stamp Duty	17,790,556	11,435,082

26. STATEMENT OF AMOUNT OF TAX COLLECTED FOR THE YEAR 2022/23 (CPNTINUED)

Zanzibar Revenue Authority(continued)

DESCRIPTION	APPROVED BUDGET	ACTUAL COLLECTION
	2022/2023 TZS 000	2022/2023 TZS 0000
Airport Service charge	59,646,143	61,046,681
Seaport Service Charge	4,728,752	2,998,410
Motor Vehicle Registration	4,529,483	2,400,201
Motor, Road License Fee	8,564,364	2,491,561
Driving License Fee	3,532,826	1,611,484
Sea Transport Tax	5,536,094	3,580,850
Government levy mobile money and withdrawals	17,458,330	9,987,074
Land Lease	12,569,806	9,600,452
Airport Safety Fee	14,435,931	13,976,628
Total -Zanzibar Revenue Authority	579,502,183	565,890,932
Total -Tax Revenue	1,054,559,024	1,042,405,853

26. STATEMENT OF LOCAL GOVERNMENT AUTHORITY-OWN SOURCES FOR 2022/23

S.no	DESCRIPTIONS	APPROVED BUDGET 2022/23 TZS 000	ACTUAL COLLECTION 2022/23 TZS 000	ACTUAL EXPENDITURE 2022/23 TZS 000
1	North A Town Council	1,071,100	1,561,390	1,389,764
2	North B Town Council	1,818,300	1,678,948	1,694,190
3	South District Council	1,003,640	1,408,859	1,018,807
4	Central District Council	1,600,000	1,137,246	1,300,188
5	Zanzibar City Council	-	-	-
6	West B Municipal Council	2,640,000	1,954,953	2,245,374
7	West A Municipal Council	1,900,000	1,477,405	1,661,150
8	Urban Municipal Council	5,252,940	3,738,772	4,235,255
9	Micheweni District Council	420,000	265,166	1,000,468
10	Wete Town Council	500,000	362,914	362,914
11	ChakeChake Town Council	847,705	1,196,419	1,340,615
12	Mkoani Town Council	566,650	371,475	418,870
	Total	17,621,335	15,153,547	16,667,595

27. STATEMENT OF DOMESTICS DEBTS FOR THE YEAR ENDED 30 JUNE 2023

Loan	2022/2023 TZS 000	2021/2022 TZS 000	2020/2021 TZS 000

Peoples Bank of Zanzibar	27,000,000	-	-
ZSSF loan	34,925,732	41,822,865	54,576,514
	<u>61,925,732</u>	<u>41,822,865</u>	<u>54,576,514</u>
Bonds			
Treasury Bonds	279,522,400	279,522,400	139,522,400
	<u>279,522,400</u>	<u>279,522,400</u>	<u>139,522,400</u>
Total Domestic Debt	<u>341,448,132</u>	<u>321,345,265</u>	<u>194,098,914</u>

28. STATEMENT OF EXTERNAL DEBTS FOR THE YEAR ENDED 30 JUNE 2021

	2020/2021 TZS '000'
Multilateral Creditors:	
International Development Association (IDA)	251,956,667
OPEC Fund for International Development (OFID)	24,048,694
Africa Development Fund (ADF)	14,744,543
Sub-total	<u>444,962,002</u>
Bilateral Creditors:	
Government of China (GOCN)	6,402,766
EIBC	201,045,415
China National Limited	1,098,890
Saudi Fund	10,456,267
	<u>219,003,338</u>
Commercial Creditors:	
Bank of Trust Community (BTC)	9,027,434
	1,372,463
GERMANY	<u>10,399,897</u>
Export Creditors:	
Baharat Heavy Electrical	2,017,603
(BHEL)	2,662,535
	<u>4,680,138</u>
Zanzibar E-Government	636,804
Nashizawa Ltd	13,185,757
	<u>13,822,561</u>
Grand total	<u>18,502,700</u>

29. STATEMENT OF EXTERNAL DEBTS FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

	2020/2021 TZS '000'
Multilateral Creditors:	
International Development Association (IDA)	109,597,244.42

Arab Bank for Economic Development (BADEA)	10,460,809.19
OPEC Fund for International Development (OFID)	6,413,647.66
<i>Africa Development Fund (ADF)</i>	67,079,871.71
Bilateral Creditors:	
Government of China (GOCN)	2,785,103.78
Exim Bank of China (EIBC)	87,451,638.97
China National Limited	478,000
Saudi Fund	4,548,314.24
Commercial Creditors:	
Bank of Trust Community (BTC)	3,926,793.90
Commercial Deutsche Finance mbH	597,000
Export Creditors:	
Baharat Heavy Electrical (BHEL)	877,626.17
Exim Korea	1,158,161.60
Nashizawa Ltd	277,000
Laemthong Rice Co.	5,735,600
Grand Total	<u>301,386,811.65</u>



Form of SUKUK Trust Certificates (17)

17. Section Seventeen: Form of The Trust Certificates

Words and expressions defined in the Conditions shall have the same meanings in this section, **“Form of the Trust Certificates”**.

The Trust Certificates will be in registered form. Trust Certificates will be issued to successful subscribers to this SUKUK issuance after full settlement of the subscribed amounts as explained in this SUKUK Programme Base Prospectus pricing supplement.

The Trust Certificates will initially be represented by beneficial interests in a global trust certificate in registered form (a **“Global Trust Certificate”**). Prior to expiry of the distribution compliance period applicable to the issuance, beneficial interests in a Global Trust Certificate may not be offered or sold to, or for the account or benefit of the subscribers and may not be held otherwise than through CSD & Registry at Dar es Salaam Stock Exchange, Dar es Salaam and such Global Trust Certificate will bear a legend regarding such restrictions on transfer.

Global Trust Certificates will be deposited with the CSD & Registry for registration and recorded in the SUKUK register (the **“Register”**) and will be registered in the name of a nominee for the Revolutionary Government of Zanzibar Quasi-Sovereign SUKUK. Persons holding beneficial interests in Global Trust Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Trust Certificates in fully registered form.

Payments of any amount in respect of each Global Trust Certificate will, in the absence of provision to the contrary, be made to the person shown on the relevant **Register** as the registered holder of the relevant Global Trust Certificate. None of the Issuer/Trustee/SPV, the SUKUK Delegate or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests apart from CSD & Registry.

Payment of any amounts in respect of Trust Certificates will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Trust Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Trust Certificates only upon the occurrence of an Exchange Event. The Issuer/Trustee/SPV will promptly give notice to Certificateholders' in accordance with Condition 18 if an Exchange Event occurs. For these purposes, **“Exchange Event”** means that: (i) the SUKUK Delegate has given notice in accordance with Condition 15 that a Dissolution Event has occurred and is continuing; or (ii) the Issuer/Trustee/SPV, the Government and the SUKUK Delegate have been notified that both CSD & Registry have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such

case, no successor clearing system is available. In the event of the occurrence of an Exchange Event, CSD & Registry, Dar es Salaam (acting on the instructions of any holder of an interest in such Global Trust Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer/Trustee/SPV may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any of the Trust Certificates is represented by a Global Trust Certificate held at CSD & Registry, each person who is for the time being shown in the records of CSD & Registry as the holder of a particular face amount of such Trust Certificates (in which regard any certificate or other document issued by CSD & Registry as to the face amount of such Trust Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Government and the Agents as the holder of such face amount of such Trust Certificates for all purposes other than with respect to any payment in respect of such Trust Certificates, for which purpose the registered holder of the Global Trust Certificate shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Government and any Agent as the holder of such face amount of such Trust Certificates in accordance with and subject to the terms of the relevant Global Trust Certificate and the expressions “**Certificateholder**” and “**holder**” in relation to any Trust Certificates and related expressions shall be construed accordingly.

Interests in a Global Trust Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Trust Certificate. No beneficial owner of an interest in a Global Trust Certificate will be able to transfer such interest, except in accordance with the applicable procedures of CSD & Registry, to the extent applicable.

Any reference herein to CSD & Registry, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms and Conditions.



Final Terms and Conditions of SUKUK Programme (18)

18. Section Eighteen: Final Terms and Conditions of SUKUK Programme

The form of Final Terms and Conditions of Certificates that will be issued in respect of each Issuance, subject only to the deletion of non- applicable provisions, is set out below:

Zanzibar Treasury SUKUK1 Governance is for Solely for the purposes of issuance of The Revolutionary Government of Zanzibar SUKUK Programme. The target market investor base assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties unprofessional and professional clients, and (ii) all channels for distribution of the Zanzibar SUKUK Certificates to eligible counterparties are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Certificates (a "Distributor") should take into consideration the Issuer's target market assessment; however, a distributor subject to the Issuer/Trustee/SPV is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the Issuer's target market assessment) and determining appropriate distribution channels.

18.1 Sukuk Subscriptions to Tanzania Retail Investors

The Trust Certificates, are intended to be offered, sold or otherwise made available to the sophisticated investors and should also be offered, sold or otherwise made available to any retail investor in the United Republic of Tanzania ("Tanzania"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client; (ii) an individual customer within the meaning where that customer would not qualify as a professional or sophisticated client or (iii) not a financially qualified investor. Consequently, no key information document required specifically for offering or selling the Trust Certificates or otherwise making them available to retail investors in the Tanzania has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the Tanzania may be at the retail investor own risks as therefore they should consult advisers or professional capital market dealers before making any decision to subscribe to this SUKUK issuance.

18.2 Form of Final Terms and Conditions of Sukuk Programme

Issue of a SUKUK Programme worth TZS 1,115,000,000,000.00 to be issued in two tranches for Revolutionary Government of Zanzibar SUKUK under the Trust Certificate Issuances

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "Conditions") set forth in the SUKUK Programme Base Prospectus dated 10th February 2025 [and the supplement(s) thereto be dated [●] which [together] constitute[s] a SUKUK Programme Base Prospectus (the "SUKUK Programme Base Prospectus") for the purposes of Zanzibar Treasury SUKUK1 Limited Declaration dated 10th February, 2025. This document constitutes the Final Terms and Conditions of the Trust Certificates described herein [for the purposes of public offer of the

RGoZ SUKUK issuance]¹ and must be read in conjunction with the SUKUK Programme Base Prospectus and Master Trust Deed. Full information on the Issuer/Trustee/SPV, the Government and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and Conditions and the SUKUK Programme Base Prospectus. The SUKUK Programme Base Prospectus [and these Final Terms and Conditions] [is/are] available for viewing by interested parties in the website of the President’s Office-Ministry of Finance and Planning

(www.mofzanzibar.go.tz/RGoZSUKUK), Lead Arranger’s website
(www.yusraSUKUK.world/RGoZSUKUK) .

It may be obtained during normal business hours from the specified offices and websites of Zanzibar Treasury SUKUK1 Limited (the Issuer) at President’s Office-Finance and Planning and the Lead Arranger, the SUKUK Registrar, Principal Paying Agent respective offices.

- | | | |
|---|--|---|
| 1 | (a) Issuer/Trustee/SPV and Lessor “the Lessor ”:
Limited | The Revolutionary Government of Zanzibar acting through the Revolutionary Government of Zanzibar-Treasury(the “ Government ”) |
| | (b) Seller, Originator/Obligor, Lessee “the Lessee ” and Servicing Agent: | [●]/[Not Applicable] |
| 2 | (a) SUKUK Number:
(b) Issuance Number:
(c) Date on which the Trust Certificates become fungible: | [●]/[Not Applicable]
[The Trust Certificates will be consolidated and form a single SUKUK with [<i>identify earlier Issuance(s)</i>] on [<i>insert date/ the Issue Date</i>]] [Not Applicable] |
| 3 | Specified Currency: | [●] |
| 4 | Aggregate Face Amount:
(a) SUKUK
(b) Issuance | [●]
[●]/[Not Applicable]
[●]/[Not Applicable] |
| 5 | Issue Price: | [●] per cent. of the Aggregate Face Amount |
| 6 | (a) Specified Denominations:
(b) Calculation Amount: | [●]
[●] |
| 7 | (a) Issue Date:
(b) Return Accumulation Commencement Date | [●] (d) Status
[[●]/Issue Date] |
| 8 | Scheduled Dissolution Date: | [●] (e) Date of Issuer/Trustee/SPV’s approval and date of Government’s approval for |
| | (a) Periodic Distribution Amount Basis: | |

issuance of the Trust
Certificates

[Fixed Rate Trust Certificates (further
particulars specified below)

The Trust Certificates will be redeemed at
100 per cent. of the Aggregate Face Amount

[Applicable]

[Optional Dissolution Call
Right] [Certificateholder
Put Right] [Clean Up Call
Right]

The Trust Certificates are direct,
unsecured, unsubordinated,
tradable, and limited recourse
obligations of the
Issuer/Trustee/SPV

[•] and [•], respectively

9.0 Provisions relating to profit payable (if any)

(a) **Fixed Periodic Distribution Provisions:** [Applicable/Not Applicable]

(a) Rate[(s)]: [•] per cent. per annum payable [annually/semi-
annually/quarterly/monthly/[•]] [in arrears on each

10.0 Periodic Distribution Date

(b) Return Accumulation Period: [[•]/[Not Applicable]]

(c) Periodic Distribution Date(s):[[•] in each year up to and including the
Scheduled

Dissolution Date]

(d) Fixed Amount(s) for Trust[•] per Calculation Amount
Certificate in
s definitive form
(and in relation to Trust
Certificates in global form,
see
Condition 7):

- (e) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [•]/Not Applicable]
[30/360/Actual/Actual (ICMA)/Actual/365 (Fixed)]
 - (f) Day Count Fraction: [•]
 - (g) Determination Date(s): [[•] in each year/Not Applicable]
- 11 Floating Periodic Distribution Provisions:**
- (a) Return Accumulation Period: [[•]/[Not Applicable]]
 - (b) Specified Periodic Distribution Date(s): [•] in each year up to and including the Scheduled Dissolution Date, commencing on [•],[in each case] subject to adjustment in accordance with the Business Day Convention set out in (c) below/, not subject to adjustment]
 - (c) Specified Period [[•]/[Not Applicable]]

(Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert “Not applicable”)

(d) Business Day Convention: [Floating Rate Convention/Following Business Day

Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not

Applicable]

(a) Additional Business Centre(s): [[•]/Not Applicable]

[Applicable/Not Applicable]

(b) Screen Rate Determination:

(d)/Not Applicable]

12.0 Reference Rate:

[SOFR/EURIBOR/KIBOR/SHIBOR/HIBOR/KLIBOR/

SIBOR/EIBOR/SAIBOR] [SAR] [•]

13.0 Periodic Distribution

(e) [TARGET2/[•]] Business Days [in [•]] prior to the

14.0 Determination Date:

15.0 Relevant Screen Page:

(f) day in each Return Accumulation Period

Relevant Time: [•]

(ii) ISDA Determination [•]

Floating Rate Option: [Applicable/Not Applicable]

Designated Maturity: [•]

Reset Date: [•]

(iii) Linear Interpolation: [First day of the Return Accumulation Period]/[•]

[Applicable/Not Applicable] [The Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation]

- (i) Margin(s): [+/-][•] per cent. per annum
[Not Applicable/[•] per cent. per annum]
- (j) Maximum Rate: [Not Applicable/[•] per cent. per annum]
- (k) Rate: [Not Applicable/[•] per cent. per annum]

- (l) Day Count Fraction: [Actual/Actual] [Actual/365 (Fixed)]
[[30/360/Actual/Actual(ICMA)]]
- (m) Calculation Agent (party Responsible for calculating the Rate(s) and/or Periodic Distribution Amount(s)): [Principal Paying Agent/[•]]

Provisions relating to dissolution

- 16. **Optional Dissolution Call Right:** [Applicable/Not Applicable]
 - (a) Optional Dissolution Date(s): [•]
 - (b) Optional Dissolution Amount (Call): [As per Condition 1/[•]]
 - (c) periods: [[•]/As per Condition 11.2]

- 17. **Certificateholder Put Right:** [Applicable/Not Applicable]
 - Optional Dissolution Amount [If specified in the Final Terms and Conditions]
 - (a)(Put): [•]
 - (b)Certificateholder Put Right Date(s): [As per Condition 1/[•]] [•]
 - (c)Notice period: [[•]/As per Condition 11.4]
- 18 **Clean Up Call Right:** [Applicable/Not Applicable]
 - (a) Clean Up Call Dissolution Amount: [As per Condition 1/[•]]
 - (b) Notice period: [[•]/As per Condition 11.5]
- 19 **Dissolution Event Amount:** [•]
- 20 **Final Dissolution Amount:** [•]
- 21 **Other Dissolution Amount:** [[•]/Not Applicable]
- 22 **Certificateholder Put Right:** [Applicable/Not Applicable]
 - Optional Dissolution Amount [If specified in the Final Terms and Conditions]
 - (a) (Put): **Certificateholder Put Right**
 - (b) Date(s): [As per Condition 1/[•]] [•]
 - (c) Notice period: [[•]/As per Condition 11.4]
- 23 **Clean Up Call Right:** [Applicable/Not Applicable]
 - (a) Clean Up Call Dissolution Amount: [As per Condition 1/[•]]
 - (b) Notice period: [[•]/As per Condition 11.5]
- 24 **Dissolution Event Amount:** [•]
- 25 **Final Dissolution Amount:** [•]
- 26 **Other Dissolution Amount:** [[•]/Not Applicable]

General provisions applicable to the Trust Certificates

27 Form of Trust Certificates: Trust Certificates in registered form: Central Securities Depository and Registry (CSD & Registry) for SUKUK Certificateholders and exchangeable for Trust Certificates in definitive registered form in the limited Circumstances specified in the Global Trust Certificate.

28 Additional Financial Centre(s): [Not Applicable/[•]]

29 Prohibition of Sales to Retail Investors: [Applicable/Not Applicable]

Provisions on the Trust Assets

30 Trust Assets: Condition 5.1 applies

(f) Split of proceeds on the Issue Date:

- 1 Ijarah (Lease) Percentage: [•]
- 2 Transaction Agents [•]
[Zanzibar Treasury SUKUK1 Limited]
- 3 (a) Details of Transaction Account (to be held in the PDB-Ikhlas):
Transaction Account No: [•] with [•] for SUKUK No.: [•][Not Applicable]
Supplemental Declaration of Trust dated [•] between the Issuer/Trustee/SPV, the Government and the SUKUK Delegate
Supplemental Purchase Agreement dated [•] between the Issuer/Trustee/SPV and the Government
Supplemental Lease Agreement dated [•] between the Issuer/Trustee/SPV, the Lessor “the **Lessor**”, the Lessee “the **Lessee**” and the SUKUK Delegate

(a) [Purchase Order and Letter Purchase Order dated [●] from the
of Offer and Acceptance: Originator/Obligor (as “Lessee”) to the
Issuer/Trustee/SPV (as “Lessor”) and Letter
of Offer and Acceptance dated [●] from the
Principal to the Lessee.]

[Declaration of Trust Asset dated [●]
executed by the Issuer/Trustee/SPV] [Not
Applicable]

Signed on behalf of:	Signed on behalf of:
Treasury Treasury Sukuk1 Limited [Issuer/Trustee/SPV/Lessor/Principal]	The Revolutionary Government of Zanzibar [Originator/Lessee/Service Agentt]
By: _____ <i>Duly Authorized Signatory</i>	By: _____ <i>Duly Authorized Signatory</i>



Features of the SUKUK Trust Certificates (19)

19. Section Nineteen: Features of the SUKUK Trust Certificates

The following is the text of the Terms and Conditions of the Trust Certificates, which (save for the text in italics and subject to completion in accordance with the provisions of Part A of the relevant Final Terms and Conditions) will be endorsed on each Trust Certificate in definitive registered form issued under this issuance and will apply to each Global Trust Certificate.

The Revolutionary Government of Zanzibar (in its capacity as the SUKUK Originator of the Trust Certificates (as defined below) has formed Zanzibar Treasury SUKUK1 Limited as the SUKUK Programme Issuer/Trustee/SPV for the issuance and management of SUKUK Programme as per the Trust Certificates (as defined below (the “Issuer/Trustee/SPV) and (the “SUKUK Certificates”)

As used herein, “**Issuance**” means Trust Certificates which are identical in all respects (including as to listing and admission to trading) and “**SUKUK**” means a Trust Certificates together with any further Issuance or Issuances of Trust Certificates which (a) are expressed to be consolidated and form a single SUKUK and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the date from which Periodic Distribution Amounts start to accrue.


The Final Terms and Conditions for this Trust Certificate (or the relevant provisions thereof) are set out in Part A of the Final Terms and Conditions attached to or endorsed on this Trust Certificate which complete these Terms and Conditions (these “**Conditions**”). References to the “applicable Final Terms and Conditions” are to Part A of the Final Terms and Conditions (or the relevant provisions thereof) attached to or endorsed on this Trust Certificate (save where otherwise expressed herein).

Each of the Trust Certificates will represent an undivided ownership interest in the Trust Assets (as defined below) which are held by the Issuer/Trustee/SPV on trust (the “**Trust**”) for, inter alia, the benefit of the holders of the Trust Certificates pursuant to: (i) a Master Declaration of Trust (the “**Master Declaration of Trust**”) dated 10th February 2025 and made between the Issuer/Trustee/SPV, the Revolutionary Government of Zanzibar acting through the Revolutionary Government of Zanzibar-Treasury (the “**Government**”) and BM Attorneys (the “**SUKUK Delegate**”); and (ii) a supplemental declaration of trust (the “**Supplemental Declaration of Trust**” and, together with the Master Declaration of Trust, the “**Declaration of Trust**”) having the details set out in the applicable Final Terms and Conditions.

In these Conditions, references to “**Trust Certificates**” shall be references to the Trust Certificates which are the subject of the applicable Final Terms and Conditions only, not to all Trust Certificates that may be issued under this issuance (whether in global form as a Global Trust Certificate or in definitive form as definitive Trust Certificates), which are the subject of the applicable Final Terms and Conditions).

Payments relating to the Trust Certificates will be made pursuant to SUKUK Transaction Agents agreement dated 10th February 2025 (the “**Agency Agreement**”) made between the Issuer/Trustee/SPV and Yusra SUKUK Company Limited in its capacity as the issuance Lead Arranger, BM Attorneys in its capacity as the SUKUK Delegate, the Peoples’ Bank of Zanzibar (PBZ-Ikhlās), in its capacity as the “**Receiving Bank**” and CRDB Albarakah, and PBZ-Ikhlās, in their collective capacities as the “**Collecting Bank/Agent**”, which expression shall include any successor), the CSD& Registry, in its capacity as the Registrar and Transfer agent, the “**Registrar/Transfer Agent**”, (which expression shall include any successor), Lawfields Advocates and Legal Consultants, in its capacity as the Legal Advisor (the “**Legal Advisor**”); which expression shall include any successor, BDO-Tanzania, in its capacity as the issuance Reporting Accountant and Calculation Agent; which expression shall include any successor, (the “**Reporting Accountant/Calculation Agent**”), Centre for Islamic Finance and Compliance (CIFCA), in its capacity as the Shari’ah Advisor (the “**Shari’ah Advisor**”), which expression shall include any successor and Sovereign Africa Rating (SAR), in its capacity as the Rating Agent (the “**Rating Agent**”) are herein together referred to in these Conditions as the “**Transaction Agents**”. The holders of the Trust Certificates (the “**Certificateholders**”) are bound by, and are deemed to have notice of, all of the provisions applicable to them in the documents set out below, copies of which are available for inspection during normal business hours at the specified office for the time being of the Paying Agent:

- (1) a SUKUK Declaration of Trust (the “**Master Declaration of Trust**”) between the Issuer/Trustee/SPV (in its capacity as the Lessor) and the Government (in its capacity as Lessee) dated 10th February 2025;
- (2) the Final Terms and Conditions (the “**Final Terms and Conditions**”) between the Issuer/Trustee/SPV (in its capacity as the Lessor) and the Government (in its capacity as Lessee) and the SUKUK Delegate, on behalf of the SUKUK Certificateholders, dated 10th February 2025;
- (3) a Master Ijarah (Lease) Agreement between the Issuer/Trustee/SPV (in such capacity as lessor “the Lessor”), the Government (in its capacity as lessee “the Lessee”) and the SUKUK Delegate dated 10th February 2025 (the “**Master Ijarah (Lease) Agreement**”);
- (4) a master purchase agreement between the Issuer/Trustee/SPV (in its capacity as purchaser/transferee) and the Government (in its capacity as seller/transferor) dated 10th February 2025 (the “**Master Sale-Purchase/Transfer Agreement**”);
- (5) the supplemental purchase agreement (the “**Supplemental Sale-Purchase/Transfer Agreement**” (if any) and, together with the Master Sale-Purchase/Transfer Agreement having the details set out in the applicable Final Terms and Conditions;
- (6) the Ijarah (Lease) agreement (the “**Master Ijarah (Lease) Agreement**” and, together with any Supplemental Master Ijarah (Lease) Agreement, the “**Lease Agreement**”) having the details set out in the applicable Final Terms and Conditions;

- 
- (7) a purchase undertaking entered into by the Government (in its capacity as Originator/Obligor) as a deed dated 10th February 2025 (the **“Purchase Undertaking”**), containing the form of sale agreement (the **“Sale Agreement”**) to be executed by the Government (in its capacity as purchaser) and the Issuer/Trustee/SPV (in its capacity as seller) on the Scheduled Dissolution Date, the Dissolution Event Redemption Date or the Certificateholder Put Right Date, as the case may be (each such expression having the meaning given to it in the Purchase Undertaking);
 - (8) a Sale Undertaking entered into by the Issuer/Trustee/SPV as a deed dated 10th February 2025 (the **“Sale Undertaking”**) containing the form of sale agreement (the **“Sale Agreement”**) to be executed by the Issuer/Trustee/SPV (in its capacity as seller) and the Government (in its capacity as purchaser) on the Tax Dissolution Date, the Clean Up Call Right Dissolution Date, the Optional Dissolution Date, the Cancellation Date or the Substitution Date, as the case may be (each such expression having the meaning given to it in the Sale and Substitution Undertaking);
 - (9) an Asset Service Agency Agreement between the Issuer/Trustee/SPV (in its capacity as lessor **“the Lessor”**) and the Government (in its capacity as servicing agent, the **“Servicing Agent”**) dated 10th February 2025 (the **“Servicing Agency Agreement”**);
 - (10) the Transaction Agency Agreement, between the Issuer/Trustee/SPV in its capacity as the Principal (the **“Principal”**) and the Transaction Agents as the agent (the **“Transaction Agents”**) dated 10th February 2025; and

Note: Documents (a) to (i) above together being referred to as the **“Transaction Documents”**.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Declaration of Trust and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed to authorise and direct the Issuer/Trustee/SPV to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions and to apply the sums paid by it in respect of its Trust Certificates in accordance with the terms of the Transaction Documents.

19.1 Interpretation

19.1.1 Definitions

Words and expressions defined in the Declaration of Trust and the Agency Agreement or used in the applicable Final Terms and Conditions shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between any such document and the applicable

Final Terms and Conditions, the applicable Final Terms and Conditions will prevail. In addition, in these Conditions the following expressions have the following meanings:

“Accrual Period” has the meaning given in Condition 7.3 or 8.7, as applicable;

“Agency” means any political sub-division, regional or municipal government, ministry, department, authority or statutory corporation of the Government (whether or not autonomous) and any corporation or other entity which is directly or indirectly controlled or (as to 50 per cent. or more of its issued share capital or the equivalent thereof) owned by the Government;

“Aggregation Agent” shall have the meaning given to it in Condition 20(a); **“Applicable Maturity”** has the meaning given in Condition 8.5; **“Business Day”** has the meaning given in Condition 8.2;

“Calculation Agent” means the Reporting Accountant or such other entity specified in the applicable Final Terms and Conditions as the party responsible for calculating the Periodic Distribution Amount and/or such other amount(s) as may be specified in the applicable Final Terms and Conditions in accordance with Condition 8;

“Cancellation Date” means the date on which Trust Certificates are to be cancelled as specified in the Cancellation Notice;

“Cancellation Notice” means a notice substantially in the form set out in Schedule 2 to the Sale and Substitution Undertaking;

“Cancelled Lease Asset(s)” means the assets to be sold by the Issuer/Trustee/SPV (in its capacity as seller) to the Government (in its capacity as purchaser) in accordance with the Sale and Substitution Undertaking following the delivery of, and as specified in, an applicable Cancellation Notice;

“Certificateholder Put Right” means the right exercisable by the Issuer/Trustee/SPV at the request of Certificateholder pursuant to Condition 11.5;

“Certificateholder Put Right Date” means the date on which the relevant Trust Certificates are to be redeemed in accordance with Condition 11.5, as specified in the relevant Exercise Notice, provided that such date is a Periodic Distribution Date, unless otherwise specified in the applicable Final Terms and Conditions;

“Certificateholder Put Right Exercise Price” has the meaning given to it in the Purchase Undertaking;

“Clean Up Call Dissolution Amount” has the meaning given to it in Condition 11.6;

“Clean Up Call Right” means the right exercisable by the Issuer/Trustee/SPV at the request of the Government pursuant to Condition 11.6;

“Clean Up Call Right Dissolution Date” has the meaning given to it in Condition 11.6;

“CMSA” means the Capital Markets and Securities Authorities of Tanzania;

“Day Count Fraction” has the meaning given in 8.7;

“DSE” means Dar es Salaam Stock Exchange;

“Determination Period” has the meaning given in Condition 7.3;

“Dispute” has the meaning given in Condition 26.2;

“Dissolution Amount” means, as appropriate, the Final Dissolution Amount, the Dissolution Event Amount, the Tax Dissolution Amount, the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Put), the Clean Up Call Dissolution Amount, which shall, unless otherwise specified in the applicable Final Terms and Conditions, in each case, be equal to the sum of:

- (a) the outstanding face amount of the relevant Trust Certificates; and
- (b) any due and unpaid Periodic Distribution Amounts of such Trust Certificates;
or
- (c) such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms and Conditions (including any amount payable following a Total Loss Event);

“Dissolution Date” means, as the case may be, (a) the Scheduled Dissolution Date, (b) the Tax Dissolution Date, (c) the Dissolution Event Redemption Date, (d) the Optional Dissolution Date, (e) the Total Loss Dissolution Date, (f) the Certificateholder Put Right Date, (g) the Clean Up Call Right Dissolution Date;

“Dissolution Event” has the meaning given to it in Condition 15;

“Dissolution Event Amount” has the meaning given to it in Condition 11.7;

“Dissolution Event Redemption Date” has the meaning given to it in Condition 15;

“Dissolution Notice” has the meaning given to it in Condition 15;

“DSE” means Dar es Salaam Stock Exchange, a secondary shares/stock and securities market in Tanzania;

“Exercise Notice” means a notice substantially in the form set out in Schedule 1 to the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

“Exercise Price” has the meaning given to it in the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

“Extraordinary Resolution” has the meaning given in Condition 19(a)(vii); **“Final Dissolution Amount”** shall have the meaning given to it in Condition 11.1; **“Financial Indebtedness”** means any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any amount drawn on any acceptance credit facility;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, trust certificates, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would be treated as a finance or capital lease in accordance with the accounting standards, policies and procedures published from time to time by the International Accounting Standards Committee or any successor;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis);
- (vi) any amount raised under any other transaction (including any Shari’ah-compliant financing, forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of either a borrowing or a drawing under a credit facility;
- (vii) to the extent not otherwise included in this definition, the amount of any liability in respect of any repurchase or put option arrangement entered into in connection with any securitisation transaction;
- (viii) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (ix) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above;

“Full Reinstatement Value” means, in relation to each Trust Certificate, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Trust Certificates then outstanding less, if any, the aggregate amounts of Deferred Sale Price then outstanding plus all accrued but unpaid Periodic Distribution Amounts relating to such Trust Certificates;
- (b) an amount equal to the Periodic Distribution Amounts relating to such Trust Certificates which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurs and ending on but excluding the earlier of: (i) the date on which the Trust Certificates are redeemed in full in accordance with Condition 11.4; and (ii) the Total Loss Dissolution Date; and
- (A) an amount equal to any outstanding Service Charge Amounts in respect of which an appropriate Supplementary Rental (as defined in the relevant Supplemental Lease Agreement) payment has not been made in accordance with the Master Ijarah (Lease) Agreement and the relevant Supplemental Lease Agreement;

“**Global Trust Certificate**” means the a single document representing entire amount of a particular issue (or tranche) of notes, no matter how many investors beneficially own the notes in that issue;

“**Government Event**” has the meaning given to it in Condition 15;

“**Ijarah (Lease) Percentage**” means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 24, shall be no less than 55 per cent.;

“**Insurances**” means the Shari’ah-compliant insurance in respect of the Lease Asset(s), as provided for in the Servicing Agency Agreement;

“**Lease Asset(s)**” has the meaning given to it in the Lease Agreement;

“**Liability**” means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis;

“**Members**” has the meaning given to it in Condition 21(d);

“**Multiple Single Limb Extraordinary Resolution**” has the meaning given in Condition 19(c)(ii);

“**Multiple Single Limb Written Resolution**” has the meaning given in Condition 19(c)(iii);

“**Multiple Two Limb Extraordinary Resolution**” has the meaning given in Condition 19(d)(ii);

“Multiple Two Limb Written Resolution” has the meaning given in Condition 19(d)(iii);

“nominee” shall have the meaning given to it in Condition 2.1;

“Optional Dissolution Amount (Call)” has the meaning given to it in Condition 11.3;

“Optional Dissolution Amount (Put)” has the meaning given to it in Condition 11.5;

“Optional Dissolution Call Right” means the right exercisable by the Issuer/Trustee/SPV at the request of the Government pursuant to Condition 11.3;

“Optional Dissolution Date” means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.3, as specified in the relevant Exercise Notice;

“Payment Business Day” means: a day on which banks in the relevant place of surrender (as required) of the definitive Trust Certificate are open for payment of registered securities and for dealings in foreign currencies; and in the case of payment by transfer to an account:

“Periodic Distribution Amount” means, in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit payable in respect of that Trust Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 7 or 8 (as the case may be);

“Periodic Distribution Date” has the meaning given in Condition 8.2;

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity;

“Potential Dissolution Event” means any event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

“Rate” means the rate or rates specified in the applicable Final Terms and Conditions or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms and Conditions;

“Record Date” (a) means: (i) in respect of a Global Trust Certificate, at the close of the business day (being for this purpose a day on which Central Securities Depository and Registry (CSD & Registry) are open for business) before the relevant Periodic Distribution Date or the relevant Dissolution Date, as the case may be; and (ii) in respect of Trust Certificates in definitive form, the date falling on the seventh day before the relevant Periodic Distribution Date or the Dissolution Date, as the case may be, and (b) in the case of meetings of Certificateholders (as provided in Condition 19), has the meaning given to it in Condition 19(a)(vi);

“Register” has the meaning given in Condition 2.2;

“Relevant Date” means, in relation to any payment, the date on which the payment in question first becomes due or if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received or (if earlier) the date seven days after that on which notice is duly given to Certificateholders in accordance with Condition 18 that, upon further presentation or surrender, as applicable, of the Trust Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation or surrender, as applicable;

“Relevant Indebtedness” means, in relation to any Person, any indebtedness of such Person which is in the form of or represented by any bond (including *Shari’ah*-compliant certificates), note, loan stock, debenture or similar instrument which is, or is intended to be, or is capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

“Relevant Jurisdiction” means the United Republic of Tanzania and Zanzibar and any political subdivision or authority thereof or therein having the power to tax;

“Relevant Screen Page” means the page in the Exchange, section or other part of a particular information service specified as the Relevant Screen Page or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Persons providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant SUKUK Obligation” means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates whether or not in return for consideration of any kind where the trust certificates concerned are, or are intended to be, or are capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

“Rentals” has the meaning given to it in the relevant Master Ijarah (Lease) Agreement;

“Reserved Matter” has the meaning given in Condition 19(e);

“Return Accumulation Commencement Date” means the Issue Date or such other date as specified in the applicable Final Terms and Conditions;

“Return Accumulation Period” means the period from (and including) a Periodic Distribution Date (or the Return Accumulation Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date;

“Rules” has the meaning given in Condition 26.2;

“Scheduled Dissolution Date” means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.1;

“Securities Act” means the United Republic of Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania;

“Securities Capable of Aggregation” has the meaning given in Condition 19(a)(x);

“Security Interest” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind;

“Service Charge Amounts” means the amount of any claims, losses, costs and expenses perly incurred or suffered by the Servicing Agent or other payments made by the Servicing Agent on behalf of the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”), in each case in providing the services to be undertaken by it under the Servicing Agency Agreement;

“Single Extraordinary Resolution” has the meaning given in Condition 19(b)(ii);

“Single Written Resolution” has the meaning given in Condition 19(b)(iii);

“Specified Currency” means the currency specified as such in the applicable Final Terms and Conditions or, if none is specified, the currency in which the Trust Certificates are denominated;

“Stock Exchange” means, in relation to the Trust Certificates, the Dar es Salaam Stock Exchange (DSE) on which the Trust Certificates are for the time being quoted or listed;

“Taxes” means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction;

“Tax Dissolution Amount” has the meaning given to it in Condition 11.2;

“Tax Dissolution Date” has the meaning given to it in Condition 11.2;

“Tax Event” has the meaning given to it in Condition 11.2;

“Total Loss Dissolution Date” has the meaning given to it in Condition 11.4;

“Total Loss Event” has the meaning given to it in Condition 11.4;

“Total Loss Shortfall Amount” has the meaning given to it in Condition 11.4;

“Transaction Account” means the account in the Issuer/Trustee/SPV’s name, details of which are specified in the applicable Final Terms and Conditions and which shall be held in the United Republic of Tanzania;

“Trust Assets” means the assets, rights and/or cash described in

Condition 5.1; **“Uniformly Applicable”** has the meaning given in

Condition 19(c)(v); and

“Written Resolution” has the meaning given in Condition 19(a)(viii).

19.1.2 Interpretation

In these Conditions:

- (a) any reference to face amount shall be deemed to include any Dissolution Amount and any other amount in the nature of face amounts payable pursuant to these Conditions; any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Conditions 11 and 13 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (i) references to Trust Certificates being “outstanding” shall be construed in accordance with the Master Declaration of Trust; and
- (ii) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

(b) Form, Denomination and Title

19.1.3 Form and Denomination

The Trust Certificates are issued in registered form in the Specified Denominations and, in the case of Trust Certificates in definitive form, are serially numbered.

Upon issue, the Trust Certificates will be represented by a Global Trust Certificate which will be registered in the name of nominees for Central Securities Depository and Registry (CSD & Registry).

For so long as any of the Trust Certificates are represented by a Global Trust Certificate held on behalf of SUKUK investors by BM Attorneys (the SUKUK Delegate) at CSD & Registry, Dar es Salaam, in its capacity as the SUKUK Registrar and Transfer Agent, who is for the time being shown in the records of Central Securities Depository and Registry (CSD & Registry) as the holder of a particular face amount of such Trust Certificates (in which regard any certificate or other document issued by Central Securities Depository and Registry (CSD & Registry) as to the face amount of such Trust Certificates standing to the account of any Person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Government and the Agents as the holder of such face amount of such Trust Certificates for all purposes other than with respect to payment in respect of such Trust Certificates, for which purpose the registered holder (the “nominee”) of the Global Trust Certificate shall be treated by the Issuer/Trustee/SPV, the SUKUK Delegate, the Government and any Agent as the holder of such face amount of such Trust Certificates in accordance with and subject to

the terms of the relevant Global Trust Certificate, and the expressions “**Certificateholder**” and “**holder**” in relation to any Trust Certificates and related expressions shall be construed accordingly. Each Certificateholder must look solely to Central Securities Depository and Registry (CSD & Registry) for its share of each payment made to the nominee.

Trust Certificates which are represented by a Global Trust Certificate will be transferable only in accordance with the rules and procedures for the time being of Central Securities Depository and Registry (CSD & Registry). References to Central Securities Depository and Registry (CSD & registry) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms and Conditions.

19.1.4 SUKUK Certificateholders’ Register

The S u k u k Registrar will maintain a SUKUK Certificateholders’ register (the “**Register**”) of Certificateholders in respect of the Trust Certificates in accordance with the provisions of the Master Trust Deed Agreement. In the case of Trust Certificates in definitive form, a definitive Trust Certificate will be issued to each Certificateholder in respect of its registered holding of Trust Certificates.

19.1.5 Certificateholders’ Title

The Issuer/Trustee/SPV, the SUKUK Delegate, the Government and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the Person in whose name any outstanding Trust Certificate is, for the time being, registered (as set out in the Register) as the holder of such Trust Certificate or of a particular face amount of the Trust Certificates for all purposes (whether or not such Trust Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Issuer/Trustee/SPV, the SUKUK Delegate, the Government and the Agents shall not be affected by any notice to the contrary. All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for monies payable in respect of such Trust Certificate or face amount.

(a) Transfers of Trust Certificates

19.1.6 Transfers of beneficial interests in the Global Trust Certificate

Transfers of beneficial interests in the Global Trust Certificate will be effected by Central Securities Depository and Registry (CSD & registry), and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Trust Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Trust Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being

of Central Securities Depository and Registry (CSD & registry) and in accordance with the terms and conditions specified in the Declaration of Trust and the Agency Agreement.

19.1.7 Transfers of Trust Certificates in Definitive Form

(b) Transfer of SUKUK Certificates

Subject to this Condition 3.2 and Conditions 3.3 and 3.4, a definitive Trust Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the definitive Trust Certificate, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar and Transfer Agent.

(c) Delivery of new definitive Trust Certificates

Each new definitive Trust Certificate to be issued upon transfer of definitive Trust Certificates will, within five business days of receipt by the Registrar of the duly completed form of transfer endorsed on the relevant definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder entitled to the definitive Trust Certificate to the address specified in the form of transfer. For the purposes of this Condition, “business day” shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

Where some but not all of the Trust Certificates in respect of which a definitive Trust Certificate is issued are to be transferred, a new definitive Trust Certificate in respect of the Trust Certificates not so transferred will, within five business days of receipt by the Registrar of the original definitive Trust Certificate, be mailed by uninsured mail at the risk of the holder of the Trust Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

(d) Regulations

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests one. Notwithstanding the above, the Issuer/Trustee/SPV may from time to time agree with the Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

19.1.8 Closed periods

No Certificateholder may require the transfer of a definitive Trust Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date or a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Trust Certificate falls due.

19.1.9 Formalities free of charge

Transfers of Trust Certificates on registration or exercise of an early dissolution right will be effected without charge by or on behalf of the Issuer/Trustee/SPV, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Issuer/Trustee/SPV, the Registrar and/or the Transfer Agents may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

(e) Status and Limited Recourse

19.2 Status of SUKUK Certificates

Each Trust Certificate evidences an undivided ownership interest in the Trust Assets subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Issuer/Trustee/SPV. Each Trust Certificate ranks *pari passu*, without any preference or priority, with the other Trust Certificates.

19.3 Negative Pledge

The Government has agreed in the Purchase Undertaking that for so long as any Trust Certificate remains outstanding, it will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness or Relevant SUKUK Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant SUKUK Obligation, of any Person, without:

- (f) *at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or*
- (g) *providing such other Security Interest for the obligations of the Government under the Transaction Documents as may be approved by an Extraordinary Resolution of the Certificateholders.*

19.4 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Save as provided in the next sentence, the Trust Certificates do not represent an interest in or obligation of any of the Issuer/Trustee/SPV, the Government, the SUKUK Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that:

they will not have recourse to any assets of the Issuer/Trustee/SPV, the SUKUK Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected

amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Issuer/Trustee/SPV shall be extinguished; and

- (g) any recourse to the assets of the Government shall be limited to the Trust Assets, which include obligations of the Government under the Transaction Documents.

The Government is obliged to make certain payments under the Transaction Documents directly to the Issuer/Trustee/SPV (for and on behalf of the Certificateholders), and the SUKUK Delegate (for and on behalf of the Issuer/Trustee/SPV) will have direct recourse against the Government to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 16, no holder of Trust Certificates will have any claim against the Issuer/Trustee/SPV, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the SUKUK Delegate, the Agents or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Issuer/Trustee/SPV, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the SUKUK Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

19.5 Agreement of Certificateholders

By subscribing for or acquiring the Trust Certificates, each Certificateholder acknowledges and agrees that notwithstanding anything to the contrary contained herein or in any other Transaction Document:

- (h) no payment of any amount whatsoever shall be made by any of the Issuer/Trustee/SPV, the SUKUK Delegate (acting in the name and on behalf of the Issuer/Trustee/SPV) or any of their respective agents on their behalf except to the extent funds are available therefor from the Trust Assets;
- (i) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Issuer/Trustee/SPV (and/or its directors, officers, administrators or shareholders), the Government (and/or its officers) (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the SUKUK Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all

obligations of the Issuer/Trustee/SPV, the SUKUK Delegate, the Government, any Agents and their respective agents or affiliates shall be extinguished prior to the date which is one year and one day after the date on which all amounts owing by the Issuer/Trustee/SPV under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Issuer/Trustee/SPV any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;

- (j) no recourse under any obligation, covenant or agreement contained in any

Transaction Document shall be had against any shareholder, member, officer, agent or director of the Issuer/Trustee/SPV, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Issuer/Trustee/SPV under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Issuer/Trustee/SPV and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Issuer/Trustee/SPV save in the case of their wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

- (k) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations by the Issuer/Trustee/SPV under the Trust Certificates.

19.6 The SUKUK Trust

19.6.1 The Trust Assets

The Trust Assets will comprise:

- (a) the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) the rights, title and interest, present and future, of the Issuer/Trustee/SPV in, to and under the Lease Asset(s);
- (c) the rights, title, interest and benefit, present and future, of the Issuer/Trustee/SPV in, to and under the Transaction Documents (excluding:
 - (c) any representations given by the Government to the Issuer/Trustee/SPV and the SUKUK Delegate pursuant to the Transaction

Documents; and (ii) the covenant given to the Issuer/Trustee/SPV pursuant to clause 15.1 of the Master Declaration of Trust);

- (d) all monies standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of the foregoing.

19.6.2 Application of Proceeds from the Trust Assets

Pursuant to the Declaration of Trust, the Issuer/Trustee/SPV holds the Trust Assets on trust absolutely for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on any Dissolution Date, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Issuer/Trustee/SPV, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (i) **first**, (to the extent not previously paid) to the SUKUK Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as SUKUK Delegate;
- (ii) **secondly**, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
- (iii) **thirdly**, only if such payment is made on any Dissolution Date, to the principal Paying Agent in or towards payment *pari passu* and rateably of the Dissolution Amount;
- (iv) **fourthly**, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the issuance are redeemed in full, to the Servicing Agent in or towards payment of all outstanding Service Charge Amounts (if any); and
- (v) **fifthly**, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the issuance are redeemed in full, to the Government.

18.7 Covenants

Subject to Condition 6.2, the Issuer/Trustee/SPV covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the SUKUK Delegate):

- a incur any indebtedness, in respect of borrowed money whatsoever (including any Islamic financing), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or

exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

- b save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, perties or revenues (other than those arising by operation of law);
 - c sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets, except pursuant to the Transaction Documents;
 - d use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;
 - e amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws (other than in relation to any increase in the aggregate face amount of the);
 - f act as Issuer/Trustee/SPV in respect of any trust (other than pursuant to the Declaration of Trust);
 - g have any subsidiaries or employees;
 - h redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding any consideration payable by the Issuer/Trustee/SPV (acting in any capacity) to the Government (acting in any capacity) as contemplated by the Transaction Documents or these Conditions);
- 19.9 prior to the date which is one year and one day after the date on which all amounts owing by the Issuer/Trustee/SPV under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up, liquidation or dissolution or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- 19.10 enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
- (i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or

administrative nature;

- (i) as provided for or permitted in the Transaction Documents;
- (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
- (iii) such other matters which are incidental thereto.

19.11 Nothing in sub-paragraph (a) of Condition 6.1 shall prevent the Issuer/Trustee/SPV from issuing (or entering into any transaction for the purpose of issuing or entering into any contract in relation thereto or performing any of its obligations thereunder) any SUKUK, certificates or other securities intended to be issued in compliance with the principles of Shari'ah provided that: (a) such securities are, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; (b) in respect of such securities, the obligations of the Government to the Issuer/Trustee/SPV shall rank at least *pari passu* with the obligations of the Government to the Issuer/Trustee/SPV in respect of the Trust Certificates; and (c) the obligations of the Issuer/Trustee/SPV in respect of such securities shall rank *pari passu* with the Trust Certificates.

20.0 Fixed Periodic Distribution Provisions

20.1 Application

This Condition 7 is applicable to the Trust Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms and Conditions as being applicable.

20.2 Periodic Distribution Amount

A Periodic Distribution Amount for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Issuer/Trustee/SPV to the Certificateholders, *pro rata* to their respective holdings, in accordance with these Conditions.

20.3 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms and Conditions, the Periodic Distribution Amount payable in respect of each Trust Certificate in definitive form for any Return Accumulation Period shall be the Fixed Ijarah (rental) Amount. Payments of Periodic Distribution Amount in respect of Trust Certificates in definitive form on any Periodic Distribution Date may, if so specified in the applicable Final Terms and Conditions, amount to the Broken Amount so specified.

Except in the case of Trust Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms and Conditions, the Periodic Distribution Amount shall be calculated in respect of any period by applying the rental rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or
- (b) in the case of Trust Certificates in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Trust Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Trust Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In these Conditions:

“Day Count Fraction” has the meaning set out in Condition 8.7.

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accumulation Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“Sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

20.4 Payment in Arrear

Subject to Condition 7.5, Condition 11.2 to 11.5 and Condition 15, and unless otherwise specified in the applicable Final Terms and Conditions, each Periodic Distribution Amount will be paid in respect of the relevant Trust Certificates in arrear on each Periodic Distribution Date in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

20.5 Cessation of Profit Entitlement

No further amounts will be payable on any Trust Certificate from and including (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition 7.5 to

the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) save as described in Condition 11.3, the date on which a Total Loss Event occurs.

21. Floating Periodic Distribution Provisions

21.1 Application

This Condition 8 is applicable Periodic Distribution Provisions Conditions as being applicable to the Trust Certificates only if the Floating are specified in the applicable Final Terms and conditions.

21.2 Periodic Distribution Amounts


Periodic Distribution Amounts for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Issuer/Trustee/SPV to the Certificateholders in accordance with these Conditions. Such Periodic Distribution Amounts will be payable, *pro rata* to their respective holdings, in arrears on either:

- (i) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms and Conditions; or
- (ii) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms and Conditions, each date (each such date, together with each Specified Periodic Distribution Date, a “**Periodic Distribution Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms and Conditions after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accumulation Commencement Date.

Such Periodic Distribution Amounts will be payable in respect of each Return Accumulation Period ending immediately before the relevant Periodic Distribution Date.

If a Business Day Convention is specified in the applicable Final Terms and Conditions and (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with Condition 8.2(b), the Floating Rate Convention, such Periodic Distribution Date in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:

- 
- (iii) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or
 - (g) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or
 - (h) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means a day which is:

- (i) a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) and settle payments in the Specified Currency in the Additional Business Centre(s) or, if no Specified Currency is indicated, generally in each Additional Business Centre specified in the applicable Final Terms and Conditions; or
- (ii) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the Additional Business Centre); or (ii) in relation to any sum payable in euro, a TARGET2 Settlement Day.

21.3 Cessation of Profit Entitlement

No further amounts will be payable on any Trust Certificate from and including: (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) save as described in Condition 11.3, the date on which a Total Loss Event occurs.

21.4 Calculation of Periodic Distribution Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Trust Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate (subject to any Maximum Rate or Minimum Rate as specified in the applicable Final Terms and Conditions) applicable to the relevant Return Accumulation Period to:

- (ii) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or

- (H) in the case of Trust Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Trust Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Trust Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“Day Count Fraction” means, in respect of the calculation of a Periodic Distribution Amount in accordance with these Conditions:

- (v) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms and Conditions, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non- leap year divided by 365);

- (vi) if “Actual/365 (Fixed)” is specified in the applicable Final Terms and Conditions, the actual number of days in the Return Accumulation Period divided by 365;

- (vii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms and Conditions, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;

- (viii) if “Actual/360” is specified in the applicable Final Terms and Conditions, the actual number of days in the Return Accumulation Period divided by 360;

- (ix) if “30/360” “360/360” or “Bond Basis” is specified in the applicable Final Terms and Conditions, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1) + (30 \times (M_2 - M_1) + (D_2 - D_1))]}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D1” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D¹ is greater than 29, in which case D2 will be 30;

- a if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms and Conditions, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1) + (30 \times (M_2 - M_1) + (D_2 - D_1))]}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D1” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D2 will be 30;

- (b) if “30E/360 (ISDA)” is specified in the applicable Final Terms and Conditions, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1) + (30 \times (M_2 - M_1) + (D_2 - D_1))]}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

“D1” is the first calendar day, expressed as a number, of the Return Accumulation Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D2 will be 30.

- (ii) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms and Conditions:

- (A) in the case of Trust Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product

of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms and Conditions) that would occur in one calendar year; or

- (B) in the case of Trust Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

21.8 Calculation Agent

The Issuer/Trustee/SPV shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms and Conditions and for so long as any Trust Certificate is outstanding. Where more than one Calculation Agent is appointed in respect of the Trust Certificates, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate for a Return Accumulation Period or to calculate any Periodic Distribution Amount or Dissolution Amount, as the case may be, or to comply with any other requirement, the Issuer/Trustee/SPV shall (with the prior written approval of the SUKUK Delegate) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its subsidiary Zanzibar office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

21.9 Publication

The Calculation Agent will cause each Rate Periodic Distribution Amount and Dissolution Amount determined by it, together with the relevant Periodic Distribution Date and Dissolution Date, respectively, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer/Trustee/SPV, the Government, the SUKUK Delegate, the Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Trust Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall

also be given promptly to the Certificateholders in accordance with Condition 18. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without prior notice in the event of an extension or shortening of the relevant Return Accumulation Period. Any such amendment shall be notified promptly to any relevant Stock Exchange and/or quotation system, as the case may be, and to the Certificateholders in accordance with Condition 18.

21.10 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer/Trustee/SPV, the SUKUK Delegate, the other Agents and all Certificateholders (in the absence as referred to above). No Liability to the Issuer/Trustee/SPV, the SUKUK Delegate, the Government, the other Agents or the Certificateholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 8 (save in the case of wilful default, bad faith or manifest or proven error).

22.0 Payment


Payment of Dissolution Amounts and Periodic Distribution Amounts will be made by transfer to the registered account (as defined below) of a Certificateholder. Payments of Dissolution Amounts (where all of the Trust Certificates of the issuance are to be redeemed in full) will only be made against surrender of the relevant Trust Certificate (or the Certificate representing such Trust Certificate) at the specified office of the Registrar or the Principal Paying Agent. Dissolution Amounts and Periodic Distribution Amounts will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 9, a Certificateholder's "registered account" means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

All such payments will be made subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions described in Condition 13. No commissions or expenses shall be charged to the Certificateholders in respect of such payments.

Payment instructions will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of face amounts (where all of the Trust Certificates of the issuance are to be redeemed in full) if later, on the Payment Business Day on which the relevant Trust Certificate is surrendered (where such surrender is required) at the specified office of the Registrar or the Principal Paying Agent.

Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the



Certificateholder is late in surrendering its Trust Certificate (if required to do so in accordance with this Condition 9).

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount of such Dissolution Amount or Periodic Distribution Amount in fact paid.

23. Transation Agents

23.1 Agents of Issuer/Trustee/SPV

In acting under the Agency Agreement and in connection with the Trust Certificates, the Agents act solely as agents of the Issuer/Trustee/SPV and (to the extent provided therein) the SUKUK Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.

23.2 Specified Offices

The names of the initial Agents are set out above. If any additional Paying Agents are appointed in connection with the issuance, the names of such Paying Agents will be specified in Part B of the Final Terms and Conditions attached to or endorsed on this Trust Certificate. The Issuer/Trustee/SPV reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided, however, that:**

- (c) there will at all times be a Principal Paying Agent;
- (d) there will at all times be a Registrar and Transfer Agent;
- (hh) if a Calculation Agent (other than the Principal Paying Agent) has been appointed in the applicable Final Terms and Conditions, there will at all times be a Calculation Agent; and
- (ii) so long as any Trust Certificates are admitted to listing, trading and/or quotation

on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system. Notice of any variation, termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Issuer/Trustee/SPV in accordance with Condition 18.

24. Capital Distributions of Trust

24.1 Scheduled Dissolution

Unless the Trust Certificates are redeemed, purchased and/or cancelled earlier, each Trust Certificate shall be redeemed on the Scheduled Dissolution Date at its Final Dissolution Amount, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Scheduled Dissolution Date (the “**Final Dissolution Amount**”). Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

24.2 Early Dissolution for Tax Reasons

The Trust Certificates may be redeemed by the Issuer/Trustee/SPV in whole, but not in part, on any date (such date, the “**Tax Dissolution Date**”) upon giving not less than 30 nor more than 60 days’ notice to the SUKUK Delegate and the Certificateholders in accordance with Condition 18 (which notice shall be irrevocable) and to the SUKUK Delegate, at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the “**Tax Dissolution Amount**”), if a Tax Event occurs, where “**Tax Event**” means:

- a the determination by the Government that: (1) the Issuer/Trustee/SPV has or will become obliged to pay additional amounts as provided or referred to in Condition 13 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (excluding Zanzibar) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant SUKUK; and (2) such obligation cannot be avoided by the Issuer/Trustee/SPV taking reasonable measures available to it; or

- (d) the receipt by the Issuer/Trustee/SPV of notice from the capital market authority that: (1) the Government, in its capacity as the SUKUK Originator, has or will become obliged to pay additional amounts pursuant to the terms of the Lease Agreement or the Purchase Undertaking as a result of any change in, or amendment to, the laws or regulations of a relevant authority (excluding the Islands of Zanzibar) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant SUKUK; and (2) such obligation cannot be avoided by the Government taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given unless an Exercise Notice has been received by the Issuer/Trustee/SPV from the Government under the Sale and Substitution Undertaking and no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which: (i) (in the case of (a) above) the Issuer/Trustee/SPV would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due; or (ii) (in the case of (b) above) the Government would be obliged to pay such additional amounts if a payment to the

Issuer/Trustee/SPV under the Lease Agreement or the Purchase Undertaking (as the case may be) was then due.

Prior to the publication of any notice of redemption pursuant to this Condition 11.2, the Issuer/Trustee/SPV shall deliver to the SUKUK Delegate: (i) a certificate signed by two directors of the Issuer/Trustee/SPV (in the case of (a) above) or two Authorised Signatories of Revolutionary Government of Zanzibar-Treasury(acting on behalf of the Government) (in the case of (b) above) stating that the Issuer/Trustee/SPV is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Issuer/Trustee/SPV so to dissolve have occurred; and (ii) an opinion of independent legal advisers of recognised international standing to the effect that the Issuer/Trustee/SPV or, as the case may be, the Government has or will become obliged to pay such additional amounts as a result of such change or amendment. The SUKUK Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof without incurring any liability to any person in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 11.2, the Issuer/Trustee/SPV shall be bound to redeem the Trust Certificates at the Tax Dissolution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

24.3 Dissolution at the Option of the Government (Optional Early Redemption)

If the Optional Early Redemption is specified in the applicable Final Terms and Conditions as being applicable, the Government may in its sole discretion to deliver to the Issuer/Trustee/SPV a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Issuer/Trustee/SPV shall redeem the Trust Certificates in whole but not in part on any Optional Dissolution Date at the relevant Optional Dissolution Amount (Call), including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Optional Dissolution Date (the “**Optional Dissolution Amount/Early Redemption**”) on the Issuer/Trustee/SPV giving not less than 30 days’ nor more than 60 days’ notice to the SUKUK Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 18 (which notice shall be irrevocable and shall oblige the Issuer/Trustee/SPV to redeem the Trust Certificates on the relevant Optional Dissolution Date).

24.4 Dissolution following a Total Loss Event

Upon the occurrence of a Total Loss Event (as defined below) and unless the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement by no later than the 30th day after the occurrence of a Total Loss Event, the Trust Certificates shall be redeemed and the Trust dissolved by no later than the close of business in Zanzibar on the 31st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day) (the “**Total Loss Dissolution Date**”), following notification thereof to the SUKUK Delegate and the Certificateholders in accordance with

Condition 18. The Trust Certificates will be redeemed using the proceeds of: (a) the Insurances payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event; and (b) if required, the Total Loss Shortfall Amount (as defined herein) which is required to be paid into the Transaction Account by no later than the close of business in Zanzibar on the 30th day after the occurrence of the Total Loss Event.


A “**Total Loss Event**” is the total loss or destruction of, or damage to the whole of, the Lease Asset(s) or any event or occurrence that renders the whole of the Lease Asset(s) permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Asset(s)) the repair or remedial work in respect thereof is wholly uneconomical.

The Servicing Agency Agreement provides that if the obligations of the Servicing Agent thereunder are not strictly complied with and as a result no proceeds of Insurances are paid into the Transaction Account or any proceeds of Insurances paid into the Transaction Account are less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount (if any) paid into the Transaction Account or, as the case may be, no amount, being the “**Total Loss Shortfall Amount**”), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount into the Transaction Account by no later than close of business in Zanzibar on the Total Loss Dissolution Date.

24.5 Dissolution at the Option of the Certificateholders

If Certificateholder Put Right is specified in the applicable Final Terms and Conditions as being applicable, upon the holder of any Trust Certificate giving to the Issuer/Trustee/SPV in accordance with Condition 18 (with a copy to the SUKUK Delegate) not less than 15 days’ nor more than 30 days’ notice (or such other notice period as may be specified hereon), the Issuer/Trustee/SPV shall, upon the expiry of such notice, redeem such Trust Certificate on the Certificateholder Put Right Date and at the Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Final Terms and Conditions, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the relevant Certificateholder Put Right Date (the “**Optional Dissolution Amount (Put)**”). For the purposes thereof, the Issuer/Trustee/SPV (or the SUKUK Delegate (on behalf of the Issuer/Trustee/SPV)) shall deliver to the Government a duly completed Exercise Notice (in the case of delivery by the Issuer/Trustee/SPV, with a copy to the SUKUK Delegate), subject to and in accordance with the provisions of the Purchase Undertaking. Trust Certificates may be redeemed or, as the case may be, purchased under this Condition 11.5 in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 11.5 the holder thereof must, if the Trust Certificate is in definitive form and held outside Central Securities Depository and Registry (CSD & Registry), deliver, at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account (or, if



payment is required to be made by cheques, an address) to which payment is to be made under this Condition 11.5 and the aggregate face amount thereof to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3.

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through Central Securities Depository and Registry (CSD & Registry), to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures CSD & Registry, Dar es Salaam (which may include notice being given on such Certificateholder's instruction by Central Securities Depository and Registry (CSD & Registry) or any depository or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to Central Securities Depository and Registry (CSD & Registry) from time to time and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Put Notice or other notice given in accordance with the standard procedures of Central Securities Depository and Registry (CSD & Registry) given by a holder of any Trust Certificate pursuant to this Condition 11.5 may be withdrawn without the prior consent of the Issuer/Trustee/SPV except where, prior to the due date of redemption, a Dissolution Event has occurred and the SUKUK Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 15, in which event such holder, at its option, may elect by notice to the Issuer/Trustee/SPV to withdraw the notice given pursuant to this Condition 11.5.

24.6 Dissolution following a Dissolution Event

Upon the occurrence of a Dissolution Event, the Trust Certificates shall be redeemed at their Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms and Conditions, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Dissolution Event Redemption Date (the “**Dissolution Event Amount**”), subject to and as more particularly described in Condition 15 and this Condition 11.

24.7 No Other Optional Early Dissolution

Neither the Issuer/Trustee/SPV nor the Certificateholders shall be entitled to redeem, or cause to be redeemed, as applicable, the Trust Certificates, otherwise than as provided in this Condition 11 and Condition 15. Upon payment in full of all amounts due in respect of the Trust Certificates of the issuance the Issuer/Trustee/SPV shall be bound to dissolve the Trust and the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and neither the Government nor the Issuer/Trustee/SPV shall have any further obligations in respect thereof.

24.8 Cancellation

All Trust Certificates which are redeemed will forthwith be forwarded to the Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

25. Purchase and Cancellation of Trust Certificates

25.1 Purchases

The Issuer/Trustee/SPV, the Revolutionary Government of Zanzibar, the Revolutionary Government of Zanzibar-Treasury and/or any other public sector instrumentality of the Revolutionary Government of Zanzibar(as defined in Condition 19(i)) may at any time purchase Trust Certificates at par/face value Following any purchase of Trust Certificates issuance pursuant to this Condition 12.1, such Trust Certificates may be held, resold or, at the discretion of the holder thereof, cancelled (subject to such Trust Certificates being deemed not to remain outstanding for certain purposes as provided under the Master Declaration of Trust and these Conditions if so held, as more particularly set out in Condition 19(i)).

25.2 Cancellation of SUKUK Certificates

Should the Government wish to cancel any Trust Certificates purchased pursuant to Condition 12.1, it shall deliver a Cancellation Notice to the Issuer/Trustee/SPV (in accordance with the Sale and Substitution Undertaking) whereupon the Issuer/Trustee/SPV shall, in accordance with the terms of the Sale and Substitution Undertaking, be obliged to transfer all of the Issuer/Trustee/SPV's rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government in consideration for which the Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Asset(s) will take effect by the Government and the Issuer/Trustee/SPV entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, the Issuer/Trustee/SPV shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date and, upon surrender thereof, all such Trust Certificates shall be cancelled forthwith.

26. Taxation

All payments in respect of the Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any taxes of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Issuer/Trustee/SPV shall pay such additional amounts as will result in receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Trust Certificate:

- (e) held by or on behalf of a holder who is liable for such Taxes in respect of such Trust Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of the Trust Certificate; or
- (f) where the relevant Trust Certificate is required to be surrendered for payment and is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it surrendered; or the relevant Trust Certificate for payment on the last day of such period of 30 days.

27. Prescription of Claimant

The rights to receive distributions in respect of the Trust Certificates will be forfeited unless claimed within periods of 10 years (in the case of Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

28. Dissolution Events

If any of the following events occurs and is continuing (each, a “**Dissolution Event**”):

- (xvi) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven Business Days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 Business Days; or
- (xvii) the Issuer/Trustee/SPV fails to perform or observe any one or more of its other duties, obligations or undertakings under the Trust Certificates or the Transaction Documents, which failure is, in the sole opinion of the SUKUK Delegate, incapable of remedy or, if in the sole opinion of the SUKUK Delegate is capable of remedy, is not, in the sole opinion of the SUKUK Delegate, remedied within the period of 30 days following the service by the SUKUK Delegate of a notice on the Issuer/Trustee/SPV requiring the same to be remedied; or
- (xviii) a Government Event occurs; or
- (xix) the Issuer/Trustee/SPV repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party; or
- (xx) at any time it is or will become unlawful or impossible for the Issuer/Trustee/SPV to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of

the Issuer/Trustee/SPV under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

- (xxi) either: (i) the Issuer/Trustee/SPV is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due; or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer/Trustee/SPV is appointed (or application for any such appointment is made); or

the Issuer/Trustee/SPV takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Issuer/Trustee/SPV ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer/Trustee/SPV; or

- (xix) any event occurs which under the laws of the Zanzibar Islands has an analogous effect to any of the events referred to in paragraphs (f) and (g) above, the SUKUK Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise becoming aware of a Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of Trust Certificates in accordance with Condition 18 with a request to such holders to indicate to the Issuer/Trustee/SPV and the SUKUK Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the SUKUK Delegate in its sole discretion may, and if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Trust Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Trust Certificates (each a "**Dissolution Request**") shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Issuer/Trustee/SPV, the Government and the holders of the Trust Certificates of the issuance in accordance with Condition 18 that the Trust Certificates are immediately due and payable at the Dissolution Amount, on the date of such notice (the "**Dissolution Event Redemption Date**"), whereupon they shall become so due and payable. If it has not already done so, (so long as a Total Loss Event has not occurred), the Issuer/Trustee/SPV (or the SUKUK Delegate acting on behalf of the Certificateholders) shall exercise its rights under the Purchase Undertaking by serving an Exercise Notice on the Government.

Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further

amounts shall be payable in respect thereof and the Issuer/Trustee/SPV shall have no further obligations in respect thereof.

For the purposes of paragraph (a) above, amounts shall be considered due in respect of the Trust Certificates (including for the avoidance of doubt any amounts calculated as being payable under Conditions 7 and 8 and Condition 11) notwithstanding that the Issuer/Trustee/SPV has at the relevant time insufficient funds or Trust Assets to pay such amounts.

For the purposes of this Condition 15, “**Government Event**” shall mean each of the following events:

- (xxii) if default is made by the Government in the payment of: (i) any Rental to be paid into the Transaction Account by the Lessee “the Lessee” in accordance with the terms of the Lease Agreement and the default continues for a period of 14 Business Days; or (ii) the Exercise Price, the Certificateholder Put Right Exercise Price or any Total Loss Shortfall Amount (as the case may be) and the default continues for a period of seven Business Days; or
- (xxiii) if the Government fails to perform or observe any one or more of its other obligations under the Transaction Documents (other than with respect to clause 8 of the Servicing Agency Agreement, the failure to comply with which shall not constitute a Government Event), which failure is, in the sole opinion of the SUKUK Delegate, incapable of remedy or, if in the sole opinion of the SUKUK Delegate capable of remedy, is not, in the sole opinion of the SUKUK Delegate, remedied within the period of 30 days following the service by the SUKUK Delegate on the Government of notice requiring the same to be remedied; or if any Financial Indebtedness of the Government is not paid when due nor within any originally applicable grace period or any such Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) provided, however, that it shall not constitute a Government Event under this paragraph (iii) unless the aggregate amount of all such Financial Indebtedness shall be more than TZS 1,500,000,000.00 (or its equivalent in any other currency or currencies); or
- (xxxiv) if any execution, distress, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against, or an encumbrancer takes possession of, the whole or any substantial part of the party, undertaking or assets of the Government or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, and any such event is not discharged within 30 days; or
- (xxxv) if the Government fails to comply with or pay any sum which amount shall not be less than TZS 500,000,000.00 (or its equivalent in any other currency or currencies) due from it under any final non- appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for a period of 60 days following the service by the SUKUK Delegate on the Government of notice requiring the same to be paid/remedied; or

- (xxvi) if the Government enters into an arrangement with its creditors generally for the rescheduling or postponement of any Financial Indebtedness, as a result of its inability or potential inability to fulfil its obligations to them, or a moratorium on the payment of all or any part of the Financial Indebtedness of the Government is declared; or
- (xxvii) if the Government repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party, or if the validity of the Government's obligations under the Transaction Documents is contested by the Government or the Government denies any of its obligations under the Transaction Documents; or
 - (i) if at any time it is or will become unlawful or impossible for the Government to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of the Government under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
 - (ii) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process by the Government in respect of the whole of the Lease Assets; or
- (xxviii) if any action, condition or thing at any time required to be taken, fulfilled or one in order;
- (xxix) to enable the Government lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents; or
- (xxx) to ensure that those obligations are legal, valid, binding and enforceable, is not taken, fulfilled or done.

29. Enforcement and Exercise of Rights

29.1 Limitation on Liability of the Issuer/Trustee/SPV

Following the enforcement, realisation and ultimate distribution of the proceeds of the Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Issuer/Trustee/SPV shall not be liable for any further sums, and accordingly no Certificateholder may take any action against the Issuer/Trustee/SPV or any other Person to recover any such sum in respect of the Trust Certificates or Trust Assets.

29.2 SUKUK Delegate not obliged to take action

The SUKUK Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceedings against the Government and/or the Issuer/Trustee/SPV under any Transaction Document unless directed or requested to do so in writing by the holders of at least 25 per cent. in aggregate face amount of the Trust Certificates then outstanding and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

29.3 Direct enforcement by SUKUK Certificateholders

No Certificateholder shall be entitled to proceed directly against the Issuer/Trustee/SPV or the Government, under any Transaction Document, unless the SUKUK Delegate, having become so bound to proceed, fails to do so within 30 days of becoming so bound and such failure is continuing. Under no circumstances shall the Issuer/Trustee/SPV, the SUKUK Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents and/or these Conditions, and the sole right of the Issuer/Trustee/SPV, the SUKUK Delegate and the Certificateholders against the Issuer/Trustee/SPV and the Government, as applicable, shall be to enforce their respective obligations under the Transaction Documents.

29.4 Limited recourse


Conditions 16.1, 16.2 and 16.3 are subject to this Condition 16.4. After enforcing or realising the Trust Assets in respect of the Trust Certificates of the issuance and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 5.2 and the Declaration of Trust, the obligations of the Issuer/Trustee/SPV in respect of the Trust Certificates of the issuance shall be satisfied and no Certificateholder may take any further steps against the Issuer/Trustee/SPV or the SUKUK Delegate or any other Person to recover any further sums in respect of the Trust Certificates of the issuance and the right to receive any such sums unpaid shall be extinguished.

29.5 Replacement of Definitive Trust Certificates

Should any definitive Trust Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer/Trustee/SPV may reasonably require (in light of prevailing market practice). Mutilated or defaced definitive Trust Certificates must be surrendered and cancelled before replacements will be issued.

29.6 Notices

All notices to the Certificateholders will be valid if mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register. The Issuer/Trustee/SPV shall also ensure that notices



are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Trust Certificates are for the time being listed or on which they have been admitted to trading and/or quotation (as applicable). In addition, for so long as any Trust Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and/or admitted to quotation (as applicable) and the rules of that stock exchange, relevant authority or quotation system (as applicable) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

So long as the Trust Certificates are listed on the Dar es Salaam Stock Exchange and the rules of the exchange so require, notices to Certificateholders shall also be published either on the website of the Dar es Salaam Stock Exchange (www.dse.co.tz) or in a daily newspaper with general circulation in United Republic of Tanzania (which is expected to be the *Irish Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily Zanzibar language newspaper with general circulation in the the United Republic of Tanzania.

Any notice shall be deemed to have been given on the fourth day (other than a Friday, Saturday or Sunday) after being mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication. So long as the Global Trust Certificate representing the Trust Certificates is held in its entirety on behalf of Central Securities Depository and Registry (CSD & Registry), there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Central Securities Depository and Registry (CSD & Registry) for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to Central Securities Depository and Registry (CSD & Registry).

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Trust Certificates are represented by the Global Trust Certificate, such notice may be given by any holder of a Trust Certificate to the Principal Paying Agent through Central Securities Depository and Registry (CSD & Registry), in such manner as the Principal Paying Agent and Central Securities Depository and Registry (CSD & Registry) may approve for this purpose.

30.0 Meetings of Certificateholders; Written Resolutions

30.1 Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions:

The Issuer/Trustee/SPV, the Government and/or the SUKUK Delegate may convene a meeting of the Certificateholders at any time in respect of the Trust Certificates in accordance with the provisions of the Master Declaration of Trust and the Agency Agreement. The Issuer/Trustee/SPV, the Government or the SUKUK Delegate, as the case may be, will determine the time and place of the meeting and will notify the

Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

- (c) The Issuer/Trustee/SPV, the Government and/or the SUKUK Delegate (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) will convene a meeting of Certificateholders if the holders of at least 10 per cent. in face amount of the outstanding Trust Certificates (as defined in the Master Declaration of Trust and described in Condition 19(i)) have delivered a written request to the Issuer/Trustee/SPV, the Government or the SUKUK Delegate (with a copy to the Issuer/Trustee/SPV and the Government) setting out the purpose of the meeting. The SUKUK Delegate shall agree the time and place of the meeting with the Issuer/Trustee/SPV and the Government promptly. The Issuer/Trustee/SPV, the Government or the SUKUK Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (d) The Issuer/Trustee/SPV or the Government (as the case may be) (with the agreement of the SUKUK Delegate) will set the procedures governing the conduct of any meeting in accordance with the Master Declaration of Trust and the Agency Agreement. If neither the Master Declaration of Trust nor the Agency Agreement includes such procedures, or additional procedures are required, the Issuer/Trustee/SPV, the Government and the SUKUK Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple SUKUK aggregation, if in relation to a Reserved Matter the Issuer/Trustee/SPV or the Government (as the case may be) poses any modification to the terms and conditions of, or action with respect to, two or more securities issued by it.
- (e) The notice convening any meeting will specify, inter alia:
- the date, time and location of the meeting;
 - the agenda and the text of any Extraordinary Resolution (as defined below) to be posed for adoption at the meeting;
 - the Record Date for the meeting, which shall be no more than five business days before the date of the meeting;
 - the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;
 - any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through

which the Trust Certificates are traded and/or held by SUKUK Certificateholders;

whether Condition 19(b), 19(c), or 19(d) shall apply and, if relevant, in relation to which other securities it applies;

if the posed modification or action relates to two or more securities issued by it and contemplates such securities being aggregated in more than one group of securities, a description of the posed treatment of each such group of securities;

- (d) such information that is required to be provided by the Issuer/Trustee/SPV in accordance with Condition 19(f);
- (e) the identity of the Aggregation Agent (appointed in accordance with Condition 20(a) and as defined therein) and the Calculation Agent, if any, for any posed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 19(g); and
- (f) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple SUKUK aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected securities.
- (g) In addition, the Master Declaration of Trust contains provisions relating to

Written Resolutions (as defined below). Further, the Master Declaration of Trust provides that, where the Trust Certificates are held by or on behalf of a clearing system or clearing systems, approval of a resolution may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the Certificateholders ("Electronic Consent"). All information to be provided pursuant to Condition 19(a)(iv) shall also be provided, mutatis mutandis, in respect of Written Resolutions or resolutions approved by Electronic Consent.

- (i) A "**Record Date**" in relation to any posed modification or action means the date fixed by the Issuer/Trustee/SPV or the Government (as the case may be) for determining the Certificateholders and, in the case of a multiple SUKUK aggregation, the holders of securities of each other affected SUKUK that are entitled to vote on a Multiple SUKUK Single Limb Extraordinary Resolution or a Multiple SUKUK Two Limb Extraordinary Resolution, or to sign a Multiple SUKUK Single Limb Written Resolution or a Multiple SUKUK Two Limb Written Resolution as set out below.

- (ii) An “**Extraordinary Resolution**” means any of a Single SUKUK Extraordinary Resolution, a Multiple SUKUK Single Limb Extraordinary Resolution and/or a Multiple SUKUK Two Limb Extraordinary Resolution, as the case may be.
- (iii) A “**Written Resolution**” means any of a Single SUKUK Written Resolution, a Multiple SUKUK Single Limb Written Resolution and/or a Multiple SUKUK Two Limb Written Resolution, as the case may be.

Any reference to “**securities**” means any trust certificates (including, without limitation, the Trust Certificates), bonds, debentures or other securities issued by the Issuer/Trustee/SPV or the Government in one or more SUKUK with an original stated maturity of more than one year.

“**Securities Capable of Aggregation**” means those securities which include or incorporate by reference this Condition 19 and Condition 20 or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other securities.

“**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

30.2 Modification of this Trust Certificates only:

Without prejudice to clause 11 of the Master Declaration of Trust, any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates may be made or taken if approved by a Single SUKUK Extraordinary Resolution or a Single SUKUK Written Resolution as set out below.

- (g) A “**Single SUKUK Extraordinary Resolution**” means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Government and the SUKUK Delegate pursuant to Condition 19(a) by a majority of:
 - in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or
 - in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.
- (h) A “**Single SUKUK Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (iii) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or

in the case of a matter other than a Reserved Matter, more than 50 per cent.

of the aggregate face amount of the outstanding Trust Certificates.

Any Single SUKUK Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.

- (i) Any Single SUKUK Extraordinary Resolution duly passed or Single SUKUK Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single SUKUK Written Resolution, as the case may be.

(A) Multiple SUKUK Aggregation - Single limb voting:

In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more Securities Capable of Aggregation may be made or taken if approved by a Multiple SUKUK Single Limb Extraordinary Resolution or by a Multiple SUKUK Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition (as defined below) is satisfied.

- (B) A “**Multiple SUKUK Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Government (as the case may be) and the SUKUK Delegate pursuant to Condition 19(a), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected Securities Capable of Aggregation (taken in aggregate).
- (ii) A “**Multiple SUKUK Single Limb Written Resolution**” means each resolution in writing

(with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected Securities Capable of Aggregation (taken in aggregate). Any Multiple SUKUK Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected Securities Capable of Aggregation.

- (iii) Any Multiple SUKUK Single Limb Extraordinary Resolution duly passed or Multiple SUKUK Single Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected Securities Capable of

Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same SUKUK voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple SUKUK Single Limb Written Resolution, as the case may be.

(iv) The “**Uniformly Applicable**” condition will be satisfied if:

(A) the holders of all affected Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

the amendments posed to the terms and conditions of each affected Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).

(v) It is understood that a posal under Condition 19(c)(iii) will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per Periodic Distribution Amount accrued but unpaid and the same amount of consideration per past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per amount of Periodic Distribution Amount accrued but unpaid and the same amount of consideration per amount of past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected Securities Capable of aggregation electing the same option from such menu of instruments).

Any modification or action posed under Condition 19(c) may be made in respect of some SUKUK only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19(c) may be used for different groups of two or more Securities Capable of Aggregation simultaneously.

(C) Multiple SUKUK Aggregation - Two limb voting:

(vii) In relation to a posal that includes a Reserved Matter (as defined below), any modification to the terms and conditions of, or any action with respect to, two

or more Securities Capable of Aggregation may be made or taken if approved by a Multiple Two Limb SUKUK Extraordinary Resolution or by a Two Limb SUKUK Written Resolution as set out below.

- (viii) A “**Multiple Two Limb SUKUK Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer/Trustee/SPV or the Government (as the case may be) and the SUKUK Delegate pursuant to Condition 19(a), as supplemented if necessary, which is passed by a majority of:

at least $66\frac{2}{3}$ per cent. of the aggregate face amount of the outstanding securities of affected Securities Capable of Aggregation (taken in aggregate); and

more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected Securities Capable of Aggregation (taken individually).


- (ix) A “**Two Limb SUKUK Written Resolution**” means each resolution in writing (with two separate resolution in writing distributed to the holders of each affected Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

at least $66\frac{2}{3}$ per cent. of the aggregate face amount of the outstanding securities of all the affected Securities Capable of Aggregation (taken in aggregate); and

more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected Securities Capable of Aggregation (taken individually).

Two Limb SUKUK Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected Securities Capable of Aggregation.

- A. Any Multiple Two Limb SUKUK Extraordinary Resolution or Two Limb SUKUK Written Resolution duly passed by a Written Resolution approved shall be binding on all Certificateholders and holders of each other affected Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same SUKUK voted in favour thereof and whether or not they are signed or confirmed in writing for any such Resolutions, as the case may be.
- B. Any modification or action posed under this Condition 19(d) may be made in respect of some SUKUK only of the Securities Capable of Aggregation and, for the



avoidance of doubt, the provisions described in this Condition 19(d) may be used for different groups of two or more Securities Capable of Aggregation simultaneously.

30.3 Reserved Matters:

In these Conditions, “**Reserved Matter**” means any posal:

- 30.3.1 to change the Scheduled Dissolution Date or any other date, or the method of determining the Scheduled Dissolution Date or any other date, for payment of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates, to reduce or cancel the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable on any date in respect of the Trust Certificates or to change the method of calculating the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable in respect of the Trust Certificates on any date for any such payment (other than any change arising from the discontinuation of any Reference Rate used to determine the amount of any payment in respect of any Certificate);
- 30.3.2 to change the currency in which any amount due in respect of the Trust Certificates is payable or the place in which any payment is to be made;
- 30.3.3 to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Trust Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;
- 30.3.4 to change this definition, or the definition of a n “**Extraordinary Resolution**”, “**Single SUKUK Extraordinary Resolution**”, “**Single Limb Collective Action Clause (CAC) [Single Limb Extraordinary Resolution]**” instead of “**Two Limb Extraordinary Resolution**” shall be used;
- 30.3.5 to change the definition of “**securities**” or “**Securities Capable of Aggregation**”;
- 30.3.6 to change the definition of “**Uniformly Applicable**”;
- 30.3.7 to change the definition of “**outstanding**” or to modify the provisions of Condition
- 30.3.8 to change (A) the legal ranking of the Trust Certificates or (B) to approve such other arrangement by way of Extraordinary Resolution of the Certificateholders as referred to in Condition 4.2;
- 30.3.9 to change any provision of the Trust Certificates describing circumstances in which Trust Certificates may be declared due and payable prior to their scheduled maturity date, set out in Condition 15;

- 30.3.10 to change the law governing the Trust Certificates, any of the arrangements specified in the Trust Certificates to enable proceedings to be taken or the Issuer/Trustee/SPV's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 27;
- 30.3.11 to impose any condition on or otherwise change the Issuer/Trustee/SPV's obligation to make payments of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates;
- 30.3.12 to modify the provisions of this Condition 19(e);
- 30.3.13 to change any of the Government's covenants set out in the Lease Agreement or any of its covenants or undertakings to make a payment under any Transaction Document to which it is a party; or
- 30.3.14 to exchange or substitute all the Trust Certificates for, or convert all the Trust Certificates into, other obligations or securities of the Issuer/Trustee/SPV or the Government (as the case may be) or any other Person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Trust Certificates for, or the conversion of the Trust Certificates into, any other obligations or securities of the Issuer/Trustee/SPV or the Government (as the case may be) or any other Person, which would result in these Conditions as so modified being less favourable to the Certificateholders which are subject to these Conditions as so modified than:
- (i) the provisions of the other obligations or securities of the Issuer/Trustee/SPV or the Government (as the case may be) or any other Person resulting from the relevant exchange or substitution or conversion; or
 - (iii) if more than other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting securities having the largest aggregate face amount.

31.0 Information:

Prior to or on the date that the Issuer/Trustee/SPV or the Government or the SUKUK Delegate (as the case may be) poses any Extraordinary Resolution or Written Resolution pursuant to Condition 19(b), 19(c) or 19(d), the Issuer/Trustee/SPV or the Government (as the case may be) shall publish in accordance with Conditions 18 and 20, and provide the SUKUK Delegate with the following information:

- 31.1a description of the Issuer/Trustee/SPV's and the Government's economic and financial circumstances which are, in the Issuer/Trustee/SPV's or the Government's, as applicable, opinion, relevant to the request for any potential modification or action, a description of the Issuer/Trustee/SPV's and the Government's existing debts and a description of the Government's broad policy reform and provisional macroeconomic outlook;

31.2 if the Issuer/Trustee/SPV or the Government shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

31.3 a description of the Issuer/Trustee/SPV's and/or the Government's posed treatment of external securities that fall outside the scope of any multiple SUKUK aggregation and its intentions with respect to any other securities and its other major creditor groups; and

31.4 if any posed modification or action contemplates securities being aggregated in more than one group of securities, a description of the posed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in accordance with Condition 19(a)(iv)(G).

32.0 Claims Valuation:

For the purpose of calculating the market value of the Trust Certificates and any affected securities which are to be aggregated with the Trust Certificates in accordance with Conditions 19(c) and 19(d), the Issuer/Trustee/SPV or the Government (as the case may be) may appoint a Calculation Agent. The Issuer/Trustee/SPV or the Government (as the case may be) shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the market value of the Trust Certificates and such affected securities. In any such case where a Calculation Agent is appointed, the same Person will be appointed as the Calculation Agent for the Trust Certificates and each other affected securities for these purposes, and the same methodology will be promulgated for each affected securities.

33.0 Manifest error, etc.:

The Trust Certificates, these Conditions and the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Government and the Issuer/Trustee/SPV with the prior written consent of the SUKUK Delegate and the SUKUK Delegate may agree, without the consent of Certificateholders, to any modification of, or to the waiver or authorisation of any breach or posed breach of, any of the Conditions of the Trust Certificates, these Conditions, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such if, in the opinion of the SUKUK Delegate:

- (i) such modification is of a formal, minor or technical nature; or
- (ii) such modification is made to correct a manifest error; or

(ii) such modification, waiver, authorisation or determination is not, in the sole opinion of the SUKUK Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter, provided that, in the case of (iii) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the SUKUK Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Issuer/Trustee/SPV to Certificateholders in accordance with Condition 18.


31.0 Trust Certificates controlled by the Issuer/Trustee/SPV or the Government:

For the purposes of (a) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 19 and (iii) Condition 15, any Trust Certificates which are for the time being held by or on behalf of the Issuer/Trustee/SPV, the Revolutionary Government of Zanzibar, the Zanzibar Finance Department, any other public sector instrumentality of the Revolutionary Government of Zanzibar or on behalf of any Person which is owned or controlled directly or indirectly by the Issuer/Trustee/SPV, the Revolutionary Government of Zanzibar, the Revolutionary Government of Zanzibar-Treasury or by any other public sector instrumentality of the Revolutionary Government of Zanzibar shall be disregarded and be deemed not to remain outstanding; where:

- (a) **“public sector instrumentality”** means the Zanzibar Finance Department, any Agency, any other department or ministry of the Revolutionary Government of Zanzibar or any corporation, trust, financial institution or other entity owned or controlled by the Revolutionary Government of Zanzibar or any of the foregoing; and
- (b) **“control”** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other Persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Trust Certificate will also be deemed to be not outstanding if, in accordance with these Conditions, the Trust Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Trust Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer/Trustee/SPV or the Government (as the case may be) has previously satisfied its obligations to make all payments due in respect of the Trust Certificates in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution, the Issuer/Trustee/SPV or the Government (as the case may be) shall provide to



the SUKUK Delegate a copy of the certificate prepared pursuant to Condition 20(d) which includes information on the total number of Trust Certificates which are for the time being held by or on behalf of the Issuer/Trustee/SPV, the Government, the Revolutionary Government of Zanzibar-Treasury or any other public sector instrumentality of the Government (as the case may be) or by or on behalf of any Person which is owned or controlled directly or indirectly by the Issuer/Trustee/SPV, the Revolutionary Government of Zanzibar, the Revolutionary Government of Zanzibar-Treasury or by any other public sector instrumentality of the Government (as the case may be) and, as such, such Trust Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The SUKUK Delegate shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

31.1 Publication:

The Issuer/Trustee/SPV or the Government (as the case may be) shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 20(g).

31.2 Exchange and Conversion:

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, these Conditions may be implemented at the Issuer/Trustee/SPV's or the Government's (as the case may be) option by way of a mandatory exchange or conversion of the Trust Certificates and each other affected securities, as the case may be, into new *Shari'ah* compliant securities containing the modified terms and conditions if the posed mandatory exchange or conversion of the Trust Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the posed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

31.2 Aggregation Agent; Aggregation Procedures

31.2.1 Appointment:

The Issuer/Trustee/SPV or the Government (as the case may be) will appoint an aggregation agent (in such capacity, the "**Aggregation Agent**") to calculate whether a posed modification or action has been approved by the required face amount outstanding of Trust Certificates and, in the case of a multiple SUKUK aggregation, by the required face amount of outstanding securities of each affected securities. In the case of a multiple SUKUK aggregation, the same Person will be appointed as the Aggregation Agent for the posed modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates and in respect of the terms and conditions or securities documentation in respect of each other affected securities. The Aggregation Agent shall be independent of the Issuer/Trustee/SPV and the Government.

31.2.2 Extraordinary Resolutions:

If an Extraordinary Resolution has been posed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions and other affected SUKUK of securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

31.2.3 Written Resolutions:

If a Written Resolution has been posed under these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

31.2.4 Certificate:

For the purposes of Conditions 20(b) and 20(c), the Issuer/Trustee/SPV and the Government will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 19(b), 19(c) or 19(d), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution. The certificate shall:

- (a) list the total face amount of Trust Certificates and, in the case of a multiple SUKUK aggregation, the total face amount of each other affected securities outstanding on the Record Date; and
- (b) clearly indicate the Trust Certificates and, in the case of a multiple SUKUK aggregation, securities of each other affected securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 19(i) on the Record Date identifying the holders of the Trust Certificates and, in the case of a multiple SUKUK aggregation, securities of each other affected securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

31.2.5 Notification:

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 20 to be notified to the SUKUK Delegate, the Issuer/Trustee/SPV and the

Government as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders by the Issuer/Trustee/SPV or the Government in accordance with Condition 18.

31.2.6 Binding nature of determinations; no Liability:

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 20 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer/Trustee/SPV, the Government, the SUKUK Delegate and the Certificateholders and (subject as aforesaid) no Liability to any such Person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

31.2.7 Manner of publication:


The Issuer/Trustee/SPV and the Government will publish all notices and other matters required to be published pursuant to the Declaration of Trust including any matters required to be published pursuant to Conditions 15, Condition 19 and this Condition 20:

- (i) through CSD & Registry, Dar es Salaam and/or any other clearing system in which the Trust Certificates are held (as applicable);
- (ii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iii) in such other places and in such other manner as may be customary.

31.2.8 Certificateholders' Committee

Appointment:

- (a) Holders of at least 25 per cent. of the aggregate face amount of all outstanding securities (taken in aggregate) issued by the Issuer/Trustee/SPV or the Government (the “**Relevant Securities**”) may, by notice in writing to the Issuer/Trustee/SPV and the Government (with a copy to the SUKUK Delegate), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding securities who wish to be represented by such a committee) if any of the following events has occurred;
 - (i) a Dissolution Event or a Potential Dissolution Event;
 - (ii) any public announcement by the Issuer/Trustee/SPV or the Government (as the case may be), to the effect that the Issuer/Trustee/SPV or the Government (as the case may be) is seeking or intends to seek a rescheduling or restructuring of the



Trust Certificates or any other Relevant Securities (whether by amendment, exchange offer or otherwise); or

- (iii) with the agreement of the Government, at a time when the Government has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Trust Certificates or any other Relevant Securities are outstanding.
- (b) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 21(a)(i) and a certificate delivered pursuant to Condition 21(d), the Government or the Issuer/Trustee/SPV shall give notice of the appointment of such a committee to:
 - (i) the SUKUK Delegate and all Certificateholders in accordance with Condition 18; and
 - (ii) the holders of Relevant Securities in accordance with the terms and conditions of each such Relevant Securities, as soon as practicable after such written notice and such certificate are delivered.

31.3 Legal Powers:

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the holders of all Relevant Securities (including the Certificateholders);
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer/Trustee/SPV and/or the Government and/or other creditors of the Issuer/Trustee/SPV and/or the Government; and;
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer/Trustee/SPV and/or the Government and provide all relevant contact details to the Issuer/Trustee/SPV and/or the Government.

Except to the extent provided in this Condition 21(b), such committee shall not have the ability to exercise any powers or discretions which the holders of all Relevant Securities (including the Certificateholders) could themselves exercise.

31.4 Engagement with the committee and provision of information:

- (a) Each of the Issuer/Trustee/SPV and the Government shall subject to paragraph (B) immediately below, engage with the committee in good faith;

- (i) provide the committee with information equivalent to that required under Condition 19(f) and related posals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (ii) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (c) If more than one committee has been appointed by holders of one or more Relevant Securities in accordance with the provisions of this Condition 21 and/or equivalent provisions set out in the terms and conditions of any such Relevant Securities, neither the Issuer/Trustee/SPV nor the Government shall be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer/Trustee/SPV and the Government shall engage with such steering group.

31.5 Certification:

Upon the appointment of a committee, the person or persons constituting such a committee (the “Members”) will provide a certificate to the Issuer/Trustee/SPV, the Government and to the SUKUK Delegate signed by the authorised representatives of the Members, and the Issuer/Trustee/SPV, the Government and the SUKUK Delegate may rely upon the terms of such certificate conclusively and without any Liability therefor.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant securities documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer/Trustee/SPV, the Government and the SUKUK Delegate may rely on conclusively (and without any Liability therefor), will be delivered to the Issuer/Trustee/SPV, the Government and the SUKUK Delegate identifying the new Members. Each of the Issuer/Trustee/SPV, the Government and the SUKUK Delegate will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 21(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 21(c)(ii).

In appointing a person or persons as a committee to represent the interests of the Certificateholders, the Certificateholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other Relevant Securities.

31.6 Indemnification and Liability of the SUKUK Delegate

- (i) The Declaration of Trust contains provisions for the indemnification of the SUKUK Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction
- (ii) The SUKUK Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Government (acting in any capacity) under any Transaction Document and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by the Government (acting in any capacity), but is not so made, and shall not in any circumstances have any Liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust
- (iii) Each of the SUKUK Delegate and the Issuer/Trustee/SPV is exempted from (a) any Liability in respect of any loss or theft of the Trust Assets or any cash, (b) any obligation to insure the Trust Assets or any cash and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Issuer/Trustee/SPV or on deposit or in an account with any depositary or clearing system or are registered in the name of the Issuer/Trustee/SPV or its nominee, unless such loss or theft arises as a result of wilful default, bad faith or manifest or proven error of the SUKUK Delegate or the Issuer/Trustee/SPV, as the case may be.

31.7 Currency Indemnity

The Specified Currency is the sole currency of account and payment for all sums payable by the Issuer/Trustee/SPV under or in connection with the Trust Certificates, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Issuer/Trustee/SPV shall only constitute a discharge to the Issuer/Trustee/SPV to the extent of the Specified Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Instrument's Currency amount expressed to be due to the recipient under any Trust Certificate, the Issuer/Trustee/SPV shall indemnify it against any loss sustained by it as a result. In any event, the Issuer/Trustee/SPV shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Certificateholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer/Trustee/SPV's

other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Trust Certificate or any other judgment or order.

31.8 Further Issues

In respect of the issuance, the Issuer/Trustee/SPV shall, subject to and in accordance with the Declaration of Trust, be at liberty from time to time without the consent of the Certificateholders to create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such SUKUK (or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single SUKUK with the outstanding Trust Certificates of such SUKUK. Any additional Trust Certificates which are to form a single SUKUK with the outstanding Trust Certificates previously constituted by the Declaration of Trust shall be constituted by a deed supplemental to the Declaration of Trust. References in these Conditions to the Trust Certificates include (unless the context requires otherwise) any other trust certificates issued pursuant to this Condition and forming a single SUKUK with the outstanding Trust Certificates.

31.9 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Trust Certificates under these Contracts (Rights of Third Parties)

32 Governing Law, Arbitration and Submission to Jurisdiction

32.1 Governing Law:

The Declaration of Trust (including these Conditions), the Agency Agreement and the Trust Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, Zanzibar law

32.2 Arbitration: The SUKUK Delegate, the Issuer/Trustee/SPV and the Government have in the Declaration of Trust agreed that, subject to the provisions of Condition 26.3, any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Trust Certificates (which includes these Conditions and this Condition 26.2 (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “Dispute”) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of Zanzibar (the “Rules”), which Rules (as amended from time to time) are incorporated by reference into this Condition 26. For these purposes:

32.3 the seat of arbitration shall be Zanzibar;

32.4 there shall be three arbitrators, each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by Zanzibar Court (as defined in the Rules); and

32.5 the language of the arbitration shall be English.

33 Option to Litigate:

Notwithstanding the agreement described in Condition 26.2, the SUKUK Delegate may, in the alternative and at its sole discretion, by notice writing to the Issuer / Trustee / SPV and the Government in accordance with the Declaration of Trust:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) if no arbitration has commenced, require that the Dispute be heard by a court of law (a “**Notice to Litigate**”). If the SUKUK Delegate gives a Notice to Litigate, the Dispute to which such notice refers shall be determined in the manner described in Condition 26.4 and any arbitration commenced under Condition 26.2 in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto (other than the SUKUK Delegate whose costs will be borne by the Government).

Effect of Exercise of Option to Litigate: If a Notice to Litigate is given pursuant To Condition 26.3, the following provisions shall apply:

- (c) subject to paragraph (c) below, the courts of United Republic of Tanzania and/or Zanzibar shall have exclusive jurisdiction to settle any Dispute and each of the Issuer/Trustee/SPV and the Government have in the Declaration of Trust submitted to the exclusive jurisdiction of such courts;
- (d) each of the Issuer/Trustee/SPV and the Government have agreed that the courts of United Republic of Tanzania and/or Zanzibar are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary; and
- (e) this Condition 26.4 is for the benefit of the SUKUK Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (a) and (b) above, the SUKUK Delegate may take proceedings relating to a Dispute

("Proceedings") in any other courts with jurisdiction and, to the extent allowed by law, may take concurrent Proceedings in any number of jurisdictions.

(f) Waiver of Immunity

Under the Declaration of Trust, the Government has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal or arbitral proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity to the full extent permitted by the laws of that jurisdiction in relation to any Proceedings or Disputes. Further, the Government has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal or arbitral proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

(g) Waiver of Interest:

Each of the Issuer/Trustee/SPV, the Government and the SUKUK Delegate has in the Declaration of Trust irrevocably agreed that, this SUKUK Programme being a Shari'ah-compliant instrument, no interest (Usury/Riba) will be payable or receivable under or in connection therewith and each party agrees that it will not claim any interest in respect of any proceedings brought by or on behalf of a party under the Declaration of Trust, any other Transaction Document or these Conditions.

- (i) If it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any arbitral award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation
- (ii) For the avoidance of doubt, nothing in this Condition 28 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Rentals, Dissolution Amounts, Exercise Price, Certificateholder Put Right Exercise Price or profit or principal or other amount payable of any kind howsoever described payable by the Government (in any capacity) or the Issuer/Trustee/SPV (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by way of arbitral tribunal.

(h) Agent for Service of Process

Each of the Government and the Issuer/Trustee/SPV has irrevocably appointed The Zanzibar Attorney General's Office at its registered office at Mazizini, Zanzibar,

Zanzibar as it's the Revolutionary Government of Zanzibar authorised entity for service of process in relation to any Dispute or Proceedings in Zanzibar. If for any reason such agent shall cease to be such agent for service of process, the Government and/or the



Summary of Principal Transaction Documents (20)

20. Section Twenty: Summary of The Principal Transaction Documents

The following is a summary of certain provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions). Words and expressions defined in the Conditions shall have the meanings in this summary.

20.1 & 20.2 The Master Declaration of Trust & Final Terms and Conditions

The Master Declaration of Trust and Final Terms and Conditions was entered into on 10th February 2025 between the Issuer/Trustee/SPV, the Government and the SUKUK Delegate and is governed by Zanzibar law. Pursuant to the Master Declaration of Trust, a Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of Trust Certificates and will also be governed by Zanzibar law.

Upon issue of the relevant Trust Certificates of the issuance, the Master Declaration of Trust and the relevant Final Terms and Conditions shall together constitute the trust over the relevant Trust Assets declared by the Issuer/Trustee/SPV in relation to such Issuance.

The Trust Assets in respect of Trust Certificates comprise, inter alia, the Issuer/Trustee/SPV's rights, title and interest, present and future in, to and under the Relevant Lease Asset(s), its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents and all monies standing to the credit of the relevant Transaction Account from time to time. Pursuant to the Declaration of Trust, the Issuer/Trustee/SPV will agree to act for and on behalf of the Certificateholders and, inter alia, in relation to Trust Certificates:

- (g) hold the relevant Trust Assets on trust absolutely for the Certificateholders as beneficial tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder; and
- (h) act as Issuer/Trustee/SPV in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

Each Declaration of Trust will specify, inter alia, that in relation to each Issuance.

- (i) there shall be no claim or recourse against the Issuer/Trustee/SPV in respect of any amount which is or remains unsatisfied, to the extent the Trust Assets have been exhausted, following which any unsatisfied claims against the Issuer/Trustee/SPV will be extinguished;
- (j) the Issuer/Trustee/SPV may from time to time (but always subject to the provisions of the Master Declaration of Trust), without the consent of the Certificateholders, create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such SUKUK (or terms and conditions that are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution

Amounts start to accrue), and so that the same shall be consolidated and form a single SUKUK Programme tranche, with the outstanding Trust Certificates of such SUKUK, and that any additional Trust Certificates which are to be created and issued so as to form a single SUKUK with the outstanding Trust Certificates of a particular SUKUK previously constituted by the Issuer/Trustee/SPV shall be constituted by a declaration of trust supplemental to the Master Declaration of Trust; and

- (k) on the date upon which any Supplemental Purchase Agreement is entered into in connection with the creation and issuance of additional Trust Certificates pursuant to the provisions described in sub- paragraph (b) above and the Master Purchase Agreement (being the relevant Issue Date for that additional Trust Certificates), the Issuer/Trustee/SPV will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset(s) and the Lease Asset(s) in respect of the issuance as in existence immediately prior to the creation and issue of the additional Trust Certificates are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates as tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder, in accordance with the Declaration of Trust.

In the Declaration of Trust, the Issuer/Trustee/SPV will irrevocably and unconditionally appoint the SUKUK Delegate to inter alia exercise all of the present and future powers, trusts, rights, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-SUKUK Delegate and to make any determinations to be made under the Declaration of Trust) vested in the Issuer/Trustee/SPV by the relevant provisions of the Declaration of Trust. The appointment of the SUKUK Delegate by the Issuer/Trustee/SPV is intended to be in the interests of the Certificateholders and, subject as provided in the Declaration of Trust, does not affect the Issuer/Trustee/SPV's continuing role and obligations as Issuer/Trustee/SPV.

In each Declaration of Trust the SUKUK Delegate will undertake that, inter alia, if it has actual knowledge or express notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Trust Certificates and subject to Condition 15: (i) it shall, as soon as reasonably practicable notify the Certificateholders of the occurrence of such Dissolution Event in accordance with Condition 18; and (ii) if so requested in writing by SUKUK Certificateholders representing not less than 25 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding (subject to being indemnified and/or secured and/or prefunded to its satisfaction), or if the SUKUK Delegate decides in its discretion, it shall give notice to the Issuer/Trustee/SPV, the Government and the Certificateholders in accordance with Condition 18 that the Trust Certificates are to be redeemed on the Dissolution Event Redemption Date specified in such notice at the Dissolution Event Amount, together with all unpaid Periodic Distribution Amounts (if any) accrued to (but excluding) the Dissolution Event Redemption Date.

A *Shari'ah*-compliant (or otherwise non-interest bearing) Transaction Account will be established in respect of Trust Certificates. Monies received in the Transaction Account in respect will, inter alia, comprise: (i) payments from the Government (in its capacity as lessee “the Lessee”) under the Lease Agreement (see “*Summary of the Principal Transaction Documents – Lease Agreement*” below); and (ii) the Exercise Price or Certificateholder Put Right Exercise Price, as applicable, received from the Government (in its capacity as purchaser) under the relevant Sale Agreement (see “*Summary of the Principal Transaction Documents – Purchase Undertaking*” and “*Summary of the Principal Transaction Documents – Sale and Substitution Undertaking*” below). The Master Declaration of Trust provides that all monies credited to the Transaction Account in respect will be applied in the order of priority set out in Condition 5.2.

In the Master Declaration of Trust, the Government will undertake that, inter alia, it will immediately upon demand (but without any double counting): (a) make payment to the Issuer/Trustee/SPV or the SUKUK Delegate (as applicable) (each acting for and on behalf of the Certificateholders) of an amount equal to the Purchase Price (as defined in the relevant Supplemental Purchase Agreement) in respect of any Initial Defective Sale by way of restitution and (b) indemnify fully the Issuer/Trustee/SPV or the SUKUK Delegate (as applicable) (each acting for and on behalf of the Certificateholders) for the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) expressed to be due and payable under, the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time if, as a result of either an Initial Defective Sale or a Subsequent Defective Sale, the Issuer/Trustee/SPV or the SUKUK Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) which is expressed to be due and payable under either the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time.

For this purpose, an “**Initial Defective Sale**” will occur if the sale, purchase, transfer and conveyance of any rights, title, and interest in, to and under any of the relevant Asset(s) or Additional Asset(s), as applicable (each as defined in the relevant Supplemental Purchase Agreement) from the Government (acting in its capacity as seller) to the Issuer/Trustee/SPV (acting in its capacity as purchaser) under the relevant Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part for any reason, and a “**Subsequent Defective Sale**” will occur if the sale, purchase, transfer and conveyance of any of the Issuer/Trustee/SPV’s rights, title and interest, in, to and under, inter alia, the Relevant Lease Asset(s) (or portion thereof, as the case may be) pursuant to the exercise of the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, including without limitation, by reason of any Initial Defective Sale.

20.3 Master Transfer/Purchase Agreement

The Master Transfer/Purchase Agreement was entered into on 10th February 2025 between Zanzibar Treasury SUKUK1 Limited (in its capacity as Issuer/Trustee/SPV and transferee/purchaser) and the Government (in its capacity as transferor) and is governed by

the laws of Zanzibar. If necessary, a Supplemental Purchase Agreement between the same parties may be entered into on the Issuance Date of the issuance (including any additional Trust Certificates issued pursuant to Condition 24 (an “**Additional Issuance**”)) of Trust Certificates and will also be governed by the laws of Zanzibar.

Pursuant to the Purchase Agreement, the Government (in its capacity as seller) may sell, transfer and convey to the Issuer/Trustee/SPV (in its capacity as purchaser), and the Issuer/Trustee/SPV may purchase and accept the transfer and conveyance from the Government of all of the Government’s rights, title and interests in, to and under the relevant Asset(s) (in the case of any Additional Issuance, the “**Additional Asset(s)**”). The Asset(s) or the Additional Asset(s), as applicable, will comprise on the Issue Date of the issuance those assets described in the Schedule to the Supplemental Purchase Agreement.

Pursuant to the relevant Supplemental Purchase Agreement, the Government (in its capacity as seller) will undertake, to the extent that the sale and purchase, transfer or conveyance of its rights, title and interests in, to and under the/any Asset(s) or Additional Asset(s) (as the case may be) is not (or is alleged not to be) effective in any jurisdiction for any reason and the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be) payable pursuant to the Sale and Substitution or Purchase Undertaking, as the case may be, is not paid in full when due, to:

- (i) make payment of an amount equal to the Purchase Price (or relevant part thereof) by way of restitution to the Issuer/Trustee/SPV (in its capacity as purchaser) immediately upon request; and/or
- (ii) indemnify fully the Issuer/Trustee/SPV for the purpose of redemption of the outstanding Trust Certificates of the issuance (or the Certificateholder Put Right Trust Certificates, as the case may be, and as defined in the Purchase Undertaking) and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be),

in each case, without duplication or double counting.

20.4 Master Ijarah (Lease) Agreement

The Master Ijarah (Lease) Agreement was entered into on 10th February 2025 between Zanzibar Treasury SUKUK1 Limited (in its capacity as Issuer/Trustee/SPV and as lessor “the Lessor”) and the Government (in its capacity as lessee “the Lessee”) and the SUKUK Delegate and is governed by the laws of Zanzibar. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of Trust Certificates (and in the circumstances described in the Purchase Undertaking, Sale and Substitution Undertaking and the Servicing Agency Agreement (see “*Summary of the Principal Transaction Documents – Purchase Undertaking*”, “*Summary of the Principal Transaction Documents – Sale and Substitution Undertaking*” and, “*Summary of the Principal Transaction Documents – Servicing Agency Agreement*”)) will also be governed by the laws of Zanzibar.

Pursuant to the Lease Agreement, the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) may lease to the Government (in its capacity as lessee “the Lessee”), and the Government may lease from the Issuer/Trustee/SPV, the Relevant Lease Asset(s) during renewable Rental

Periods commencing on the Lease Commencement Date (each such expression having the meaning given to it in the relevant Lease Agreement) and extending to the Scheduled Dissolution Date of the issuance of Trust Certificates (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended until the payment of any Outstanding Exercise Price in accordance with the Purchase Undertaking (and as defined therein)).

The Government (in its capacity as lessee “the Lessee”) will agree to use the Relevant Lease Asset(s) at its own risk. Accordingly, the Government shall from the date of the relevant Supplemental Lease Agreement bear the entire risk of loss of or damage to the Relevant Lease Asset(s) or any part thereof arising from the usage or operation thereof by it to the extent that such loss or damage has resulted from the Government’s gross negligence, wilful default, actual fraud, or breach of its obligations under the relevant Supplemental Lease Agreement. In addition, the Issuer/Trustee/SPV (as lessor “the Lessor”) shall not be liable (and the Government (as lessee “the Lessee”) will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the Government’s use or operation of the Relevant Lease Asset(s).

Under the Supplemental Lease Agreement, the Government (in its capacity as lessee “the Lessee”) will agree to be responsible, at its own cost and expense, for the performance of all Ordinary Maintenance and Repair (as defined in the Master Ijarah (Lease) Agreement) required for any Relevant Lease Asset(s). The Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) shall be responsible for: (i) the performance of all Major Maintenance and Structural Repair (as defined in the Master Ijarah (Lease) Agreement); (ii) the payment of any prior or other relevant Taxes (as defined in the Master Ijarah (Lease) Agreement) (excluding all Taxes that are by law imposed, charged or levied against a lessee “the Lessee” or a tenant); and (iii) insuring any Relevant Lease Asset(s) in accordance with the terms of the Servicing Agency Agreement, and the Government (as lessee “the Lessee”) will acknowledge that the Issuer/Trustee/SPV (as lessor “the Lessor”) may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, Major Maintenance and Structural Repair, the payment of such Taxes and the insurance of such Relevant Lease Asset(s), on behalf of the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”).

All payments by the Government (as lessee “the Lessee”) to the Issuer/Trustee/SPV (as lessor “the Lessor”) under a Lease Agreement shall be made free and clear of, and without any deduction or withholding, for any Taxes, unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is any such deduction or withholding, the Government (as lessee “the Lessee”) will agree under the relevant Supplemental Lease Agreement to pay such additional amounts as will result in the

receipt by the Issuer/Trustee/SPV (as lessor “the Lessor”) of such amounts as would have been received by it if no such deduction or withholding had been required.

An amount equal to: (i) the Supplementary Rental (if any) (as defined in the relevant Supplemental Lease Agreement) payable by the Government (in its capacity as lessee “the Lessee”) as (or as part of any) Rental; and (ii) any Service Charge Amounts to be paid by the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) to the Servicing Agent pursuant to the Servicing Agency Agreement, shall be set off against one another. The payment obligations of the Government (in its capacity as lessee “the Lessee”) under any Lease Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government (in its capacity as lessee “the Lessee”) and rank and (subject to the negative pledge provisions described in the Purchase Undertaking) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government (as lessee “the Lessee”), from time to time outstanding, **provided, further, that** the Government (as lessee “the Lessee”) shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the relevant Supplemental Lease Agreement and *vice versa*.

The Government (in its capacity as lessee “the Lessee”) will agree to indemnify the Issuer/Trustee/SPV (as lessor “the Lessor”) for any losses arising out of or in connection with any breach by the Government of its obligations under any Lease Agreement.

“**Relevant Indebtedness**” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (including *Shari’ah*-compliant certificates) which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

20.5 Purchase Undertaking

The Purchase Undertaking was executed on 10th February 2025 by the Government (in its capacity as Originator/Obligor) as a deed in favour of the Issuer/Trustee/SPV and the SUKUK Delegate and is governed by Zanzibar law, for redemption of the SUKUK trust certificates.

The Government (in its capacity as Originator/Obligor) has irrevocably undertaken in favour of the Issuer/Trustee/SPV and the SUKUK Delegate to purchase all of the Issuer/Trustee/SPV’s rights, title and interests in, to and under the Relevant Lease Asset(s) (or portion thereof, as the case may be) for Each Trust Certificates on the relevant Scheduled Dissolution Date or, if earlier, on the Dissolution Event Redemption Date or the Certificateholder Put Right Date (if a Certificateholder Put Right is specified as applicable in the applicable Final Terms and Conditions), of the issuance of Trust Certificates. The Exercise Price or Certificateholder Put Right Exercise Price (as the case may be) payable by the Government (as Originator/Obligor) shall be equal to the aggregate face amount of the Trust Certificates (or Certificateholder Put Right Trust Certificates, as the case may be) then

outstanding for the issuance plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates (or Certificateholder Put Right Trust Certificates, as the case may be) plus, without duplication or double counting, if all of the Trust Certificates of the issuance are being redeemed in full, an amount representing any amounts payable by Zanzibar Treasury SUKUK1 Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, if all of the Trust Certificates of the issuance are being redeemed in full, an amount equal to any Service Charge Amounts in respect of which an appropriate Supplementary Rental payment has not been made in accordance with, and as defined in, the relevant Supplemental Lease Agreement) **provided that**, in the case of any amounts payable pursuant to Condition 5.2(a), the Government has received a notification from the SUKUK Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered, plus, without duplication or double counting any other amounts payable on redemption of the Trust Certificates (or the Certificateholder Put Right Trust Certificates, as the case may be) as specified in the applicable Final Terms and Conditions.

The specific terms applicable to each such sale will be confirmed in a Sale Agreement, to be executed by Zanzibar Treasury SUKUK1 Limited (in its capacity as seller) and the Government (in its capacity as purchaser) on the relevant Scheduled Dissolution Date, the Dissolution Event Redemption Date or Certificateholder Put Right Date (as the case may be). The form of each such Sale Agreement is scheduled to the Purchase Undertaking. In the case of an exercise of the Certificateholder Put Right only (save where the Trust Certificates of the issuance are being redeemed in full), the Government (in its capacity as Lessee “the Lessee”) shall also enter into a replacement Supplemental Lease Agreement with the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) on the terms and subject to the conditions set out in the relevant Exercise Notice.

The relevant Exercise Notice shall provide that the Relevant Lease Asset(s), excluding the Certificateholder Put Right Lease Asset(s), will be leased to the Government (in its capacity as lessee “the Lessee”) under the replacement Supplemental Lease Agreement. Each Sale Agreement and/or replacement Supplement Lease Agreement shall be governed by the laws of the Islands of Zanzibar.

The Government (in its capacity as Originator/Obligor) has covenanted in the Purchase Undertaking that it will irrevocably and unconditionally fully accept all or any ownership interest the Issuer/Trustee/SPV has in the Relevant Lease Asset(s) (including any Certificateholder Put Right Lease Asset(s), as the case may be) and, if the Government does not fulfil such covenant or if that ownership interest is disputed or challenged, will fully indemnify the Issuer/Trustee/SPV for the purpose of redemption in full of the issuance of Trust Certificates (or the Certificateholder Put Right Trust Certificates, as the case may be) and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be).

The Government (in its capacity as Originator) will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking and the relevant Sale Agreement will be made without any deduction or withholding for Taxes unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is

any deduction or withholding, the Government (as Originator/Obligor) shall pay such additional amounts as will result in the receipt by the Issuer/Trustee/SPV of such amounts as would have been received by it had no withholding or deduction had been required.

The amount equal to the Service Charge Amounts to be paid by the Government as part of the Exercise Price or Certificateholder Put Right Exercise Price (as the case may be) payable pursuant to the Purchase Undertaking and any Service Charge Amounts to be paid by the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) under the Servicing Agency Agreement which has not been paid by way of a payment of Supplementary Rental under the relevant Supplemental Lease Agreement (and as defined therein) shall be set off against one another.

The payment obligations of the Government under the Purchase Undertaking are direct, unconditional, unsubordinated and (subject to the negative pledge provisions described below) unsecured obligations of the Government and rank and (subject to the negative pledge provisions described below) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government, from time to time outstanding, **provided, further, that** the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the Purchase Undertaking and *vice versa*.

Under the Purchase Undertaking, the Government has undertaken that, so long as any Trust Certificate remains outstanding (as defined in the Declaration of Trust), the Government (acting in any capacity) will not create and will ensure that no Agency will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (any of the foregoing, a “Lien”), upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to its obligations under the Transaction Documents the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution ; **provided, however, that** the foregoing shall not apply to any Lien solely incurred for the purpose of financing all or a part of the costs of the acquisition, construction or development of a project, **provided that** the perty over which such Lien is granted consists solely of the assets and revenues of such project (including, without limitation, royalties and other similar payments accruing to the Government and/or such Agency (as applicable) generated by the relevant project).

In addition, the Government has agreed that certain events or circumstances shall constitute a “**Government Event**” (as defined in the Conditions).

20.6 Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed on 10th February 2025 by Zanzibar Treasury SUKUK1 Limited (in its capacity as Issuer/Trustee/SPV) as a deed in favour of the Government and is governed by Zanzibar law.

Pursuant to the Sale and Substitution Undertaking, subject to the Issuer/Trustee/SPV being entitled to redeem the issuance of Trust Certificates pursuant to Conditions 11.2 or 11.5, as specified in the applicable Final Terms and Conditions, the Government may, by exercising its option under the Sale and Substitution Undertaking and serving notice on Zanzibar Treasury SUKUK1 Limited no later than 15 days prior to the commencement of the minimum period of notice specified in the Conditions or applicable Final Terms and Conditions for the group notice to Certificateholders and notice to the SUKUK Delegate in connection with the exercise of such option, oblige the Issuer/Trustee/SPV to sell, transfer and convey all the Issuer/Trustee/SPV's rights, title and interests in, to and under the Relevant Lease Asset(s) on the Optional Dissolution Date or Clean Up Call Right Dissolution Date (as the case may be). The Exercise Price payable by the Government will be an amount equal to the aggregate face amount of Trust Certificates then outstanding for the issuance plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates plus, without duplication or double counting, an amount representing any amounts payable by Zanzibar Treasury SUKUK1 Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, an amount equal to any Service Charge Amounts in respect of which an appropriate Supplementary Rental payment has not been made in accordance with the relevant Supplemental Lease Agreement), **provided that**, in the case of any amounts payable pursuant to Condition 5.2(a), the Government has received a notification from the SUKUK Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered, plus, without duplication or double counting, any other amounts payable on redemption of the Trust Certificates as specified in the applicable Final Terms and Conditions. The transfer of the Relevant Lease Asset(s) will take effect by the Government (in its capacity as purchaser) and the Issuer/Trustee/SPV (in its capacity as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking).

The payment obligations of the Government (in its capacity as purchaser) under the relevant Sale Agreement are direct, unconditional, unsubordinated, (subject to the negative pledge provisions described above) unsecured obligations of the Government and rank and (subject to the negative pledge provisions described below) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government, from time to time outstanding, **provided, further, that** the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the relevant Sale Agreement and *vice versa*.

The relevant Sale Agreement will provide that the Exercise Price payable pursuant to the exercise of the Sale and Substitution Undertaking will be made without any deduction or withholding for Taxes, unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is any deduction or withholding, the Government (in its capacity as purchaser) shall pay such additional amounts as will result in the receipt by the Issuer/Trustee/SPV (in its capacity as seller) of such amounts as would have been received by it if no withholding or deduction had been required. The amount equal to any Service Charge Amounts to be paid by the Government as part of any Exercise Price, which has not been paid by way of a Supplementary Rental payment under the Supplemental Lease Agreement, payable pursuant to the exercise of the Sale and Substitution Undertaking

and any Service Charge Amounts to be paid by Zanzibar Treasury SUKUK1 Limited (in its capacity as lessor “the Lessor”) under the Servicing Agency Agreement shall be set off against one another.

The relevant Sale Agreement will provide that if the Government (as purchaser) fails to pay all or part of any Exercise Price that is due in accordance therewith and the Sale and Substitution Undertaking, any purported exercise of the Government’s rights granted under the Sale and Substitution Undertaking (as described above) shall be void and of no effect.

In addition, under the terms of the Sale and Substitution Undertaking, if at any time the Government wishes to cancel any Trust Certificates (the “**Cancelled Lease Asset(s)**”) purchased pursuant to Condition 12.1, the Government may, by exercising its option under the Sale and Substitution Undertaking (by serving a Cancellation Notice on the Issuer/Trustee/SPV) oblige the Issuer/Trustee/SPV to transfer all of its rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government in consideration for which the cancelled Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Asset(s) will take effect by the Government (in its capacity as purchaser) and the Issuer/Trustee/SPV (in its capacity as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, Issuer/Trustee/SPV shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date (each as defined in the Sale and Substitution Undertaking). In addition, (save where the Trust Certificates of the issuance are being cancelled in full), the Government (in its capacity as lessee “the Lessee”) shall also enter into a replacement Supplemental Lease Agreement with the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) on the terms and subject to the conditions set out in the relevant Cancellation Notice. The Cancellation Notice shall provide that any Relevant Lease Asset(s) not cancelled will be leased to the Government (in its capacity as lessee “the Lessee”) under the replacement Supplemental Lease Agreement.

Furthermore, pursuant to the terms of the Sale and Substitution Undertaking, the Issuer/Trustee/SPV has granted to the Government the right to require the Issuer/Trustee/SPV to sell all of its rights, title and interests in, to and under the Substituted Lease Asset(s) (as defined in the Sale and Substitution Undertaking) to it in exchange for delivery to the Issuer/Trustee/SPV of New Asset(s) (as defined in the Sale and Substitution Undertaking) of a value (as determined by the relevant internal Government valuation of the New Asset(s) on the relevant Substitution Date (as defined in the Sale and Substitution Undertaking)) which is equal to or greater than the value (as determined by reference to the relevant internal Government valuation on the date on which the Substituted Lease Asset(s) was/were acquired by the Issuer/Trustee/SPV) of the Substituted Lease Asset(s).

The substitution of the Substituted Lease Asset(s) with the New Asset(s) will become effective on the Substitution Date (as specified in the Substitution Notice to be delivered by the Government in accordance with the Sale and Substitution Undertaking and each as defined in the Sale and Substitution Undertaking) by the Issuer/Trustee/SPV (in its capacity as seller) and the Government (in its capacity as purchaser entering into a Sale Agreement and the relevant replacement Supplemental Lease Agreement being executed in the manner provided for in the Substitution Notice. The Sale Agreement will effect the transfer of ownership rights in the Substituted Lease Asset(s) from the Issuer/Trustee/SPV to the

Government and the Substitution Notice will provide that the New Asset(s) and any Relevant Lease Asset(s) not replaced will be leased to the Government (in its capacity as lessee “the Lessee”) under the replacement Supplemental Lease Agreement.

Each Sale Agreement and/or replacement Supplemental Lease Agreement shall be governed by the laws of Zanzibar.

20.7 Assets Servicing Agency Agreement


The Assets Servicing Agency Agreement was entered into on 10th February 2025 by the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor” and the Government (in its capacity as servicing agent), and is governed by Zanzibar law.

Pursuant to the Assets Servicing Agency Agreement, the Government (as servicing agent) will be responsible on behalf of the Issuer/Trustee/SPV (as lessor “the Lessor”) for the carrying out of all Major Maintenance and Structural Repair (as defined in the Master Ijarah (Lease) Agreement), the payment of Prietorship Taxes (as defined in the Servicing Agency Agreement) (if any) charged, levied or claimed on the Relevant Lease Asset(s) and for effecting all appropriate Insurances in respect of the Lease Asset(s). If a Total Loss Event occurs, the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.

Notwithstanding the appointment of the Servicing Agent, the Issuer/Trustee/SPV (in its capacity as lessor “the Lessor”) shall, at its own cost and expense, be responsible for the performance of all Ordinary Maintenance and Repair (as defined in the Master Ijarah (Lease) Agreement) required for the Relevant Lease Asset(s).

The Servicing Agency Agreement provides that if on the occurrence of a Total Loss Event the Servicing Agent receives notice from the Government that the Replacement Lease Asset(s) (as defined in the Servicing Agency Agreement) is/are available on or before the 30th day after the occurrence of the Total Loss Event, the Issuer/Trustee/SPV shall purchase such Replacement Lease Assets from the Government by way of the payment by the Government (in its capacity as Servicing Agent) on behalf of the Issuer/Trustee/SPV of the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Government and the transfer to the Government by the Issuer/Trustee/SPV of any residual interest it may hold in the Relevant Lease Asset(s) (including any remaining rights in respect of any proceeds of the Insurances), in each case, on the terms and subject to the conditions of an agreement substantially in the form of a Supplemental Purchase Agreement in consideration for the sale, transfer and conveyance by the Government of the Replacement Lease Asset(s) to the Issuer/Trustee/SPV.

The replacement of the Relevant Lease Asset(s) with the Replacement Lease Asset(s) shall be subject to a replacement Supplemental Lease Agreement being entered into between the Government (in its capacity as lessee “the Lessee”) and the Issuer/Trustee/SPV (in its



capacity as lessor “the Lessor”) which shall specify the details of the Replacement Lease Asset(s).

If a Total Loss Event occurs and the Relevant Lease Asset(s) are not replaced as discussed above, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates and the consequent dissolution of the relevant Trust no later than the 31st day of after the occurrence of such Total Loss Event (being the “**Total Loss Dissolution Date**”).

If the amount of the proceeds of Insurances (if any) credited to the Transaction Account (as described above) is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Transaction Account being the “**Total Loss Shortfall Amount**”), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business in Zanzibar on the 30th day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.



Zanzibar SUKUK Taxation Matters (21)

21. Section Twenty One: Taxation Matters

The following is a general description of certain Zanzibar Islands tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payments under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this SUKUK Programme Base Prospectus and is subject to any change in law that may take effect after such date.

Zanzibar Islands

Under the existing Tanzanian laws on bonds, those above two (2) years maturity, payments of rate of return to investors shall not be subject to taxation in Zanzibar nor Mainland Tanzania. The holders of Zanzibarr SUKUK Certificates shall not subject to neither Withholding tax nor capital gain tax.

Certificates be subject to Zanzibar Islands or United Republic of Tanzania income or corporation tax. The Zanzibar Islands government currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax on bonds.

SUKUK Certificates Taxation

As explained above, under current legislation, there is no requirement for withholding or deduction for or on account of SUKUK Certificateholders in Tanzania with maturity above two (2) years in respect of payments made by the Government and/or the Issuer/Trustee/SPV under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by the Government under any Transaction Document to which it is party, the Issuer/Trustee/SPV has undertaken in Condition 13 (*Taxation*) (failing whom, the Government) to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Issuer/Trustee/SPV under the Trust Certificates: (i) the Issuer/Trustee/SPV has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions); and (ii) the Government has undertaken in the Declaration of Trust to pay such additional amounts to the Issuer/Trustee/SPV to enable it to discharge such obligation.

The Constitution of Zanzibar specifically reserves to the Federal Government of Zanzibar the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

Zanzibar has entered into double taxation arrangements with certain other countries, but these are not extensive in number.



SUKUK Certificates Subscription and Sale (22)

22. Section Twenty Two: Sukuk Certificates Subscriptions' and Sale

Words and expressions defined in the Conditions shall have the same meanings in this section, "Subscription and Sale".

The Bookrunners have, in a Bookrunner agreement (such Bookrunner agreement as modified and/or supplemented and/or restated from time to time, the "**Bookrunner Agreement**") dated 10th February 2025, agreed with the Issuer/Trustee/SPV and the Government a basis upon which they or any of them may from time to time agree to purchase Trust Certificates. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Trust Certificates*". In the Bookrunner Agreement, each of the Issuer/Trustee/SPV and the Government has agreed to reimburse the Bookrunners for certain of their expenses in connection with the issue of Trust Certificates under the Zanzibar Treasury SUKUK1 Limited.

Tanzania


The Trust Certificates will be registered under the **Securities Act, Cap 79 of 1994** (the "**Act**") and will be offered or sold within the United Republic of Tanzania for the account or benefit of The Revolutionary Government of Zanzibar pursuant to bonds registration requirements of the Securities Act. The terms used in this SUKUK Programme Base Prospectus have the meanings given to them by the CMSA "Capital Markets and Securities Act, Cap 79 of the Laws of Tanzania" and International Islamic Financial Markets (IIFM), Accounting, Auditing Organization of Islamic Financial Organization (AAOIFI) and Islamic Financial Services Board (IFSB), The World Bank SUKUK Resource papers and United Nations Development Programme (UNDP) SUKUK resource papers.

Each Bookrunner has represented and agreed, and each further Bookrunner appointed under the issuance will be required to represent and agree, that, except as permitted by the Bookrunner Agreement, it will not offer or sell any Zanzibar Treasury SUKUK1 Limited Trust Certificates: (i) as part of their distribution at any time; or (ii) otherwise until after the official announcement of the offering to public of such SUKUK, within the United Republic of Tanzania to persons residing in Tanzania, and the Issuer/Trustee/SPV will have sent to each Bookrunner Trust Certificates Subscription forms during the distribution compliance period a confirmation or other notice setting forth the permission on offers and sales of such Trust Certificates within the United Republic of Tanzania as per the Final Terms and Conditions of the Trust Certificate.

The Trust Certificates are not being offered and sold outside of the United Republic of Tanzania to non-Tanzania persons. In addition, until 10 days after the commencement of the offering of Trust Certificates, an offer or sale of such Trust Certificates within the United Republic of Tanzania by a Bookrunner that is not participating in the offering may have its agreement unilaterally terminated by the Issuer/Trustee/SPV.

General

Each Bookrunner has agreed, and each further Bookrunner appointed under the issuance will be required to agree, that it will (to the best of its knowledge) comply with all applicable



Tanzania securities laws, regulations and directives in force in the jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this SUKUK Programme Base Prospectus, any other offering material or any Final Terms and Conditions, Final Pricing Terms or Supplement thereof, Going to the Markets advertisements and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in the United Republic of Tanzania to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer/Trustee/SPV, the Government and any other Bookrunner shall have any responsibility therefor.

None of the Issuer/Trustee/SPV, the Government or any of the Bookrunners: (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Trust Certificates, or possession or distribution of this SUKUK Programme Base Prospectus, any other offering, material or any Final Terms and Conditions, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to this Issuance, the relevant Bookrunner(s) will be required to comply with any additional restrictions agreed between the Issuer/Trustee/SPV, the Government and the relevant Bookrunner(s) and set out in the relevant Bookrunner accession letter or subscription agreement, as the case may be. Any such modification will be set out in the Final Terms and Conditions issued in respect of the issue of Trust Certificates to which it relates or in a supplement to this SUKUK Programme Base Prospectus.



General Information About Zanzibar SUKUK Issuance (23)

23. Section Twenty Three: General Information About Zanzibar Sukuk

23.1 Authorisation

The establishment of the **Zanzibar Treasury SUKUK1** Limited and the entry of the Issuer/Trustee/SPV into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by the Council of the Revolutionary Government of Zanzibar resolution dated 11th January, 2025 and this SUKUK Programme issuance has been reached by a resolution of the Board of Directors of the Issuer/Trustee/SPV dated 10th February 2025.

The Issuer/Trustee/SPV and the Government have each obtained all necessary consents and reviews authorisations by CMSA in connection with the establishment of the SUKUK Programme issuance and the Issuer/Trustee/SPV is bound to execute and fulfil the Transaction Documents to which they are a party.

23.2 Listing of Trust Certificates

This SUKUK Programme Trust Certificates are up for listing on Dar es Salaam Stock Exchange secondary markets to allow the SUKUK certificateholders to trade their certificates. The listing is planned on or before 5th April, 2025. The Zanzibar Treasury Registrar is acting solely in its capacity as the listing agent for the Government and the Issuer/Trustee/SPV in connection with the Trust Certificates and is seeking admission of the Trust Certificates to the Official List or to trading on Dar es Salaam Stock Exchange for the purposes of enabling the SUKUK Certificateholders to trade their certificates if they decide to do so.

Application will be made to the Dar es Salaam Stock Exchange for Trust Certificates issued under the issuance during the 12 months from the date of this SUKUK Programme Base Prospectus to be admitted to the Official List and admitted to trading on the Exchange. It is expected that Trust Certificates which are to be admitted to the Official List and to trading on the Exchange for the Programme tranches will be admitted separately as and when issued, subject only to the issue of a Global Trust Certificate initially representing the Trust Certificates of such Issuance.

The Issuer/Trustee/SPV provides that Trust Certificates may be cross-listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets in East African Community stock or securities exchanges as may be agreed between the Issuer/Trustee/SPV, the Government and the relevant Transaction Agents.

23.3 No Significant Change

There has been no significant change in the tax and budgetary systems, foreign trade and balance of payments, foreign exchange reserves, financial position, prospects and resources and income and expenditure figures of the Revolutionary Government of Zanzibar since 30 June 2024 and there has been no significant change in gross public debt of the Revolutionary Government of Zanzibar since 30 June 2024.

There has been no significant change in the financial or trading position of the Issuer/Trustee/SPV and no material adverse change in the financial position or prospects of the Issuer/Trustee/SPV, in each case, since the date of its incorporation.

23.4 Litigation

Neither the Revolutionary Government of Zanzibar nor the Issuer/Trustee/SPV is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government or the Issuer/Trustee/SPV is aware) during the 12 months preceding the date of this SUKUK Programme Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Government and/or the Issuer/Trustee/SPV.

23.5 Language of this SUKUK Programme Base Prospectus

The language of this SUKUK Programme Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

23.6 Documents Available

For the period of 12 months following the date of this SUKUK Programme Base Prospectus, copies of the following documents will, when published, be available in physical/electronic form for inspection at the specified office of the Issuer/Trustee/SPV (at its principal offices at 10,12 Vuga Road, Urban West, Zanzibar):

- (l) copies of the constitutional documents of the Issuer/Trustee/SPV;
- (m) the Revolutionary Council Resolution date 11th January, 2025 declaring the Government of Zanzibar decision to issue a SUKUK and forming of a Special Purpose Vehicle (together with its formative procedures, registration, transaction agents' engagements, management procedures as applicable to Zanzibar Treasury SUKUK1 Limited, this Issuer and Trustee;
- (n) the current fiscal budget of the Government of Zanzibar;
- (o) the Master Declaration of Trust, the Final Terms and Conditions of the Trust Certificates, the Master Ijarah (Lease) Agreement, the Master Sale-Purchase/Transfer Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking, the Transaction Agency Agreement and the forms of the Global Trust Certificate and the Trust Certificates in definitive form;
- (p) each Supplemental Declaration of Trust, Supplemental Purchase Agreement, Supplemental Lease Agreement and Declaration of Commingling of Assets in

relation to Trust Certificates which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system;

- (q) a copy of this SUKUK Programme Base Prospectus; and
- (r) any future offering circulars, supplementary SUKUK Programme Base Prospectus and supplements including the Trust Deed, the Final Terms and Conditions (save that the Final Terms and Conditions relating to a Trust Certificate which is not listed on the Official List and neither admitted to trading on the Exchange or any other regulated market in the East African Economic Area nor offered in the East African Economic Area in circumstances where an SUKUK Programme Base Prospectus is required to be published under the Act will only be available for inspection by a holder of such Trust Certificate and such holder must produce evidence satisfactory to the Issuer/Trustee/SPV, the Lead Arranger/Transaction Manager and the Principal Paying Agent as to its holding of Trust Certificates and identity) to this SUKUK Programme Base Prospectus and any other documents incorporated herein or therein by reference.

The applicable Final Terms and Conditions for Trust Certificates that are listed on the: (i) Official List and admitted to trading on the Exchange; and (ii) Admitted to trading on the Exchange and, for a period of 12 months only from the date hereof, this SUKUK Programme Base Prospectus will be published on the website of Zanzibar President's Office-Finance and Planning (<http://mofzanzibar.go.tz>), the website of the Lead Arranger <http://www.yusrasukuk.world> as well as at www.pbzbank.co.tz, www.dse.co.tz and www.csdr.co.tz

23.7 Clearing Systems

The Trust Certificates have been accepted for clearance through Central Securities Depository and Registry (CSD & Registry) (which are the entities in charge of keeping the SUKUK Certificateholders' records). The appropriate Common Code and ISIN for Trust Certificates allocated by Central Securities Depository and Registry (CSD & Registry) will be specified in the applicable Final Terms and Conditions. If the Trust Certificates are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms and Conditions.

The address of CSD & Registry, 1st Floor, the Exchange Tower, Morocco Square, Junction of Ali Hassan Mwinyi Road & Mwai Kibaki Road, Dar es salaam, Tanzania,

23.8 Third-Party Information

Where information in this SUKUK Programme Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer/Trustee/SPV or the Government is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

23.9 Transaction Agents not Acting for any Prospective or Actual Holders of Trust Certificates

The Lead Arranger/Transaction Manager is authorised licensee of the Capital Markets and Securities Authority (the “CMSA”) and regulated by the CMSA and the Dar es Salaam Stock Exchange (the “DSE”). None of the transaction agents or the Lead Arranger/Transaction Manager, except the SUKUK Delegate, BM Attorneys (the “Delegate”) is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Issuer/Trustee/SPV for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this SUKUK Programme Base Prospectus and / or the relevant Final Terms and Conditions or any transaction or arrangement referred to herein or therein. None of the Transaction Agents, the Lead Arranger/Transaction Manager, the Bookrunners nor any of their respective affiliates has authorised the content of, or any part of, SUKUK Programme Base Prospectus and/or the relevant Final Terms and Conditions.

23.10 Transaction Agents transacting with the Government

Certain of the Transaction Agents and their affiliates have been engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for, the Revolutionary Government of Zanzibar and/or the Revolutionary Government of Zanzibar-Treasury and/or their affiliates (including any other public sector instrumentality, as defined in the Conditions) in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In particular, certain of the Transaction Agents are lenders to the Revolutionary Government of Zanzibar (and/or the Revolutionary Government of Zanzibar-Treasury and/or their affiliates (including any other public sector instrumentality)) and proceeds from the issue of the Trust Certificates may be used to repay such outstanding loan facilities provided they are Shari’ah-compliant. In connection with any offering under the Issuer/Trustee/SPV, the Transaction Agents may also purchase and sell the issuance Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Transaction Agents, Bookrunners and their affiliates may make or hold a broad array of investments and actively trade Shari’ah compliant debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Revolutionary Government of Zanzibar and/or the Revolutionary Government of Zanzibar-Treasury and/or their respective affiliates (including any other public sector instrumentality). Certain of the Bookrunners or their affiliates that have a lending relationship with the Revolutionary Government of Zanzibar and/or the Zanzibar Finance Department and/or their respective affiliates (including any other public sector instrumentality) routinely hedge their credit exposure to the Revolutionary Government of Zanzibar and/or the Revolutionary Government of Zanzibar-Treasury and/or their respective

affiliates (including any other public sector instrumentality) consistent with their customary risk management policies.

Typically, such Transaction Agents, Bookrunners and their affiliates would hedge such exposure by entering into Shari'ah compliant transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Trust Certificates. Any such short positions could adversely affect future trading prices of the Trust Certificates issued under the issuance. The Transaction managers, Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ZANZIBAR TREASURY SUKUK1 LIMITED CERTIFICATE OF REGISTRATION



RGoZ Sukuk Key Parties to the Transaction

Originator: Zanzibar Treasury



Hon. Dr. Saada
Mkuya Salum, Minister
Finance & Planning



Dr. Juma Malik
Akil-PST
Finance & Planning



Waheed Mohamed
Treasury Registrar
Finance & Planning



Mr. Hamed Nassor Said
Head -Debt Management
Division



The Revolutionary Government of Zanzibar (RGoZ) Sukuk Issuer/Trustee/SPV Directors



CPA, Juma Amour Mohammed
Chairperson



Dr. Masoud Rashid Mohamed
Executive Director



Mr. Akil Ali Khamis
Director



Mr. Seif Abdalla Juma
Director



Mr. Nassor Shaaban Ameir
Director



Mr. Jape Ussi Khamis
Director



Mr. Yaasin Ameir Juma
Director

Lead Arranger/Transaction Manager



Sheikh Mohamed
Issa Hemed,
(CSP)
(Chairperson)



CPA, Ibrahim
Mshindo
CEO, Former DSE
Director



CPA, Benson
Mahenya
(Director)



Mrs. Fatma I.
Majalla-CFO
(Director)





REVOLUTIONARY GOVERNMENT OF ZANZIBAR

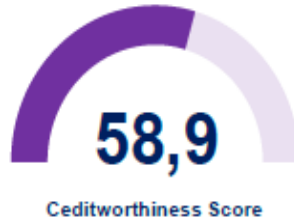
Zanzibar Treasury Sukuk1 Limited

RATING ACTION ANNOUNCEMENT

17 February 2025

RATING ACTION

SAR Sovereign Rating Model Creditworthiness Score 589/1000.



On 17 February 2025, Sovereign Africa Ratings (SAR) assigned local currency long-term and short-term issuer credit ratings of BBB+ and B+, respectively, to the Revolutionary Government of Zanzibar (in its capacity as the Sukuk Originator). The outlook on the ratings is stable. Concurrently, SAR has assigned local currency long-term and short-term issuer credit ratings of BBB+ and B+, respectively, to the Zanzibar Treasury Sukuk1 Limited's proposed Sukuk issuance of up to TZS 1,115,000,000,000.00.

Local Currency Ratings:			
Date	Rating Category	Rating	Outlook
17 February 2025	Long-term	BBB+	Stable
17 February 2025	Short-term	B+	Stable

Sukuk Rating Rationale

SAR has assigned the Zanzibar's Tanzanian Shilling (TZS) denominated Sukuk trust certificates, issued through The Zanzibar Treasury Sukuk1 Limited¹ (in its capacity as the Sukuk Issuer/Trustee/SPV), BBB+ and B+ long-term and short-term ratings, respectively. The outlook is stable. The Sukuk's ratings are fundamentally linked to Zanzibar's creditworthiness. This connection underscores the importance of Zanzibar's overall financial health considering that the issuance is an asset-based Ijarah Sukuk. Some important features of the Sukuk include the following:

- In case of a default by the Sukuk Originator, the Sukuk investors will have recourse to the Revolutionary Government of Zanzibar guarantee and assurance which is the Originator and Obligor for the Sukuk certificates. Furthermore, this Sukuk has been secured by bond

¹ Zanzibar Treasury Sukuk1 Limited, a government entity, registered as a Limited liability company incorporated in the Zanzibar Islands under the Companies Act No. 12 of 2023. The Issuer/Trustee/SPV has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party as the Special Purpose Vehicle (SPV) of the Revolutionary Government of Zanzibar.

performance guarantee from ZIC Takaful Company Limited for the coupon payments ensuring that there will be no periodic returns payment failure.

- To prepare for the redemption amounts, the government will open a fixed-deposit Mudaraba profit-generating account and an Escrow/Sinking Fund account at a Shari'ah-compliant commercial bank.
- The Sukuk documentation also incorporates a negative pledge wherein the Government has agreed in the Purchase Undertaking that for so long as any Trust Certificate remains outstanding, it will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant Sukuk Obligation, of any Person.

Key Rating Drivers

Zanzibar's demonstrated ability to generate revenue provides a solid foundation for its debt repayment capacity, directly supporting the Originator's creditworthiness. This revenue generation capacity, coupled with prudent debt management practices, reinforces the government's ability to meet its financial obligations. Furthermore, effective control for inflation and a relatively stable local currency contribute to economic stability and ensure long-term sustainability, benefiting Sukuk holders.

Several structural features of the Sukuk enhance investor protection. The negative pledge provision restricts the Originator from securing its other debt with assets unless the Sukuk obligations are equally secured, prioritising Sukuk holders' claims. Restrictions on the Issuer/Trustee/SPV's ability to merge or sell assets ensure the continuity of the Sukuk's underlying obligations. Additionally, the Originator's right to substitute assets (with conditions) offers flexibility while maintaining the asset pool's value and integrity.

Finally, defined protocols for total loss and revocation events provide clarity and mitigate risks. The total loss event protocol, including lease termination and redemption via insurance proceeds, protects investors in case of unforeseen circumstances. The revocation event protocol outlines a clear process for redemption and trust dissolution.

Zanzibar's ratings are underpinned by several key factors, including:

- **Strong Revenue Performance:** General Government Revenue (% of GDP) averaging a healthy 23.1%.
- **High Growth Rate:** GDP growth rate is projected to average 6.7% between 2025 and 2026.
- **Moderate Debt Levels:** Gross government debt (% of GDP) 3-year average of 19.24%.
- **Low Inflation:** A low and stable inflation rate averaging 4.5%.
- **Strong Debt Repayment History:** A long and consistent debt repayment record, with no default or restructuring events.
- **Adequate Foreign Currency Reserves:** Foreign currency reserves (% of total external debt) at a comfortable 15.78%.
- **Stable Socioeconomic Indicators:** Consistent reduction in the unemployment rate, moderate and improving HDI, and increasing energy generation and availability (population with access to electricity).

Rating Sensitivities:

The Sukuk rating is sensitive to Zanzibar's debt composition. Currently, Gross Foreign Currency Denominated Debt represents 69.73% of GDP, while Gross Local Currency Denominated Debt accounts for 30.26%. Significant shifts in this balance, particularly an increase in foreign currency-denominated debt, could negatively impact the rating due to increased exposure to exchange rate fluctuations and external economic pressures.

Income inequality, as measured by the Gini coefficient averaging 0.43, also presents a sensitivity. While not a direct financial metric, worsening income inequality can create social unrest and political instability, which in turn can affect economic performance and government finances. Progress in addressing income inequality through inclusive economic policies and social programmes could positively influence the rating over time.

A demonstrated commitment to fiscal prudence, leading to a sustained balance in the debt-to-GDP ratio, would be viewed favourably. Conversely, fiscal deterioration, such as significant and sustained increases in the debt-to-GDP ratio due to widening deficits or economic shocks, could trigger a negative rating action.

Similarly, improvements in governance, transparency, and accountability, leading to greater institutional effectiveness, would be viewed positively. Conversely, any weakening of institutions, including erosion of governance standards, increased corruption, or declining effectiveness, could negatively impact the ratings.

Analytical Considerations:

SAR has considered various factors in arriving at these ratings, including Zanzibar's macroeconomic performance, fiscal position, institutional framework, the economic contribution of natural resource extraction and beneficiation (including tourism), infrastructure development, and external environment exposure risk. The ratings also reflect SAR's assessment of the potential impact of climate change and other environmental factors on Zanzibar's economy.

RATING ACTION ANNOUNCEMENT



Rating Methodology

[Sovereign Rating Methodology: Governments/Sovereign States](#)

[Sukuk Rating Methodology](#)

Rating History

Initial Rating Date	17 February 2025	Current Rating Date	17 February 2025
----------------------------	------------------	----------------------------	------------------

Solicitation Status

Solicited credit rating review. The rating assignment was conducted at the request of the rated entity/issuer or a related third party.

SAR confirms that the credit rating has been disclosed to the rated entity/issuer or a related third party.

Participation Status

The Issuer participated in the rating process through the provision of information and data, comments, factual corrections, and the assessment of inadvertent inclusion of confidential information.

Rating Definitions

[SAR Rating Definitions](#)

Information and Data

SAR confirms that data and information adequacy was sufficient to conduct this credit rating. Data and information from reputable sources were used during the credit rating process. The quality of the data and information has been validated via cross-referencing against various data sources for consistency.

Glossary of Terms

Term	Definition
The African Continental Free Trade Area (AfCFTA)	The African Continental Free Trade Area (AfCFTA) is a landmark trade agreement among African countries aimed at promoting intra-Africa trade and economic integration. It was established to create a single market for goods and services on the continent, removing trade barriers and fostering economic cooperation among African nations.
Credit Rating Action	Any of the following is a credit rating action: <ol style="list-style-type: none"> 1. The process through which a credit rating is given to a rated entity or obligation, including credit ratings given during a subsequent rating process. 2. When relevant conditions are thought to have been satisfied in the anticipated rating process, a provisional note is removed from a credit rating. 3. A change to a credit rating (i.e., upgrade or downgrade). 4. Placing a credit rating under review, reconfiguring an active review, or removing a credit rating from review (i.e., credit rating confirmation). The assignment of, or modification of, an outlook linked to a rated entity or several credit ratings. 5. A credit rating affirmation. 6. A credit rating withdrawal.
Current account balance	Exports of goods and services minus imports of the same plus net factor income plus official and private net transfers.
Employee(s)	An employee is any full-time or part-time employee of SAR or any of its subsidiaries and associated companies.
Foreign Direct Investment (FDI)	Direct investment conducted by non-residents.
Gross domestic product (GDP)	The total market value of goods and services produced by resident factors of production.
GDP per capita	GDP is divided by population.
Issuer	An issuer is any entity that issues debt, a credit commitment, debt-like obligations, or securities. Examples of such entities include special-purpose vehicles, companies, governments, and local governments.
Lead Rating Analyst (Lead Analyst)	Lead Rating Analyst is a term used to describe an analyst who is primarily responsible for providing details about a credit rating and/or for communicating with the issuer(s) regarding a specific credit rating or regarding the credit rating of a financial instrument issued by that issuer, as well as, when appropriate, for creating recommendations for the rating committee in relation to that credit rating.
Manager(s)	Managers (s) are employees who oversee the management of personnel.
Net general government debt	General government debt minus general government liquid financial assets.
Net external liabilities	Total public and private sector liabilities to non-residents minus total external assets.
Outlook	An outlook is an opinion regarding the likely path an issuer's rating could take over the medium term.
Prohibited Recommendation	Any proposals or recommendations made either formally or informally regarding the design of financial instruments on which a CRA is envisioned to issue a credit rating may be made by an employee to a rated entity or its agent to improve the rated entity's rating. This includes suggestions about the rated entity's corporate or legal structure, assets, liabilities, or activities.
Rated Entity(ies)	A rated entity is any entity rated by a credit rating agency (CRA).
Review	A review is an indication that a rating may change in the not-too-distant future.

RATING ACTION ANNOUNCEMENT



SAR	Sovereign Africa Ratings (Pty) Ltd is authorised to conduct business as a credit rating agency as per the Credit Ratings Services Act of 2012 of the Republic of South Africa.
Special Drawing Rights (SDR)	The SDR is an international reserve asset that was created by the International Monetary Fund in 1969 to supplement its member countries' official reserves.
Security	Security refers to any type of financial instrument, including stocks, bonds, debentures, notes, options, equity securities, convertible securities, warrants, derivative securities (derivative), and warrants.
Total Debt Service (TDS)	Total Debt Service (TDS, current US\$) refers to the total amount of money paid by a country to cover the principal and interest payments on its external debt. External debt includes loans and financial obligations owed to foreign creditors, such as other governments, international organisations, or private entities, by the country in question.
TZS	Tanzanian shilling.



Chairperson: Bekithemba Ndimande | Senior Rating Analyst

Lead Analyst: Lomanja Malaba | Senior Rating Analyst

Contact: info@saratings.com

+27 10 203 9921

Thornhill Office Park, Block 13, Ground Floor, 94 Bekker Road,

Midrand, Johannesburg, South Africa

www.saratings.com

No part of this credit rating was influenced by any other Sovereign Africa Ratings business activities. The rating committee determined this credit rating based solely on its independent assessment of the credit risks and merits of the issuer or issue being rated in accordance with Sovereign Africa Ratings published methodologies. This credit rating is solicited. The entity that was rated took part in the credit rating process. Sovereign Africa Ratings did not have access to the rated entity's or a connected third party's non-public information. Sovereign Africa Ratings has also used data from sources it considers to be dependable, but it cannot guarantee the correctness or sufficiency of any data used. Audited and independently verifiable data is used to the largest extent possible. The rated entity or connected third parties were informed of this credit rating before it was issued. SAR's rating framework is based on a transparent methodology for measuring credit risk. SAR's assessment of creditworthiness is derived from quantitative and qualitative approaches. The rating process for solicited credit ratings is to a large extent based on analytical models and uses both private and publicly available data and issuer-provided information where available. Reg No. 2019/155710/07. Sovereign Africa Ratings is a licensed credit rating agency, FSCA License No. FSCA-CRA006.

APPENDIX B: TAKAFUL CREDIT ENHANCEMENT COMMITMENT LETTER



ZIC TAKAFUL COMPANY LIMITED
P. O. Box 432, Maisara Mpirani, Zanzibar, Tanzania
Tel: +255 24 223 2676 | Email: takaful@zic.co.tz

ZICTAKAFUL/TIRA/HQ/2/2024

17/02/2025

Chairman,

CPA Juma Amour Mohammed

Zanzibar Treasury Sukuk 1 Limited

Zanzibar

RE: CONFIRMATION TO FACILITATE ON SUKUK 1 TAKAFUL COVER.

We have the honour to refer to your letter dated 12th February 2025 with reference number AB:001/001/01/01 regarding the above subject.

On behalf of ZIC Takaful, I am pleased to confirm to you that we will facilitate on issuing of Takaful cover for Zanzibar Treasury Sukuk 1 under the credit enhancement.

We have already liaised with corresponding partners within and outside the Country to join Government and ZIC Takaful to offer the credit enhancement facility.

We will let you know once we have structure in hand and corresponding cost.

Once again would like to thank you for this glorious opportunity

Yours sincerely,

Said A. Basleym

Act: CEO

ZIC Takaful Company Ltd.

Tel: +255 24 223 2676 | Website: www.zictakaful.co.tz | Email: takaful@zic.co.tz
Head Office, 3rd Floor, ZIC Building, Maisara Mpirani, Zanzibar, Tanzania



General SUKUK Markets Overview (24)

24. Section Twenty Four: General SUKUK Market Overviews

Islamic finance extends beyond banking to cover various sectors such as insurance (Takaful), capital markets, investment funds, and other financial products and services. It seeks to provide financial solutions that are consistent with Islamic ethics, avoiding interest-based transactions, excessive uncertainty (Gharar), and investments in prohibited activities (Haram), such as alcohol and gambling.

22.1 Global Overview: Islamic Finance and SUKUK

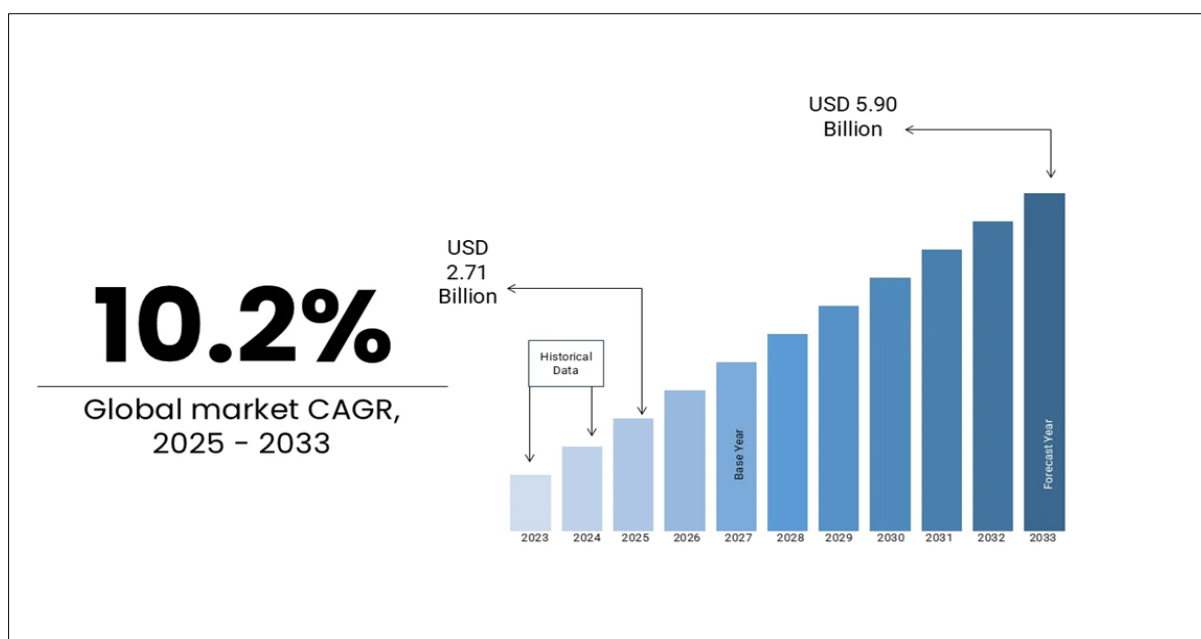
According to the Islamic Finance Development Report 2023, the global Islamic finance industry increased its asset size by 11% to USD 4.5 trillion in 2022 with Islamic banking holding 72% of total industry's asset despite a challenging macroeconomic environment characterized by inflationary pressures, geopolitical tensions, and banking sector stresses. The industry also grew by 163% since 2012 and is expected to grow by USD 6.7 trillion by 2027.

Islamic finance, also known as alternative finance, non-interest finance, ethical finance, or participatory finance, is based on principles of Islamic law of transactions or Fiqh Muamalat. It is made up of several components such as Islamic banking (by far the largest), capital markets, halal funds, Islamic insurance, and Other Islamic Financial Institutions (AOIFIs).

22.2 Global Islamic Finance Market Size Overview

The global Islamic finance market was worth USD 2.46 billion in 2024, and is predicted to grow to USD 5.90 billion by 2033 from USD 2.71 billion in 2025, rising at CAGR of 10.2% from 2025 to 2033

Chart: Global Islamic Finance Market by Market Size



Source: IFSB Report 2024

22.2.1 Global Islamic Finance Market by Assets (Segment)

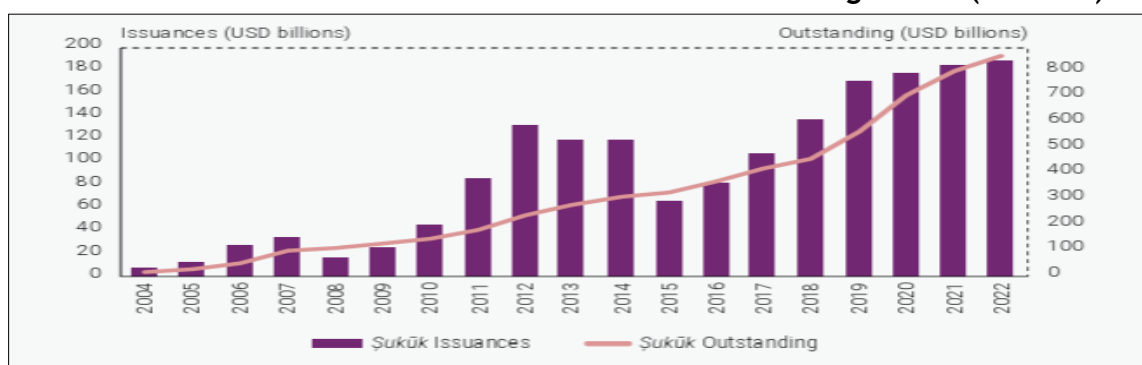
Amongst the Islamic finance ecosystem, Islamic banks asset leads by making 69.3% of the total Islamic finance asset generally, SUKUK outstanding and Islamic funds collectively represented 29.8%, and Islamic insurance (Takaful) asset make 0.9%.

Region	Islamic Banking Assets	SUKUK Outstanding	Islamic Funds Assets	Takaful Contribution	Total	Share (%)
Gulf Cooperation Council (GCC)	1,342.9	356.6	24.1	16.7	1,740.3	53.6%
South-East Asia (SEA)	307.2	411.4	32.8	6.0	757.4	23.3%
Middle East & South Asia (MESA)	478.3	57.8	62.9	5.9	604.9	18.6%
Africa	49.6	2.9	1.9	0.8	55.2	1.7%
Others	71.2	1.0	14.9	0.6	87.7	2.7%
Total	2,249.2	829.7	136.6	30.0	3,245.5	100.0%
Share (%)	69.3%	25.6%	4.2%	0.9%	100.0%	

22.2.2 Global SUKUK Markets: Growth, Trends, and Resilience

Islamic Finance Stability Board (IFSB) through its annual Islamic Finance Stability Report for 2024 indicated that SUKUK market slowed down in 2022 despite consecutive upward growth trajectory observed since 2015 (see Chart below: **Global SUKUK Issuance Trends**). Issuances in 2022 saw a year-on-year growth of just 2.3% (2021: 4%), with the slowdown driven by a number of factors, including higher oil prices, rise in rates, as well as geopolitical headwinds.

Chart: Global SUKUK Issuances and SUKUK Outstanding Trends (2004-22)



Source: IFSB Report 2024

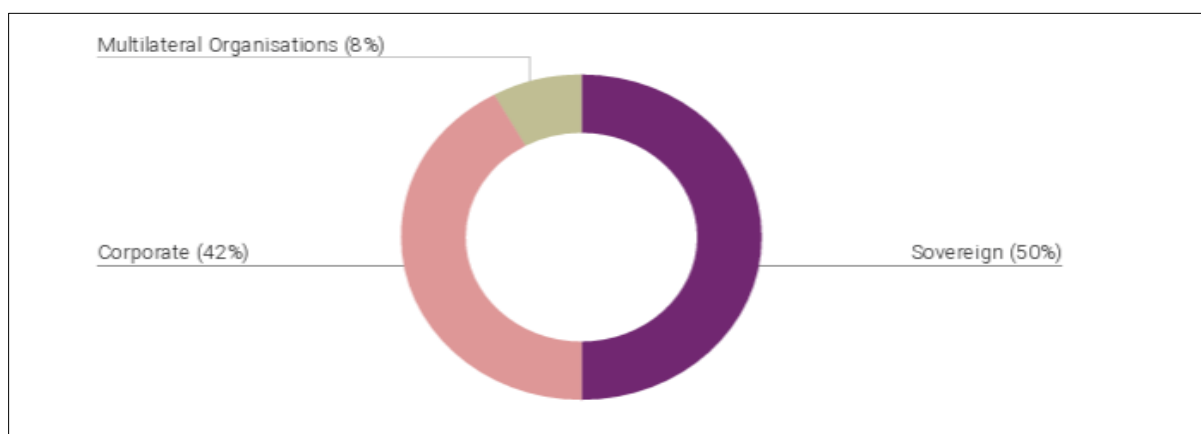
The overall SUKUK outstanding rose to USD 829.7 billion in 2022, demonstrating a year-on-year growth of 7% (2021: 12.5%). While SUKUK markets experienced a lower year-on-year

growth in 2022, it fared well compared to global bond issuances, which saw an overall 12% decline in issuances in 2022.

22.2.3 Global SUKUK Issuances by Issuer Type

According to IFSB Islamic Finance Stability Report 2024, Sovereign and Quasi-Sovereign programmes accounted for 52.51% of overall programmes (2022: 50.41% of total programmes). Positive trends were observed in the GCC, ECA, and SA regions. The EAP and GCC remain two leading regions for sovereign programmes. Notably, 2023 saw several debut sovereign programmes, including those from Egypt and the Philippines.

Chart: Global SUKUK Issuances by Issuer Type (2022)



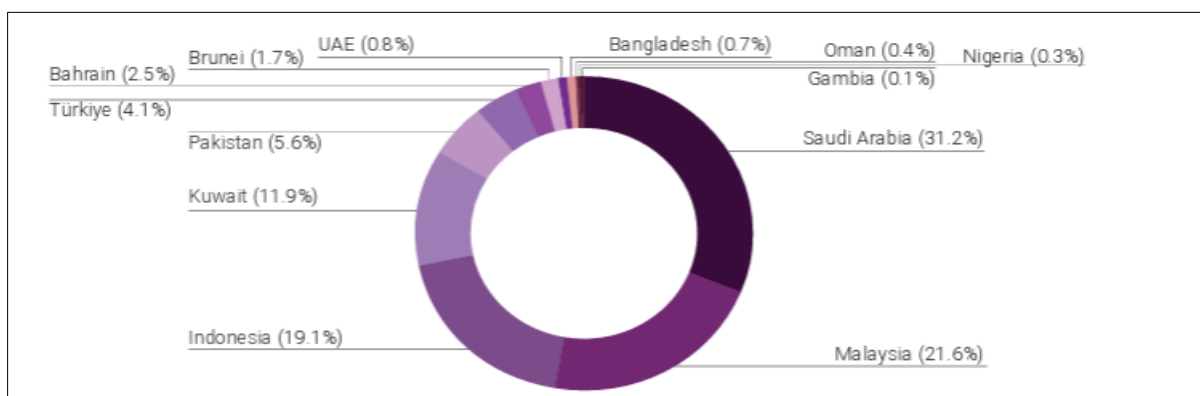
Source: IFSB Report 2024

22.2.4 Sovereign SUKUK Issuances by Jurisdiction of the Originator

The EAP region represented the largest region for sovereign programmes in 2023, followed by the GCC. Primary market SUKUK issuances by sovereigns remained strong in 2023, with a marked increase in the programme amount of SUKUK across most major issuers, while some jurisdictions experienced moderate growth.

However, few jurisdictions saw a decline, which may be attributable to improved fiscal positions of those sovereign issuers. Corporate programmes which made up approximately 39.46% of global SUKUK issuances also decreased by 4.72% in terms of programme amount from 2022.

Chart: Sovereign SUKUK Issuances by Jurisdiction of the Originator (2022)

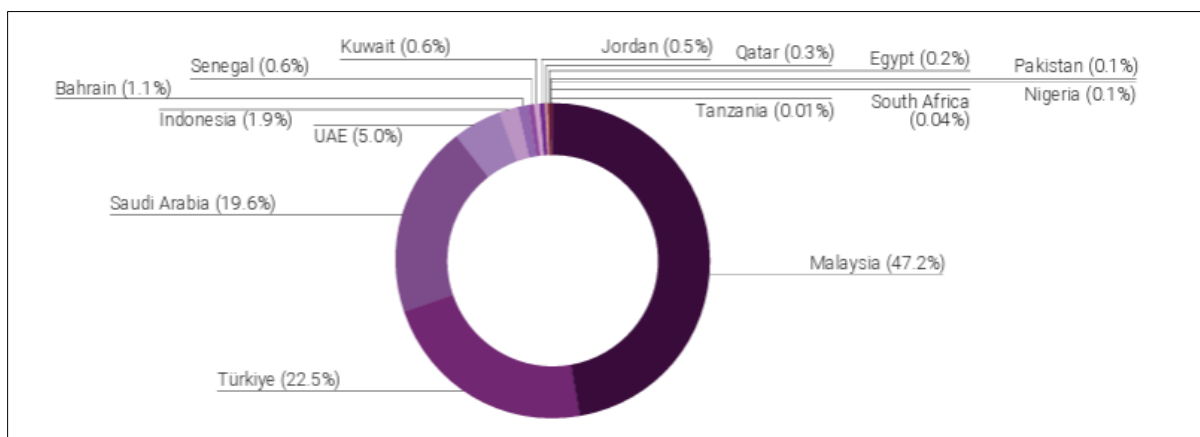


Source: IFSB Report 2024

22.2.5 Corporate SUKUK Issuances by Jurisdiction of the Originator

The GCC region contributed the largest share of corporate SUKUK issuances in 2023 while programmes from the EAP region remain significant. New entrants to the corporate market included issuers from North America (NA) and ECA regions, the latter including Kazakhstan and France. Corporate entrants from the Sub-Saharan African region included issuers from South Africa and Tanzania.

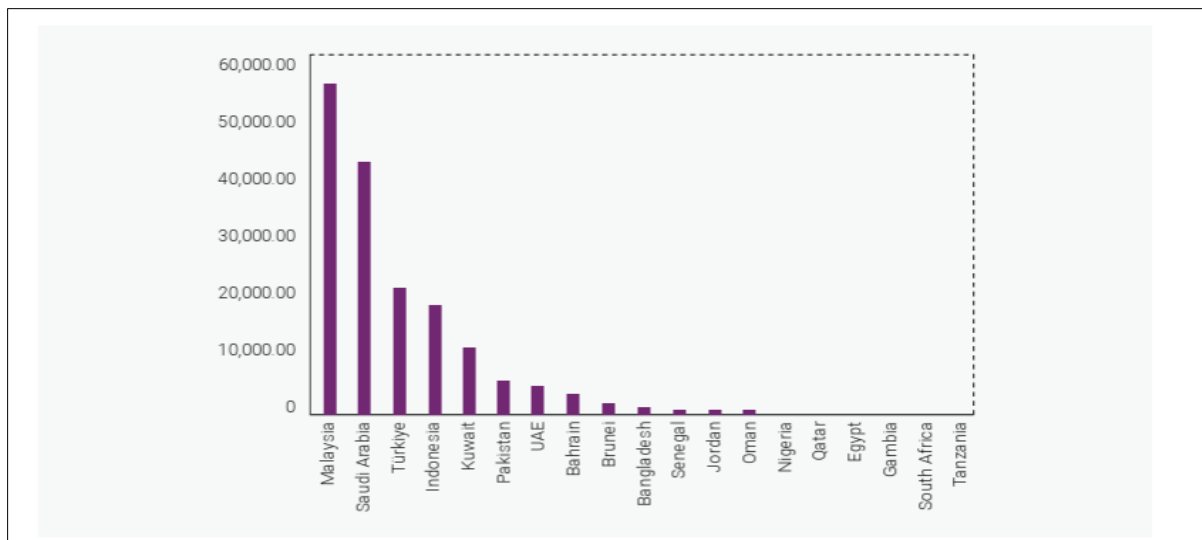
Chart: Corporate SUKUK Issuance by Jurisdiction of the Originator



Source: IFSB Report 2024

Malaysia continues to dominate the corporate SUKUK market, while Türkiye overtook Saudi Arabia as the second largest corporate issuer. In terms of individual jurisdictions, there was a general increase in corporate SUKUK issuances across all jurisdictions, with the exception of the GCC region, which saw a lower volume of issuances from Saudi Arabia, Bahrain, Kuwait, and Qatar compared to 2021. Notably, corporate entrants from the African region increased, including issuers from Nigeria, Senegal, South Africa, and Tanzania.

Chart: Total SUKUK Issuances by Jurisdiction of the Originator (2022)

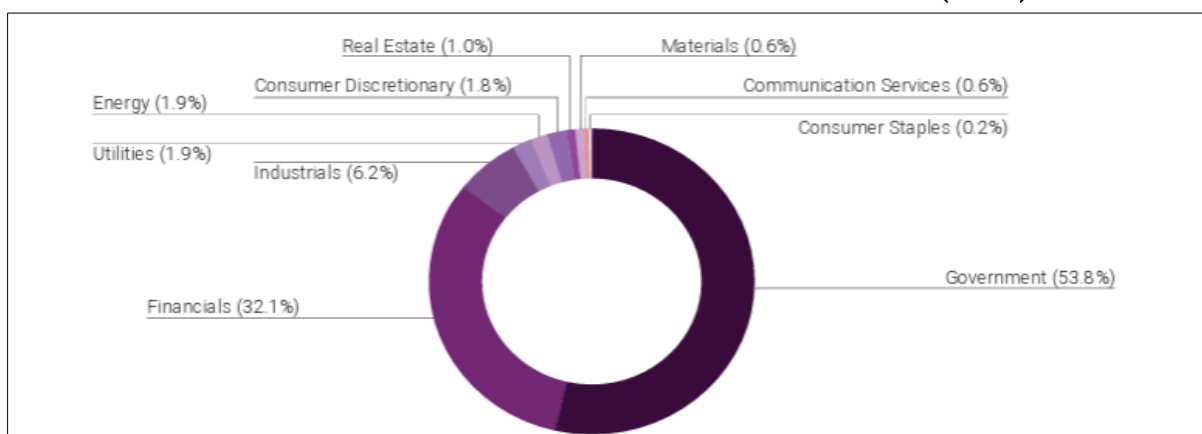


Source: IFSB Report 2024

22.2.6 Global SUKUK Issuance by Sector

Government and financials sector issuers continue to make up the largest share of SUKUK issuers, with a combined composition of 86% of all issuances in 2022 (2021: 90%), a 4% d from the previous year, pointing to a marginal increase in issuances from other sectors. In comparison, in the conventional markets, government and financial sectors accounted for 78% of the global debt issuances in 2022, which was a 5% increase from the previous year. This points to a divergence from the general bond market trend of investors moving out of risk assets, as the corporate SUKUK market did not experience a similar d in demand, and there was sustained investor appetite for corporate SUKUK issuances. It also signals a slow but promising move towards more corporate issuers other than the financial sector, entering the SUKUK market, which has historically been dominated by government and financial issuers. In general, all sectors saw an increase in issuances except the real estate and consumer staples sectors, which saw a d in 2022.

Chart: Sectoral Distribution of Global SUKUK Issuances (2022)



Source: IFSB Report 2024

22.2 SUKUK Forms and Structures

22.3.1 SUKUK Forms

There are two main forms of SUKUK namely Asset-Based SUKUK and Asset-Backed SUKUK. The difference is based on where the SUKUK underlying asset reside(s). If the assets are on the balance sheet of the Originator, it is called Asset-Based SUKUK, whereas, when they are on the balance sheet of the SPV, it is called Asset-Backed SUKUK. The most common form of SUKUK in use is Asset-Based SUKUK. The table below, indicates key differences between Asset-Based SUKUK and Asset-Backed SUKUK.

Chart: SUKUK Forms - Asset-Based SUKUK and Asset-Backed SUKUK

Description	Asset-Based SUKUK	Asset-Backed SUKUK
Legal Ownership of the Asset	<ul style="list-style-type: none"> • Originator transfer beneficial ownership of asset to Investors. • Legal ownership remains with Originator. • In the event of a default, the investors recourse only to the Originator/Obligor but not to asset hence unsecured SUKUK 	<ul style="list-style-type: none"> • Transfer of legal ownership of the asset from Originator to a third party (typically, an SPV). • In the event of default, the investors have recourse to SUKUK asset hence secured SUKUK.
Financial Cashflow Source	<ul style="list-style-type: none"> • The cashflow is normally based on Originator's principal activities hence, like bonds, rating is on creditworthiness of Originator and not the instrument itself. 	<ul style="list-style-type: none"> • Normally, it is based on cashflow generated by the asset and the rating focus in on the instrument (SUKUK) itself and the creditworthiness of the Originator.
Risk-Default	<ul style="list-style-type: none"> • Investors have recourse only to Originator. 	<ul style="list-style-type: none"> • Investors have recourse to the asset and rights for the disposal to recoup the principals.

22.3.2 SUKUK Issuance and Special Purpose Vehicle (SPV)

SUKUK issuances typically involve a legal entity known Special Purpose Vehicle (SPV) or Special Purpose Company (SPC) or Special Purpose Entity (SPE), which holds the SUKUK Asset as an Agent or Issuer on behalf of the SUKUK holders. Formation of SPV is an internationally preferred practice that ensures investors' trust on the programme as it conveys the message of impartiality of the Originator in managing the issuance.

Chart: Global Sovereign SUKUK and their Special Purpose Vehicles (SPVs)

S/N	Jurisdiction	Name of Special Purpose Vehicle Formed	Ownership
1.	Indonesia	Purusahan Pernbit SBSN (I, II and III)	100% Government
2.	South Africa	ZAR Sovereign Capital Fund Prietary Limited	100% Government
3.	Turkiye	Undersecretary of Treasury Asset Leasing Co. (HMKKS)	100% Government
4.	Nigeria	FGN Roads Sukuk Company Plc	100% Government
5.	Luxembourg	Luxembourg Treasury Securities SA	100% Government
6.	Senegal	FCTC Sukuk Etat du Senegal	100% Government
7.	Malaysia	Malaysia Sovereign Sukuk Berhad	100% Government
8.	Bangladesh	Debt Management Department (DMD) of Bangladesh Bank	100% Government
9.	Hong Kong	Hong Kong Sukuk Limited	100% Government
10.	United Kingdom	HM Treasury Sovereign Sukuk Plc	100% Government

22.4 Major SUKUK Structures

A SUKUK structure is simply a Shari'ah underlying contract upon which the SUKUK is issued. This is one of the major differences between conventional bonds and SUKUK and in fact it is the requirement that determine Shari'ah compliance of the programme.

According to Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), there are fourteen (14) major SUKUK structures which can be used as standalone structures or combined to form hybrid-SUKUK structure. A hybrid SUKUK is the one which is formed by more than SUKUK structures. Among the major SUKUK structure used are *Ijarah*, *Wakalah*, *Musharakah*, *Mudhaarabah*, *Murabahah*, *Istisna*, *Salam*, *Musaaqah*, *Mughaarah* and *Muzaabanah* among others.

Each type of SUKUK structure is appropriate for a certain type of project. For example, *Istisna* SUKUK is appropriate for construction works, *Ijarah* SUKUK for projects with asset capable of generating revenues, *Musaaqah* for irrigation, *Mudhaarabah* and *Wakalah* for investment projects, and *Musharakah* for partnership projects. SUKUK can be issued in hybrid structures as well such as *Ijarah/Istisna*, *Wakalah/Mudhaarabah*, and *Musharakah/Mudhaarabah* to mention few possible combinations of SUKUK structures.

The type of SUKUK structure to use depends, among other things, the type of the SUKUK Issuer, whether a Sovereign, Quasi-Sovereign, Local Government Authority (LGA), Government Related Entity (GRE) or a private corporate.

Chart: Structures Used in Sovereign SUKUK Issuances

Issuance Year	Issuer	Issuer Country	Currency	SUKUK Type	SUKUK Structure	USD Mil. Equiv.	Tenor (Years)	Maturity Date
2012	Abu Dhabi National Energy Company	United Arab Emirates	MYR	Corporate	SUKUK Al Murabah	212	10	26-Feb-22
2012	Government of Dubai	United Arab Emirates	USD	Sovereign	SUKUK Al Ijarah	650	10	25-Apr-22
2012	Government of Indonesia	Indonesia	USD	Sovereign	SUKUK Al Ijarah	1000	10	16-Nov-22
2012	Government of Qatar	Qatar	USD	Sovereign	SUKUK Al Ijarah	2000	10	11-Jul-22
2012	Saudi Electricity Company	Saudi Arabia	USD	Quasi Sovereign	SUKUK Al Ijarah	1250	10	28-Mar-22
2015	SapuraKencana TMC Sdn Berhad (IMTN)	Malaysia	USD	Corporate	SUKUK Al Murabah	200	7	08-Sep-22
2016	Government of Oman	Oman	USD	Sovereign	SUKUK Al Ijarah	500	6	29-Jun-22

Definitely, the most used SUKUK structure especially for Sovereign Issuance are Al Ijarah and Al Murabaha. A choice of SUKUK structure also depends on the availability of underlying asset and whether they can generate revenues at the time of SUKUK programme, existence of an SPV and the type of project or economic activities towards which the SUKUK proceeds will be used.

From 2019, global trends had seen an increase in the use of Hybrid SUKUK, a combination of more than one SUKUK structure, in a bid to meet various projects financing requirements in various sectors moving away from traditional single SUKUK structure which was the norm for decades.

The Zanzibar, as is the case to the whole of the United Republic of Tanzania, has embraced Islamic finance since 2008 when Kenya Commercial Bank (KCB) started its Islamic window called KCB Sahl Banking. The Peoples Bank of Zanzibar (PBZ), wholly owned by the Revolutionary Government of Zanzibar (RGOZ) started offering Islamic Banking services in 2009 via its Islamic Banking Division called PBZ-Ikhlas.

Many people and more entities in Tanzania are adopting Islamic finance, with only one fully-fledged Islamic bank, the Amana Bank. A few other commercial banks are offering Islamic financial services, namely CRDB Bank Plc through CRDB Albaraqah Banking, KCB Sahl Banking and NBC La-Riba Banking. There are also Islamic microfinance institutions such as TAMPRO SACCOS and Imaan Microfinance providing Islamic microfinance services.

As far as Islamic capital markets products, SUKUK bonds is leading the way. Since 2021, SUKUK bonds have been issued in Tanzania with Imaan Microfinance SUKUK bond which was originally intended to subscribe TZS 2.0 billion but ended up being oversubscribed by 135% to TZS 2.72 billion.

In 2022 the first ever public offer SUKUK bond was issued by KCB Sahl Banking which was originally intended to raise TZS 10.0 billion but ended up being oversubscribed by 110% to TZS 11.0 billion. To-date, twelve (12) corporate SUKUK bonds have been issued with a total value of TZS 79.32 billion as of June 2024.

22.5 SUKUK Bonds Market in Zanzibar and Tanzania

The Zanzibar, as is the case to the whole of the United Republic of Tanzania, has embraced Islamic finance since 2008 when Kenya Commercial Bank (KCB) started its Islamic window, KCB Sahl Banking. The Peoples Bank of Zanzibar (PBZ), wholly owned by the Revolutionary Government of Zanzibar (RGOZ) started offering Islamic banking services in 2009 via its Islamic Banking Division, “PBZ-Ikhlās”.

As far as Islamic capital markets products, SUKUK bonds is leading the way. Since 2021, SUKUK bonds have been issued in Tanzania with Imaan Microfinance issuance of TZS 2.0 billion which ended collecting a total of TZS 2.72 billion, an oversubscription of 135%. In 2022, the first ever public offer SUKUK bond was issued by KCB Sahl Banking which was originally intended to raise TZS 10.0 billion but ended up collecting a total of TZS 11.0 billion, an oversubscription by 110%. To-date, twelve (12) corporate SUKUK bonds have been issued as of June 2024 with a total value of TZS 92.57 billion.

Chart: SUKUK Bonds Issuance Record in Tanzania

Issuer	Year of Issuance	Amount Offered (TZS Million)	Amount Subscribed (TZS Million)	Subscription Rate (%)
Imaan Finance (iTrust)	2021	2,000	2,720	136%
Imaan Finance (iTrust)	2021	1,500	2,000	133%
Imaan Finance (iTrust)	2022	3,000	3,000	100%
Imaan Finance (iTrust)	2022	5,000	5,320	106%

Imaan Finance (iTrust)	2022	5,000	11,000	220%
KCB Sahl Banking	2022	10,000	11,000	110%
Amana Bank Limited	2022	6,000	6,720	112%
Imaan Finance (iTrust)	2023	2,500	4,800	192%
Imaan Finance (iTrust)	2023	5,000	7,700	154%
Imaan Finance (iTrust)	2023	5,000	11,320	226%
Imaan Finance (iTrust)	2024	4,000	11,800	295%
Premier SUKUK Co. Ltd	2024	1,200	1,940	162%
Imaan Finance (iTrust)	2024	5,000	13,250	265%

SUKUK issuances in Tanzania has been dominated by corporate and specifically those issued by financial institutions, microfinance and commercial banks. There has been no Sovereign, Quasi-Sovereign, Government Related Entities (GREs) nor a Municipal SUKUK issuance in the country.

There is a reasonable appetite and need in Tanzania for Islamic financial services (banking, SUKUK bonds, Takaful insurance, Halal funds). However, the legal and regulatory frameworks for Islamic Finance in Tanzania began just in 2022 with the “Takaful Guidelines 2022” issued by Tanzania Insurance Regulatory Authority (TIRA). This was followed by the Capital Markets and Securities Authority (CMSA) issuing its “Corporate, Municipals and Sub-Nationals SUKUK Bond Guidelines 2023”. These guidelines have made it easy for the programmes of Corporate, Municipal and Sub-Nationals SUKUK bonds in Tanzania.

In acknowledging the need for Alternative Project Financing, the Ministry of Finance of the United Republic of Tanzania forced a national Task Force to establish legal and regulatory framework for Sovereign, Quasi-Sovereign and Government Related Entities (GREs) SUKUK bonds.

The task force worked diligently and produced two (2) national guidelines on SUKUK bonds namely Sovereign, Quasi-Sovereign and GREs SUKUK Bond Guidelines 2022 and Sovereign, Quasi-Sovereign and GREs SRI Bonds Guidelines 2023. The later was technically supported by the United Nations Development Programme (UNDP) via its Tanzania Office.

UNDP also extended the same support to the Zanzibar President’s Office - Finance and Planning in establishing the Zanzibar National Guidelines of SUKUK Bonds Programmes. All three guidelines have not yet been officially Gazetted in the respective government gazettes.



ZANZIBAR TREASURY SUKUK1 LIMITED

The Executive Director,
Takwimu House, First Floor, Mazizini - Unguja,
P.O Box 874/1154,
70402 Urban West.
Zanzibar-Tanzania.
E-mail: info@www.zanzibarsukuk.go.tz
Website. www.zanzibarsukuk.go.tz

Yusra Sukuk Company Limited

The Chief Executive Officer,
Floor No 23rd, North-West Wing, Rita Tower,
P.O Box 4683,
Simu/Makunganganya Street,
Dar es Salaam-Tanzania.
E-mail: info@yusrasukuk.world
Website: www.yusrasukuk.world