

Date: 24 August 2022

Alliance Microfinance AS
Alliance Microfinance AS, Tangen 11,4608 Kristiansand S., Norway

Attention to: Serina Svindland Bakketeig
Investment Director

LETTER OF ENGAGEMENT

Reference is made to the email instruction by Alliance Microfinance AS ("Alliance" the "Client") approving MTA's engagement in connection with the provision of legal services to a consortium of Alliance Microfinance AS, Norwegian Church Aid, Bakken & Baeck, and East African Holding SC ("Consortium Partners") as part of their Ethiopia Connect project to establish Ethiopia's first digital Agri microfinance institution ("MFI").

This letter will confirm the terms of our services whereas your signature at the end of it confirms their acceptance by you.

1) CONTEXT AND SCOPE

The Consortium Partners wish to establish Ethiopia's first digital Agri microfinance institution. The Consortium Partners have recently completed a commercial and project due-diligence report led by an international consultant to establish the MFI and seek legal assistance from MTA to undertake:

- Drafting and agreeing Heads of Terms amongst Consortium Parties for this transaction,
- Managing and handling the pre-application and application process with the National Bank of Ethiopia, and
- Drafting and agreeing to Definitive Documents amongst Consortium Partners for this transaction.

In line with the above, the scope of work is as follows:

- 1) Heads of Terms -
 - a. Preparation of first draft Heads of Terms based on Consortium Partners' instruction,
 - b. Developing permissible investment structures to allow Consortium Partners to hold shares in an Ethiopian microfinance institution either

now or in the future given anticipated revisions to the Banking Business Proclamation,

- c. Discussing Heads of Terms with each Consortium Partner and amending to reflect comments,
- d. Reviewing and considering each Consortium Partner's comments on Heads of Terms with other Consortium Partners,
- e. Negotiating final Heads of Terms with Consortium Partners, and
- f. Liaising with accounting/tax adviser as needed

2) Application Process -

- a. Preparation of pre-application and application as prescribed by the National Bank of Ethiopia,
- b. Submitting certified pre-application and application and amending to reflect comments (if any) from the National Bank of Ethiopia,
- c. Managing all legal requirements established under Ethiopian law that are necessary to obtain a microfinance business license as prescribed by the National Bank of Ethiopia.

3) Transaction Documents -

- a. Preparation of first draft Subscription and Shareholders Agreement ("SSA") based on Consortium Partners' instruction,
- b. Implementing recommended permissible investment structure to allow Consortium Partners to hold shares in an Ethiopian microfinance institution either now or in the future given anticipated revisions to the Banking Business Proclamation,
- c. Discussing draft SSA with each Consortium Partner and amending it to reflect comments,
- d. Reviewing and considering each Consortium Partner's comments on SSA with other Consortium Partners,
- e. Negotiating final SSA with Consortium Partners, and
- f. Liaising with accounting/tax advisor as needed.

4) Legal Opinion (Optional)

- a. Legal opinion on behalf of Norwegian Church Aid confirming the extent to which an onshore commercial entity fully owned by Norwegian Church Aid can act as an onshore investor to subscribe for shares in a newly established microfinance institution.

2) FEES AND INVOICING

Our fee for the scope of work described herein is 30,650 USD (Thirty Thousand Six Hundred Fifty USD). This fee is exclusive of 15% VAT and inclusive of costs and disbursements that we may incur on behalf of the Client.

The breakdown for each scope of work is provided below:

No.	Scope of Work	Total Fees in USD
1.	Part 1: Heads of Terms	11,750
2.	Part 2: Application Process	6,750
3.	Part 3: Transaction Documents	9,550
4.	Part 4: Legal Opinion (Optional)	2,400
5.	Costs & Expenses	200
GRAND SUB-TOTAL		30,650
15% VAT		4,597.50
GRAND TOTAL		35,017.50

- a) The hourly fees of MTA's Attorneys for follow-up queries and other tasks will be as follows:

No.	Title	Hourly Rate in USD (Exclusive 15% VAT)
1	Principal Attorney	
2	Principal Associate	
3	Senior Associate	
4	Associate	
5	Junior Associate	

- b) If additional questions arise from the Client justifying exceeding the cap, we will inform the Client and obtain approval prior to engaging and invoicing the Client.
- c) Details of payment will be described in the invoice that will be issued by MTA for settlement in full within a period of one month after receipt of the invoice. The invoice shall be issued by MTA upon completion of each scope of work as described under 1 of this LOE.

d) Payments are made in USD by wire transfer to an account that will be designated in the invoice. Bank fees incurred by transferring/intermediary/correspondent banks, or the recipient bank will be covered by the Client.

3) TEAM

The lead attorney in this assignment will be the Principal Attorney, Mr. Mesfin Tafesse who will be assisted by Senior Associate Ms. Haymanot Belay, and Associate Mr. Natnael Aklog and other MTA staff as necessary.

- a) Mr. Mesfin Tafesse: mtafesse@mtalawoffice.com Mob. No. +251921562842
- b) Ms. Haymanot Belay: hbelay@mtalawoffice.com Mob. No. +251911313259
- c) Mr. Natnael Aklog: naklog@mtalawoffice.com Mob. No. +251910960955

4) INFORMATION

To help MTA meet the Client's objective in this assignment in a timely and effective manner, the Client should ensure to provide MTA with all the necessary information and documents on time, and also the Client asks for all the relevant requests it has on the case.

5) CONFIDENTIALITY

All communications, documents, data, or other information furnished shall be kept confidential and shall not, without prior written consent by you, be divulged to any third party directly or indirectly, whether such information has been furnished before, during, or following the completion or termination of our services, except those required to be disclosed by law.

6) GOVERNING LAW

This LOE shall be governed by and construed in accordance with the laws of Ethiopia.

7) TERMINATION

In the event of any breach of MTA to deliver the requested services within the specified and scheduled periods, or failure to comply with any of its obligations, the Client may terminate the contract.

We would appreciate your confirmation that the foregoing is agreeable to you by signing a counterpart of this letter on the appropriate space indicated below.

Sincerely yours,

For Mesfin Tafesse & Associates

For the Client

Name:

Mesfin Tafesse

Name: Serina Svindland Bakketeig

Title:

Principal Attorney

Title: Investment Director

Signature:

[Handwritten Signature]
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Signature: *Se*

S. Bakketeig