

**TERMS OF REFERENCE FOR LEAD ARRANGER AND SPONSORING BROKER FOR THE  
PROPOSED TANZANIA MORTGAGE REFINANCE COMPANY LIMITED (THE ISSUER) MEDIUM  
TERM NOTE PROGRAM II**

**1. BACKGROUND/ Preamble**

Tanzania Mortgage Refinance Company, (TMRC) is a private financial institution established on January 10, 2010, to support banks in mortgage lending by refinancing their mortgage portfolios. It operates as a non-deposit-taking financial institution regulated by the Bank of Tanzania (BOT) and the Capital Markets and Securities Authority (CMSA). TMRC facilitates the Tanzania Housing Finance Project by providing long-term liquidity to Primary Mortgage Lenders (PMLs).

**2. SCOPE OF WORK**

Capital Markets and Securities Act (CMS) requires the TMRC (The Issuer) to engage a Lead Arranger and Sponsoring Broker who will lead the Medium-Term Note (MTN) documentation preparations, issuance and listing of Tranches. The sponsoring broker is expected to engage key stakeholders and regulators in the process, review the mortgage market and project its growth, review the economy and include the review in the Information Memorandum as well as provide an overview of the MTN structure.

**2.1 Lead Arranger Scope of work:**

- 2.1.1 Advise on structuring the MTN II program to align with TMRC's medium-to long-term funding needs, incorporating various options such as Sukuk, green bonds, and social bonds.
- 2.1.2 Advise and Recommend capital-raising alternatives and implementation strategies that address TMRC's funding requirements and timing.
- 2.1.3 Advise TMRC and its legal and other advisers, as to the structure and timing of the offering and assist TMRC in determining the appropriate terms (including size of long- and short-term issues, interest rate, pricing, and tenor) for the offering.
- 2.1.4 Advise and assist TMRC in the identification and selection of placing agent(s), Reporting Accountants, Legal advisers and other intermediaries or professional advisors and coordinating their work under the guidance of TMRC's Management.
- 2.1.5 Advise alongside the Legal counsel on regulatory and other requirements with respect to the Offering, and coordinate with internal and external legal advisors to finalize contractual documents such as indentures, and subscription agreements as needed.
- 2.1.6 Prepare and review documentation as may reasonably be required by TMRC in relation to the offering, including information memorandum,

pricing supplements, timetables and placing agreements as may be required by relevant regulations.

- 2.1.7 Reviewing presentations as may reasonably be required in relation to the Offering, including for the Board of Directors of TMRC, counterparties to, and stakeholders in, the Offering and regulators (if applicable).
- 2.1.8 Liaising with the relevant advisors (including legal counsel and reporting accountants) to ensure that each advisor completes the relevant documentation and/or provides the relevant information required for documentation purposes.
- 2.1.9 Ensure that the documentation will reflect best practices for a capital market transaction of this nature, adapted as appropriate for the Tanzania market and will contain provisions satisfactory in form and substance to TMRC.
- 2.1.10 Ensure that documentation is wide and broad enough to enable the issuance of different tranches such as Diaspora bonds, green and blue bonds, social bonds and Sukuk bond issue that meet Sustainable Development Goals as defined by the United Nations.
- 2.1.11 Assist TMRC in obtaining the relevant and respective statutory approvals for the Offering. These approvals should also allow offerings to be listed in different stock exchanges other than the Dar es Salaam Stock Exchange (DSE).
- 2.1.12 Coordinate the marketing and roadshow process for the Offering and subject to suitable market conditions.
- 2.1.13 Lead the marketing of the Offering (advising and structuring the marketing strategy, preparing, in conjunction with TMRC, marketing materials, distributing investor presentations and the holding of road shows), to existing shareholders and potential new investors for book building.
- 2.1.14 Lead the distribution and placement of the Offering (both locally/regionally and internationally (if appropriate), including the distribution of materials and information, where necessary. (Note that fees will be paid based on successful placement).
- 2.1.15 Acting as overall project manager regarding the Offering, which will include, inter alia, the preparation of timetables, the preparation of general transaction correspondence and appropriate meeting minutes and the briefing of and ongoing liaison with all regulatory authorities (if required), in conjunction with TMRC and providing regular feedback to TMRC at each stage of the Offering.

- 2.1.16 Keep TMRC fully informed about the Offering including updating on the progress and advising TMRC of any potential problems or delays.
- 2.1.17 Provide a report on the status of the matter as regularly as reasonably required by TMRC.
- 2.1.18 Perform such other services incidental to the Offering as may be mutually agreed between the Lead Arranger and TMRC.
- 2.1.19 Conduct pre-marketing activities and investor sounding, analyze feedback from potential investors and report to TMRC together with suggestions for appropriate sizing and pricing to optimize the return and achieve successful Offering.
- 2.1.20 Advise TMRC on continued investor feedback and marketing requirements during and after the offer.

## **2.2 Sponsoring Broker Scope of work**

- 2.2.1 Regulatory compliance ensures the bond issuances meet the requirements for listing on a designated stock exchange, locally and internationally when applicable.
- 2.2.2 Prepare and file the necessary regulatory documents with relevant authorities, including the stock exchange and securities regulators.
- 2.2.3 Conduct due diligence to confirm compliance with market regulations and listing standards.
- 2.2.4 Market access acts as the official liaison between TMRC and the stock exchange for all listing-related matters.
- 2.2.5 Register TMRC with the exchange and ensure the corporate bond is properly classified and recorded.
- 2.2.6 Provide guidance to TMRC on fulfilling market-specific requirements.
- 2.2.7 Review offering documents, term sheets, and other disclosure materials to ensure they meet exchange and regulatory standards.
- 2.2.8 Leverage relationships with institutional and retail investors to support the issue and distribution of bonds.
- 2.2.9 Oversee the bond settlement process in coordination with placing agents, clearing houses and exchanges.

2.2.10 Assist TMRC in meeting post-listing requirements such as periodic disclosures, performance reporting, and investor updates.

2.2.11 Ensure TMRC adheres to governance and operational standards set by the exchange and regulatory authorities.

### 3. SUBMISSION OF TECHNICAL AND FINANCIAL PROPOSALS

The Prospective Lead Arranger and Sponsoring Broker is expected to submit Bid Documents separately sealed as follows:

#### 3.1 Technical Proposal:

This is a capability statement indicating the technical ability of the prospective Lead Arranger and Sponsoring Broker to undertake the assignment. The submission should indicate experience in similar assignments and customers in Tanzania, proven record of accomplishment and related credentials on working in similar transactions within local (Tanzanian) entities and International entities; recommendation letters from two recent clients employing a similar service; certified copy of Practicing Certificate (Where applicable)/CVs for all professionals/Key management personnel who will be involved in the transaction and working partnership (if any) with a local company/licensed investment adviser by the CMSA.

#### 3.2 Financial proposal:

This is the fee structure for the proposed assignment and shall include fees and pricing breakdown.

### 4. DELIVERABLES AND TIMEFRAME

Proposed timeline for execution of the project

S/N	Deliverables	Timeframe
1.	The Inception report, acceptable to the client. Consultant's understanding of the scope of the assignment based on the Terms of Reference  The proposed methodology  Action work plan	Two (2) weeks after commencement of the assignment.
2.	The draft report is in accordance with the scope of work.	Five (5) weeks after receipt of the client's comments on the inception report.
3.	Final Report to the client containing all items under the scope.	Two (2) weeks after receipt of the client's comments on the draft report.

### 5. QUALIFICATIONS OF THE LEAD ARRANGER AND SPONSORING BROKER

The Lead Arranger and Sponsoring Broker should be a Licensed Dealing Member of the Dar es Salaam Stock Exchange with a solid track record in similar assignments with

comprehensive experience in public bond issuance and Initial Public Offers (IPO) as well as significant knowledge in the housing finance market.

## **6. DOCUMENTS COMPRISING THE PROPOSAL**

The Proposal shall comprise of the following documents:

- i. Documents establishing the Eligibility and Qualifications of the Bidder.
- ii. Technical Proposal
- iii. Financial Proposal (All prices shall be quoted in local currency VAT exclusive).
- iv. Any attachments and/or appendices to the Proposal.

## **7. WORKING ARRANGEMENTS**

The Lead Arranger and Sponsoring Broker will report to the Chief Executive Officer or appointed representative; and will work on day-to-day activities closely with TMRC Chief Finance Officer.

## **8. TIMING OF THE ASSIGNMENT**

It is expected that the assignment will last for a period of three months from the time of signing the contract for the pre-issue activities and approvals for the MTN II program, and ongoing for the post issue activities/support.

## **9. DEADLINE FOR SUBMISSION OF PROPOSALS AND LATE PROPOSALS**

Complete Proposals must be submitted to TMRC Office, 15<sup>th</sup> Floor, Golden Jubilee Tower, Main Building, Wing B, Ohio Street, Dar es salaam not later than Friday, 07<sup>th</sup> February 2025 at 03:00PM.

TMRC shall not consider any Proposal that is submitted after the deadline for the submission of Proposals.