



COROBRIK MEANS COROBRIK (PTY) LTD – Reg. No. 2007/021571/07
CONDITIONS OF SALE AND TRADE CREDIT FACILITIES
(where applicable)

1. SOLE CONDITIONS

The following will be the sole terms and conditions upon which Corobrik will contract to sell goods, and these terms and conditions supercede any other conditions which a Purchaser may seek to impose on Corobrik. Corobrik shall not be bound by a Purchaser's conditions of purchase unless such have been reduced to writing and signed and accepted by a duty authorised representative of Corobrik.

2. PRICE

2.1 The price of goods shall be Corobrik's price as at date of despatch of the goods.

2.2 Should this price be different from the price ruling as at the date at which any quotation may have been given to the Purchaser, Corobrik shall advise the Purchaser of the said increase and the Purchaser shall be entitled to cancel his order provided that he does so as soon as possible after being advised of the said increase. If, however, at the time of placing the order and the issuing of a written acceptance of such order by Corobrik both a date for delivery has been agreed to by Corobrik and the purchase price of the goods has been paid in full, then that price will be the price at which the goods will be sold.

2.3 Where the price of goods is the delivered price, any increase in the transport rate prior to the date of despatch shall be for the account of the Purchaser. Any additional charges raised by carriers in connection with the delivery of goods to the Purchaser, including demurrage or a change in rail tariff, shall be for the account of the Purchaser.

3. DELIVERY

3.1 In the case of goods sold for delivery at Corobrik's factories, the purchaser shall provide transport and labour and take delivery of the goods at a rate and at such time or times as agreed to by the Purchaser and Corobrik.

3.2 The carrier taking such delivery on behalf of the Purchaser, whether shipper, haulage contractor or rail carrier, shall be deemed to be the Purchaser's carrier and agent and delivery shall be deemed to be effected upon possession of the goods sold being taken by the carrier. A consignment note issued by the carrier shall constitute prima facie proof

of delivery of the goods expressed to be covered thereby.

3.3 In the case of goods sold for delivery by Corobrik, the Purchaser may request the delivery of goods in accordance with a delivery schedule and depending on the efficient use of its delivery fleet and subject to 3.5, Corobrik will attempt, but shall not be bound, to meet such delivery schedule. In the absence of a delivery schedule agreed in terms of 3.5, Corobrik shall, when it delivers products, deliver at such time and date and offload in such manner as it determines at or as near as possible to the Purchaser's building site, provided that if a point of delivery has been indicated by the Purchaser, it will be attempted to deliver at such point. In order to comply with Local Authority Bylaws, the Purchaser undertakes to remove the goods from the place where they are delivered to within the boundaries of the building site. The Purchaser shall ensure that Corobrik has access to the building site and the point of delivery at all times. Failure on the part of the Purchaser in each or any regard shall entitle Corobrik to divert the goods, or return them to its premises. In either event the Purchaser shall, upon demand, pay Corobrik's expenses incurred in tendering delivery of the goods.

3.4 Upon delivery or deemed delivery of goods to the Purchaser all risk in and to the goods, including packaging materials thereof, shall pass to the Purchaser.

3.5 Corobrik may agree, in writing, to a delivery schedule, then Corobrik shall attempt to deliver products in accordance with such delivery schedule, but is not bound to do so. Should the purchaser wish to change an agreed delivery schedule then it shall give a minimum of 48 hours notice to Corobrik. Acceptance shall be subject to availability of goods.

3.6 Corobrik's goods correctly despatched per orders are not returnable. Where Corobrik agrees to goods being returned the cost of returning the goods will be for the account of the Purchaser where the reason for returning goods is attributable to the Purchaser. Corobrik reserves the right to levy a 10 % (ten percent) handling charge on all goods returned. Only goods returned which Corobrik approves as fit for the purpose manufactured in every respect will be credited to the Purchaser's account.

4. IMPOSSIBILITY OF PERFORMANCE AND INJURY OR BREAKAGES

4.1 In the event of Corobrik being prevented, by any cause beyond its control from supplying goods ordered, which shall be deemed to include shortage of stocks of the goods, then it shall be excused performance during the period for which it is so prevented.

4.2 The Purchaser indemnifies and holds harmless Corobrik against all claims of any nature whatsoever in respect of loss or damage to persons or goods or property suffered by the Purchaser and the Purchaser's employees, agents and invitees while on the premises of Corobrik and/or alliance factories or depots.

5. WARRANTY

5.1 The provisions of these conditions shall apply to and be in lieu of any other warranty expressed or implied which may otherwise result from the sale of goods by Corobrik.

5.2 All goods sold by Corobrik are manufactured to the standards applicable to and of application at each factory from time to time and in accordance with any quotation given by Corobrik. In addition, those factories which have the right to use the SABS mark warrant that products supplied in accordance with the mark scheme comply with the relevant South Africa Bureau of Standards specification in all respects. Purchasers are required and shall be deemed to have made themselves acquainted with such standards.

5.3

5.3.1 It is further warranted that all goods are manufactured using good and proper materials and workmanship and that in the case of clay bricks, goods will be suitable for use in terms of the appropriate product classification as classified by the South African Bureau of Standards (SABS) applicable to the goods concerned. That is to say, under normal conditions, FBX, FBS, and FBA classified goods are suitable for use without rendering or plastering whereas NFP classified goods require such rendering or plastering and NFX classified goods are for use in special circumstances. Corobrik's waybill shall constitute prima facie proof of the SABS classification concerned.

5.3.2 Corobrik's liability in relation to this warranty shall not in any circumstances whatsoever exceed the cost to Corobrik of replacing the goods giving rise to such loss or damage with similar goods to which goods the provisions of these Conditions shall apply. Save with regards to the foregoing no warranty is given, expressed or implied that goods will be suitable for use for any specific purpose or under any specific conditions, even though such purpose or conditions may be known to Corobrik.

5.4 Corobrik shall not be liable to the Purchaser nor to any third person for any loss or damage arising directly or indirectly from any defect whatsoever other than in respect of the matters warranted above.

5.5 Notwithstanding anything to the contrary contained in any statute or other law, any claim which the Purchaser may have pursuant to a breach of any of the above warranties shall be deemed to prescribe three years after the delivery of the goods.

6. CLAIMS

6.1 Corobrik will attempt to deliver products in accordance with a delivery schedule agreed to in terms of 3.5, but the purchaser shall have no claim of any nature whatsoever against Corobrik by reason of any delay by Corobrik in giving delivery of goods on any date or dates that may be specified in the Purchaser's order or a delivery schedule agreed in terms of 3.5 or within a reasonable time in those cases in which no such date is specified or agreed.

6.2 The Purchaser acknowledges that during the normal transportation of goods from factory to site, damages and breakages are likely to occur. In the case of goods packaged and transported by Corobrik itself, breakage could be as high as 8% (eight percent) in the case of non-face bricks, and 5% (five percent) in the case of face bricks and tiles or such percentage as quoted at the time of sale. It is agreed that the Purchaser shall have no claim whatsoever against Corobrik, whether by way of reduction of the purchase price or otherwise, in respect of losses of up to the aforesaid percentages unless Corobrik has specifically, in writing, agreed to some lesser percentage for breakages.

6.3 Products delivered by rail or despatched at the Purchaser's risk. Any claim for damage in transit should be directed to the carrier.

6.4 In the case of products delivered by road by Corobrik's carrier claims will, as between the Purchaser and Seller, only be valid if such claims are endorsed on the waybill at the time of delivery or are brought to Corobrik's attention in writing within 7 days of receipt of the goods by the

Purchaser or his agent.

6.5 Should the Purchaser wish to query any item on Corobrik's invoice or should he wish to request proof of delivery pursuant to a query as to the quantity of product delivered to him, he shall be obliged to make relevant query, claim or request (as the case may be) within a period of 30 days from the date of Corobrik's invoice, failing which his right to do so shall be deemed to be waived and he shall have no further claim against Corobrik arising pursuant thereto.

7. PAYMENT OF PURCHASE PRICE

7.1 The normal form of payment of goods including cartage shall be cash payable in advance of delivery or despatch. The term "cash" includes payment by means of a credit card acceptable to Corobrik. In the event of the purchase price and other charges not being paid as aforesaid, Corobrik shall be entitled to cancel any contract for the delivery of goods without prejudice to its right to recover from the Purchaser any loss or damage suffered by it by reason of such cancellation.

7.2 It is recorded that in those instances where Corobrik, whether expressly or otherwise, agrees to grant trade credit to the Purchaser without specifying the period for which the trade credit will be granted, the payment terms shall be strictly 30 days nett from the date of Corobrik's first statement in respect of the goods concerned. No credit cards will be accepted by Corobrik for the payment of an account where Corobrik has granted trade credit. Where the basis of payment is expressly stated in writing and Corobrik accepts that basis of payment then such basis overrides this provision.

7.3 In the event of Corobrik agreeing in writing to give trade credit to a Purchaser for the payment of the purchase price of goods and the Purchaser failing to make payment upon the due date in respect of the purchase price or any portion thereof or in the event of a Purchaser being indebted to Corobrik arising from any cause whatsoever, then in either or both of such circumstances Corobrik shall not be obliged to perform under any contract then in existence and may, at its election, terminate any such contract, which termination may be made without prejudice to its right to claim damages arising from such termination and to its right to recover from the Purchaser any moneys then owing to it from whatever cause arising.

7.4 Ownership of all goods sold and delivered by Corobrik to Purchasers, shall to the extent that they have not been built into a permanent structure, remain with Corobrik until the purchase price thereof shall have been paid in full. A certificate issued

by Corobrik's auditors shall constitute prima facie proof of the goods for which payment has not been made to Corobrik.

7.5 Without prejudice to the foregoing, in the event of the Purchaser failing to pay any amount due to Corobrik on due date then such amount as remains unpaid shall bear interest at the rate of 2% (two percent) per month, subject to the maximum rate prescribed in terms of the National Credit Act No.34 of 2005. Such interest shall be calculated monthly in arrears.

7.6 All payments made by a Purchaser to Corobrik shall be attributed by Corobrik firstly towards the payment of all interest then owing by the Purchaser to Corobrik and thereafter in reduction of the purchase consideration in respect of goods due and owing by the Purchaser to Corobrik, provided that payment made shall be attributed to the amount which has been owing by the Purchaser to Corobrik for the longest period of time.

7.7 A certificate issued by Corobrik's auditors shall constitute prima facie proof of the indebtedness of the Purchaser to Corobrik from time to time.

8. JURISDICTION

8.1 The Purchaser hereby consents in terms of section 45 of the Magistrate's Court Act to the jurisdiction of the appropriate Magistrate's Court in respect of any proceedings arising here from notwithstanding that such proceeding would otherwise have been beyond the jurisdiction of such Magistrate's Court. However, notwithstanding such consent, Corobrik shall be entitled in its sole discretion, and without prejudice, to institute such proceedings in the appropriate High Court.

8.2 The Purchaser hereby consents to the jurisdiction of the High Court in which any action is instituted against the Purchaser in respect of any Constitutional issues which arise in such action or if this becomes permissible in the Magistrate's Court in which the aforesaid action is instituted.

9. LEGAL COSTS

In the event of Corobrik instructing its Attorney to collect any amount owing by a Purchaser, the Purchaser shall pay Corobrik's attorney and own client costs which include all collection commission and other costs incurred by Corobrik with its Attorney in that regard.

10. NON-WAIVER

The failure by Corobrik to strictly enforce any provision of these Conditions shall not be construed as a waiver by Corobrik of any of its rights in terms hereof nor shall it prejudice Corobrik's right to strictly enforce such conditions.

11. VAT

Corobrik is a registered vendor for VAT purposes and will charge VAT on all taxable supplies made by it to the Purchaser in addition to the price of goods.

12. CONSENT TO ACCESS INFORMATION AND REPORT ON DEFAULT

12.1 The Purchaser agrees that Corobrik may use the services and records of a registered credit bureau and other suppliers for information required in the original and future assessment of credit facilities. The Purchaser agrees that Corobrik may disclose information regarding the Purchaser's credit worthiness and conduct of the Purchaser's account with it to any registered credit bureau and other suppliers.

12.2 If the Purchaser is a private or unlisted public company, close corporation or other artificial person then it undertakes to advise Corobrik forthwith in writing of any agreement concluded for the change of its shareholding, membership or ownership. In such event (or if the Purchaser fails to advise Corobrik as required in terms hereof), Corobrik reserves the right to suspend its credit terms on written notice to the Purchaser until all requirements of Corobrik as a consequence of such change have been met in full.

12.3 Corobrik reserves the right to suspend the Purchaser's credit terms at any time on written notice to the Purchaser.

12.4 Corobrik reserves the right to report the Purchaser's repayment behaviour to any Credit Bureau in the event of default in payment in terms of this agreement.

13. RIGHT TO UPDATE

Corobrik reserves the right to update these conditions of sale from time to time on written notice to the Purchaser which shall, on receipt of the updated conditions of sale from time to time, be bound to the same as if they were the original conditions of sale.

14. CLAUSES SEVERABLE AND DIVISIBLE

14.1 Each and every clause contained in these conditions of sale is severable and divisible from the others and separately enforceable as such. Should any provision be found not to be binding then this shall not affect the enforceability of the remaining provisions.

14.2 The Guarantee, Suretyship and Co-principal Debtorship overleaf shall not, whether properly completed, incorrectly completed, or not completed, in any way whatsoever affect the validity and enforceability of these conditions of sale at the instance of Corobrik.

15.1 ARBITRATION AND CONSTITUTIONAL ISSUES

At the election of Corobrik (made by written notice to the Purchaser) all disputes, differences, impasses or deadlocks between Corobrik and the Purchaser shall be referred to arbitration. All references in this agreement to "arbitration" shall be deemed to be a reference to arbitration in terms of the Arbitration Act No.42/1965, as amended, or if this Statute is repealed, in terms of the Statute which replaces it. The Arbitrator shall be a person agreed upon between Corobrik and the Purchaser and failing agreement, a person nominated by the President of the Natal Law Society (or if that Body changes its name the President or head of the Body that succeeds it) and such person shall not necessarily be a lawyer. The arbitration shall be held in Durban. No party shall, except jointly with all the other parties, invoke the provisions of Section 23 (a) of the Arbitration Act or any other similar provision which may hereafter exist. The decision of such Arbitrator shall be final and binding upon Corobrik and the Purchaser and the Arbitrator shall also be entitled to stipulate who shall pay his costs of resolving such dispute, difference, impasse or deadlock.

15.2 Any High Court before whom any action or application arising to which these conditions apply is brought shall have jurisdiction in respect of any Constitutional issues in connection herewith.

16. GUARANTEE, SURETYSHIP AND CO-PRINCIPAL DEBTORSHIP

16.1 Corobrik reserves the right to require:-

(a) suretyship, co-principal debtorship and guarantees from all members, shareholders, beneficiaries and other persons associated with the Purchaser before accepting an application for credit facilities; and/or

(b) holding company guarantees, cessions of book debts and bank guarantees from the purchaser; at any time on written notice to the purchaser, and Corobrik shall be entitled to suspend trade credit facilities until its requirements are met in full.

16.2 In respect of cash sales; COD; transport cash sales and the incorporation of the provisions of these conditions of sale on to waybills and invoices in respect of such sales the provision of clause 16 and clause 17 shall not apply and shall be regarded having not been written.

16.3 These conditions of sale apply to all transactions between Corobrik and the Purchaser notwithstanding the fact that the suretyship, co-principal debtorship and guarantee contained in the Credit Application form is not

completed and/or signed by any person or is partially completed and/or signed by certain persons.

17. DOMICILIA AND ADDRESS FOR NOTICES

(a) The parties choose as their domicilia citandi et executandi for all purposes under this agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature to the following addresses:

(i) Corobrik: 20 Toncoro Road
Durban North
4051
Telefax: (031) 560-3312

(ii) The Purchaser:
See physical address, fax number, email address in application for trade credit to which these conditions form part.

(b) Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing but it shall be competent to give notice by telefax or Email.

(c) Any party may by notice to any other party change the physical address chosen as its domicilium citandi et executandi vis-a-vis that party to another physical address in the Republic of South Africa or its telefax number or Email address, provided that the change shall become effective vis-a-vis that addressee on the 4th business day from the deemed receipt of the notice by the addressee.

(d) Any notice to a party:-
(i) sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at its domicilium citandi et executandi shall be deemed to have been received on the 4th business day after posting (unless the contrary is proved);

(ii) delivered by hand to a responsible person during ordinary business hours at its domicilium citandi et executandi shall be deemed to have been received on the day of delivery; or

(iii) sent by telefax or email to its chosen telefax or email address shall be deemed to have been received on the date of despatch (unless the contrary is proved).

(e) Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen domicilium citandi et executandi.

18. GENERAL PROVISION

These conditions of sale must be interpreted and implemented in terms of the law of the Republic of South Africa.