

GENERAL CONDITIONS OF ORDER
(FOR ORDERS NOT EXCEEDING R20 000 IN VALUE)
(Revision February 2004)

acceptance or otherwise shall be of no force or effect whatsoever and shall not be binding on the Company unless such alterations appear in accordance with Clause 1 hereof.

1. OFFICIAL ORDERS

No order shall be recognised by Demag Cranes & Components (Pty) Ltd. ("the Company"), unless made out on this, the Company's official Order Form and all Orders are subject to the Terms and Conditions herein set out, which Terms and Conditions cannot be altered unless such alterations are set out in writing and signed by the Company's authorised officer, in the event of any conflict of contracts between these general conditions or order and any other conditions which the supplier may seek to impose, then and in such event the company's conditions shall be the overriding conditions.

2. ACKNOWLEDGMENT

Please acknowledge this Order by return of post. If this order is not rejected within seven days of the written receipt hereof, it will be deemed to have been accepted. Please quote the date and the Order Number on all documents and correspondence.

3. DOCUMENTS

All goods supplied must be accompanied by a detailed advice note giving the Order Number and full particulars of the goods supplied. This advice should be sent to the Company's office (at the address on the face hereof) when goods are supplied and delivered either to the Company's office or to the Company customer, but in the latter case, the customer's name should not appear on any accompanying documents. In either case an invoice bearing this Order Number must be delivered to the Company on the day following delivery, and invoices received by the Company after the fifth day of the month following the date of the invoice, will not be passed for payment until the following month's account. Invoices should be sent in duplicate when the goods are dispatched. Invoices not bearing this Order Number cannot be accepted and will be returned.

4. PRICES

No alterations in prices quoted on this Order will be made or accepted unless the Company's prior written consent has been obtained.

5. CARRIAGE AND DELIVERY

Delivery of the goods comprised herein shall be carriage paid to the address indicated on this Order and will be at suppliers risk unless otherwise agreed in writing. Deliveries will be made between the hours of 08h00 and 16h00 on Mondays to Thursdays and Fridays to 15h00 inclusive, but no deliveries will be accepted on Saturdays. As regards delivery time shall be of the essence of this contract, and the Company reserves the right to cancel or vary the whole or part of this Order if the goods are not delivered or the work completed within a specified period. This latter condition will hold good whenever non-delivery is made or non-completion effected whatever the cause may be, whether strike, accident, or any other cause howsoever.

6. ACCEPTANCE OF GOODS SUPPLIED

The Company reserves the right to inspect the goods or equipment covered by this Order either during manufacture or prior to dispatch from you Works, and you are to grant such facilities as are required by the Company's inspector for this purpose. Where order supply includes erection of equipment, then the right of inspection is extended to such equipment. The Company reserves the right to reject any of the goods ordered which fail to satisfy its approved standard of design, material, workmanship or quality, or which do not satisfy the standard specified, and to return such goods at supplier's expense and risk. In the event of the supplier's failure to meet specified delivery dates, or failure to supply the goods in accordance with said approved standard, then in addition to any other rights mentioned in these conditions, a sum by way of reasonable damages shall be payable to the Company in respect of the loss suffered by the Company. This clause shall be in addition to but not in substitution for any of the rights accrued to the Company by Statute or at Common Law.

7. USE OF INFORMATION

All designs, drawings, specifications and information supplied by the Company in connection with this Order are confidential and the copyright therein vests exclusively in the Company and their use must be strictly confined at your Works and to the purpose of this Order. The information contained therein and in other matter issued in connection therewith must not be disclosed to anyone other than employees engaged wholly or partly on the manufacture, supply, treatment or other work in connection with the subject matter of this Order without the Company's prior written consent. They must be solely used for the purpose of producing the articles or parts thereof covered by this Order, and no similar articles or parts thereof shall be made for any other purpose. All such designs, drawings, specifications information and all copies thereof must be returned to the Company on completion of this Order and they shall at all times remain the property of the Company.

8. PAYMENT

Payment will not be made unless a statement is submitted. If the Company does not receive a statement by the fifth of the month following the date of invoice, payment will be delayed by a month. Notwithstanding anything to the contrary, if payment is effected through the post by the Company to the Contractor, then and in such event the General Post Office shall be deemed the agent of the Contractor.

In the event of part deliveries being made and accepted by the Company, then the Company reserves the right to withhold payment until completion of its Order.

9. SAFE CUSTODY

The safe custody of all drawings, specifications, materials, tools, patterns and the like belonging to the Company whilst in your possession, custody or control is your absolute responsibility, and you will adequately insure all such material and items against loss or damage thereto however caused. If required you will supply details of such insurance and take all necessary steps to have the Company's name placed on the policy as a co-insured.

10. ACCEPTANCE

Acceptance in writing by the Supplier of this Order shall constitute acceptance of these conditions, and any qualifications or other conditions, which may appear in the Supplier's

11. SUB-CONTACTING

No part of the goods mentioned in this Order shall be sub-contracted without the prior consent in writing of the Company.

12. PACKING

All packing cases or other containers in which goods are supplied shall be the property and will be paid for by the Supplier and will not be charged to the Company. If such packing cases or containers are required to be returned, they shall be so returned at the expense of the Supplier.

13. INDEMNITY

The supplier does by its acceptance hereof, indemnify, hold harmless and absolve the Company fully and effectively against any and all claims in respect of infringement of patents, copyrights, royalties, or otherwise howsoever in respect of the goods supplied.

14. LIEN

The supplier does hereby irrevocably waive any lien/s which it may at any stage have over any of the goods to be manufactured and/or supplied by it to the Company.

15. JURISDICTION

The terms and conditions herein contained shall be governed by and construed in accordance with the laws in force in the Republic of South Africa and the parties hereto do hereby consent to the jurisdiction of the Supreme Court of South Africa (Witwatersrand Local Division) in respect of all proceedings of whatsoever nature arising hereout irrespective of the nature thereof or the amount involved. In no way derogating from the foregoing, the Company shall at its option be entitled to institute any such action in any other Court of competent jurisdiction.

16. NON-WAIVER

No indulgence of whatsoever nature or any relaxation of any of the terms and conditions hereof by the Company shall in any way constitute a novation, waiver or abandonment of the company's right hereunder.

17. HEADS OF AGREEMENT

The heads of this contract are for reference purposes only and shall not bear upon the interpretation thereof.

18. DOMICILIUM

The Supplier chooses the address set forth on the face hereof as its *domicilium citandi et executandi* for all purposes arising hereout whereas the company selects the address 60, Atlas Road, Boksburg North, Benoni, for the attention of the Managing Director, as its *domicilium citandi executandi*.

19. RIGHT TO APPROPRIATE/SET OFF

Notwithstanding anything to the contrary in this Contract contained, the Company shall have the right and option:-

- (a) to appropriate any monies received by it from the Contractor to any other indebtedness of the Contractor to the Company at the time of such appropriation; and/or
- (b) to set off any amount due and owing by it against the Contractor to any amount due by the latter to the Company at the time of such set-off;

20. COSTS

Should any action be taken by the Company against the Supplier in consequence of a breach by the Supplier of any of its obligations under the Contract, then and in such event the Supplier shall be obliged to effect payment on demand of all attorney and own client costs incurred by the Company in such regard irrespective of whether proceedings have actually been instituted.

21. WHOLE AGREEMENT

This buying order constitutes the entire contract between the Company and the Supplier and no variation of this agreement shall be of legal efficacy unless reduced to writing and signed by the Supplier and the Company.

22. CONDITIONS OF ORDER

This order is subject to 'General Conditions of Order' attached for orders not exceeding R 20000, otherwise 'General Conditions of Orders exceeding R 20000' apply.

23. MARKINGS

Note! one out of every group of identical items must be clearly marked with our correct specification, Purchase Order No, Jobnumber and Quotation No. Failure to adhere to this requirement will result in rejection of delivery.

24. INVOICING

Invoices must reach our offices latest by the 25th of each month for payment by the following month provided that we are in receipt of a statement, and must clearly state our purchase order number and our job number. Invoices not stating the above or invoices stating more than one purchase order number will be rejected. The invoices should be accompanied by the following:

- 24.1 CERTIFIED DELIVERY NOTE
- 24.2 DEMAG INSPECTION/RELEASE CERTIFICATE
- 24.3 TIME SHEETS
- 24.4 MATERIAL TEST CERTIFICATES WHERE APPLICABLE
- 24.5 QUALITY CONTROL (QCP) APPROVED BY AND USER FOR /RECONDITIONING ORDERS.

THE FINANCIAL MANAGER
C/O DEMAG CRANES & COMPONENTS (PTY) LTD.
P. O. BOX 311
BENONI 1500

25. **PENALTIES**
In terms of clause 5 and 6 of General Conditions of Order penalties shall be applicable for late deliveries at a rate of 1% per day to a maximum of 10% of the order value.
26. **V.A.T.**
V.A.T. of 14% must be added to all prices. Exemptions are indicated accordingly.

DEMAG CRANES & COMPONENTS (PTY) LTD'S VAT NO. is 4600103172. This number must be stated on all invoices submitted to DEMAG.
27. **PRICE BASIS**
The price basis of this order is firm and fixed and not subject to any escalation, variation in rate of exchange, import duties, surcharge or any other charges whatsoever.
28. **MATERIALS AND WORKMANSHIP**
All materials and equipment under this order must be new. Materials and workmanship must be provided & carried out in accordance with the order specifications.
29. **SPECIAL CONDITIONS**
The clause 22 to 29 of this purchase order supercede the relevant clause of the General Conditions of Order (for orders not exceeding R 20000.00) printed overleaf and the General Conditions of Order (Revision February 2004) as attached.