

www.clotansteel.co.za

Clotan Steel Pty Ltd Reg no 2013/208068/07

130 Hertz Boulevard, NW7, Po Box 2614 Vanderbijlpark, 1900 South Africa

Ref: September 2019

Clotan Steel (Pty) Ltd (hereinafter referred to as Clotan Steel) General Conditions of Sale

- 1. All orders whether oral or in writing placed with Clotan Steel will be regarded as firm and irrevocable and may not be cancelled without prior written consent of Clotan Steel.
- 2. Purchasers or their agents or clients shall not return goods for any reason without having obtained Clotan Steel's prior agreement. Where such agreement has been obtained, purchasers shall arrange for the return of such goods not later than four weeks from the date of such agreement. On no account shall rejected goods be sold as scrap or otherwise disposed of without Clotan Steel's prior approval.
- 3a. Claims in respect of shortages or damages including white rust affected material shall be made in writing immediately upon receipt of goods and no claim for any shortages or damages will be recognized unless in writing on delivery note.
- 3b. The Purchaser, and/or its agents, and/or its subcontractors shall be responsible for the safe handling, off loading and correct storage of any goods supplied and/or delivered by Clotan Steel.
- 3c. The mass on the invoice is the theoretical weight and not the actual weighbridge weight.
- 4a. Our terms are cash prior to delivery, if arrangements for payment may, at Clotan Steel's discretion, be extended to approved Purchasers, in which event accounts for all goods dispatched during any month shall be due and payable on or before the end of the following month, which shall be deemed to be the due date.
- 4b. Failure to settle an account by due date, shall entitle Clotan Steel to disallow the settlement discount and to charge the Purchaser interest at a rate two percentage points above ruling prime overdraft rate from time to time. Where Clotan Steel prices are subject to a settlement discount, this discount is offered specifically in return for early payment and will be allowed only in respect of payments received by Clotan Steel before the end of the month during which they fall due.
- 5. Clotan Steel undertakes to see to it that goods supplied by Clotan Steel will conform to specifications and/or to any requirements specifically accepted by Clotan Steel in writing in respect of each order, but, except as aforesaid Clotan Steel gives no warranty, express or implied, in respect of goods, workmanship or fitness of material for any particular purpose, whether such purpose be known to Clotan Steel or not, even if Clotan Steel's advice regarding such specifications and/or requirements was solicited and/or obtained. In the event of goods proving not to be in accordance with the aforesaid, specifications or requirements, Clotan Steel shall not be responsible for consequential damages (loss) of Purchaser's profit or any direct or consequential loss, damage) or charges which may arise therefrom. Clotan Steel's liability shall be limited to compensating the Purchaser either by way of credit or replacement of goods to the invoiced value of the rejected goods, plus transport charges incurred by the Purchaser in the delivery of goods to him, considering its scrap value in cases where it was agreed that goods will not be returned to Clotan Steel. Requests for credit or for the replacement of goods will be considered only if submitted together with the complaint, in all cases not later than 30 days after delivery and provided that reasonable time be allowed for such replacement.
- 6. Every endeavour will be made to dispatch goods with due promptitude, or within the time indicated by Clotan Steel, but Clotan Steel shall not in any circumstances be liable for loss or damage caused by non-delivery or late delivery.



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- 7a. Sale of goods shall remain with Clotan Steel, until Clotan Steel has been paid in full for the goods.
- 7b. The risk of loss or damage shall pass to the Purchaser at the time when the goods leave Clotan Steel's works.
- 7c. Should the Purchaser appoint its own representative/s or agent/s to effect delivery of the goods, the Purchaser assumes all risk and/or responsibility for delivery. The Purchaser shall have no claim against Clotan Steel who shall not be bound by any terms or conditions contained in such contract of delivery. The Purchaser indemnifies Clotan Steel against all claims of whatsoever nature arising out of such contract/s.
- 8a. Should the Purchaser and/or his representative/s and/or agent/s fail to effect delivery of goods within thirty (30) days after being informed by Clotan Steel that the goods are ready for dispatch, the Purchaser shall be invoiced. The risk of loss or damage with respect to the goods shall pass to the Purchaser upon the expiry of the aforesaid thirty (30) days period.
- 8b. Where the Purchaser fails to take delivery of the goods tendered by Clotan Steel in terms of clause 9a, Clotan Steel shall be entitled to store or have such material stored on behalf of the Purchasers. All cost and damages relating to the Purchasers failure shall be for the account of the Purchaser. Clotan Steel shall in such event be indemnified against any loss or damage which may be suffered by the Purchaser, due to the Purchaser's failure to take timeous delivery.
- 9. Clotan Steel reserves the right to suspend deliveries or at its sole option, cancel the contract in whole or in part if Purchasers fail to fulfil any obligation hereunder, or if by reason of act of God, war (whether declared or not), force majeure, governmental control, storm, fi re, tempest, strikes, lockouts, riots, civil commotion, inevitable accident or any other circumstances outside its control Clotan Steel is prevented in whole or in part from performing its obligations under this contract.
- 10a. Should the Purchaser be in default in terms of its agreement, Clotan Steel will be entitled in its sole discretion to institute action against the Purchaser in the Magistrates Court with jurisdiction and the Purchaser hereby consents to the jurisdiction of that Magistrates Court in terms of Section 45 of Act 32 of 1944 as amended, notwithstanding the fact that the amount claimed otherwise exceeds the jurisdiction of that court.
- 10b. Notwithstanding the foregoing, Clotan Steel shall not be obliged to institute action against the Purchaser in the Magistrates Court and the Purchaser hereby submits to the jurisdiction of the Supreme Court of South Africa in respect of any action instituted against the Purchaser by Clotan Steel.
- 11. A certificate issued under the hand of a Director of Clotan Steel shall be prima facie evidence of the amount due by the Purchaser and such certificate shall be sufficient for purpose of judgement or provisional sentence.
- 12. In the event of action being instituted against the Purchaser by Clotan Steel, the Purchaser agrees to pay costs on Attorney and client scale including tracing fees and collection commission payable in terms of law.
- 13. Any latitude or extension of time which may be allowed by Clotan Steel to the Purchaser in respect of any payment provided for herein or any matter or thing which the Purchaser is bound to perform or observe on terms thereof shall not under any circumstances be deemed to be a waiver of Clotan Steel's rights at any time and without notice to require strict and punctual compliance with each provision or term hereof.
- 14. It is agreed that set-off shall be operated automatically as a matter of law at the moment reciprocal debts between Clotan Steel and the Purchaser come into existence and independently of the will of the parties and it shall not be necessary for either Clotan Steel or the Purchaser to specifically raise set-off. Upon the operation of an automatic set off as aforementioned, the debt shall be mutually extinguished to the extent of the lesser debt with retrospective effect.



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- 15. The Purchaser agrees that the signature of any employee of the Purchaser on Clotan Steel's official delivery note/invoice/waybill or the delivery note of any authorized independent carrier will constitute delivery of goods purchased.
- 16. The Purchaser agrees to notify Clotan Steel in writing within seven (7) days of any change in ownership of the Purchaser's business or should the Purchaser be a company, any share transaction where the majority shareholding is affected.



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