



CHESTER FINANCE - A DIVISION OF CULLINAN HOLDINGS LIMITED

STANDARD TERMS AND CONDITIONS

- 1.1 In these terms unless the context requires otherwise:-
- 1.1.1 "Agreement" means the facility letter addressed to the Client by Chester Finance (and duly signed by both parties) setting out the basis upon which Chester Finance shall conduct business with the Client and these Standard Terms and Conditions, as amended from time to time;
- 1.1.2 "Chester Finance" means Chester Finance – A Division of Cullinan Holdings Limited;
- 1.1.3 "Chester Group" means Chester Finance, its subsidiaries from time to time, any holding company from time to time and other subsidiaries from time to time of any such holding company;
- 1.1.4 "the Client" means any person wherever resident domiciled or situate with whom or on whose behalf Chester Finance enters into any Trade Finance Transaction;
- 1.1.5 "Client Facility Letter" means the facility letter addressed to the Client by Chester Finance (and duly signed by both parties) setting out the basis upon which Chester Finance shall conduct business with the Client and these Standard Terms and Conditions, as amended from time to time;
- 1.1.6 "Confirming Transaction" means any transaction under which Chester Finance agrees to provide services and/or finance for a Client, as the Client's confirming agent, including but without being limited to any transaction under which Chester Finance:
- 1.1.6.1 purchases from any supplier any goods or services on behalf of the Client, whether as a principal or an agent in relation to the supplier and if as an agent whether with or without Chester Finance's own confirmation of the purchase; and
- 1.1.6.2 makes any payments or other disbursements of moneys and incurs any expenses for the Client, as part of or pursuant to any such transaction;
- 1.1.7 "Finance Transaction" means any transaction under which Chester Finance agrees to provide for any purpose whatever (other than as part of or pursuant to a Confirming Transaction) any funds, financial facility or accommodation to a Client including without being limited to any loan made to the Client, any credit allowed to the Client for any other kind of transaction and any Guarantee given for any obligation of the client;
- 1.1.8 "Guarantee" includes any suretyship, guarantee, confirmation, indemnity and any other obligation (whatever called) to pay or provide funds (whether by the advance of money, or the purchase of goods or services or otherwise) for the payment of or for any indemnity against the consequences of default in the payment of, or otherwise be responsible for, any obligations of the Client;
- 1.1.9 "Operator" means an operator as defined in the Protection of Personal Information Act, 4 of 2013;
- 1.1.10 "Outstanding Amount" means the capital, capitalized costs, the accrued and unpaid interest (including capitalized interest) and all/or any other amounts due and payable by the Client to Chester Finance in terms of this Client Facility Letter (including the unpaid Payment Guarantee less any payments made by or on behalf of the Client to the applicable holder of the Payment Guarantee) which remains outstanding at any given time;
- 1.1.11 "Payment Guarantee" means any payment guarantee issued by Chester Finance, or on its behalf, for settlement of the Clients obligations to a third party;

- 1.1.12 "Personal Information" means personal information as defined in the Protection of Personal Information Act, 4 of 2013;
- 1.1.13 "purchase" includes any contract for the hire of services where the context so requires;
- 1.1.14 "Trade Finance Transaction" means any Confirming Transaction or Finance Transaction entered into or proposed to be entered into (as the context may require) by Chester Finance with a Client;
- 1.1.15 "Standard Terms" means these Standard Terms and Conditions; and
- 1.1.16 "the Surety" means the person (if any) who guarantees or otherwise provides security for the obligations of the Client under or in respect of any Trade Finance Transaction.
- 1.2 A reference to the neuter gender in relation to the Client or the Surety shall where the Client or the Surety is an individual, partnership or other association of individuals be construed as being a reference to the masculine or feminine gender as the case may be; a reference to the singular shall where the context permits be construed as being a reference to the plural) and the terms "holding company" and "subsidiary" shall have the respective meanings ascribed to them in the Companies Act, 2008 as amended or replaced from time to time.
- 1.3 Where in any document or correspondence a rate of interest is expressed to be payable to Chester Finance by the Client by reference to the prime rate, the prime rate shall mean the publicly announced rate of interest per annum from time to time levied by The Standard Bank of SA Limited ("the bank") as certified by any manager of any branch of the bank whose certificate shall be conclusive; provided that:
- 1.3.1 in respect of local Trade Finance Transactions, such interest shall be based on a 365 day year, computed and charged in advance for the period of the loan; and
- 1.3.2 in respect of foreign Trade Finance Transactions, such interest shall be based on a 365 day year, computed and charged in arrears for the period of the loan.
- 1.4 Where in any document or correspondence a rate of interest is expressed to be payable to Chester Finance by the Client by reference to Libor, Libor shall mean the London Interbank Offered Rate quoted in The Financial Times on the date of the relevant invoice, for the relevant currency and period. In the event of the London Interbank Market ceasing to exist and/or The Financial Times not quoting such rate, such expression shall be construed as meaning any appropriate alternative as conclusively determined by Chester Finance.
2. These terms and conditions apply to all Trade Finance Transactions on the basis that the terms set out in Part I apply to all Trade Finance Transactions and those contained in Part II apply only to Confirming Transactions for the financing of imports by the Client whether into South Africa or any other territory.
3. In the event of any conflict between the Client Facility Letter and the provisions of these terms and conditions, the Client Facility Letter shall prevail. All Trade Finance Transactions shall be governed in all respects by the laws of South Africa.

PART I

- 4.
- 4.1 Chester Finance reserves the right in its sole and absolute discretion and without assigning any reason therefore (and notwithstanding anything contained in any other agreement made between Chester Finance and the Client or any representation made on behalf of Chester Finance) to refuse to enter into a Trade Finance Transaction.
- 4.2 Chester Finance reserves the right in its sole and absolute discretion to enter into any Trade Finance Transaction in excess of the agreed aggregate facility amount as set out in the Client's Client Facility Letter; provided that Chester Finance shall be entitled, in its sole and absolute discretion, to increase the commission charge set out in the Client Facility Letter.
- 4.3 Chester Finance reserves the right in its sole and absolute discretion to extend the due date of any Trade Finance Transaction for a period it so determines ("the Extended Period"); provided that Chester Finance reserves the right during such Extended Period to request settlement of the total amount outstanding to Chester Finance, including all and/or any interest and all and/or any charges thereon, on 30 (thirty) days' written notice.
- 4.4 The facility shall be reviewed on an annual basis effective from the first anniversary.
5. The Client undertakes to procure that Chester Finance is:
- 5.1.1 noted as co-insured on all and any insurance policy which the Client has in place in relation to the Client's business;

- 5.1.2 informed as to any amendment whatsoever effected to all or any of the Client's insurance policy(ies) or any cancellation thereof; and
- 5.1.3 notified regarding all or any default in premium payment owed by the Client in relation to the Client's insurance policy(ies).
6. The Client undertakes unconditionally to accept bills of exchange and drafts on first presentation and to make payment to Chester Finance on demand on the due date for all sums paid and/or obligations and/or expenses incurred by Chester Finance under the Trade Finance Transaction.
- 7.
- 7.1 The Client represents and warrants to Chester Finance that as at and with effect from the time that a Trade Finance Transaction is entered into:
- 7.1.1 all the obligations of the Client and the Surety under or arising out of the Trade Finance Transaction constitute legally binding obligations of the Client and the Surety enforceable in accordance with their terms (but subject always to the operation of generally applicable law relating to insolvency);
- 7.1.2 there is no law, or enactment of any kind binding upon the Client or the Surety and no provision in any mortgage, trust instrument, contract or agreement binding upon the Client or the Surety or affecting the Client or the Surety which would prevent the Client or the Surety from entering into the Trade Finance Transaction or any document to be entered into for the purposes thereof;
- 7.1.3 neither the Client nor the Surety is in breach or default of or under any agreement to an extent or in a manner which might have a material adverse effect on its business or financial condition;
- 7.1.4 all of the written information provided by or on behalf of the Client or the Surety to Chester Finance for the purposes of the Trade Finance Transaction was when given true, complete and accurate; in all material respects;
- 7.1.5 there has been no material adverse change in the business, undertaking, assets, liabilities, revenues or affairs of the Client or the Surety since the date of their respective last audited accounts or management accounts supplied to Chester Finance; and
- 7.1.6 the Client has adequately insured its business.
- 7.2 For the duration of the Trade Finance Transaction all consents, licences, approvals and authorisations (if any) as may be required under any applicable law or regulation to enable the Client or the Surety to perform their respective obligations to Chester Finance in respect of the Trade Finance Transaction shall be obtained, complied with and promptly renewed.
- 8.
- 8.1 Upon the occurrence of any of the events set out in Clause 8.2:
- 8.1.1 where Chester Finance shall have received a bill of exchange or post-dated cheque for payment or repayment of any sum due to it and at the date of any such event as aforesaid the said bill or cheque shall not have become due, Chester Finance shall be entitled (but not bound) to cancel and return the same to the Client and thereupon all sums owing to Chester Finance in respect of which the cancelled bill or cheque had been tendered shall immediately become due and payable in full;
- 8.1.2 all other sums owing to Chester Finance not payable or repayable by bill of exchange or post-dated cheque as aforesaid which would not apart from the provisions of this Clause then have been due and payable shall immediately become due and payable in full;
- 8.1.3 Chester Finance shall be entitled to levy an hourly fee for all or any services rendered by Chester Finance and/or recover all or any disbursements made by Chester Finance (including, but not limited to, legal fees, travel expenses and accommodation costs) which services and/or disbursements Chester Finance deems necessary, in its sole and absolute discretion. Chester Finance shall be entitled to cede its rights in terms of this Clause 8.1.3 to any entity in the Chester Group.
- 8.1.4 Chester Finance shall be entitled to demand immediate repayment of all and/or any amounts outstanding by the Client to Chester Finance as at an Event of Default (whether such amounts have fallen due or not) and further, shall be entitled to impose Penalty Interest on the Outstanding Amount (including but not limited to capital, interest and any capitalised charges) by the Client to Chester Finance as at the date of the Event of Default with effect from the date immediately following the date of the Event of Default.
- 8.1.5 Chester Finance shall be entitled, without delay, to cancel and/or revoke and/or withdraw any

Payment Guarantee issued in terms of the Client Facility Letter.

- 8.2 The events for the purposes of Clause 8.1 are:-
- 8.2.1 failure by the Client to settle monthly interest payments;
 - 8.2.2 failure by the Client to pay or repay any amount to Chester Finance on due date;
 - 8.2.3 failure by the Client or the Surety to comply with any other obligations, covenants or undertakings given in favour of Chester Finance;
 - 8.2.4 the Client or the Surety suspending or threatening to suspend all or a substantial part of its operations or all or a substantial part of the assets of the Client or the Surety being expropriated by any governmental or other competent authority or the Client or the Surety disposing of all or a substantial part of its assets;
 - 8.2.5 an attachment, execution or other legal process being levied against any of the assets of the Client or the Surety which is not paid off, withdrawn or discharged within fourteen days;
 - 8.2.6 (where any Client or the Surety is a body corporate) a meeting being convened or application being presented or an order being made or an effective resolution being passed or a notice being given for the winding-up or dissolution of the Client or the Surety, or any resolution being passed or any application being made or notification being served for the making of an application for business rescue or the like in relation to the Client or the Surety or action being taken in terms thereof or the Client or the Surety making an assignment for the benefit of creditors;
 - 8.2.7 a creditor or trustee or (where the Client or the Surety is a body corporate) a liquidator or a business rescue practitioner taking possession or control, as the case may be, of the whole or any part of the assets or undertaking of the Client or the Surety;
 - 8.2.8 (where the Client and/or the Surety is an individual, partnership or other association of individuals) sequestration or winding up proceedings being commenced against the Client and/or the Surety or as the case may be one of a number of individuals constituting the Client and/or the Surety and that any such proceeding is not withdrawn or dismissed within 14 days or the Client and/or Surety commits an act of insolvency;
 - 8.2.9 the Client or the Surety being guilty of any act or omission which may generally prejudice the rights of Chester Finance;
 - 8.2.10 any representation or warranty made to Chester Finance by or in relation to the Client or the Surety being incorrect in any material respect as at the date on which it was made or repeated, in the event of it being repeated at any time whilst sums are outstanding or commitments are outstanding to Chester Finance;
 - 8.2.11 there being an adverse change in the financial status of the Client or the Surety which, in Chester Finance's opinion, is likely to materially affect the ability of the Client or the Surety to perform or comply with their respective obligations to Chester Finance;
 - 8.2.12 the Client or the Surety entering into any transaction which in the opinion of Chester Finance is outside the ordinary course of their respective businesses;
 - 8.2.13 any event occurring which, in the opinion of Chester Finance, has or may have a material adverse effect on the business of the Client and/or the Surety;
 - 8.2.14 the Client dishonouring or refusing acceptance of any bill of exchange or other negotiable instrument held and drawn by Chester Finance on first presentation; or
 - 8.2.15 any acceleration of any liability of the Client or the Surety to pay or repay under any other finance agreement to which it is a party caused by any event of default or similar event therein referred to; or
 - 8.2.16 failure by the Client to score a minimum of a bank code "C" on all or any request submitted by Chester Finance to the Client's bank, which request shall be based on the Client's facility size and the repayment arrangement between Chester Finance and the Client; or
 - 8.2.17 an unsatisfactory report, which Chester Finance shall determine in its sole and absolute discretion, from any credit reference agency about the Client and/or any Surety.
- 8.3 Any reference in Clause 8.2 to any proceedings or procedures under any South African Legislation shall, in any case where the Client or the Surety is registered or conducts its business in a jurisdiction outside South Africa, be construed as a reference to the equivalent proceedings or procedures under the corresponding legislation of or relating to that other jurisdiction.

9. Each notice, request, demand or other communication to be given or made hereunder may be served by registered post, facsimile or personal delivery and in the case of a notice, request, demand or other communication by Chester Finance to the Client shall be addressed to the Client at its registered office or last known place of business and by the Client to Chester Finance at its registered office and marked for the attention of its managing director. If served by registered post it shall be deemed to have been received 10 days after posting and if served by facsimile shall be deemed to have been received when dispatched.
- 10.
- 10.1 Chester Finance shall, in its sole and absolute discretion, be entitled to impose Penalty Interest (as set out in the Client Facility Letter) on all or any amount due and owing to Chester Finance with effect from the due date for payment of such amount.
- 10.2 Should an Event of Default occur, then, without prejudice to any other rights which Chester Finance may otherwise have as a result of such Event of Default, the Interest Rate shall, for the period which commences on the date on which the Event of Default occurs, and which terminates on the day such Event of Default ceases, be increased to be equal to the Penalty Rate. Any interest due in terms of this clause shall be compounded monthly in arrears and shall be payable in accordance with the terms of the Facility Letter.
11. A statement signed by a director of Chester Finance of any amount due to Chester Finance shall, in the absence of manifest error, be prima facie proof thereof.
12. All sums payable by the Client whether of capital, interest, fees or otherwise shall be paid in full without any set off or counterclaim whatsoever or any deduction on account of any taxes. In the event of the Client being compelled by law to deduct any such taxes its obligation will be to pay such sum as will result in the receipt by Chester Finance of the full amount expressed to be payable hereunder.
13. In addition to any right of set off or general lien or similar right to which Chester Finance may be entitled in law, Chester Finance may without notice to the Client set off any money whatsoever, whether in Rand or in any other currency, which Chester Finance may at any time hold for the Client's account against any of the Client's liabilities which shall have fallen due to be paid whether in Rand or in any other currency and whether such liabilities are joint or joint and several.
- 14.
- 14.1 During the period in which the Client maintains a facility with Chester Finance and, among other things, whilst the Client owes any amount to Chester Finance whatsoever (irrespective of whether such amount is due or not), or while the Client has any obligations to and in favour of Chester Finance or while the Client has any liability whatsoever to Chester Finance, the Client shall be required to provide Chester Finance with the following financial information:
- (a) a copy of the Client's monthly management accounts in a form acceptable to Chester Finance, within twenty-five days of the relevant month end;
 - (b) a copy of the Client's annual audited financial statements, within six months of the Client's financial year end, whether or not such audit is required by law;
 - (c) a copy of the Client's annual budget;
 - (d) full details of all financial and banking facilities granted to the Client, the securities given in respect of these facilities and the Client's exposure in respect of each facility;
 - (e) written details of any changes at any time to any financial and banking facilities granted to the Client prior to the implementation of such changes; and
 - (f) any other information relating to the Client's financial position or otherwise as Chester Finance may require from time to time.
- 14.2 If Chester Finance, at any time and in its sole and absolute discretion, believes that its interests may in any way be imperilled or the Client has failed to provide Chester Finance with the required financial information, Chester Finance shall be entitled to:
- (i) itself perform the function of a monitor; or
 - (ii) direct the Client to appoint a monitor(s) who shall be nominated by Chester Finance, for the purposes of providing Chester Finance with ongoing and up to date information regarding the performance, prospects, financial and overall position of the Client's business. The Client shall be obliged to co-operate with the monitor appointed in terms of this clause 14.2 and further, the Client undertakes to use its best endeavours to provide the monitor with all the information such monitor requires including, but not limited to, financial information, accounting records and projections.
 - (iii) The provision of any additional service in terms of this clause 14.2 shall be at the Client's cost and on such terms and conditions as Chester Finance may approve.
- 15.
- 15.1 Where the Client enters into any transaction with a third party (whether or not procured by Chester

- Finance) and Chester Finance furnishes a Payment Guarantee to the third party for all or any of the Client's obligations to the third party, and/or furnishes a Payment Guarantee to any other person or intermediary for any Payment Guarantee furnished by such other person or intermediary to the third party for those obligations, then and in any of such events the Client agrees to and shall accordingly counter-indemnify Chester Finance and hold it harmless against all costs, charges, losses, expenses and liabilities incurred by Chester Finance under or arising out of any such Payment Guarantee, including any liability incurred by Chester Finance in defending any proceedings under or arising out of any such Payment Guarantee.
- 15.2 Where Chester Finance itself has entered into any Trade Finance Transaction with the Client it may assign all or a portion of its rights and obligations under the Trade Finance Transaction to any third party and furnish a Payment Guarantee to the third party for all or any of the Client's obligations to the third party as Chester Finance's assignee. If Chester Finance furnishes any such Payment Guarantee to a third party, then the Client agrees to and shall accordingly counter-indemnify Chester Finance and hold it harmless against all costs, charges, losses, administrative fees, expenses and liabilities incurred by Chester Finance under or arising out of any such Payment Guarantee, including, but not limited to, settling the Client's indebtedness to such third party and any liability incurred by Chester Finance in defending any proceedings under or arising out of any such Payment Guarantee.
- 15.3 For the purposes of clause 15.1 a third party or any other person or intermediary, and for the purpose of clause 15.2 a third party, includes Cullinan Holdings Limited and/or any company which is associated with or connected in any way to Chester Finance whether by virtue of any financial or other interest held by that company in Chester Finance or by virtue of any financial or other interest held by Chester Finance or any of Chester Finance's shareholders in the company in question or in any other way.
16. Chester Finance shall be entitled, on behalf of the Client, to employ the services of any third party including, but not limited to, Cullinan Holdings Limited, to provide certain administrative services to the Client. Chester Finance hereby undertakes to ensure that any such third party is timeously paid for such services on behalf of the Client and the Client shall settle Chester Finance for all costs, fees and /or charges which it pays over to any third party in respect of such services and the Client hereby indemnifies Chester Finance for all such costs, fees and/or charges which it has paid for such services.
17. As security for all and any Trade Finance Transactions, the Client hereby pledges to Chester Finance all of its rights, title and interest in the Client's moveable property (both present and future) including the right to realise or acquire for itself any such moveable property, which pledge shall be perfected by Chester Finance in the event of a default by the Client of any obligations whatsoever due to Chester Finance. The Client undertakes to do all such things as are or may be reasonably necessary to give effect to the foregoing.
18. These terms may be varied or waived by express agreement between Chester Finance and the Client in respect of any specific transaction to which they apply but no such variation or waiver shall operate generally to affect other transactions to which these terms may apply.
- 19.
- 19.1 The Client hereby authorizes Chester Finance to process all and any Trade Finance Transactions upon receipt by Chester Finance of instructions (whether written or oral) from the Client to do so. None of Chester Finance, its directors or employees shall be liable in any way whatsoever for any loss, injury or damage (including consequential or special damages or loss of profits), however arising, and whether or not caused by the negligence (gross or otherwise) of Chester Finance, its directors or employees, which may be suffered or sustained by the Client as a result of a person who is not authorized to act on behalf of the Client giving instructions (whether written or oral) in respect of all or any Trade Finance Transaction to Chester Finance.
- 19.2 The Client hereby indemnifies Chester Finance, its directors and employees and holds them harmless against any claim, loss, demand, liability, costs and expenses of whatsoever nature which may hereafter be made against any of them (including costs incurred in defending or contesting any such claim) as a result of, or which may be attributable to, a Trade Finance Transaction being processed by Chester Finance as a consequence of an instruction (whether written or oral) received by Chester Finance from a person who is not authorized by the Client to act on its behalf.
20. The Client undertakes to reimburse to Chester Finance on demand on a full indemnity basis all costs (including, but not limited to, legal fees, travel expenses and accommodation costs), claims, losses and demands of whatsoever nature which may result from any breach by the Client and/or the Surety of any obligation to Chester Finance or from the enforcement (whether or not by legal proceedings) of any right which Chester Finance may have against either or both of them. Chester Finance shall be entitled to cede its rights in terms of this Clause 20 to any entity in the Chester Group

21 PROTECTION OF PERSONAL INFORMATION

The Client hereby authorises Chester Finance to collect any Personal Information from the Client, the Surety or from any third party whatsoever insofar as it is relevant to the Client Facility Letter or is deemed relevant by Chester Finance, for the provision by Chester Finance of the facility to the Client.

- 21.1 The Client hereby acknowledges and warrants that:
- 20.1.1 Chester Finance is entitled to process and store any such Personal Information in the manner set out in Chester Finance's Privacy Policy, available on the website www.chesterfinance.co.za;
- 20.1.2 Chester Finance is entitled and authorised by the Client to transfer any Personal Information to any of its Operators; and
- 20.1.3 Chester Finance is entitled to store and back-up the Client's Personal Information on servers located in foreign jurisdictions which have privacy laws and privacy protection of a standard which is equitable to those required under South African law.
- 21.2 The Client confirms that it has read and agrees to Chester Finance's Privacy Policy.

22 DISPUTE RESOLUTION

- 22.1 Should any dispute, disagreement or claim arise between any of the Parties (the "Disputing Parties") concerning this Client Facility Letter (the "Dispute"), the Disputing Parties shall endeavour to resolve the Dispute by negotiation.
- 22.2 This entails one of the Disputing Parties inviting the other/s in writing to meet and to attempt to resolve the Dispute within 10 (ten) Business Days from the date of written invitation.
- 22.3 If the Dispute has not been resolved by negotiation within 10 (ten) Business Days of the commencement thereof, the Disputing Parties shall submit the Dispute for final resolution to arbitration which shall be conducted:
- 22.3.1 in the English language;
- 22.3.2 in Cape Town, South Africa;
- 22.3.3 save as otherwise specifically provided in the Client Facility Letter, the arbitrator shall be if the question in dispute is:
- 22.3.3.1 primarily an accounting matter – an independent accountant of not less than 15 (fifteen) years standing;
- 22.3.3.2 primarily a legal matter – an independent council of not less than 15 (fifteen) years standing;
- 22.3.3.3 any other matters – an independent and suitably qualified person, as may be agreed between the parties.
- 22.3.3.4 the arbitrator shall have the fullest and freest discretion to determine the procedure to be adopted within 30 (thirty) days after it has been demanded.
- 22.4 This clause 22 shall constitute each Party's irrevocable consent to the arbitration proceedings, and no Party shall be entitled to withdraw here from or to claim at such arbitration proceedings that it is not bound by these provisions.
- 22.5 Each of the Parties hereby irrevocably agrees that the decision of the arbitrator in the arbitration proceedings:
- 22.5.1 shall be binding on each of them;
- 22.5.2 will be carried into effect; and
- 22.5.3 can be made an order of any Court to whose jurisdiction the parties are subject.
- 22.6 Notwithstanding anything to the contrary in this clause 22, any Party shall be entitled to apply for, and if successful, be granted, an interdict or other interim and/or urgent relief from any competent court having jurisdiction pending the decision or award of the arbitration hereunder.
- 22.7 The Parties agree that the written demand by a Disputing Party in terms of clause 22.2 for the dispute or difference be submitted to negotiation, is to be deemed to be a legal process for the purpose of interrupting extinctive prescription in terms of the Prescription Act, 1969 (Act 68 of 1969).
- 22.8 The provisions of this dispute resolution clause are severable from the rest of this Client Facility Letter and shall remain in effect notwithstanding the termination or invalidity of, for any reason, this Client Facility Letter.
23. Regardless of the place of execution, performance or domicile of the parties, this Client Facility Letter and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa, save that nothing shall be taken to have

limited Chester Finance's right to proceed in any other competent jurisdiction. The parties consent to the jurisdiction of the High Court of South Africa (Witwatersrand Local Division), in respect of all matters arising out of and disputes in connection with or in relation to this Client Facility Letter. In the event there is any conflict between the provisions of clause 22 and this clause 23, the provisions of clause 22 shall prevail.

24. Chester Finance shall be entitled from time to time to amend, add to or otherwise vary any of these terms and any such amendment, addition to or variation shall be effective upon receipt by the Client of written notice of it or from when it is included in our website, www.chesterfinance.co.za, whichever is earlier.
25. Chester Finance may assign to any other company in the Chester Group its rights and obligations under any Trade Finance Transaction, whether in whole or in part and with or without recourse to Chester Finance.

PART II

26. Chester Finance reserves the right, acting reasonably to protect its interests, to agree on the Client's behalf to vary the terms of any contract between the Client and a supplier or of any order placed by the Client on a supplier or to cancel such order or contract and by accepting these terms the Client specifically authorises Chester Finance in that regard. Under no circumstances will Chester Finance be liable for any loss or damage which may arise directly or indirectly from any such variation or cancellation; nor shall Chester Finance be liable for any inaccuracy in, or delay in transmission of any instruction, order or document whatever.
27. Chester Finance shall be entitled to pay or effect payment to the supplier for all goods delivered or shipped which are the subject of any Confirming Transaction upon receipt by it or any bank, person or company appointed by it for that purpose of invoices or other documents apparently genuine, reflecting that the goods, which are in substantial compliance with the order, have been or are being delivered or shipped and shall have no responsibility or liability in respect of any defect in the goods whether latent or patent.
28. The Client shall be obliged to honour all its obligations to Chester Finance irrespective of whether or not the Client accepts or has accepted the goods or has terminated or cancelled or purported to determine or cancel the contract in respect of their supply or has any dispute with or claim against the supplier in respect thereof.
29. Where reimbursement is claimed from a Client in a currency different from that in which payment is made, Chester Finance's currency exchange rates, determined by reference to prevailing rates on the dates on which confirmations are discharged or payments made, will be applied.
30. Marine insurance is not in the normal course handled by Chester Finance but where this is required by the Client in specific instances, Chester Finance may, at its discretion, upon request in writing make the necessary arrangements on behalf of the Client.
31. Compliance with all import, export and exchange control regulations and the obtaining of all necessary permits shall be the Client's sole responsibility and Chester Finance shall have no responsibility in respect thereof.
32.
 - 32.1 The Client agrees that Chester Finance has a pledge of all goods and produce and all bills of lading, warrants, delivery orders, wharfingers' and other warehouse keepers' certificates or receipts and upon all documents of title whatsoever and the goods and produce to which the same relate (all of which goods, produce and documents are for the purposes of this clause defined as "the pledged goods") which are now or hereafter either in Chester Finance's possession or warehoused or stored in Chester Finance's name or in the name of Chester Finance's agent or nominee or received or deposited with, transferred to or otherwise held by Chester Finance or to the order or under the control of Chester Finance or Chester Finance's agent or nominee (either directly or indirectly whether from or by the Client or any other person, including without limitation any bank, person or company which has issued a letter of credit at Chester Finance's instigation on behalf of the Client and whether for safe custody, collection, security or for any other specific purpose or generally) as a continuing security for the payment or discharge to Chester Finance of all monies, obligations and liabilities whether actual or contingent now or hereafter due, owing or incurred to Chester Finance by the Client in whatever currency denominated whether on any current or other account or otherwise in any manner whatsoever (whether alone or jointly and in whatever style, name or form and whether as principal or surety); and the Client will, if Chester Finance so requires, in order to effect a pledge in favour of Chester Finance over particular goods or produce held by a warehouse keeper or other person on its behalf, instruct such warehouse keeper or other person to hold the said goods or produce (or any part thereof) for or to the order of Chester Finance.
 - 32.2 In default of payment of any money due or discharge of any obligation or liability on demand, Chester Finance may without notice or further consent of any person sell, assign, transfer, negotiate or otherwise dispose of the pledged goods at such times, in such manner and generally on such terms

- and conditions and for such consideration (whether payable or deliverable immediately or by instalments) as Chester Finance may in its absolute discretion think fit without being under any responsibility to the Client for the price obtained therefore and Chester Finance may apply the proceeds in or towards the discharge of the costs incurred and of such of the monies, obligations and liabilities hereby secured, whether then due and payable or not, and in such order as Chester Finance may from time to time conclusively determine. If such proceeds are insufficient for such purpose, the Client undertakes immediately to make good such deficiency.
- 32.3 The Client will, if and when Chester Finance so requires, execute and sign all transfers, delivery orders and other documents which Chester Finance may from time to time require for perfecting Chester Finance's title or for vesting or enabling Chester Finance to vest any of the pledged goods in or for facilitating delivery of the same to Chester Finance or its nominees or any purchaser and to do all such acts and things as may be necessary or expedient for effecting or in connection with any sale or other disposition Chester Finance may make. Chester Finance and its agents and nominees are hereby severally irrevocably authorised to execute and sign any such document as the Client's agent and to do any such act or thing on the Client's behalf.
- 32.4 During the continuance of any pledge created pursuant hereto, the Client will keep the pledged goods insured to their full value against all insurable risks with a note of Chester Finance's interest endorsed on the relevant policy and in case of loss of or damage to the pledged goods howsoever caused will pay over to Chester Finance all sums recovered from such insurance or otherwise in respect of such loss or damage and pending such payment the Client shall hold all such monies in trust for Chester Finance. Chester Finance is hereby irrevocably authorised to recover the amount due from the relevant insurers.
- 32.5 The Client will pay all freight, warehouse, dock, transit and other charges, rent and all other costs of and incidental to the pledged goods and indemnify Chester Finance against the same.
- 32.6 Chester Finance may at its option insure and store or arrange for the storage of any or all of the pledged goods and shall be entitled to reimbursement from the Client on demand of any costs, charges or expenses of or in connection therewith but Chester Finance shall not be responsible for any loss or damage resulting from its omission to so insure or store.
- 32.7 Chester Finance is not liable to account as mortgagee in possession or for default by any warehouse keeper, broker, auctioneer or other person employed in connection with the pledged goods or the sale or other disposition thereof or for any neglect, default, loss or damage in connection with the pledged goods howsoever caused.
- 32.8 The Client warrants to Chester Finance that it has a complete lawful right to pledge with Chester Finance the pledged goods and to execute or sign any transfers, delivery orders or other requisite documents when called upon and the pledged goods are or will be within its own disposition and control and are and will (as the case may be) remain free from any other pledge, charge, lien or encumbrance of any kind.
- 32.9 The pledge contained in this clause is a continuing security notwithstanding the death, winding up, liquidation, incapacity or any change in the constitution of the Client or any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any security or remedy whether now or hereafter held by or available to Chester Finance and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by Chester Finance now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.
- 32.10 Reference in this clause 30 (the benefit of which Chester Finance shall be free to assign to any person) to "Chester Finance" shall where the context admits include its successors and assigns. Any change in Chester Finance's constitution or its absorption into or amalgamation with any other person or the acquisition of all or any part of its undertaking by any other person shall not in any way prejudice or affect its rights hereunder.
- 33.
- 33.1 Where Chester Finance releases or procures the release of any negotiable shipping documents to the Client prior to acceptance by the Client of Chester Finance's bill of exchange drawn on the Client relating to the Trade Finance Transaction concerned, the Client irrevocably undertakes as follows:
- 33.1.1 to take delivery of the goods to which such documents relate ("the Goods") on trust for Chester Finance and exclusively for the purpose of selling them for Chester Finance to buyers to whom the Client is not indebted or under liability. The Client acknowledges that the Client will hold the Goods to Chester Finance's order but will bear the entire risk and expense;
- 33.1.2 pending sale, to warehouse the Goods as Chester Finance may from time to time direct and to forthwith hand Chester Finance the relevant warrants in respect thereof. Chester Finance has the right to inspect the Goods at any time;
- 33.1.3 on sale of all or any of the Goods to remit to Chester Finance the entire proceeds of sale or any

part payment immediately when received without any set off or deduction whatsoever and without intermingling the same with other monies and the Client irrevocably authorises Chester Finance to receive from the buyer the purchase money for the Goods and in the interim the Client holds the same and all of its rights against the buyer in trust for Chester Finance;

- 33.1.4 not to sell or otherwise dispose of any of the Goods on deferred terms (other than normal trade credit) or for any non-monetary consideration or for less than current market value without Chester Finance's prior written consent;
- 33.1.5 keep the Goods insured at all times against all insurable risks including fire and flood to their full replacement value and to hold the policies and the proceeds on trust for Chester Finance and in case of loss or damage to the Goods howsoever caused to pay over to Chester Finance forthwith all monies received from the insurers or otherwise in respect of such loss or damage and to make up any deficiency. The Goods are to be held at the Client's risk;
- 33.1.6 to pay all freight, warehouse, dock, transit and other charges rent and all other costs of and incidental to the Goods and indemnify Chester Finance against the same;
- 33.1.7 to keep the Goods at all times separate from any other produce or goods whether belonging to the Client or to any other person;
- 33.1.8 to advise Chester Finance of the whereabouts of the Goods at all times and not to permit the same to be processed or altered without Chester Finance's prior written consent;
- 33.1.9 to forward Chester Finance copies of sales invoices for the Goods forthwith on the same being issued showing the name of the buyers and the total sale price in each case;
- 33.1.10 to advise Chester Finance of any change in the state, condition, quality or quantity of the Goods and to keep the same free from any mortgage, charge, pledge, lien or other encumbrance; and
- 33.1.11 to return to Chester Finance immediately on demand all the released documents and the Goods represented thereby in respect of which Chester Finance has not then received the proceeds.
- 33.2 Chester Finance shall have no responsibility whatsoever for the correctness, validity or sufficiency of the documents released to the Client or for the existence, character, quality, quantity, condition, packing value or delivery of the Goods.
- 33.3 The Client agrees to indemnify Chester Finance, its correspondents and agents on demand against all losses, actions, claims, demands, expenses and liabilities of whatever nature incurred by (or by any agent, officer, or employee of) Chester Finance or any of them for anything done or omitted in connection with or arising out of the release to the Client of documents or otherwise in relation to any Trade Finance Transaction.
- 33.4 Acceptance by the Client of negotiable shipping documents released by or on the direction of Chester Finance to the Client prior to acceptance by the Client of Chester Finance's bill of exchange relating to the Trade Finance Transaction concerned shall constitute:
 - 33.4.1 a trust receipt of the Goods and any proceeds of sale thereof on the terms hereinafter set out, which is of continuing effect notwithstanding the death, bankruptcy, liquidation, incapacity or any change in the constitution of the Client or Chester Finance or any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any guarantee, lien, pledge, bill, note, mortgage or other security or right or remedy (whether created by the deposit of documents or otherwise) held by or available to Chester Finance and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by Chester Finance dealing with exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which the Client may have or giving time for payment or indulgence or compounding with any other person liable; and
 - 33.4.2 acceptance by the Client of any and all discrepancies in the said documents.