



**STATE DIAMOND TRADER**

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Suite 510, 5<sup>th</sup> Floor, SA Diamond Centre, 225 Main Street,  
Johannesburg

**INFORMATION RELATING TO THE SALE OF ROUGH  
DIAMONDS TO**

**THE STATE DIAMOND TRADER  
("SDT")**

**by**

\_\_\_\_\_  
(complete name of supplier)  
**("the Producer")**

In terms of section 59B of the Diamonds Act 56 of 1986  
("the Diamonds Act") (as amended by the Diamonds  
Second Amendment Act, Act 30 of 2005 )

Declaration: The Diamonds Act No. 56 of 1986 ("the Diamonds Act") was enacted to, *inter alia*, establish and exercise control over the possession, the purchase and sale, the processing, the local beneficiation and the export of diamonds in the Republic of South Africa. The Producer shall, in compliance with its obligations in terms of section 59B of the Diamonds Act, offer its total production in any one given Production Cycle for sale to the SDT in accordance with the provisions of the Diamonds Act. Failure by the Producer to do so, constitutes an offence in terms of Regulation 3A (5) of the Diamonds Act.

**Board members:** Ms L Makalini (Chairperson), Ms N Zikalala (Acting Chief Executive Officer), Mr L Rapoo, Mr O Temkin, Mr P Moeti, Ms D Maphatiane, Mr T Montoedi, Mr K Joseph, Mr I Goondiwalla, Mrs H Tyler, Mr S. Motloung, Ms F Nzimande.

The purpose of this agreement is to ensure compliance with the provisions of section 59B of Diamonds Second Amendment Act of 2005 read with Regulation 3A of Diamonds Act Amendment Regulations of 2007.

The following matters are agreed between the SDT and the Producer to regulate the sale of rough diamonds in terms of section 59B read with Regulation 3A of the Diamonds Act:

1. Place or premises where the rough diamonds are to be offered to the SDT:

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2. Physical address for delivery of the rough diamonds purchased by the SDT:

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3. The Producers production cycles for the 12 (twelve) months following the date of signature of this document is:\*

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\*NOTE: The Producer must complete this schedule for the 12 (twelve) months following date of signature of this document. The Producer shall provide a schedule of the production cycle for each ensuing 12 (twelve) month period not later than 3 (three) months before the expiry of the current 12 (twelve) month period.

4. Producer's bank details for payment of purchase price:

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5. As soon as the SDT has made its selection of the representative sample of rough diamonds as defined in the legislation, the rough diamonds selected shall be packaged and sealed in the presence of both the SDT and the producer. The selection shall remain sealed until the process has been concluded. A description of the package so sealed shall be retained by both parties.
6. In the event SDT agrees to purchase the selected representative sample, the SDT will make payment of the purchase price plus VAT, in South African Rands, within 4 (four) business days of the receipt of the producer's tax invoice.
7. Failure by the SDT to pay the purchase price within 4 business days of receipt of the producer's tax invoice shall result in the sale being cancelled.
8. Delivery of the purchased rough diamonds will be made against payment.
9. Risk, benefit and ownership of the rough diamonds purchased by the SDT will pass to the SDT on delivery.
10. On completion of the purchase transaction, the SDT will issue a broker's note in respect of each purchase, to be signed by an authorised representative of the producer, with the following information relating to the rough diamonds sold to the SDT:
- 10.1 mass in carats;
  - 10.2 value in South African Rands;
  - 10.3 identification of consignment (parcel / container / bag code);
  - 10.4 VAT invoice; and
  - 10.5 identification of the Producer.

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For and on behalf of **THE STATE DIAMOND  
TRADER**  
who warrants that he is duly authorised  
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