

ANNEXURE C

1. Pricing Formula

1.1 The following pricing formula will apply in respect of the adjustment of the maximum prices at which Ferro Industrial Products (Pty) Ltd ("**Ferro**") may sell mine capsule resin (as defined) and/or grout for use in the production of mine resin capsules to Rocbolt Resins (Pty) Ltd trading as Fasloc Rescaps ("**Rocbolt**"), Minova RSA (Pty) Ltd ("**Minova**") and any new entity which commences producing mine resin capsules in South Africa during the currency of the conditions.

1.2 The following terms used in this annexure shall have the meanings assigned to them below, and cognate expressions shall have corresponding meanings, namely:

1.2.1 "Rand/US\$ Exchange Rate" – means the Rand/US\$ exchange rate published in the Business Day on a Monday morning reflecting the closing exchange rate on the preceding Friday;

1.2.2 "ICIS" – means Independent Chemical Information Services for the Petrochemical Industry which is based in France and provides pricing information and analysis for more than 180 commodities on a global basis. The ICIS price assessments are widely quoted as benchmarks in international contracts;

1.2.3 "ICIS DEG Price" – means the mid point CFR China Main Port price per tonne for Di-ethylene Glycol for the relevant week as reflected by ICIS;

1.2.4 "ICIS MA Price" – means the mid point CFR South East Asia US\$ price per tonne for Maleic Anhydride for the relevant week as reflected by ICIS;

- 1.2.5 “ICIS MEG Price” – means the mid point CFR Asia US\$ price per tonne for Mono-ethylene Glycol for the relevant week as reflected by ICIS;
- 1.2.6 “ICIS MPGL price” means the mid point spot North West European Euro price per tonne for Mono Propylene Glycol for the relevant week as reflected by ICIS converted into US\$ according to the Euro/US\$ exchange rate for the week in question as reflected in the Business Day on Monday morning reflecting the closing price on the preceding Friday;
- 1.2.7 “ICIS PA Price” – means the mid point CFR South East Asia US\$ price per tonne for Pthalic Anhydride for the relevant week as reflected by ICIS;
- 1.2.8 “ICIS Styrene price” – means the mid point CFR South East Asia US\$ price per tonne for Styrene Monomer per week as reflected by ICIS;
- 1.2.9 “ICIS US\$ Weekly Raw Material Price” – means [confidential];
- 1.2.10 “ICIS Rand Weekly Raw Material Price” – means the ICIS US\$ Weekly Raw Material Price for the week as converted into Rand according to the Rand/US\$ Exchange Rate for the same week;
- 1.2.11 “ICIS Rand Raw Material Change” – means the average ICIS Weekly Rand Raw Material Price for the 13 weeks constituting the current Quarter as expressed as a percentage change from the average ICIS Rand Raw Material Price for the 13 weeks constituting the previous Quarter (for instance when calculating the Quarter 3 price, the average ICIS Rand Raw Material Price for the 13 weeks constituting Quarter 2 expressed as a percentage change from the average ICIS Rand Raw Material Price for the 13 weeks constituting Quarter 1);
- 1.2.12 “Mining Capsule Resin” means the unsaturated polyester resin which Ferro supplies for the production of mining capsules, in the case of Minova, resin product code R357, in the case of Rocbolt, resin product

- code R356 and in the case of any new entrant an unsaturated polyester resin which comprises the same raw materials in the same proportions as used in the production of R356 and R357;
- 1.2.13 “Mining resin customers” – means Minova, Rocbolt and any new entrant which commences manufacturing mine resin capsules in South Africa during the currency of the conditions;
- 1.2.14 “Minova base price” – means the delivered per kilogram price at which Ferro sold its unsaturated polyester resin product code R357 to Minova during the second Quarter of 2014 delivered to corner Anvil Rd and Brewery Rd, Isando, Gauteng;
- 1.2.15 “New Entrant base price” – means [**confidential**];
- 1.2.16 “Rocbolt base price” – means the delivered per kilogram price at which Ferro sold its unsaturated polyester resin product code R356 to Rocbolt during the second Quarter of 2014 delivered to 42 Steel Road, Spartan, Gauteng;
- 1.2.17 “SEIFSA” means the Steel and Engineering Industries Federation of South Africa;
- 1.2.18 “SEIFSA Labour Index” – means the rates in the column entitled “Rates E to H” reflected in Table C-3 of the SEIFSA Labour Index which is published on a monthly basis by SEIFSA and is a numeric scale representing a relative level of the cost of labour as at the date of publication as compared to the cost of labour for the preceding month;
- 1.2.19 “SEIFSA Labour Index Change” – means the average of the SEIFSA Labour Index for the months constituting the current quarter as expressed as a percentage change from the average SEIFSA Labour Index for the months constituting the previous quarter;
- 1.2.20 “SEIFSA Road Freight Index” – means Table L-2 of the SEIFSA Transport Index which is published on a monthly basis by SEIFSA and is a numeric scale representing a relative level of the cost of road

freight as at the date of publication as compared to the cost of road freight for the preceding month; and

- 1.2.21 “SEIFSA Road Freight Index Change” – means the average of the SEIFSA Road Freight Index for the months constituting the current quarter as expressed as a percentage change from the average SEIFSA Road Freight Index for the months constituting the previous quarter.

2. The Pricing Formula

- 2.1 [confidential]
- 2.2 [confidential]
- 2.3 [confidential]
- 2.4 [confidential]
- 2.5 [confidential]
 - 2.5.1 [confidential]
 - 2.5.2 [confidential]
 - 2.5.3 [confidential]
 - 2.5.4 [confidential]
 - 2.5.5 [confidential]
 - 2.5.6 [confidential]
 - 2.5.7 [confidential]
 - 2.5.8 [confidential]

3. Review

- 3.1 In the event that any of the indices which are used in this formula cease to be

published, Ferro will engage with the Commission to select an alternative index which best approximates the index which is no longer published and to make any appropriate adjustments to the formula.

- 3.2 If the Business Day ceases to publish exchange rates, the closing Rand/US\$ exchange rate as published by Standard Bank on Friday of each week will be used for the conversion of US\$ to Rand for the week in question and the closing Euro/US\$ Exchange rate as published on Friday of each week by Barclays Plc will be used for the conversion of Euros to US\$ for the week in question.
- 3.3 The Commission may, where appropriate, in response to a request from Ferro showing good cause, modify any aspect of the pricing formula.
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