

PANGAEA ADD CAPITAL LIMITED

AND

MOPANI COPPER MINES PLC

MEMORANDUM OF UNDERSTANDING

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MEMORANDUM OF UNDERSTANDING

THIS Memorandum of Understanding is made the ____ day of _____ 2021

BETWEEN

- (1) PANGAEA ADD CAPITAL LIMITED, a microfinance company incorporated under the Laws of Zambia and having its registered office at **Suite 3, 1st floor, Z-MART City Stand No.2711, President Avenue Ndola**, hereinafter referred to as the "Discounting House," of the first part; and
- (2) **MOPANI COPPER MINES PLC** (hereinafter referred to as "the Company") is a public limited company incorporated under the laws of the Republic of Zambia having its registered office at Corporate Office. **Nkana West. Corner of Central Street and 5th Avenue**, Kitwe under company registration number 44139.

WHEREAS:

1. The Discounting House and the Off-taker are engaged in discussions and have concluded that the Discounting House will provide invoice discounting to SMEs Suppliers of the Off-taker.
 - 1.1 The Discounting House will discount approved invoices up to a maximum of **80%** exclusive VAT.
 - 1.2 The Discounting House shall charge **4%** Interest and **4.5%** management costs per month on the discounted amount as all-in transaction cost.
 - 1.3 On Foreign currency (United States Dollars), the Discount House will charge a fee not exceeding **3.5%** per month on the discounted amount as all-in transaction cost.

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2. The Discounting House and the Off-taker wish to document their intention to work together on any of the above stated agenda under this Memorandum of Understanding;
3. The Discounting House and the Off-taker may be required to disclose to each other certain strategic, financial, technical, investment and/or any other information as a result of a working understanding.

The Parties with the intention of working together for the purposes set out above wish to outline the understanding of their proposed arrangements with respect to their working relations.

1. Interpretation

"Commencement date"	means the date the Agreement will begin
"Days".	means working days, excluding Sundays and public holidays.
"Discounting House"	means PANGAEA ADD CAPITAL
"Memorandum"	means this Memorandum of Understanding;
"Parties"	means the Discounting House and the Off-taker
"Party"	means any one of the Parties;
"Off-taker"	means Mopani Copper Mines PLC;
"Term"	mean the term of this Memorandum commencing on the date of execution of this Memorandum and the agreed date of termination.
"Transaction Costs"	means the fees charged factoring in the interest and the financing cost of the transaction

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2. Basic Outline

This Memorandum sets out in basic outline the principles that the Parties have agreed to.

3. Legal status of Memorandum

This Memorandum shall be legally binding and create legal obligations between the Parties.

4. Party Obligations

The Discounting House and the Off-taker agree as follows:

- a) The Discounting House will provide to the Off Taker, promptly, by the 25th day of each month, a comprehensive and updated deduction schedule, which will enable the Off-taker to remit to the Discounting House all invoice proceeds relating to all SME suppliers whose invoices have been discounted by the Discounting House.
- b) The Off-taker will forward the Discounting House's invoice discounting brochure to all its SME's suppliers of goods and services.
- c) The Off-taker shall provide the Discounting House an introductory letter of the SME supplier stating what invoices are owing to the supplier and when they are due for payment.
- d) The Off-taker shall endorse on the contract form an Undertaking to remit all invoice proceeds from the SME Suppliers whose invoice/s has been discounted by the Discounting House.
- e) The Off-taker shall remit funds to the Discounting House of all invoices due for pay out in respect of SME's Suppliers whose invoices have been discounted by the Discounting House.
- f) The Off-taker shall undertake to inform the Discounting House if SME's Suppliers become insolvent.

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- g) The Off-taker shall inform the Discounting House of any adverse credit information known to the Off-taker about the SME's Suppliers.
- h) The Off-taker shall warrant that all accounting records and information about the SME's suppliers are true and accurate.

5. Termination

- I. Any Party may terminate this Memorandum of Understanding by furnishing the other with 28 days prior notice in writing with immediate effect. This agreement shall commence on the commencement date and shall be terminated at any time in the event;
 - a) It has been terminated in writing by mutual consent between the parties, with a written notice period of 28 days to allow room for negotiation.
 - b) The Off-taker ceasing to carry on business
 - c) A breach caused by both parties failing to honor their undertakings within the time stipulated and agreed between the parties in this Memorandum
 - d) It is agreed that the termination of this Memorandum for whatever reason, shall not have the effect of exonerating the Off-taker from the Off-taker's duty to remit to the Discounting House all the proceeds from the invoices of the SME Suppliers whose invoices have been discounted by the Discounting House prior to date of termination of this Agreement; The Discounting House shall however not discount any new invoices in respect of the termination of the agreement

6. Liability

The Discounting House will not be liable to the Off-taker for any consequential loss or loss of goodwill or profits or loss caused by an unforeseeable event or any circumstances beyond the Discounting House reasonable control or by the wrongful or dishonest acts or omissions of the Off-taker and the SME's Suppliers

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7. Amendments

No amendment, interpretation, or waiver of any of the provisions of this Memorandum shall be effective unless reduced to writing and signed by or on behalf of all the Parties

8. Enforcement and Waiver

The failure to enforce or to require the performance at any time of any of the provisions of this Memorandum shall not be construed to be a waiver of such provision and shall not affect either the validity of this agreement or any part hereof or the right of any Party to enforce the provisions of this Memorandum.

9. General Assignment

This Memorandum is personal to the Parties and neither this Memorandum nor any rights, or obligations under it may be assigned by either Party without the prior written approval of the other Party.

10. Entire Agreement

This Memorandum embodies the entire understanding and agreement between the Parties in connection with the subject matter of this Memorandum and neither party is relying on any representations, promises, terms, conditions, or obligations oral or written express or implied other than those contained in this Memorandum. Neither party seeks to exclude liability for fraudulent misrepresentation.

11. Notices

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The Parties choose the following physical addresses at which notices, documents in legal proceedings in connection with this agreement may be received or served (i.e. their *domicilia citandi et executandi*):

in the case of the **Discounting House**

Address: **Suite 3, 1st floor, ZMART City Stand No.2711, President Avenue Ndola.**

Telefax:

and shall be marked for the attention of **DIANA KABAILA**

in the case of the **Off-taker** to:

Address: **Mopani Copper Mines PLC Nkana West, Corner of Central Street and 5th Avenue, Kitwe** Telefax

and shall be marked for the attention of **[name of contact person] WILMA NYONDO**

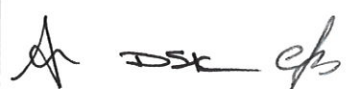
Any notice document or other material required to be delivered under this Agreement shall be deemed to be delivered upon:

The lapse of twenty (20) days after posting, if posted by registered post to the Party's address;

delivery, if delivered to the Party's physical address;

despatch, if sent to the Party's telefax number and confirmed by registered letter posted no later than the next business day.

unless the addressor is aware, at the time the notice would otherwise be deemed to have been given, that the notice is unlikely to have been received by the addressee through no act or omission of the addressee.

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A Party may change that Party's address for this purpose, by notice in writing to the other Party. No notice shall be necessary in respect of a new or changed telefax number.

12. Disclosure of any information

Save as required by law each party shall keep confidential and shall not make a public announcement or other disclosure in respect of this MOU or the transactions contemplated herein without the consent of the other party.

13. Governing law

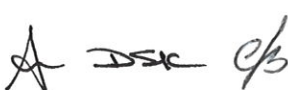
This Memorandum and all matters arising from it and any dispute resolutions referred to below shall be governed by and construed in accordance with Zambian law.

14. Jurisdiction

14.1 In the event of any dispute or difference arising out of or relating to this Agreement or the breach thereof, the Parties shall use their best endeavours to settle such disputes or differences amicably; to this end they shall consult and negotiate with each other, in good faith and understanding of their mutual interests to reach a just and equitable solution satisfactory to the Parties.

14.2 In the event that the Parties fail to reach an amicable solution in accordance the provisions of Clause 15.1 then the dispute may be settled by court process.

14.3 The Parties submit to the exclusive jurisdiction of the Zambian courts.

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AS WITNESS the hands of the Parties hereto or their duly authorised agents have been hereunto affixed the day and year first before written.

**SIGNED by the duly authorized representative of
PANGAEA ADD CAPITAL**

In the presence of: DINA S KASALA

Date: 05/10/2021

Place: KITWE

Witness:

Name: ARTHUR M W MWILINGA

Occupation: BANKER

Address: 42 ALMAHUK STREET, RIVERSIDE
KITWE

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**SIGNED by the duly authorized representative of
MOPANI COPPER MINES PLC**

In the presence of:

Date: 05/10/2021

Place: KITWE

Witness:

Name: DAVID CHISUPA

Occupation: CHARTERED ACCOUNTANT,

Address: 6 NKANA HOUSE, ENOS CHOMBA ROAD, KITWE CENTRAL

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