Olam Cotton
740 E Campbell Rd, Suite 470
Richardson TX 75081
USA

PURCHASE CONTRACT – 100% APH MAXIMUM DELIVERY

Seller:

Name	______________________	Date:	______________
Address	______________________	Reference:	______________
City State Zip	______________________	Gin:	______________

This contract is made between ______________________ ("Seller") and Olam Cotton ("Buyer") on _________________ the "Contract").

In CONSIDERATION of their mutual promises the parties agree as follows:

Growth: Southwest US (Texas, Oklahoma, New Mexico, Kansas)

Cotton Crop: Seller is the owner or has legal control of the following described cotton acres which is now growing, or must be planted in a workmanship like manner during the crop year 2018/19 at customary planting time on the following described acreage. A five year APH (Annual Production History) will be used to calculate applicable yield for this contract. APH documentation will become a part of this contract. For the purposes of forward contracting, the term 'bale' will refer to a bale of 500 pounds. Seller agrees to deliver All Cotton Production from the contracted acres listed below to fulfill the terms of the contract, but may not deliver more than 100% of the established yield based on the contracted acres five year APH (Annual Production History). Buyer agrees any yield production over the established 100% of APH ("The Overage") will be sold by Seller on the open market and Buyer has no obligation to purchase "the overage" bales. Seller agrees that "The Overage" cannot be sold or obligated until production, up to the maximum bale delivery, has been delivered to this contract. Seller is not liable for yield shortfall below the 100% established APH provided that all production from the contracted acres is delivered to the contract. Bales delivered up to the Maximum Delivery Amount must be the first bales produced from acres, gin-run, and non-culled or selected bales. Seller confirms that all APH information is correct in contract.

Total Acres Contracted per page 3 of contract	Maximum delivery bales per page 3 of contract

Pricing: On-Call, Seller's Call at _350____ points *off* December 2018 ICE Futures, FOB CARS. Warehouse weights will be used to determine the value of each bale. Seller plans to deliver cotton to _________________________warehouse. If Seller decides to warehouse it elsewhere it will notify Buyer. Any change in established tariff at time of delivery is for seller's account.

Base Grade: 31-3-36 (color-leaf-staple), 3.5-4.9 micronaire, 26.0 GPT min Strength, 80.0 uniformity, no remarks…

Loan Differences:

- GOVERNMENT LOAN DIFFERENCES SHALL APPLY ON ALL OTHER QUALITIES, deductions pertaining to staple, micronaire, color & leaf, uniformity, strength, extraneous matter or remarks, as well as premiums will apply according to the 2018-2019 crop year CCC Loan rate chart.
- Bales with micronaire
  - between 3.3 and 3.4 will receive an additional 200 pt. discount in addition to the 2018-2019 CCC Loan rate discount.
  - between 3.0 and 3.2 will receive an additional 300 pt. discount in addition to the 2018-2019 CCC Loan rate discount
  - 2.9 and below will receive an additional 400 pt. discount in addition to the 2018-2019 CCC Loan rate discount
- Bales with bark or other extraneous matter will receive an additional 100 pt. discount in addition to the 2018-2019 CCC Loan rate discount.
- Below grade cotton is not deliverable on this contract. An offer to purchase this grade cotton will be made to Seller at prevailing market price at time of delivery.
- Bale weight penalty will apply as follows: 325 to 329 pounds $10.00/bale; 330 to 379 pounds $5.00/bale; Bale weights under 325 pounds and over 650 pounds are not acceptable to this contract.

On-Call Price Fixations:

Fixations are the responsibility of the seller. Seller may fix the price (in 100 bale increments) up to 75% of APH without liability for non-delivery due to yield shortfall. Seller may fix remainder of estimated bales at mutual agreement between Buyer and Seller. Seller may transfer the basis from one futures month to another futures month, at the market difference between months plus 10 point commission. However, in no event shall basis be improved. Seller is to make final price fixations or transfer the basis prior to close of market on the third trading day prior to First Notice Day for the December 2018 ICE futures contract. Seller may not transfer the basis beyond the July 2019 futures contract. Fixations are to be directed to Olam Cotton offices in Lubbock during normal business hours of 8:00 AM to 5:00 P.M. local standard time. Telephone: 806-745-2846.

Payment and Delivery:

Buyer has the right to charge 3 c/lb penalty on any cotton not delivered within 30 days of class date or after March 1, 2019. Buyer has the right to refuse any delivery after March 31, 2019. Buyer shall make immediate payment upon acceptance of cotton, delivery of warehouse receipts, and USDA class. Unless specified otherwise,
Seller agrees and authorizes that payment shall be made by direct deposit via ACH (Automated Clearing House) to ___________________________________"Gin"; acting as agent on behalf of Seller. Seller further agrees Olam Cotton will be held harmless from the time of such payment is made to the "Gin".

Seller represents that the following, and only the following liens or other interests (including bank and landlord's interest) exist concerning the above described cotton crop:

____

Unless stated herein, Seller warrants that there are none. Seller warrants that Seller will satisfy all liens and other interests.

Notwithstanding any other provision of this contract, the following terms will apply and supersede any terms to the contrary:
(a) This is a deferred price contract pursuant to 7 C.F.R. 1427.5(k),(see Fixation terms).
(b) Seller-producer has sole discretion to decide whether to obtain a loan deficiency payment ("LDP");
(c) Seller-producer shall retain and does retain title to, control of, risk of loss to, and beneficial interest in the cotton until the Seller invoices the cotton to the Buyer.
(d) Only after delivery and only after Seller fixes the price (as provided in the "Fixation" paragraph) will Buyer pay for the cotton.
(e) Any provision of this contract that causes Seller-producer to lose beneficial interest shall be null and void.

Any dispute in connection with this contract shall be resolved by final, binding arbitration and judgment may be entered on the arbitration award. Arbitration shall be conducted pursuant to the rules of the American Cotton Shippers Association and shall be governed by the United States Arbitration Act, 9 U.S. Code §1, et seq.

Should any litigation arise in connection with this contract, the parties agree to submit to the non-exclusive jurisdiction of any state or federal court in Dallas, Texas. The cotton which is the subject of this contract will be shipped from the state of origin in interstate or foreign commerce. In the event of breach of this contract by Seller, Seller will pay all court and arbitration costs, and reasonable attorney's fees and litigation and arbitration expenses.

General Terms

(A)Acceptable cotton is that which is picked by hand or conventional machine harvested and excludes any cotton which is picked up off the ground, false packed, water packed, repacked, oily, seedy, or sticky cotton and/or cotton contaminated with plastic. The cotton to be delivered in fulfillment of this contract shall be the first cotton harvested in gin-run un-culled order. Acceptable cotton is packed in bagging and ties approved by the Joint Industry Bale Packaging Committee. (B) Seller has obligation to ensure contracted cotton is planted, harvested and delivered. Seller warrants that contracted cotton is cultivated using normal, good farming methods in the production and harvesting of the crop, will see that the cotton is chemically or naturally defoliated before harvest, will harvest, will gin in a normal manner and to deliver as quickly as practical after maturity. (C) This contract is for the purchase of Universal Density Compression bales only (D) This contract shall be binding on each party's successors and assigns shall run with the land. (E) One set of samples shall be sent to USDA for Smith-Doxey class at Seller's expense and one set shall be retained at the warehouse for Buyer to collect. Original Smith-Doxey class shall be final (F) Seller irrevocably grants buyer power of attorney to obtain any and all records concerning Seller's cotton production, including, but not limited to, records of: the USDA; gins; agents; other buyers; warehouses; EWR, Inc.; and insurers. Seller agrees to furnish buyer upon verbal or written request, updates on crop conditions, estimated yields, and final module and/or bale counts from acres covered by this contract.

BOTH PARTIES have carefully read and fully understand the terms contained on this contract which represents the entire agreement between the parties. Due to market volatility failure to object to this contract promptly after receipt will be deemed ratification of it.

Seller:	______________________	Buyer:	Olam Cotton
By:	______________________	By:	______________________
Tax ID or SS#	______________________		
Address	______________________		
City, State and Zip	______________________		
Telephone	______________________		

Producer: ________________________ Gin: ________________
Address: ________________________
Address: ________________________ Warehouse: ________________

County	FSA Farm No.	Tract	Field name and/or gin account	landlord participation Yes/No	cotton acres planted on farm	contracted acres	APH yield	estimated bales to deliver
TOTALS								