

## **CONFIDENTIAL**

Date

NAME  
ADDRESS

Dear Name,

We are writing to provide a letter of intent from OUR NAME Inc. (“Shorter Name”) in respect of a transaction (a “Transaction”) with TARGET NAME Inc. (“TARGET NAME” or the “Company”). We appreciate the time and energy you and your team have afforded us in discussing this opportunity and the information that has been provided thus far.

As we continue to spend time evaluating TARGET NAME, we believe that OUR NAME will bring unique value and capabilities to the Company, accelerating the development and growth of TARGET NAME. We believe we could drive TARGET NAME’s growth strategy, by doing X, Y and Z.

### **Transaction Overview and Structure**

Based on our preliminary review of the information provided and subject to the conditions set forth below, OUR NAME is pleased to submit this non-binding letter of intent (the “Proposal”) for a transaction with TARGET NAME. We propose purchasing 100% of the equity of the Company, including all assets and liabilities, in such a way that TARGET NAME still has significant exposure to future upside.

We believe that in order for this transaction to be successful our interests must be aligned. With that in mind we have designed a compensation structure that allows all parties to benefit from our future success in an equitable way.

We offer a total purchase price of \$XXX million consisting of:

- \$XXX of cash on closing
- \$XXX - shares of OUR NAME, issued immediately upon closing and not subject to any vesting period representing approximately XX% of OUR NAME;
- \$XXX of performance upside - performance shares of OUR NAME (an additional XX%, approximately), issued upon achieving the following targets / milestones:
  - Milestone #1 in year 20XX
  - Milestone #2 in year 20XX
- The final purchase price will be adjusted for customary changes in net working capital which will be reflected in the cash component of the purchase price.

### **Illustrative Timeline**

Given the importance of timing for TARGET NAME in respect to this transaction we have proposed a high-level timeline as follows:

- Date: Financial due diligence and valuation work
- Date: Operational due diligence and OUR NAME visit to TARGET NAME's head office
- Date onward: Drafting of Definitive Agreement

### **Due Diligence Process**

This Transaction is of the highest priority for us, and we are prepared to proceed as quickly as possible; it is important that you make that same commitment to us before we expend additional time and resources pursuing this opportunity. OUR NAME has developed an investment thesis and an understanding of the business through our initial due diligence, including several conversations with management as well as a preliminary data review. We envision our remaining due diligence would include, but would not be limited to, commercial, accounting and financial due diligence, as well as customary legal, tax and regulatory work. With the Company's full cooperation, we believe we can expeditiously complete our due diligence, and present TARGET NAME with a definitive agreement within eight weeks from the date our Proposal is accepted.

### **Exclusivity & Confidentiality**

If the Company is interested in pursuing the proposed Transaction, we would require sixty days of exclusivity (the "Exclusivity Period") to finalize our due diligence and negotiate definitive documentation, subject to a 60-day extension if OUR NAME is working in good faith to consummate the transaction at the initial expiration date. In light of our Proposal's premium valuation we believe that granting exclusivity at this stage will benefit the Project and its Shareholders. In order to complete our due diligence and to secure the additional requisite capital, we will need reasonable access to Company information and the ability to share that information with our prospective equity partners and debt financing sources in a manner that protects the confidentiality of your information and our discussions. A draft form of the exclusivity and confidentiality agreement is enclosed as Exhibit A for your consideration (the "Exclusivity and Confidentiality Agreement"). We emphasize our desire to complete the proposed Transaction in an expeditious and efficient manner and our readiness to mobilize resources to move ahead quickly. To that end, and assuming we sign this letter in advance, we would suggest an organizational meeting as soon as possible to agree on the work plan during the Exclusivity Period.

### **Non-Binding Commitment**

This non-binding indication of interest is confidential and may not be disclosed other than to you, the Company and its advisors on a strictly need-to-know basis. It is not intended, and shall not be deemed, to create any binding obligation on the part of OUR NAME, or any of its affiliates, to

engage in any transaction with the Company or to continue its consideration of any such transaction. Subject to the immediately following sentence, none of the parties shall be bound in any way in connection with this letter unless and until the parties execute a definitive agreement, and then shall be bound only in accordance with the terms of such agreement. Notwithstanding anything to the contrary in this letter, the Exclusivity and Confidentiality Agreement, once executed by the parties thereto, shall constitute binding obligations of the parties thereto.

We are very excited about the potential opportunity and hope that you are equally interested in proceeding in a constructive and expeditious dialogue. We look forward to working with you to complete this transaction.

Very truly yours,

Name

Date