



SAAM BEREIK ONS MEER
TOGETHER WE ACHIEVE MORE

OOS VRYSTAAT KAAP Bedryf Bpk.
Operations Ltd.
Reg. 1999/004069/06 | FSP No. 909 | NCRC619

MASTER GRAIN PURCHASE AGREEMENT

Whereas Oos Vrystaat Kaap Operations Limited, registration number 1999/004069/06 ("OVK"), is willing and able to purchase certain grain crops (the "Grain") from the Seller, and whereas the Seller, whose details appear on the relevant Shortened Grain Purchase Agreement, is keen to sell the Grain to OVK, and the Parties have agreed in terms of the Shortened Grain Purchase Agreement that all Grain Purchase Agreements concluded between OVK and the Seller will be subject to and governed by:

1. The terms and conditions of the Shortened Grain Purchase Agreement (the "**Shortened Grain Purchase Agreement**");
2. The terms and conditions of this Master Grain Purchase Agreement (the "**Master Grain Purchase Agreement**"); and
3. The terms and conditions of each transaction (the "**Transaction**") entered into between the parties in respect of each specific Grain Purchase Agreement, as exclusively confirmed and contained in the computer-generated document (the "**Transaction Confirmation**") issued by OVK, which confirms the terms and conditions of the Transaction, (hereinafter collectively referred to as the "**Grain Purchase Agreement**").

Now therefore, this Master Grain Purchase Agreement provides as follows:

1. INTERPRETATION

Unless the context indicates otherwise, each Grain Purchase Agreement entered into between the Parties will be interpreted in accordance with the following provisions:

- 1.1 Each Grain Purchase Agreement will be interpreted in accordance with, and subject to, the laws of the Republic of South Africa, and references to the provisions of any legislation will, where applicable, include such provisions as amended, replaced, re-enacted, or consolidated from time-to-time.
- 1.2 References to "Parties" will include the Parties' respective successors in title and, where permitted in this Master Grain Purchase Agreement, their respective cessionary and authorised representatives.
- 1.3 The headings of clauses and sub-clauses are inserted for reference purposes only and will not affect the interpretation of any Grain Purchase Agreement.
- 1.4 No word or provision used in any Grain Purchase Agreement will be interpreted against a Party solely because that Party was responsible for, or participated in, the drafting or preparation of such Grain Purchase Agreement or any part thereof.
- 1.5 Words in the singular will include the plural and vice versa, and words indicating the masculine gender will include the feminine and vice versa.
- 1.6 General words preceded or followed by words such as "other", "including", or "specifically" will not be given a restrictive interpretation merely because they are preceded or followed by particular examples intended to fall within the meaning of the general words.
- 1.7 Unless expressly provided otherwise, the number of days specified for performing an act or for any other purpose will be calculated by excluding the first day and including the last day, subject to the provisions of clause 1.8 below.
- 1.8 References to "days" will be interpreted as calendar days, unless preceded by the word "business", in which case a "business day" will mean any day other than a Saturday, Sunday, or public holiday as published in the Government Gazette.

- 1.9 References to a “**person**” will include an individual, firm, company, corporation, legal entity, local authority, and any trust, organisation, association, or partnership, whether or not it has separate legal personality.
- 1.10 References to “**clauses**” and “**sub-clauses**” are references to the clauses and sub-clauses as contained in this Master Grain Purchase Agreement.
- 1.11 This English version is derived from the Afrikaans version (“Meester Graanaankooporeenkoms”). Should there be any inconsistencies between the two versions, the wording of the Afrikaans version will take preference.

2 THE GRAIN, QUANTITY, PURCHASE PRICE, AND SPECIFIC TYPE OF GRAIN PURCHASE AGREEMENT

- 2.1 The type of Grain as well as its grade, where applicable, which is the subject of any Grain Purchase Agreement, will be stated in the Transaction Confirmation.
- 2.2 The quantity of Grain to be purchased by OVK and delivered by the Seller to OVK will be stated in the Transaction Confirmation in metric tons, subject to the final quantity of Grain delivered being determined based on the grading and weighing of the Grain by OVK as provided for in clause 4.6 below.
- 2.3 The purchase price (if already determined) at which OVK purchases the Grain from the Seller will be the purchase price per metric ton as stated in the Transaction Confirmation. Notwithstanding any fluctuation in the price of Grain, the purchase price stated in the Transaction Confirmation will not be subject to any amendment.
- 2.4 The specific type of Grain Purchase Agreement (as further dealt with in clause 14 below) concluded between the Parties will be stated in the Transaction Confirmation.

3 RIGHT OF INSPECTION AND MONITORING

OVK, represented by any employee or agent of OVK, will at all reasonable times be entitled to inspect the planting of the Grain by the Seller, and the Seller will be obliged to identify same to the aforementioned employee or agent of OVK. Furthermore, OVK’s aforementioned employee or agent will be entitled to monitor the harvesting and delivery of the Grain, and the Seller will be obliged to grant the aforementioned employee or agent of OVK access to the property on which the Grain is planted.

4 DELIVERY AND RISK

- 4.1 The Seller will deliver the Grain to OVK during the delivery period specified in the Transaction Confirmation, with the start date being the date from which the Grain may be delivered, and the end date being the last date on which the Grain must be fully delivered by the Seller to OVK.
- 4.2 Should the Seller fail to deliver the Grain in full to OVK on or before the aforementioned end date, such failure will constitute a breach of contract by the Seller, and OVK will not be obliged to accept delivery of the Grain after such end date.
- 4.3 If the Seller wishes to deliver the Grain to OVK prior to the aforementioned start date, OVK will be entitled to refuse such earlier delivery. If, however, OVK consents to earlier delivery, OVK will be entitled to recover from the Seller any additional storage costs at the rate charged by OVK during the relevant season, as published on OVK’s website (www.ovk.co.za), as well as any interest payable by OVK as a result of such earlier delivery.
- 4.4 The place of delivery of the Grain will be the delivery point determined by OVK and as stated in the Transaction Confirmation, provided that OVK will at all times be entitled to designate an alternative delivery point or points, at the Seller’s cost.
- 4.5 Where the agreed delivery point is the place where the Grain is grown, delivery will take place by way of a Farm Load, in which case OVK will take delivery of the Grain at the location where the Seller grows the Grain or at a Farm Silo.
- 4.5.1 In such case, the Seller will:
- 4.5.1.1 Notify OVK 48 (forty-eight) hours in advance that the Grain is ready to be loaded;
- 4.5.1.2 Ensure that the place from which the Grain is to be loaded is of such a nature that a truck with a length of 22m (twenty-two meters), width of 3m (three meters), and height of 4.2m (four point two meters) can easily move and manoeuvre in that space; that the clear height

of all access gates is a minimum of 300mm (three hundred millimetres); and that a turning circle with a diameter of at least 30m (thirty meters) is available; and

- 4.5.1.3 At its own cost, provide an auger or backhoe by means of which the Grain will be loaded, which must be loaded at a minimum rate of 30 (thirty) tons per hour.
- 4.5.2 The minimum quantity of Grain to be loaded per truck will be determined by OVK in OVK's sole discretion.
- 4.5.3 Loading of the Grain directly from harvesters will only be permitted where OVK, in OVK's sole discretion, consents thereto.
- 4.6 The quantity of Grain delivered by the Seller to OVK will be represented by the mass of the Grain in metric tons, weighed on a calibrated scale at an OVK delivery point or that of a third party in the event that OVK purchases the Grain in terms of a Farm Load and sells it directly to a third party, less any weight adjustments in respect of moisture, handling losses, screenings, foreign matter, or any other factor affecting the mass, quality, and grading of the Grain, if any.
- 4.7 Should OVK, at the Seller's request, agree that an alternative scale may be used, the costs associated with the use of such alternative scale will be at the Seller's costs.
- 4.8 No tolerance on the agreed quantity of Grain to be delivered by the Seller to OVK will be permitted, and the Seller will be obligated to deliver the full agreed quantity of Grain to OVK.
- 4.9 The Seller bears all risks associated with the planting, cultivation, harvesting, and delivery of the Grain. Risk in and to the Grain will only pass to OVK upon delivery of the Grain to OVK. Delivery of the Grain by the Seller to OVK will be deemed to have taken place and been completed only once the Grain has been delivered to a delivery point determined by OVK and OVK has issued a written acknowledgement of receipt in respect of the Grain.
- 4.10 The written acknowledgement of receipt issued by OVK after delivery of the Grain will serve as *prima facie* evidence of the type of Grain, its quantity, and its quality.
- 4.11 The Seller warrants, subject to clause 7 hereof, that:
 - 4.11.1 The Seller is in all respects entitled to sell the Grain to OVK;
 - 4.11.2 The Seller is the owner of the Grain;
 - 4.11.3 No third party has any claim or potential claim on the Grain, nor is any likely to arise; and
 - 4.11.4 No third parties have any rights to the proceeds of the Grain, except for those third parties of whom the Seller has notified OVK in writing in terms of clause 7.1 hereof.
- 4.12 OVK will not be obliged to issue any silo certificates to the Seller in respect of Grain delivered by the Seller to OVK unless the Seller has complied with all its obligations under the Grain Purchase Agreement and/or any other agreement between OVK and the Seller and/or any suretyship agreement(s) or guarantees in terms of which the Seller has undertaken proper and punctual performance in favour of OVK.

5. QUALITY STANDARDS AND GRADING

- 5.1 The Seller warrants that:
 - 5.1.1 The Grain will be cultivated in accordance with good and acceptable farming practices;
 - 5.1.2 The cultivation of the Grain will not be in conflict with any legislation applicable to the Grain; and
 - 5.1.3 That at no stage has any unregistered product been sprayed on or administered to the Grain, and that the Grain complies with all statutory requirements regarding chemical residues, as applicable from time to time.
- 5.2 Upon delivery of the Grain to OVK, the Seller undertakes that the Grain will comply with all quality standards prescribed in the regulations published under the Agricultural Product Standards Act, No. 119 of 1990, as well as any other applicable legislation.
- 5.3 The quality of the Grain and its grading will at all times be determined by OVK at the delivery point where the Grain is delivered by the Seller to OVK. Where the Seller disputes OVK's grading of the Grain:

- 5.3.1 The dispute must be immediately referred to an independent grader, being the nearest available grader to the relevant delivery point who is not in the employ of OVK or the Seller;
- 5.3.2 The decision of the independent grader will be final;
- 5.3.3 The unsuccessful Party will be responsible for the costs of the independent grader; and
- 5.3.4 OVK will not be obligated to take receipt of the Grain until the dispute is resolved.
- 5.4 Where the Grain offered for delivery does not meet the aforementioned quality standards, specifications, guarantees, or agreed grade:
 - 5.4.1 OVK will be entitled to refuse to accept delivery of the Grain, regardless of whether the Grain has already been delivered at a delivery point and a acknowledgement of receipt has been issued in respect thereof, in which case such Grain will be deemed not to have been delivered to OVK by the Seller;
 - 5.4.2 OVK, in its sole discretion and without any obligation thereto, will be entitled to take receipt of the Grain, in which case:
 - 5.4.2.1 It will be without prejudice to any of OVK's rights in respect of the Seller's breach of contract or default;
 - 5.4.2.2 It will not constitute delivery of the agreed Grain;
 - 5.4.2.3 The purchase price of the Grain will be adjusted in accordance with the quality and grading of the Grain according to the grade discounts published on OVK's WhatsApp application or as determined by OVK from time to time; and
 - 5.4.2.3 The Seller will be liable all costs associated with the receipt and storage of the Grain.
- 5.5 If at any time, whether before or after delivery of the Grain, it appears that the Seller has breached any of the guarantees and/or undertakings contained in this clause, the Seller will, notwithstanding any other provision of this Master Grain Purchase Agreement, be liable to OVK and remain responsible for any damages that OVK suffers as a result of such breach.

6 PAYMENT AND APPLICATION OF PURCHASE PRICE

- 6.1 The Seller will at all times be liable for any and all statutory levies payable in respect of the Grain, and such levies, as well as any other amounts for which the Seller is legally liable — including but not limited to silo handling fees, storage costs, and interest — will be deducted from the purchase price prior to payment of the purchase price.
- 6.2 If the Seller, whether as principal debtor or surety, owes any amount to OVK on the date of delivery of the Grain to OVK, regardless of the cause of such indebtedness, the Seller hereby expressly authorises OVK to apply the purchase price of the Grain towards the settlement or partial settlement of such debt owed to OVK.
- 6.3 Subject to the provisions of clauses 6.1, 6.2, and clause 7 of this agreement, OVK will pay the purchase price of the Grain to the Seller within ten (10) business days from the first day of the applicable SAFEX contract month, or within ten (10) business days after delivery of the Grain, or within the period set out in the Transaction Confirmation — whichever date occurs last.

7 PLEDGE, RIGHT OF RETENTION AND CESSIONS

- 7.1 If any person (excluding OVK) acquires a lien, right of retention, cession, preferential right or any other right in respect of the future proceeds of the Grain prior to concluding the Grain Purchase Agreement, the Seller will, within 24 (twenty-four) hours of receipt by the Seller of the Transaction Confirmation, notify OVK thereof in writing by sending an email to graankontrakte@ovk.co.za and provide OVK with full details of such person and where the aforementioned right is contained in a written document, also provide OVK with a copy of such document.
- 7.2 The Seller hereby irrevocably authorizes OVK to pay the purchase price or part thereof, after deduction of any amount owed by the Seller to OVK, directly to any person holding a lien, right of retention, cession,

preferential right or any other right in respect of the proceeds of the Grain, subject to such person providing sufficient written proof of the existence of such right.

- 7.3 Upon payment of the amount or amounts to the holder(s) of the aforementioned rights, OVK will, to the extent such payment has been made, be discharged from its obligations towards the Seller. Where a dispute arises and conflicting claims are made regarding the proceeds of the Grain, OVK will withhold the purchase price or that portion thereof in respect of which the dispute exists until such time as such dispute has been resolved.

8 TRANSFERABILITY

- 8.1 Any Grain Purchase Agreement entered into between the Parties will apply only to the Parties thereto and will not be transferable between persons.
- 8.2 The Seller will not, except with the prior written consent of OVK, have the right to delegate or in any way transfer any of its obligations, whether partially or entirely, under this Master Grain Purchase Agreement to any other person or entity.
- 8.3 After the conclusion of any Grain Purchase Agreement, the Seller will not, except with the prior written consent of OVK, be entitled to cede or otherwise transfer any of its rights, whether partially or entirely, under the Grain Purchase Agreement to any other person or entity.

9 BREACH OF CONTRACT

- 9.1 If the Seller fails to fulfil its obligations under any Grain Purchase Agreement entered into between OVK and the Seller, OVK will, without prejudice to any other rights it may have, be entitled to:
- 9.1.1 Enforce the Grain Purchase Agreement and claim specific performance; or
- 9.1.2 Claim damages from the Seller, and such damages, where the Seller fails to deliver or fully deliver the Grain to OVK on or before the end date for such delivery, will be calculated as follows:

Tonnage shortfall delivered by Seller	X (multiply by)	Difference between the purchase price per ton payable by OVK to cover the shortfall and the contracted price per ton
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- 9.2 In addition to the purchase price referred to in clause 9.1.2, any transport costs, silo costs, statutory levies, interest, administrative costs, and any other costs incurred by OVK in order to obtain the Grain will be added.
- 9.3 The Seller will be liable for the payment of interest on any damages at the same rate charged by OVK from time to time on overdue accounts, which interest will be calculated daily and compounded monthly, and will be calculated from the date on which OVK makes payment for the Grain in substitution of the Seller's performance until the date of payment.
- 9.4 Should it be necessary for OVK to take any legal action against the Seller or to defend any legal action taken by the Seller, the Seller will be liable for OVK's legal costs on the scale as between attorney and own client.

10 SUCCESSORS IN TITLE

Any Grain Purchase Agreement entered into between the Parties will be binding on the Parties' successors in title.

11 DISPUTES

- 11.1 If any dispute arises between the Parties regarding the interpretation of any Grain Purchase Agreement, any of the Parties' rights or obligations under any Grain Purchase Agreement, any matter relating thereto, or regarding the cancellation of any Grain Purchase Agreement, the dispute will be referred to arbitration in accordance with the provisions of this clause.
- 11.2 The arbitration referred to in clause 11.1 will be conducted –
- 11.2.1 in Bloemfontein;

- 11.2.2 on an informal basis;
- 11.2.3 in accordance with the provisions of the applicable arbitration legislation in force in the Republic of South Africa; and
- 11.2.4 within ten (10) business days after it is requested, or as soon as practically possible thereafter.
- 11.3 The arbitrator will –
 - 11.3.1 if the dispute is primarily of a legal nature, be an independent practicing attorney with not less than ten (10) years' experience, or a senior advocate of the Free State Society of Advocates, as agreed between the Parties, and failing such agreement, a person nominated by the then-serving Chairperson of the Free State Society of Advocates;
 - 11.3.2 if the dispute is primarily of an accounting nature, be an independent practicing auditor with not less than ten (10) years' experience, as agreed between the Parties, and failing such agreement, a person nominated by the then-serving Chairperson of the Central Region of the South African Institute of Chartered Accountants;
 - 11.3.3 be appointed in accordance with the provisions of clause 11.3.1 if the Parties cannot agree or if the dispute is primarily of a legal or accounting nature, in which case the dispute will be deemed to be a legal dispute.
- 11.4 The arbitrator will be entitled, in his sole discretion, to appoint an additional arbitrator, in which case such arbitrators will act jointly.
- 11.5 In the absence of an agreement between the Parties regarding the procedure to be followed during arbitration, the arbitrator will determine the procedure, and such determination will be final and binding on the Parties.
- 11.6 The decision of the arbitrator(s) will be final and binding on the Parties.
- 11.7 The provisions of this clause 11 will remain in force notwithstanding the termination of any Grain Purchase Agreement for any reason whatsoever.
- 11.8 Notwithstanding any provision to the contrary, and notwithstanding the referral of a disputes to arbitration as contemplated in this clause 11, either Party will be entitled to obtain urgent relief from a court, at any time.

12 PROCESSING OF PERSONAL INFORMATION

- 12.1 It is hereby recorded that the Parties may, during the period of the relationship as contemplated under any Grain Purchase Agreement, from time to time obtain Personal Information (as defined in the Protection of Personal Information Act, No. 4 of 2013 (“**POPIA**”)).
- 12.2 In accordance with the provisions of clause 12.1 above, each Party hereby warrants that such Party –
 - 12.2.1 will ensure that the confidentiality and integrity of all Personal Information obtained and/or processed (as defined in POPIA) by or on behalf of a Party will be done in accordance with the provisions of POPIA;
 - 12.2.3 will ensure that the processing of the other Party's Personal Information will only be for the purpose of fulfilling that Party's obligations under any Grain Purchase Agreement and to otherwise give effect to the provisions of any Grain Purchase Agreement , and that no such Personal Information will be made available to any external third parties, except as provided in any Grain Purchase Agreement and unless required for the performance of any Grain Purchase Agreement;
 - 12.2.4 will maintain standard administrative, physical, and technical safeguards for the protection, security, confidentiality, and integrity of the other Party's Personal Information in its care and control for the duration of any Grain Purchase Agreement and thereafter (to the extent such Personal Information is not deleted or destroyed), and will further ensure that it remains in compliance with the provisions of POPIA; and
 - 12.2.5 will comply with all applicable data protection regulations, including any applicable provisions of

POPIA, as well as all guidelines issued by the Information Regulator.

- 12.3 Each Party hereby indemnifies the other Party against any liability or loss incurred or suffered by such Party as a result of the other Party's breach of the obligations imposed on it under the provisions of POPIA and this clause 12.

13 GENERAL

- 13.1 As far as possible, the provisions of each Grain Purchase Agreement will be interpreted in a manner that is effective and valid under the applicable law of the Republic of South Africa, and if any provision of any Grain Purchase Agreement is found to be illegal, invalid, or unenforceable under the applicable law, such illegality, invalidity, or unenforceability will not affect the validity of any other provision of any such Grain Purchase Agreement, and all other provisions will remain in force.
- 13.2 No waiver, indulgence, or other concession granted by any Party to the other in respect of compliance with any obligation under any Grain Purchase Agreement or the enforcement of any rights arising therefrom, and no single or partial exercise of any right by any Party, will under any circumstances be deemed an implied consent or waiver of any rights by such Party or in any other way affect any of that Party's rights under any Grain Purchase Agreement, nor will it prevent such Party from at any time and without notice insisting on strict and punctual compliance with each provision of such Grain Purchase Agreement.
- 13.3 This Master Grain Purchase Agreement, the Shortened Grain Purchase Agreement, and the terms and conditions of each Transaction, as exclusively confirmed and recorded in the Transaction Confirmation issued by OVK, and constitute, in each case of entering into a Grain Purchase Agreement, the entire agreement between the Parties.
- 13.4 No amendments to or cancellation of any Grain Purchase Agreement entered into between the Parties will have any legal force or effect unless recorded in writing and signed by the Parties or their duly authorized representatives. No amendment to or agreed cancellation of any Grain Purchase Agreement will be valid on the basis of any exchange of "data" via an "electronic signature" or an "advanced electronic signature" as defined or otherwise contemplated in the Electronic Communications and Transactions Act, No. 25 of 2002.
- 13.5 Each Grain Purchase Agreement entered into between the Parties supersedes all previous agreements, representations, communications, discussions, and understandings between the Parties regarding the content and provisions of such Grain Purchase Agreement, and any such prior agreements, representations, communications, discussions, and understandings will be of no force or effect and will not be binding on the Parties.
- 13.6 Where the Parties enter into a Grain Purchase Agreement whose provisions as set out in the Transaction Confirmation differ from the provisions of this Master Grain Purchase Agreement or the Shortened Grain Purchase Agreement, the provisions as set out in the Transaction Confirmation will prevail and be binding between the Parties, but only with respect to the specific Grain Purchase Agreement. The provisions in the Transaction Confirmation that differ as aforesaid will not otherwise result in an amendment of the provisions of this Master Grain Purchase Agreement or the Shortened Grain Purchase Agreement generally, and all other provisions of this Master Grain Purchase Agreement and the Shortened Grain Purchase Agreement will continue to apply to the relevant Grain Purchase Agreement.
- 13.7 All notices and any other communications (including, but not limited to, any approvals, consents, or requests) by the Parties in terms of any Grain Purchase Agreement or in respect thereof will be in writing and either hand-delivered or sent by electronic mail to the other Party at its relevant address as set out in the applicable Shortened Grain Purchase Agreement or as otherwise provided herein.
- 13.8 Any notice or other communication given by one Party to the other Party which –
- 13.8.1 is sent electronically to the specified electronic mail address of any Party, will be deemed to have been received by such Party on the day of sending as indicated in the sender's electronic mail records; and
- 13.8.2 is hand-delivered during normal business hours, will be deemed received on the date of delivery.
- 13.9 The Parties choose their respective physical addresses as set out in the Shortened Grain Purchase Agreement as their *domicilium citandi et executandi* for the purposes of serving all documents in respect

of legal proceedings. If a Party wishes to change such address, the change must be effected by written notice to the other Party, provided that such address may not be outside the Republic of South Africa.

- 13.10 Notwithstanding any provision hereof, a written notice or communication actually received by a Party will constitute sufficient written notice or communication to such Party.

14 SPECIFIC TERMS APPLICABLE TO THE DIFFERENT TYPES OF GRAIN PURCHASE AGREEMENTS

14.1 Introduction

The following provides a reference to:

- 14.1.1 **“base costs”**, a reference to the amount to be deducted from the purchase price and which includes, but is not limited to, the SAFEX published transport differential and a premium where applicable. Silo handling costs, storage costs, screening costs, drying costs, and other relevant silo costs for the storage and handling of Grain are invoiced separately and do not form part of the base costs. The tariffs in respect of sunflower and soybeans are published by OVK on its website on or before 28 February, in respect of maize on or before 30 April, and in respect of wheat on or before 30 September of each year. The base costs will at all times be determined and set at OVK's sole discretion.
- 14.1.2 **“ex silo”**, a reference to the delivery of Grain where the Grain subject to a Grain Purchase Agreement has been received and stored in a silo.
- 14.1.3 **“grade discounts”**, a reference to SAFEX's published grade discounts applicable to lower grade Grain compared to first-grade Grain where applicable, and where SAFEX does not publish such grade discounts, OVK's published grade discounts applicable to lower grade Grain compared to first-grade Grain, which are available on OVK's WhatsApp application.
- 14.1.4 **“Farm Load”**, a reference to the delivery of Grain where the agreed delivery point is the place of cultivation of the Grain, as more fully dealt with in clause 4.5 hereof.
- 14.1.5 **“SAFEX”**, a reference to the South African Futures Exchange.

14.2 Fixed Price Contract

- 14.2.1 The quantity and purchase price of the Grain under a Fixed Price Contract are determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.2.2 The purchase price of the Grain under a Fixed Price Contract is determined based on the SAFEX price on the date of entering into the Grain Purchase Agreement, minus the base costs.
- 14.2.3 The aforementioned purchase price is the price for first-grade Grain. Where the Grain delivered is not first-grade Grain, the purchase price will be adjusted and payable in accordance with the grade discounts applicable on the date of delivery of the Grain, based on contract sales applicable to lower-grade Grain.
- 14.2.4 Delivery of the Grain under a Fixed Price Contract may occur by way of a Farm Load, ex silo, or at the delivery point as determined by OVK and as specified in the Transaction Confirmation.

14.3 Daily Price Contract

- 14.3.1 The quantity and purchase price of the Grain under a Daily Price Contract are determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.3.2 The purchase price of the Grain under a Daily Price Contract is determined based on the SAFEX price on the date on which the Grain Purchase Agreement is concluded, minus the base costs.
- 14.3.3 The aforementioned purchase price is the price for first-grade Grain. Where the Grain delivered is not first-grade Grain, the purchase price will be adjusted and payable in accordance with the grade discounts applicable on the date of delivery of the Grain under Daily Price sales.
- 14.3.4 A Daily Price Contract may only be concluded:

- 14.3.4.1 Where the Grain, the Seller wishes to sell, is already stored in a silo or another agreed delivery point; or
- 14.3.4.2 On the date on which the Grain is to be delivered to OVK at a silo or another agreed delivery point, subject to the condition that the Grain must be delivered to OVK at a silo or other agreed delivery point before 11:00 on the date on which the purchase price is to be determined, and the Seller must notify OVK of its intention to conclude a Daily Price Contract before 11:00 on that day.

14.4 SAFEX Average Price Later Basis Contract (Pool)

- 14.4.1 The quantity of the Grain under a SAFEX Average Price Contract is determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.4.2 The purchase price of the Grain under a SAFEX Average Price Contract is based on and determined according to the average SAFEX closing price for the specific type of Grain for the term as set out in the Transaction Confirmation, minus the base costs. The base costs will be determined in accordance with the provisions of clause 14.8.3.
- 14.4.3 The aforementioned purchase price is the price for first-grade Grain. Where the Grain delivered is not first-grade Grain, the purchase price will be adjusted and payable in accordance with the grade discounts, as applicable on the date of delivery of the Grain under contract or Daily Price sales.
- 14.4.4 OVK will, notwithstanding any other provision of a Grain Purchase Agreement based on the SAFEX Average Price Contract, at all times be entitled to cancel such Grain Purchase Agreement where, in OVK's sole discretion, insufficient interest has been received from producers to ensure the viability of the SAFEX Average Price Contract, provided that such cancellation is made in writing at least 7 (SEVEN) days before the commencement of the term as determined in the Transaction Confirmation for which the average SAFEX closing price is to be determined.
- 14.4.5 Delivery of the Grain under a SAFEX Average Price Contract may take place via a Farm Load, ex silo, or at the delivery point as determined by OVK and as stated in the Transaction Confirmation.

14.5 Minimum/Maximum SAFEX Price Later Basis Contract

- 14.5.1 The quantity of the Grain under a Minimum/Maximum Price Contract is determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.5.2 The SAFEX price as the basis of which the final purchase price will be determined will be based on a minimum SAFEX price and a maximum SAFEX price as set out in the Transaction Confirmation, and will depend on the SAFEX price on the date the option expires, as determined in terms of the Transaction Confirmation. The purchase price of the Grain will be calculated based on the aforementioned SAFEX price, minus the base costs. The base costs will be determined in accordance with the provisions of clause 14.8.3.
- 14.5.3 Unless the Seller exercises the option referred to in clause 14.5.4 below, the purchase price will be determined on the date the option expires, from which the base costs and option costs are deducted, and which purchase price will not be less than the minimum SAFEX price and not more than the maximum SAFEX price as set out in the Transaction Confirmation, provided that if:
 - 14.5.3.1 The SAFEX price on the date the option expires is less than the maximum SAFEX price stated in the Transaction Confirmation, the purchase price will be equal to the SAFEX price on the date the option expires, minus the base costs and option costs, but will not be less, before the deduction of base costs and option costs, than the minimum SAFEX price as set out in the Transaction Confirmation; and
 - 14.5.3.2 The SAFEX price on the date the option expires is higher than the maximum SAFEX price stated in the Transaction Confirmation, the purchase price will be equal to the maximum SAFEX price as set out in the Transaction Confirmation, minus the base costs and option costs.

- 14.5.4 The Seller will be entitled at any time before the date the option expires to exercise the option to convert the Minimum/Maximum Price Contract into a Fixed Price Contract. In such a case:
- 14.5.4.1 The terms and conditions applicable to a Fixed Price Contract, as set out above, will apply;
 - 14.5.4.2 The Seller will be liable for all costs that may arise from converting the Minimum/Maximum Price Contract into a contract with a fixed price;
 - 14.5.4.3 The Seller will exercise the option in writing by completing and signing the option form, attached hereto as Annexure "A", and submitting the option form to OVK by sending it via e-mail to ovkgraanverkryging@ovk.co.za;
 - 14.5.4.4 The date of exercising the Seller's option will be the date OVK receives the option form, provided that an option form received by OVK by 10:00 on a specific day will be deemed to have been received on that day, whereas any option form received after 10:00 on a specific day will be deemed to have been received on the next business day.
- 14.5.5 Delivery of the Grain under a Minimum/Maximum Price Contract may take place via a Farm Load, ex silo, or at the delivery point as determined by OVK and as stated in the Transaction Confirmation.

14.6 Deferred Final SAFEX Price Contract (70/30)

- 14.6.1 The quantity of the Grain under a Deferred Final SAFEX Price Contract is determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction, provided that a Deferred Final SAFEX Price Contract may only be concluded after the Grain has already been delivered to and sold to OVK under a prior Grain Purchase Agreement concluded between OVK and the Seller.
- 14.6.2 Under a Deferred Final SAFEX Price Contract, an agreed portion, as set out in the Transaction Confirmation, of the purchase price payable to the Seller under the aforementioned prior Grain Purchase Agreement will be paid to the Seller, while OVK retains the remaining portion of that purchase price, which remaining portion will be used to finance the SAFEX Futures Contract(s) below, with the purpose of providing the Seller, at the Seller's sole risk, a final pricing opportunity.
- 14.6.3 After concluding the Deferred Final SAFEX Price Contract, OVK will, on behalf of the Seller, enter into a SAFEX Futures Contract or contracts regarding future SAFEX terms, provided that:
- 14.6.3.1 Such SAFEX Futures Contract or contracts are entered into on behalf of the Seller in respect of the agreed quantity of Grain, as confirmed in the Transaction Confirmation, delivered by the Seller to OVK under the aforementioned prior Grain Purchase Agreement, provided that such quantity of Grain will not exceed the total quantity of Grain delivered under the aforementioned prior Grain Purchase Agreement;
 - 14.6.3.2 The Seller will be liable for all costs associated with entering into the SAFEX Futures Contract or contracts;
 - 14.6.3.3 The SAFEX Futures Contract or contracts are entered into at the Seller's sole risk of profit and loss, and where a loss is incurred that exceeds the remaining purchase price of the Grain as mentioned above, the Seller will be liable to OVK for such loss and any amounts owed by the Seller to OVK will be payable on demand; and
 - 14.6.3.4 If the SAFEX Futures Contract or contracts expire and no loss has been incurred that exceeds the remaining purchase price of the Grain mentioned above, OVK will pay the amount(s) due to the Seller.
- 14.6.4 The Seller will be entitled to exercise the option to postpone or advance the expiry of the SAFEX Futures Contract or contracts to a SAFEX Main Pricing Month Contract, provided that:
- 14.6.4.1 The Seller will be liable for all costs arising from the postponement or advancement of the expiry of the SAFEX Futures Contract or contracts;
 - 14.6.4.2 The Seller must exercise the option in writing by sending an e-mail to ovkgraanverkryging@ovk.co.za, and in the case of postponing the expiry date, such option must be exercised on or before the date specified in the Transaction Confirmation;

- 14.6.4.3 The date of exercising the Seller's option will be the date on which OVK receives the aforementioned e-mail;
- 14.6.4.4 The aforementioned e-mail must be received by OVK on or before the 20th (twentieth) day of the month preceding the SAFEX hedging month in respect of the SAFEX Futures Contract or contracts; and
- 14.6.4.5 Where the Seller exercises the option to postpone the expiry of the SAFEX Futures Contract or contracts to a later SAFEX main pricing month, such SAFEX main pricing month may not be later than 28 February in the case of sunflower and soybeans, 30 April in the case of maize, and 30 September in the case of wheat in the year following the year in which the SAFEX Futures Contract or contracts were entered into.

14.7 Fixed Basis Cost Later SAFEX Price Contract (Volume Contract)

- 14.7.1 The quantity of the Grain under a Fixed Basis Cost Later SAFEX Price Contract is determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.7.2 The purchase price of the Grain is not determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, but as set out below. On the date on which the specific Grain Purchase Agreement is concluded, the basis costs are determined, agreed upon, and included in the Transaction Confirmation.
- 14.7.3 Upon entering into the specific Grain Purchase Agreement, the final date(s) (the "Price Determination Date") on which the purchase price of the Grain can be determined will be agreed upon and such date(s) included in the Transaction Confirmation.
- 14.7.4 The purchase price of the Grain will be determined based on a specific SAFEX price on the Price Determination Date(s) as agreed and included in the Transaction Confirmation, or such other Price Determination Date(s) chosen by the Seller as set out below, minus the basis costs.
- 14.7.5 The Seller will be entitled to designate another date or dates than the Price Determination Date(s), subject to:
 - 14.7.5.1 The Seller exercising the designation in writing by sending an e-mail to ovkgraanverkryging@ovk.co.za;
 - 14.7.5.2 The date on which the Seller makes the designation will be the date on which OVK receives the e-mail, provided that an e-mail received by OVK by 10:00 on a specific day will be deemed received on that day, whereas any e-mail received after 10:00 on a specific day will be deemed received on the next business day;
 - 14.7.5.3 The date or dates designated by the Seller may not be later than the Price Determination Date(s) set out in the Transaction Confirmation; and
 - 14.7.5.4 The Seller may designate such date or dates once or on multiple occasions.
- 14.7.6 Delivery of the Grain under a Fixed Basis Cost Later SAFEX Price Contract may occur via a Farm Load, ex silo, or at the delivery point as determined by OVK and set out in the Transaction Confirmation.

14.8 Fixed SAFEX Price Later Basis Cost Contract

- 14.8.1 The quantity of the Grain under a Fixed SAFEX Price Later Basis Cost Contract is determined and agreed upon on the date on which the specific Grain Purchase Agreement is concluded, being the date of the Transaction.
- 14.8.2 The purchase price of the Grain is determined and agreed upon according to a specific future SAFEX price on the date on which the specific Grain Purchase Agreement is concluded.
- 14.8.3 The Seller will be entitled to designate the date on which the basis cost, as determined by OVK, will be applied as the basis cost to be deducted from the purchase price, subject to the following conditions:
 - 14.8.3.1 The Seller will exercise such designation in writing by sending an e-mail to ovkgraanverkryging@ovk.co.za;
 - 14.8.3.2 The date on which the Seller makes the designation will be the date on which OVK

receives the e-mail, provided that an e-mail received by OVK by 10:00 on a specific day will be deemed to have been received on that day, whereas any e-mail received after 10:00 on a specific day will be deemed to have been received on the next business day;

- 14.8.3.3 The date designated by the Seller may not be later than the date of the first delivery of the Grain under the Grain Purchase Agreement;
 - 14.8.3.4 The Seller may designate such date only once; and
 - 14.8.3.5 If the Seller fails to designate the aforementioned date, the basis cost as determined by OVK on the date of delivery of the Grain will apply as the basis cost to be deducted from the purchase price.
- 14.8.4 The Seller will be entitled, at any time prior to the date of delivery, to exercise the option to convert the Fixed SAFEX Price Later Basis Contract into a Day Price Contract. In such case:
- 14.8.4.1 The terms and conditions applicable to a Day Price Contract, as set out herein, will apply, subject to what is stated below;
 - 14.8.4.2 The Seller will be liable for all costs arising from the conversion of the Fixed SAFEX Price Later Basis Contract into a Day Price Contract;
 - 14.8.4.3 The Seller will exercise this option in writing by sending an e-mail to ovkgraanverkryging@ovk.co.za
 - 14.8.4.4 The date of the Seller's exercise of this option will be the date on which OVK receives the aforementioned e-mail, provided that an e-mail received by OVK by 10:00 on a specific day will be deemed received on that day, whereas any e-mail received after 10:00 on a specific day will be deemed received on the next business day; and
 - 14.8.4.5 The purchase price of the Grain will be the price already agreed upon in terms of the Fixed SAFEX Price Later Basis Contract.
- 14.8.5 Delivery of the Grain under a Fixed SAFEX Price Later Basis Contract may take place by way of a Farm Load, ex silo, or at the delivery point as determined by OVK and stated in the Transaction Confirmation.

**ANNEXURE “A”: EXERCISE OF PRICE
OPTION FORM**

**THE GRAIN DEPARTMENT
OOS VRYSTAAT KAAP OPERATIONS LIMITED
19 DAN PIENAAR STREET
LADYBRAND 9745**

Date: _____

Rate Confirmation Number	
SAFEX Month	
Grain Type	
Price	
Total Option Cost	
Ex-Silo Price	
Farmer Price	
Contracted Volume	

I, the undersigned,

NAME: _____

REGISTRATION / ID NO: _____

MEMBER NUMBER: _____ (if applicable)

residing at / with principal business premises at

ADDRESS: _____

hereby give notice to Oos Vrystaat Kaap Operations Limited (“OVK”) that I elect a FIXED CONTRACT PRICE in respect of the above-mentioned grain type, which I have sold in terms of a Grain Purchase Agreement dated _____

SIGNED AT _____ on the _____ of _____ 20_____

SIGNATURE

FOR OFFICE USE

_____ (date) _____ (time)

Name of OVK official

Signature of OVK official