

**STANDARD TERMS AND CONDITIONS OF SALE
OF SOUTH AFRICAN POLYPROPYLENE YARNS (PROPRIETARY) LIMITED
(hereinafter referred to as SAPY)**

1. APPLICABILITY OF THE STANDARD CONDITIONS

Unless otherwise agreed in writing and signed by SAPY, these Standard Conditions of Sale shall constitute the entire agreement between SAPY and the CUSTOMER and all goods are sold and/or services are rendered subject to this Agreement only. Any additional or different terms or conditions contained in the CUSTOMER's order shall be null and void and of no force and effect.

2. DEFINITIONS

- 2.1 "CUSTOMER" means any person or persons at whose request or on whose behalf or in respect of whom SAPY undertakes any business.
- 2.2 "SAPY" means South African Polypropylene Yarns (Proprietary) Limited, Registration No 94/10667/07;
- 2.3 "these conditions" means these Standard Terms and Conditions of Sale.

3. ORDER

- 3.1 The contract between SAPY and the CUSTOMER shall only come into existence when a duly authorised representative of SAPY has accepted the CUSTOMER's order either wholly or in part.
- 3.2 All orders accepted by SAPY shall be binding on the CUSTOMER and may not be cancelled without obtaining SAPY's prior written consent.

4. PRICES

- 4.1 Subject to the other provisions of these conditions, the purchase prices at which the goods shall be sold will be determined by agreement between SAPY and the CUSTOMER from time to time.
- 4.2 The prices are based on the costs to SAPY, at the date on which the contract between the CUSTOMER and SAPY is concluded, of carrying out its obligations under such contract, which includes, inter alia:-
 - 4.2.1 the cost to SAPY of acquiring the raw materials and the costs of labour and freight;
 - 4.2.2 the cost of purchasing foreign currency to pay for the importation of the raw materials;
 - 4.2.3 import duties, government imposts, levies and other charges.
- 4.3 If, after the date of conclusion of the contract between SAPY and the CUSTOMER, there is an unfavourable change in the relevant foreign currency exchange rate or the applicable government imposts, levies or charges or any other change to the costs of labour, raw materials or freight, resulting in an increased cost to SAPY in supplying the goods and/or rendering the services in question, then SAPY shall, on 30 (thirty) days notice in writing to the CUSTOMER, be entitled to adjust its price by the amount of such increase.
- 4.4 Within 14 (fourteen) days of the date of the written notice of the price increase from SAPY or its agents, the CUSTOMER shall, on notice in writing, be entitled to cancel any undelivered balance of the order which has not yet been prepared as at the date of receipt of the CUSTOMER's notice by SAPY. The CUSTOMER shall be deemed to have accepted the price increase if SAPY does not receive the CUSTOMER's notification of the cancellation of the whole or a portion of the order within 14 (fourteen) days of the date of SAPY's notice of the price increase.
- 4.5 Unless otherwise stipulated, all prices are exclusive of VAT.
- 4.6 If the CUSTOMER varies its order or if there are delays or changes which are not as a result of any act or omission of SAPY, SAPY shall be entitled to revise its prices by notice in writing.
- 4.7 In the event of a price reflected on an order or confirmation of the order being incorrect due to a clerical error, then SAPY shall have the right to amend such price to rectify the error.

5. VALUE ADDED TAX

The CUSTOMER shall be responsible for and undertakes to pay to SAPY, at the same time as it is obliged to pay any sum in respect of goods supplied or to be supplied and/or services rendered or to be rendered, any tax payable thereon by SAPY in terms of the Value Added Tax Act No 1991, as amended from time to time, or any replacement Act.

6. PAYMENT

- 6.1 Unless otherwise specifically agreed to by SAPY in writing, all amounts shall be paid by the CUSTOMER to SAPY, without deduction, demand or set-off, within thirty days of the date of SAPY's statement of account.
- 6.2 Any amount not paid on due date shall, at the discretion of SAPY, bear interest from the due date until it is paid, at a rate not exceeding 2 percentage points above the published prime overdraft rate from time to time of SAPY's principal bankers.

- 6.3 A letter purporting to be signed by a general, branch or other manager of SAPY's principal bankers, setting out the published prime overdraft rate from time to time shall be proof of the rate until the contrary is proved.
- 6.4 If any amount owing by the CUSTOMER to SAPY is not paid on the due date then all amounts owing by the CUSTOMER to SAPY from any cause whatsoever shall become immediately due and payable.

7. TIME NOT OF THE ESSENCE

- 7.1 The time stated for delivery of the goods or the rendering of any service by SAPY is approximate only and shall not be a material term to the contract between SAPY and the CUSTOMER.
- 7.2 Subject to 5.1, SAPY will make reasonable efforts to deliver goods and render services within the times stated in the contract and late delivery shall not render the contract invalid nor render SAPY liable for any claim or damages.
- 7.3 Delivery of the goods is dependent on stock availability and shall be made, subject to 7.1 and 7.2, when stocks are available.

8. DELIVERY AND RISK

- 8.1 Unless otherwise agreed in writing, the CUSTOMER shall take delivery of the goods at SAPY's premises. If SAPY agrees to deliver the goods to the CUSTOMER at any other place, then the CUSTOMER will be liable for all of the costs of delivery and these costs shall be paid to SAPY by the CUSTOMER on demand.
- 8.2 Where delivery is effected by SAPY's transport, or by SAPY's transport contractor:-
 - 8.2.1 all risks in the goods shall remain with SAPY until and shall pass to the CUSTOMER on the transporting vehicle coming to a stop at the point where the goods are to be unloaded;
 - 8.2.2 the responsibility for unloading rests with the CUSTOMER;
 - 8.2.3 SAPY reserves the right to pass on to the CUSTOMER any additional charges or any other costs whatsoever, including insurance premiums, which may be incurred by SAPY as a result of delayed or protracted unloading of the goods by or on behalf of the CUSTOMER;
 - 8.2.4 SAPY also reserves the right to charge the CUSTOMER with any other costs relating to the delivery of the goods to the CUSTOMER, including insurance premiums.
- 8.3 When a delivery is made by SAPY to the CUSTOMER through the medium of a transport carrier engaged by or on behalf of the CUSTOMER, then and in such event, all risks in and to the goods in question shall pass to the CUSTOMER on delivery of the goods by SAPY to the carrier.
- 8.4 Unless the CUSTOMER reports in writing an incomplete or short delivery to SAPY within 7 (SEVEN) days of the consignment in question having been delivered, the CUSTOMER shall be precluded from making any claim against SAPY in connection with such short or incomplete delivery.
- 8.5 Where the CUSTOMER requests that delivery be suspended or delayed to a date later than that originally requested, SAPY shall be entitled to charge the CUSTOMER a reasonable fee for the storage of such goods.
- 8.6 SAPY is entitled to withhold delivery of goods if the CUSTOMER has not made payment of amounts due in respect of previous orders.

9. OWNERSHIP

- 9.1 Ownership of all goods delivered shall remain in SAPY until SAPY has received payment of the full purchase price notwithstanding that the goods may have been purchased for resale.
- 9.2 The CUSTOMER acknowledges SAPY's rights to repossess the goods if the CUSTOMER defaults with any payment, in whole or in part, and the CUSTOMER shall bear the onus of proving that it has not defaulted with any payment and that payment has been made in full to SAPY.
- 9.3 SAPY's rights to repossess the goods in terms of clause 7.2, includes, inter alia, SAPY and/or its agents having the right to enter the CUSTOMER's premises for the purpose of inspecting and/or removing the goods from the CUSTOMER's premises.

10. HYPOTHEC

The CUSTOMER shall give valid notice to his landlord of the terms of these Conditions in order to prevent the landlord's hypothec from being exercised over any goods supplied by SAPY to the CUSTOMER.

11. NOTIFICATION OF DEFECTS

- 11.1 Within 7 (SEVEN) days after the receipt of the goods the CUSTOMER shall be required to advise SAPY of any defects, failing which the goods shall be deemed to be complete in all respects and

without defects, and the CUSTOMER shall be precluded from making any claim against SAPY in connection with the defective goods.

- 11.2 If SAPY agrees that the goods are defective, SAPY's liability shall be limited to replacing such goods as against return to it of the defective goods.
- 11.3 Notwithstanding that the CUSTOMER may have a claim against SAPY for the goods being defective, the CUSTOMER is not entitled to withhold payment of any amount due to SAPY nor set off any amount against any payment due to SAPY.

12. RETURN OF GOODS

If SAPY agrees to accept the return of any goods for credit, the CUSTOMER shall be liable to pay SAPY a handling charge of not less than 10% (ten percent) of the invoiced price of the goods returned.

13. NO WARRANTIES

SAPY gives no warranties and makes no representations as to the suitability of the goods for any specific use.

14. LIMITATION OF LIABILITY AND INDEMNITY

- 14.1 Neither SAPY nor any of its employees or agents shall be liable for any loss or damage whatsoever, whether direct, indirect, consequential or otherwise, including any loss of profit, to any person or property, arising from any cause in connection with the goods, services performed or advice given by SAPY, including inter alia, deleterious effects resulting from the application of any process or treatment to the goods after delivery, whether such loss or damage results from any breach of contract, delict, negligence of any degree or any other cause without limitation. The CUSTOMER hereby indemnifies SAPY and holds it harmless against all and any claims which may at any time be made against SAPY in respect of any such loss or damage.
- 14.2 If a CUSTOMER sells or disposes of any goods supplied to it by SAPY to a third party or otherwise permits a third party to use such goods, the CUSTOMER shall include in the CUSTOMER's agreement with the third party a provision in terms of which SAPY is afforded a similar limitation of liability to that contemplated in 14.1.
- 14.3 Subject to clauses 8.4 and 11.2, any claim which a CUSTOMER has against SAPY in connection with or arising out of any business shall lapse and become extinguished unless within:-
 - 14.3.1 90 days of such claim arising, the CUSTOMER gives written notice thereof to SAPY and at the same time discloses to SAPY in writing the material facts on which the claim is based; and
 - 14.3.2 12 months of such claim arising, the CUSTOMER institutes legal proceedings against SAPY in respect of the claim by issuing summons out of a court of competent jurisdiction and having such summons served on SAPY.

15. FORCE MAJEURE

If SAPY is prevented or restricted directly or indirectly from carrying out all or any of its obligations under a contract with the CUSTOMER by reason of strike, lock-out, fire, explosion, floods, storms, riot, war, sabotage, accident, an act of God, embargo, legislation, shortage of or a breakdown in transportation facilities, negligence of the carriers, inability to obtain raw materials, civil commotion, unrest or disturbances, cessation of labour, government interference or control, or any other cause or contingency beyond the control of SAPY, SAPY shall be relieved of its obligations in terms of the contract with the CUSTOMER during the period that such event and its consequences continue and shall not be liable for any delay or failure in the fulfilment of any obligations thereunder or loss or damages either general, special or consequential, which the CUSTOMER may suffer due to or resulting from such delay or failure in performance. If SAPY invokes force majeure it shall upon termination of such event giving rise thereto, forthwith give written notice thereof to the CUSTOMER. Should such force majeure continue for a period of more than 10 (ten) days then SAPY shall be entitled forthwith to cancel the contract with the CUSTOMER in respect of any obligation still to be performed thereunder.

16. CANCELLATION

Notwithstanding the acceptance of the cancellation of a contract by SAPY, SAPY shall be entitled to recover all damages incurred by it arising from or in connection with such cancellation, including but not being limited to all costs, expenses and loss of profit arising out of or in connection with such cancellation.

17. NOTICES AND DOMICILIA

- 17.1 All notices to be given in terms of the contract shall be in writing and shall be delivered by hand or sent by prepaid registered post to SAPY at P O Box 109, Hammarsdale, 3700, KwaZulu-Natal, Republic of South Africa and to the CUSTOMER at any one of the physical business addresses

- set out in its credit application, quotation giving rise to the contract or the invoice in respect of the goods, which physical addresses the parties select as their domicilium citandi et executandi.
- 17.2 Each party shall be entitled at any time to change its domicilium to any other physical address within the Republic of South Africa, provided that such change shall take effect only upon delivery or deemed delivery of notice thereof to the other party.

18. GENERAL

- 18.1 No agent or employee of SAPY, other than a director of SAPY, has SAPY's authority to alter or vary these conditions.
- 18.2 The CUSTOMER may not rely on a representation which it claims persuaded it to enter the contract.
- 18.3 No agreement varying, adding to, deleting from or cancelling any of these conditions, and no waiver of any of these conditions, shall be effective unless reduced to writing and, signed by a director of SAPY.
- 18.4 No indulgence granted by SAPY shall constitute a waiver of any of SAPY's rights.
- 18.5 If SAPY refers any claim or dispute against the CUSTOMER to its attorneys, and whether or not SAPY institutes or defends any legal or arbitration proceedings to enforce or protect its rights, SAPY shall be entitled to recover from the CUSTOMER all legal costs (on an attorney and own client basis), tracing charges and collection commission incurred by SAPY in that regard.
- 18.6 In the event of SAPY deciding to institute legal proceedings for the enforcement of any of its rights against the CUSTOMER, SAPY shall be entitled to do so in the Magistrate's Court which would, but for the amount involved, have jurisdiction.
- 18.7 A certificate signed by a director of SAPY reflecting particulars of the amount owing by the CUSTOMER together with details of all deliveries made to the CUSTOMER and the invoices pertaining to such deliveries shall be prima facie proof thereof and of the CUSTOMER's indebtedness to SAPY.
- 18.8 The CUSTOMER may not cede any of its rights or delegate any of its obligations in terms of the contract unless a director of SAPY gives prior written consent to the CUSTOMER to do so.
- 18.9 Credit facilities allowed by SAPY are in SAPY's discretion and SAPY is entitled, at any time, without notice to the CUSTOMER to, vary, curtail or terminate such facilities.
- 18.10 Unless it conflicts with the context of these conditions, words signifying one gender will include the other genders, words signifying the singular will include the plural and vice versa, and words signifying natural persons will include artificial persons and vice versa.
- 18.11 Headings of clauses are inserted for the purpose of convenience only and shall be ignored in the interpretation of these conditions.
- 18.12 If any part of these conditions is or becomes unenforceable, it will be severable from the rest of these conditions which will continue to be binding.
- 18.13 This agreement shall be interpreted and implemented in accordance with the law of the Republic of South Africa.