

# SERVICE LEVEL AGREEMENT

Between

**“the OWNER”**

**AND**

**Own A Cow in Africa Pty LTD  
 (“The MANAGING PARTY”)**

## 1 INTERPRETATION

1.1 In this agreement:

1.1.1 Clause headings are for convenience only and are not to be used in its interpretation;

1.1.2 An expression which denotes :

1.1.2.1 any gender includes the other genders;

1.1.2.2 a natural person includes a juristic person and vice versa; and

1.1.2.3 the singular includes the plural and vice versa.

1.2 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

1.2.1 "The Managing party" means **Own a Cow in Africa Pty LTD** a company with limited liability, duly incorporated in the Republic of South Africa with Registration Number (2011/105226/07) hereafter referred to as OACIA;

1.2.2 "The Owner" means any natural or non-natural person that bought an asset through the administration of Own a Cow in Africa, and the asset is managed by Own a Cow in Africa.

1.2.3 "Farmer " shall mean the entity appointed by Own a Cow in Africa, that will be responsible for the day-to-day manage of the asset on behalf of the Owner

1.2.4 "The Asset " shall mean the livestock bought by the Owner and identified in the 'Livestock Register' and 'Certificate of Ownership'

1.2.5 "Prime Rate" means the prime rate of interest charged by South African banks, compounded monthly in arrears;

1.2.6 "Services" means all the actions required to ensure the proper management of the livestock are described hereto;

1.2.7 "Intellectual Property" means the Concept and project driven and owned by Own a Cow in Africa Pty LTD described hereto

1.2.8 "Own a Cow in Africa" means the concept of individual ownership of livestock managed by Managing Party described hereto in detail and hereafter referred to as OACIA Model.

1.2.9 “Lactating Period” means the period during which a female animal is lactating dependent animal/s and the period ends when the dependent animal/s is weened.

1.2.10 “Off-spring” means any living animal/s birthed by the ASSET/s.

1.2.11 “Livestock Register” means the document that is issued to the Owner by the Managing Party to the prospective owners that show the payment and ownership status of livestock identified by the prospective owner to purchase as well as all previously purchase animals.

1.2.12 “Certificate of Ownership” means the document that is issued to the Owner by the Managing Party, on the receipt of full payment from the Owner, for each individual animal and serves as proof of ownership by the Owner of the Asset/s specified.

1.2.13 “OACIA Site and Management requirements” refers to an in-house document by which a site and Farmer is evaluated against, to determine the whether the site and Farmers meets the minimum requirements for an OACIA project.

1.2.14 “Owner account” means the accounting of money that belongs to the Owner and include both income from sales of deposits and any expense in terms of Annexure B regarding the ASSET/s

1.3 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 1 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.

1.4 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.

1.5 Any reference to:

1.5.1 "Days" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" shall be any day (other than a Saturday, Sunday or public holiday in the Republic of South Africa);

1.5.2 "Business hours" shall be construed as being the hours between 08h00 and 16h30 on any business day;

1.6 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.

1.7 Unless specifically otherwise provided, all amounts of money stated in this Agreement are exclusive of VAT.

1.8 This Agreement incorporates the annexures, which will have the same force and effect as if set out in the body of this Agreement.

## **2 OBJECTIVES**

The objectives of this agreement are to:

2.1 Appoint OACIA as the Managing Party for overseeing and managing the Asset bought by the Owner;

2.2 Set out and protect the rights of the Owner;

2.3 Determine services rendered by the Managing Party to the Owner in terms of the Asset;

2.4 Deal with other matters pertaining to the business relationship between the parties.

### **3 APPOINTMENT**

3.1 Owner hereby appoints the Managing Party to manage the Asset/s in terms of the Services contained in this Agreement, as contemplated in Annexure A, and subject to the Managing Party's acceptance of such an appointment.

3.2 In the event of a conflict between any other published services or standards and this agreement, this agreement will prevail.

3.3 The Managing Party shall be entitled to appoint third party sub-contractors as it may consider necessary for the purpose of performing any of the Services referred to in annexure A, in which event the Managing Party:

3.3.1 Undertakes to ensure and hereby warrants that such sub-contractors shall comply with all the terms and conditions of this Agreement;

3.3.2 Remains responsible for full compliance with all of its obligations under this Agreement; and

3.3.3 Indemnifies the Owner against any claim(s) made by such sub-contractor against it.

### **4 COMMENCEMENT AND DURATION**

4.1 Notwithstanding the date of signature of this agreement, it shall commence on date of purchase and shall endure for eight years or until terminated earlier in terms of the provisions of clause 11 below. If this clause is not completed, then the effective date shall be the date of last signature of this agreement.

4.2 This agreement will automatically be extended to cover any OFF-SPRING on the same terms and conditions contained in this contract and the annexures; and such Off-Spring will be recorded in an updated Livestock Register

4.3 Termination of this Agreement (whether by effluxion of time or otherwise) shall not affect the rights of either Party that accrued prior to the date of termination.

## 5 SERVICES

The REQUESTING PARTY shall provide the following services to OWNER:

- 5.1 Appointing a Farmer to provide care as contemplated in Annexure A
- 5.2 Incorporating the Asset/s into a herd of livestock that passed the OACIA Site and Management requirements.
- 5.3 Issue a Livestock register by email to the Owner or a printer copy for the collection by the Owner at the office of OACIA.
- 5.4 Maintain regular data on the Asset/s that will be made available to the Owner through a mobile responsive site, including contact details.
- 5.5 Provide the Owner with a new photo of the Asset every 4 months.
- 5.6 Take every effort to ensure the training of the Farmers of the Asset/s.
- 5.7 Control Buying and Selling of any Offspring that is not incorporated into the herd.
- 5.8 Manage and audit the Owner's account.

## 6 OWNERSHIP

- 6.1 The Owner will own 100% of the asset procured through the OACIA model, and for which a Certificate of Ownership was issued in the name of the Owner.
- 6.2 The live cycle of an asset is 8 years after which it will be sold. After the owner's account has been settled, the full balance will be paid to the owner.
- 6.3 Ownership of and profits from any Female Offspring will be shared on a 50/50 basis between Owner and OACIA (or any party they appoint), and as contemplated in 6.4.
- 6.4 The sharing of the Female offspring will be done in the following manner:
  - 6.4.1 If the Owner only owns a single asset in the OACIA model, the female offspring will alternatively be owned by the Owner and OACIA. In this case the first Female offspring will be awarded to the Owner, the second female offspring to OACIA, repeating the cycle.
  - 6.4.2 If an Owner owns more than one asset in the OACIA model, the sharing will be done on the total number of assets, with the first female offspring again going to the owners.
- 6.5 Should the total offspring, at the end of 8 years, result in the OACIA having received fewer female offspring than the Owner, an equal valued financial adjustment will be made in favour of OACIA from the owner's account.
- 6.6 All male offspring will be sold and the profit shared between the Owner and the Managing Party on a 50/50 basis. The owner's portion of the income will be kept in the owner account as a provision for the owner's portion of the direct costs. The balance of the owner's account is paid to the owner at the end of 8 years on sale of the asset.
- 6.7 The balance of the owner account is monthly reconciled and reflected on the monthly statement forwarded to the owner.
- 6.8 All offspring is weighed at weaning and this weight, in correlation with local red meat pricing, is used to determine a currency value for an asset.

## **7 DIRECT COSTS**

- 7.1 The Managing Party will invoice the Owner for 50% of the direct costs for each individual asset.
- 7.2 See Annexure B for details on direct costs.
- 7.3 The intervals for invoicing are at the discretion of OACIA. Invoices are payable within 30 days from the date of invoice.
- 7.4 OACIA will attempt to recover the direct cost through the sales of the male off-springs from an owner's asset. In the case where this is not possible, OACIA will invoice the owner for any monies or balances owing.
- 7.5 Prices and fees increase are determined by the suppliers and service providers and might annually increase without consultation with the Owner.
- 7.6 The Managing Party will email the Owner a monthly statement reflecting all transaction in the Owner account.

## 8 SERVICE LEVELS

- 8.1 The Managing Party shall oversee that the Farmers maintain acceptable quality standards for all appointed tasks as set out in this agreement.
- 8.2 The Owner accepts that the quality of services rendered by the Managing Party, might be negatively affected by various unforeseen incidents of which many considered to be part of the challenges of livestock farming. These incidents might include, but is not limited to, those listed in 8.2.1. to 8.2.3 The Managing Party undertake to handle each situation in the best interest of the livestock.
  - 8.2.1 Force majeure or any cause or event referred to in clause 14 (provided always that if the impediment had not been present or if it had been reasonably possible to avoid it, the delivery would have been successfully affected within the applicable time limit); or
  - 8.2.2 Circumstances beyond the Managing Party's reasonable control, e.g. Floods, droughts, theft, diseases, strike, lock-out or other industrial action, interruption of electricity supply, fuel shortage,

system failures, telephone and electronic communication infrastructure failure, a vehicle accident, unmarked address or similar type incidents where there is no negligence on the part of the Managing Party. The Managing Party will be required to notify of the occurrence of such events or of any delay and to provide sufficient proof of the factual occurrence blamed for the delays.

- 8.3 Should Owner ascertain that a party has not adhered to the agreed service levels then it shall notify the Managing Party in writing that the service failure must be rectified within a 20 (Twenty) day period, failing which shall be entitled to terminate this agreement.

## **9 INSURANCE, RISK AND LIMITATION OF LIABILITY**

- 9.1 The Owner is encouraged to procure insurance for the Asset/s against loss or damage, but it is not part of this agreement.
- 9.2 The Owner understands that the Asset/s is exposed to the same risk as the herd it is incorporated into and that no party can be held liable for any loss or damage, except those occasioned by gross negligence.
- 9.3 The Managing Party will implement the OACIA Site and Management requirements that make reasonable provision to prevent loss or damage to livestock.

## **10 PAYMENTS**

- 10.1 The parties provide bank accounts on request to be used for all future payments to each other

10.2 The Owner has 3 option of payment.

10.2.1 EFT into the Own a Cow in Africa account. Prior to payment, the owner must obtain a telephonic reference number form OACIA office. This reference number will be used to identify the payment and make OACIA administration aware of the purchase.

10.2.2 Once-off card payment through the secure ADDPay system.

10.2.3 Twelve monthly debit order payments through the secure ADDPay system.

10.3 The purchase price of a cow includes:

10.3.1 Purchase price

10.3.2 10% System Administration fee

10.3.3 15% VAT. As required by South African law.

10.4 The ADDPay system will email and automated Vat Invoice to the purchaser as proof of payment.

## 11 BREACH AND TERMINATION

11.1 If either Party breaches any provision or term of this Agreement and fails to remedy such breach within 14 days after receipt of a written notice from the other party requiring it to do so (or if it is not reasonably possible to remedy the breach within 14 days, within such further period as may be reasonable in the circumstances, provided that the Party in breach furnishes evidence within the period of 14 days that it has taken whatever steps are available to it to commence remedying the breach), then the aggrieved Party shall be entitled to:

11.1.1 cancel this Agreement; or

11.1.2 claim specific performance

and, in either event, to claim damages from the guilty party.

11.2 Notwithstanding anything to the contrary herein contained, this Agreement may further be terminated by one of the parties in the event that:

11.2.1 An order is made by any court of competent jurisdiction, whether provisional or final, for the winding up or the judicial management of the other party;

11.2.2 The other party passes a resolution for its voluntary winding up;

11.2.3 The other party cedes its rights under this agreement to any third party without the prior written consent of the other;

11.2.4 The other party compromises generally with its creditors otherwise than in the course of the re-structuring of its capital or its merger with a third party.

11.3 It is within the right of the Owner to voluntarily terminate this agreement outside of what is provided for under 11.1 and 11.2 but subject to the following:

11.3.1 The Asset/s must not be in a Lactating period

11.3.2 The Asset/s are not in a state of a confirmed pregnancy

11.3.3 There is no unpaid invoices due for direct costs to the Managing Party.

11.4 On termination of this agreement the Owner shall collect its Asset/s from the location specified on the Livestock register within 30 Days, unless otherwise agreed in writing by both parties. All costs for the transportation of the Asset/s will be for the costs of the Owner.

11.5 Should the Owner not collect the Asset/s within the allotted time, then the Managing Party may make arrangements to recover costs, including

storage and maintenance costs, and may sell the Asset/s to recover costs if necessary.

- 11.6 The Managing Party will reconcile the Owner account and pay the balance to the bank account stipulated in this agreement within 60 days from the date of termination.

## **12 CONFIDENTIALITY**

- 12.1 Any information obtained by either Party to this Agreement in respect of the other shall be treated as confidential and shall not be used, disclosed or permitted to be disclosed to any person without the prior written consent of the Party to which that confidential information relates, save:

12.1.1 That each Party shall be entitled to disclose such information to such of its employees (which shall include any of its directors) and/or consultants and/or professional advisors who need to know such information for the purposes of implementing, assessing or evaluating this Agreement or taking (now or in the future) any financial, legal or taxation advice in relation to this Agreement. Before revealing such information to any such employees and/or consultants and/or professional advisors, each Party undertakes to procure that the employees and/or consultants and/or professional advisors are aware of the confidential nature of the information being made available to them and are subject to confidentiality obligations to the disclosing Party;

12.1.2 That any information which is required by law or by any regulatory body to which either Party is subject to be disclosed may be so disclosed (provided that a Party required to make a disclosure shall promptly notify in writing the other Party to whom that confidential information relates, where lawful to do so, before disclosing the confidential information and shall, to the extent

practicable, co-operate with the other Party's reasonable requests regarding the timing, consent and scope of such disclosure);

12.1.3 That no Party shall be precluded from using or disclosing such information which is necessary to be disclosed in order to pursue any legal remedy available to it in respect of this Agreement;

12.1.4 To the extent that the information is in, or comes into, the public domain or the lawful possession of the receiving Party.

12.2 Owner will not make contact with the Farmer associated with his cow, nor any agent or subcontractor of Managing Party, nor induce any such farmer, agent or subcontractor to enter into an arrangement with Owner for the services described in this contract and with regard to the animals which are subject to this contract.

### **13 FORCE MAJEURE**

13.1 The term "force majeure" shall for the purposes of this Agreement mean all unforeseen events which are beyond the control of either the Managing Party or and which:

13.1.1 Prevent or delay the execution by that party of any of its obligations without that party being able to remedy or remove such event;

13.1.2 Could not reasonably have been foreseen at the date of request for the relevant Service by ;

13.1.3 The party concerned is unable, despite the exercise of diligent efforts, to prevent, limit or minimise, including but not limited to war, whether declared or not, revolution, riot, strikes, lock-out, insurrection, civil commotion, invasion, armed conflict, hostile act of foreign enemy, act of terrorism, sabotage, radiation or chemical

contamination, natural event, plague, serious epidemic, officially declared State of Emergency, embargoes, sanctions, non-availability of transport facilities, restrictions or sanctions imposed by any government or governmental authority or by force majeure of any description whether or not of the specific nature indicated above.

13.2 The party suffering the force majeure shall not, subject to this Agreement, be responsible for or liable for any delay or non-performance of its obligations in terms hereof directly caused or resulting from force majeure.

13.3 Upon the affected party becoming affected by force majeure, it shall furnish the other party forthwith with written notice specifying the cause and the anticipated duration of the force majeure.

13.4 Promptly upon termination of the force majeure the affected party shall notify the other party that it has terminated, stating that such force majeure has terminated, whereupon:

13.4.1 Any performance time limits agreed with the other party for compliance by the party affected by the force shall be extended for such period as such force majeure continues to apply; and

13.4.2 The party suffering the force majeure shall use all reasonable endeavours to obviate and remove such force majeure in the shortest practical time if it is within its power to do so.

## 14 SUPPORT CLAUSE

The Parties undertake at all times to do all such things, perform all such actions and take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for

or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement.

## 15 NOTICES AND DOMICILIA

15.1 The Parties select as their respective *domiciliacitandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement.

**OACIA :** 7 Lakeview Crescent, Kleinfontein Lake Office Park, Benoni, RSA

**OWNER:** As per contact details provided at time of purchase

15.2 A Party may change its domicilium or its address for the purposes of notices to any other physical address or telefax number by written notice to the other Party to that effect. Such change of address will be effective five business days after receipt of the notice of the change.

15.3 All notices to be given in terms of this Agreement will be given in writing and must:

15.3.1 Be marked for the attention of the managing director;

15.3.2 Be delivered by hand or sent by email.

15.4 If a notice is delivered by hand during business hours, it will be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day.

15.5 If a notice is sent by email during business hours, it will be presumed to have been received on the date of successful transmission of the email. Any email

sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.

15.6 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause.

15.7 The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notice required in terms of this Agreement, nor any amendment or variation to this Agreement may be given or concluded via email.

## 16 ASSIGNMENT

Neither party may cede its rights or assign its obligations under this agreement to any third party without the prior written consent of the other party; provided that this clause shall not be construed so as to preclude the Managing Party from using subcontractors as contemplated in clause 3.3 above.

## 17 SEVERABILITY

Any provision, clause or sub-clause of this Agreement which is or becomes unenforceable, whether due to becoming void, invalidity, illegality, unlawfulness or for any other reason whatever, shall, to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions, clauses and sub-clauses of this Agreement shall remain of full force and effect.

## 18 GENERAL

18.1 This Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein. No undertaking, representation, term

or condition relating to the subject matter of this Agreement not incorporated herein shall be binding on either of the Parties.

18.2 No variation, addition, deletion, or agreed cancellation of this Agreement will be of any force or effect unless in writing and signed by or on behalf of the Parties.

18.3 No waiver of any of the terms and conditions of this Agreement will be binding or effectual for any purpose unless in writing and signed by or on behalf of the Party giving the waiver. Any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the part of either Party in exercising any right, power or privilege under this Agreement will constitute or be deemed to be a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18.4 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement as at the date of signature of the Party last signing one of the counterparts.

18.5 This Agreement will endure for the benefit of and be binding upon the successors in title and permitted assigns of the Parties or either of them.

## **19 GOVERNING LAW**

This Agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.

## **20 COSTS**

Each Party will bear and pay its own costs, if any, of or incidental to the negotiation, drafting and execution of this Agreement.

OWNER

This agreement is excepted by the owner on her/his choice to conclude the purchase of a cow through <http://ownacowinafrica.com/>.

THE MANAGING PARTY

Signed at Pretoria on the 23 day of July 2019

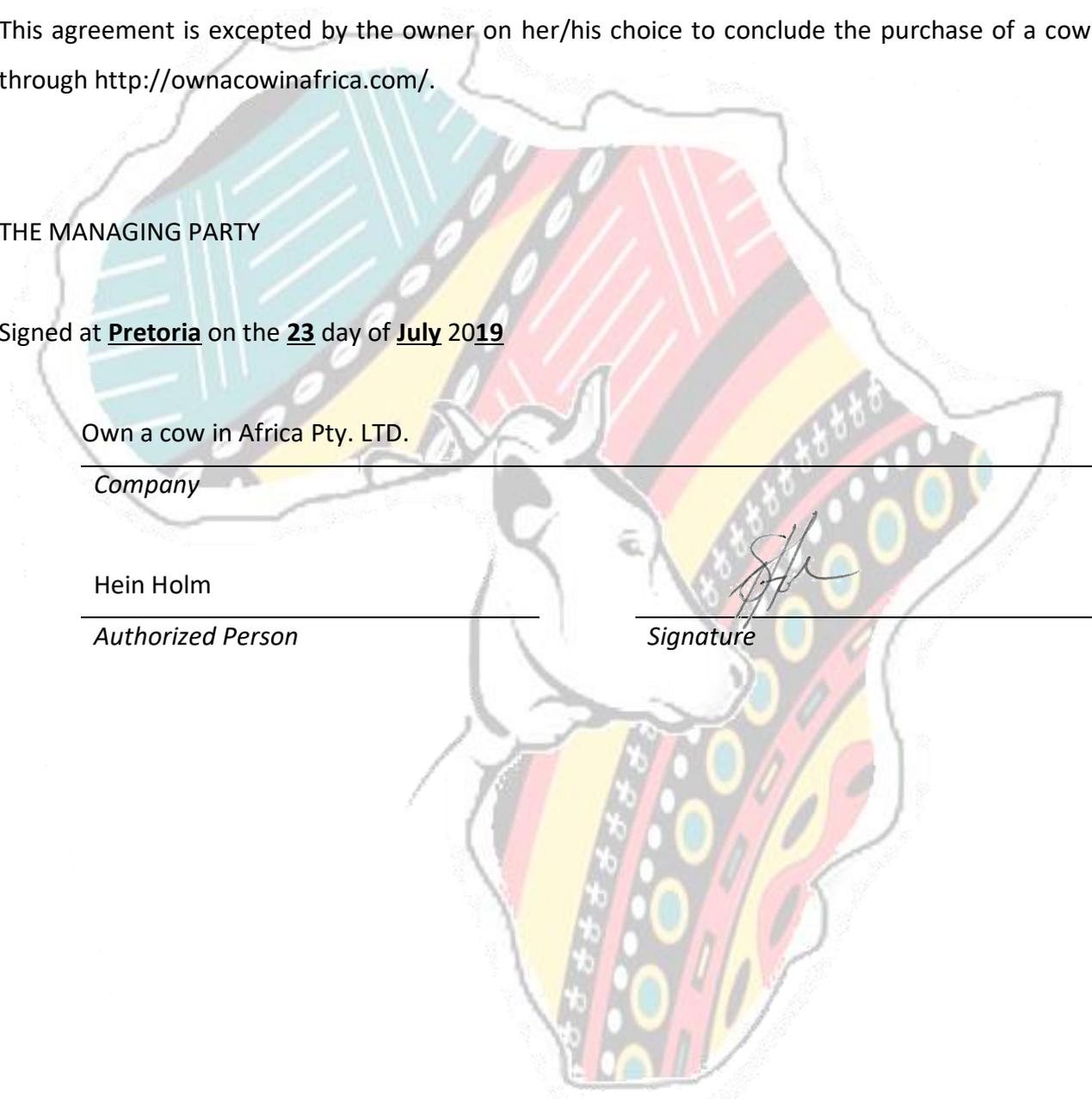
Own a cow in Africa Pty. LTD.

\_\_\_\_\_  
*Company*

Hein Holm

\_\_\_\_\_  
*Authorized Person*

  
\_\_\_\_\_  
*Signature*



# ANNEXURE A

## *Overview of the Management Standard for OACIA herds.*

### 1. Introduction

This document lists the OACIA management standards that should be implemented to ensure an acceptable standard of herd care throughout.

The company “FarmForAfrica Training and Development Pty. LTD.” is tasked to gradually train and upskill all managers and farmers in the aspects referred to in this document.

This is not a cattle farming manual, but only a list of aspects that requires attention within an OACIA project. The implementation might differ by site.

The content of this document is only in reference to OACIA cattle.

### 2. REFERENCES

|           |  |
|-----------|--|
| LM-System | Livestock Management System – OACIA owned computerized livestock data management system. |
| DAFF      | Department of Agriculture, Forestry and Fisheries of South Africa.                       |
| Steer     | Castrated male cow   |
|           |  |

### 3. Procuring new stock

- Knowledge of the herd of origin is a requirement.
- Prior examination and body scoring are required.
- Seller must sign a guarantee that cattle are disease free.
- Under some conditions the seller may be asked to present a recent certificate from a register veterinarian on the health condition of an animal.
- New livestock will be kept in a quarantine for 90 days. This is not applicable on offspring from the same herd.

### 4. Body Condition Scoring

- Done in January and July of every year.
- Done at weaning.
- Scores must be registered on the LM-System

### 5. Nutrition:

- Providing ample and palatable natural grazing.
- Supplementation of required nutrients depending on season.
- Implementation of a grazing management system.

## 6. Water

- Access to water at all times
- The maximum allowed distance to water is 5km
- Water must be tested and certified acceptable for animal consumption.

## 7. Health

- Every herd must have written vaccination and dozing schedule.
- Vaccination and dozing schedule must be captured on the LM-System.
- Contact details of a local veterinarian must be available on hand.
- On site availability of consumables needed for the treatment of common wounds.
- Cool storage for all medications and vaccines.
- Up to date register for medications and vaccines.
- Adhere to the protocols and requirements as outlined by DAFF in cases of notifiable or highly contagious disease
- Cattle in a commercial herd must be dehorned.

## 8. Security

- Provision of a fenced area where cattle can graze.
- Maintaining fencing.
- Utilisation of modern technologies to combat livestock theft and decrease losses to predators.
- Incorporated cattle into an established herd.
- At weaning the calve must be uniquely tagged in their ears.
- At weaning the calve must be branded with a registered brand for the specific location.

## 9. Male stock

- At weaning male stock will be sorted for breeding and slaughtering.
- All slaughtering stock must be castrated.
- Steers are sold into the market on approval if OACIA head office.

## 10. Management System

- All cattle must be register on the LM-System
- The system must at all-time be a true reflection of state each individual animal.

## 11. Sales

- OACIA office will assist in the sale of both male and female stock.
- Ensure that prices are inline with the weekly prices from the “Red Meat Association of South Africa”.

## 12. OACIA Administration

- Ensure that all accounting on every animal is kept up to date.
- Email a three-monthly statement to every owner.
- Ensure that payment due to owners are done with in 30days of an appropriate sale.

