

Response format for equity investment in New

Rotondo Walnuts (Pty) Ltd

Background

Rotondo Walnuts (Pty) Ltd was an IDC initiative, established and funded project, which was established in 1999, with the view to develop a Walnut industry in South Africa. The project was experimental in nature as Walnuts were not grown in South Africa at the time. However, over the past 18 years internationally best practices have been applied to develop a blueprint for walnut management in South Africa.

Going forward the focus of Rotondo would be to

- Expand the processing facility further to maximize turnover by shelling most of the harvested product and benefiting from higher prices and further to establish Rotondo as a processing hub for the industry,
- Explore and expand new markets to optimize turnover and return on investment,
- Expansion of the nursery on Rotondo Walnuts to be able to provide the quality and quantity trees required for the building of an industry,
- Actively search for and negotiate cooperation of all role-players to expand the industry's local and export potential.

Uniqueness of business

Rotondo Walnuts is currently the only significant walnut role-player in South Africa and the African Continent. The total production of southern hemisphere countries for the 2017/18 year is less than 6% of the world's total, clearly showing the potential for South Africa. There is a general growing demand for nuts world-wide. The main consumers of Walnut are Europe and China. Europe mainly uses walnuts in confectionary, but in China it is eaten as a snack. South Africa therefore has the benefit that it is counter cyclical and can provide fresh product in the off season in the Northern Hemisphere. Rotondo further has the benefit that it comes into the market a few weeks before its Southern Hemisphere competitors, Chile and Australia. Even if the Northern Hemisphere keep stocks, fresh nuts

always sell better. The Northern Hemisphere's production far outstrips the production of the Southern Hemisphere.

1.1 Cover page

The cover page must clearly indicate the interested party(ies) name and country of incorporation.

1.2 Schedule 1

The following information must be included under **Schedule 1**:

- Executive summary (clearly indicating the interested party(ies) detailed group structure, a summary of why the party(ies) is best placed to be an equity investor in Rotondo).
- General details including company name, registration number, physical and postal address, contact person(s) and contact number(s).
- Details of management of the interested party(ies), including a resume.
- An organogram or group structure providing a detailed breakdown of the composition of the economic and beneficial ownership of the business including the BBBEE status of all parties referred to.
- Detailed information on the shareholders/beneficiaries of the business (including names and detail of shareholders who own more than 10% of the share capital directly or indirectly).
- Experience in similar assignments (Agriculture & farming);
- Indication of available funds/financial capability to support the offer

1.3 Schedule 2

The following information must be included under **Schedule 2**:

- If applicable, valid tax clearance certificate(s).
- Copies of company registration documents listing all members (in case of a CC) or recently certified copies of all share certificates (in case of a company).
- If applicable, BEE certificate verified by SANAS accredited verification agency.
- Latest annual financial statements.
- Identify any issues relating to your business and its stakeholders which may present, or may be perceived to present, **reputational issues and/or a conflict of interest** with IDC or Rotondo or its stakeholders and if any exist, how that conflict will be managed.

1.4 Other

IDC reserves the right to partner with a purely empowerment company or on condition that a joint venture with an empowerment company is formed. IDC reserves the right to negotiate with one or more interested parties at any time and to enter into agreement/s relating to Rotondo without prior notice to any other interested party responding to the Expression of Interest (“EOI”) and without liability to any such interested parties. IDC also reserves the right, without advance notice, to change the procedure for responding to the EOI or to terminate the

process or any negotiations related thereto at any time prior to the entry into of any related binding agreements.