

# LETTER OF INTENT TO PURCHASE MEMBERS' INTEREST IN GERARDO TRADING CC

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11 October 2023

Per Mail

This Letter of Intent (this "Letter") sets forth the mutual interest of:

**Buyer(s):**

**MR LUNGELO MKHIZE, ID NO: 9711265809080 and FRESHMARK FOODS PTY LTD with Reg No: 2016/361070/07 (collectively "Buyer"),**

and

**Seller(s):**

**MR LANCE ABRAHAMS, ID NO: 6407175213082 and TRUSTEES of the SAINT LEGER TRUST (collectively "Seller")**

Buyer and Seller are referred to collectively as the "parties."

regarding the possible acquisition by Buyer of **75% of Members interest of GERARDO TRADING CC, Reg No: 2000/058226/23 (IN BUSINESS RESCUE)** (collectively "business")

The Parties agree that their goal and interest herein is to bring about a sale of members interest (the "Transaction"), and thus, each Party promises to negotiate in good faith, for the period set forth below, a definitive purchase agreement (the "Purchase Agreement") to include the terms and conditions set forth in this Letter and such other representations, warranties, conditions, covenants, indemnities and other terms as the Parties may agree upon.

**1. Purchase Price.**

The purchase price for the Transaction shall be R 52,500,000 (Fifty-two Million Five Hundred thousand rand (the "Purchase Price").

The payment for the acquisition will be structured as follows.

**1.1 First Payment:** An initial payment of R 20,000,000 (Twenty Million Rand) shall be made on or before 3rd November 2023.

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**1.2 Second Payment:** Subsequently, an additional sum of R 16,250,000 (Sixteen million two hundred and fifty thousand rand) will be transferred on or before 15th January 2023.

**1.3 Final Payment:** Finally, a final payment of R 16,250,000 (Sixteen million two hundred and fifty thousand rand) shall be effected on or before 15th March 2023.

**2. Conditions.** The Transaction shall be subject to the satisfaction of the following conditions prior to the Closing:

3.1 Buyer's satisfactory completion of due diligence

3.2 Buyer securing financing in an amount necessary to finance the Transaction.

**3. Due Diligence.** After the signing of this Letter, Seller will grant Buyer and its duly authorized representatives full access to the facilities, financial, accounting and business books and records, material contracts, legal records, key employees, advisors, customers and suppliers and any other matters of Target as Buyer's accountants, tax and legal counsel and other advisors deem appropriate, subject to the Confidentiality provision provided below, for the purpose of allowing Buyer to complete its due diligence. The Purchase Agreement shall be contingent upon the satisfactory completion of due diligence by the Buyer.

**4. Seller's Covenants.** During the period this Letter is in effect, Seller will conduct business in the ordinary course and will not undertake any activity or transaction that would significantly reduce the value of the business or assets.

**5. Exclusivity of this Letter.** In consideration of the resources and expenses Buyer has incurred and will incur in connection with the proposed Transaction, Seller agrees that it will not negotiate directly or indirectly with any other party concerning the sale of the business while this Letter is effective.

**6. Confidentiality.** The Parties agree to apply strict confidentiality to the existence and the contents of this Letter, including any information obtained by Buyer during its due diligence or otherwise shared or obtained in accordance with this Letter. Information may only be shared with the respective Parties' affiliates, officers, directors, employees and professional advisors.

**7. Termination.** This Letter will automatically terminate upon the earliest of:

7.1 the execution of the Purchase Agreement by the parties

7.2 the mutual written agreement of the Buyer and Seller

7.3 28<sup>th</sup> October 2023

**8. non-binding.** This Letter is intended only as a reflection of the intention of the Parties, and neither this Letter nor its acceptance shall constitute or create any legally binding or enforceable obligation on any party, except with regards to paragraphs regarding Confidentiality, Exclusivity of this Letter, Governing Law and Termination hereof. No agreement or obligation regarding business and/or the Transaction shall be deemed to exist between the parties and any of their

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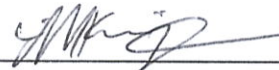
respective affiliates, unless and until the Purchase Agreement has been executed and delivered, and then only in accordance with the terms and conditions of such Purchase Agreement.

9. **Agents Commission**, Subject to the success of the herein proposed transaction, commission shall be paid by the buyer.

10. **Miscellaneous**. This Letter contains the entire understanding between the parties and supersedes all previous agreements, if any, between the parties concerning the same or substantially similar subject matter. This Letter may be amended, supplemented, or otherwise modified only in writing and signed by duly authorized representatives of each party. This Letter may be executed in counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document. The section headings are for reference purposes only and shall not otherwise affect the meaning, construction, or interpretation of any provision in this Letter.

LUNGELO MKHIZE

Buyer Name

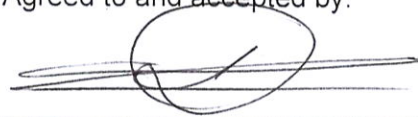


Signature

13TH OCTOBER 2023

Date

Agreed to and accepted by:



Seller Signature

LANCE ABRAHAMS

Seller Full Name

13/10/2023

Date

