

SUPPLY AGREEMENT

Concluded by and between

ILIAD AFRICA TRADING (PTY) LTD

Reg. No 1997/010059/07

VAT. NO 4270218599

(Hereinafter referred to as "ILIAD")

AND

Legal Entity: _____

Registration Number: _____

VAT Number: _____

BEE Status (Certified) LEVEL _____

(Hereinafter referred to as the "SUPPLIER")

PREAMBLE:

INASMUCH AS ILIAD desires to purchase goods from the **SUPPLIER**;

AND INASMUCH AS the **SUPPLIER** is willing and able to provide **ILIAD** with the desired goods;

AND INASMUCH AS ILIAD has accepted the offer of the **SUPPLIER** to effect above-mentioned contract.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Definition of Terms

1.1. In this Agreement, unless it appears otherwise from the context:

1.1.1. All notices for all purposes of this Agreement have to be:

1.1.1.1. in writing;

1.1.1.2. sent by registered post or delivered by hand or fax transmission or electronic mail (e-mail);

1.1.1.3. addressed to the party concerned at the nominated *domicilium citandi et executandi*.

1.1.2. The headings of the clauses concerned have been determined for purposes of reference only and must not be taken into consideration in the interpretation of this Agreement.

1.1.3. The singular form includes the plural form and vice versa.

1.1.4. The Party alleging any notices given, or monies paid will carry the *onus probandi*.

1.1.5. Should any clause of this Agreement not be enforceable for any reason whatsoever such clause is considered separate and separable.

1.1.6. The rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation of this Agreement, shall not apply.

1.1.7. The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

1.2. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:-

1.2.1. **"AFFILIATE"** means in relation to a SUPPLIER or SUPPLIER GROUP company, a related company in terms of which the SUPPLIER or SUPPLIER GROUP company, or their majority shareholders or members, have a direct or indirect shareholding or interest;

1.2.2. **"CONTRACT PRICE LIST"** refer "Deal Sheet", "EDLP" or "KVI" Prices: attached and annexed hereto as **Annexure "B"** or as amended from time to time and signed by the parties;

1.2.3. **"CUSTOMER"** means any third party to whom ILIAD or any of its subsidiaries or associated companies has sold Goods;

1.2.4. **"EFFECTIVE DATE"** means **notwithstanding the signature date;**

1.2.5. **"ILIAD"** means ILIAD Africa Trading (Pty) Ltd, a company having limited liability registered in accordance with the Company Laws of the Republic of South Africa having registration number 1997/010059/07 and each of the subsidiaries and/or

associated companies within the ILIAD Africa Limited Group, i.e. General Building Material Division and Specialized Building Material Division and their respective clusters e.g. BUCO, Ironmongery, Wholesale Cluster and Board Cluster and includes any existing subsidiary company as well as any other operation / company / operating cluster or division that might be acquired during the period of the agreement, represented by the respective Cluster Managers, Executives, or the Group Procurement Director / Executive;

- 1.2.6 **"PRICE LIST"** means the current NATIONAL / REGIONAL price list applicable to all ILIAD operations attached as **Annexure "A"** as amended from time to time in accordance with the provisions of 2.2 and 10.0;
- 1.2.7 **"THE GROUP PROCUREMENT EXECUTIVE"** means Harry Smit or nominees appointed by the divisional directors of ILIAD HEAD OFFICE;
- 1.2.8 **"SIGNATURE DATE"** means the date of signature of the last signing party hereto;
- 1.2.9 **"TRADING TERMS"** means ILIAD's general trading terms and conditions of purchase as agreed and accepted by the SUPPLIER from time to time.

2. Supply Terms

- 2.1. It is hereby agreed that the SUPPLIER will supply goods to ILIAD at the prices as stipulated in the PRICE LIST subject to the conditions stated in clauses 2.2. and 10.
- 2.2. Prices and Price Increases
 - 2.2.1. Prices payable to the SUPPLIER for goods supplied shall not, during the validity period of the price list, exceed the agreed list price reflected in the abovementioned price list or relevant promotional prices, special prices reflected in the price list or special quotations and contract prices agreed with individual branches.
 - 2.2.2. Prices ruling on date of delivery will be in accordance with this agreement as agreed with the relevant branch and will not exceed such prices.
 - 2.2.3. Price increases are subject to Industry/distribution cost increases and will only be accepted upon prior notification and supporting proof being furnished.
 - 2.2.4. The SUPPLIER hereby undertakes to notify ILIAD's Group Procurement Executive of price increases 60 / 90 / 120 (*delete which is not applicable) calendar days prior to the implementation of the said increases.
 - 2.2.5. The notification process shall be the following:
 - 2.2.5.1. The SUPPLIER shall submit to the Group Procurement Office (situated at the *domicilium citandi et executandi* as set out in clause 3.1.A, for the attention of H. Smit or nominated staff) the notification **accompanied by all relevant increased price lists** refer 2.2.4 i.e.60 (sixty) days prior to the implementation of the said increases.
 - 2.2.5.2. All notices, including the said price lists for this purpose shall be in writing, sent electronically (EXCEL) via email, addressed to the Group Procurement Executive. Any notice not complying with the provisions of clause above will not be accepted as a notice of price increases.
 - 2.2.5.3. Notwithstanding the foregoing, no increases will be accepted during the months of November, December and January each year.
- 2.3. It is further agreed that the SUPPLIER will under no circumstances trade with or invoice any ILIAD company under any other entity as disclosed on date of agreement, unless:
 - 2.3.1. 60 (sixty) days notification is given to the Group Procurement Executive, and;
 - 2.3.2. The new entity is included in the scope of this agreement or any amendment hereto;
- 2.4. Disclosure of entities as referred to above is enclosed in **Annexure "C": Disclosure of Trading Entities** to this agreement.
- 2.5. The prices reflected on any price list, quotation and the like are specifically stated to be Exclusive of Value Added Tax.
- 2.6. Account Payments:
 - 2.6.1. All sales transactions will automatically fall within the scope of this agreement unless stated otherwise in this agreement or any annexure to this agreement. No exclusions will be entertained.
 - 2.6.2. For sake of clarity, it is recorded that the SUPPLIER will invoice ILIAD's individual branches thus: e.g. "BUCO Nelspruit, an operation of ILIAD" etc.
 - 2.6.3. Payments will be made in terms of the conditions of this agreement and queries will be substantiated through a valid signed Proof of Delivery ("POD") with respect to all ILIAD stores and will be done by the individual stores subject to the agreed prices and / or provisions of 2.2 and 10.
 - 2.6.4. Statements, signed POD'S, and relevant documentation with respect to stores to be delivered to the individual stores until otherwise informed – Refer Branch List - **Annexure "D"** attached.
 - 2.6.5. Invoiced prices lower than the purchase order prices will effect payment at the lowest prices.
 - 2.6.6. Invoiced prices higher than the purchase order prices will effect a full credit in respect of the difference in price in favour of ILIAD. ILIAD will be entitled to withhold payment of the disputed amount only without loss whether in the form of interest or other charges, until a credit has been passed.
 - 2.6.7. Goods delivered after the 25th of each month will attract an additional 30 (thirty) day payment period, irrespective of the agreed terms. For example: payment of goods delivered on the 26th January will be due for payment at the end of March and not February.
 - 2.6.8. Payments due in the months of June and December annually, and irrespective of the agreed terms and settlement discounts in place, will attract an additional 5/10/15/30 days as set out in **Annexure "F"**.

2.7. Stock

- 2.7.1. At participating stores, ILIAD will endeavour to provide the necessary floor space to the SUPPLIER for merchandise and display purposes.
- 2.7.2. The allocation of floor space will remain at the sole discretion of ILIAD who will endeavour to accommodate the SUPPLIER's merchandising needs.
- 2.7.3. Stock levels will be determined in conjunction with the Supplier, the Procurement Department and participating Stores which may vary from time to time.
- 2.7.4. Model stock in terms of Range & Mix will at all times remain market related unless otherwise agreed too.
- 2.7.5. Stock shall be rotated at regular intervals i.e. at 3 monthly intervals at which time ALL aged, redundant, slow moving stock , older than 3 months will be uplifted, credited and where appropriate / applicable or unless otherwise requested, replaced with fast moving lines – The SUPPLIER will bear all costs in respect of upliftment and replacement including all transport costs associated therewith.
- 2.7.6. ILIAD supplied stands, shelving, racking, displays, gondolas, etc. will be installed in accordance with ILIAD's merchandising standards and blueprint and where applicable. The SUPPLIER will be liable for all these costs as agreed – Refer to Annexure "E".
- 2.7.7. SUPPLIER supplied stands, shelving, racking, displays, gondolas etc. will be supplied free of charge and invoiced at NO cost, and will remain the property of the SUPPLIER, and shall be used solely for the display of the SUPPLIER's products, subject to ILIAD's merchandising standards and blueprint.

2.8. Deliveries – Goods returned, Repairs, Replacements and Credits

- 2.8.1. ILIAD carries a "FULL Returns Policy" (see Iliad's Goods Returns Policy, which is attached hereto) and will where applicable and at its own discretion return to the SUPPLIER, for full credit at the list price:-
 - 2.8.1.1. Goods which are broken upon delivery by the Supplier, faulty, or of poor quality, inferior or substandard;
 - 2.8.1.2. Goods which are damaged upon delivery by the Supplier or receipt thereof by Iliad;
 - 2.8.1.3. Goods which are to be replaced in terms of range & mix replacement implemented by the SUPPLIER as set out in clause 2.7.5 & 2.7.6 above;
 - 2.8.1.4. Goods in the event of the SUPPLIER being placed under provisional or final liquidation or winding-up, save for a restructuring of the SUPPLIER;
 - 2.8.1.5. Goods in respect of which the SUPPLIER is unable to provide the guarantees or warranty required, or specified on the order;
 - 2.8.1.6. Goods found to be defective within the SUPPLIER's guarantee or warranty period as stipulated in the Consumer Protection Act No. 68 of 2008, as amended from time to time.
- 2.8.2. All suppliers to ILIAD will be required to accept the return of Goods for FULL credit according to The ILIAD "Customer Return Policy" and clause 2.8.1. above, in terms of which *inter alia* Customers shall be granted a maximum period of 21 (twenty one) days from date of Customer purchase within which to return the Goods purchased.
- 2.8.3. ILIAD will grant the SUPPLIER 21 (twenty one) working days in which to conclude ALL account queries/credits, after which time the SUPPLIER will arrange for the upliftment and replacement of damaged goods and/or passing of credit notes.
- 2.8.4. Queries / Credits are not to be rolled over to the next month. All queries not resolved within 21 (twenty one) days will as a result be deducted off the SUPPLIERS account at the end of the same month in which the credit and/or query is requested, provided ILIAD assists timeously with the resolving of queries.
- 2.8.5. Goods returned for repair must be returned fully repaired with the remainder of the warranty intact or 3 (three) months from date of repair, whichever is the longer, or alternatively be replaced in FULL at no charge to either the Customer or ILIAD.
- 2.8.6. Repair charges for Goods falling outside the guarantee or warranty period of the SUPPLIER, must be quoted in writing to ILIAD and its Customers. Non-compliance by the SUPPLIER will result in the full cost of repairs being borne by the SUPPLIER.
- 2.8.7. Deliveries will be completed based on participating stores specific needs, which may vary from time-to-time or as agreed between the SUPPLIER and the participating stores.
- 2.8.8. ILIAD reserves the right to settle payments in accordance with the agreed settlement terms and requested delivery dates and not in terms of early deliveries other than as specified.
- 2.8.9. Over supplies shall be returned for FULL credit. Partial or Back-orders where applicable and/or requested to be arranged with the individual ILIAD participating stores. Accordingly:
 - 2.8.9.1 goods are to be delivered according to the orders placed;
 - 2.8.9.2 goods delivered without an official order will be regarded as unsolicited goods and will be accepted free of charge.
 - 2.8.9.3 goods delivered after the 25th of each month will be dealt with in accordance with section 2.6.7 above;
 - 2.8.9.4 goods ordered but not delivered within the 12 (twelve) month trading period (including all outstanding and backorders), will attract the maximum rebate achievable, retrospective from R1 (Rand one).
- 2.8.10. The SUPPLIER will bear all delivery, collection and handling charges.
- 2.8.11. The SUPPLIER hereby indemnifies ILIAD, its officers and employees and holds each of them harmless from liability including damages, legal costs (on the *de facto* scale as between attorney-and-own-client) and interest which ILIAD may incur to any third party arising from or attributed to;
 - 2.8.11.1 the negligence of the SUPPLIER, its officers, employees, agents or sub-contractors;

- 2.8.11.2 any infringement of any intellectual property rights relating to the Goods;
- 2.8.11.3 any failure by the SUPPLIER to perform or discharge any of its obligations in terms of this agreement; and/or;
- 2.8.11.4 any defect of whatever nature of and/or in the Goods including, but not limited to, any product failure, defect or hazard, unsafe goods, or the failure to supply adequate instructions or warnings to the consumer as contemplated in the Consumer Protection Act No. 68 of 2008, as amended, subject to correct installation and application as per the manufacturer's specifications.

2.9 Duration of Agreement

- 2.9.1 Notwithstanding the date of signature hereof, this Agreement will commence on the first working day (Refer clause 1.2.4) indicated as the effective date in the Trading Terms, and will remain in full force and effect, unless terminated in writing by either of the Parties (subject to a notice period of 90 (ninety) days) or otherwise terminated in accordance with the provisions of this Agreement.
- 2.9.2 For sake of clarity it is recorded that the Trading Terms will become effective on the date indicated therein and not the signature date thereof and remain in force until new Trading Terms are agreed to in writing between the Parties and become effective in terms thereof, where upon the old Trading Terms will cease to apply and the new Trading Terms will come into effect, unless terminated by any of the parties in terms of clause 2.9.1.

3 DomiciliumCitandi et Executandi

- 3.1 The parties respectively designate the following addresses as their *domicilium citandi et executandi* for all purposes of this Agreement, namely:

3.1.A Iliad Africa Trading (Pty) Ltd:

Physical address:

ILIAD HOUSE, UNIT 7, THORNHILL OFFICE PARK,
94 BEKKER ROAD
VORNA VALLEY, MIDRAND
Tel: (011) 847-7300
Fax: (011) 847-7500

Postal Address:

P/Bag X 29
GALLO MANOR
2052

3.1.B SUPPLIER: _____ (PTY) LTD

Physical address:

Tel:
Fax:
Email:

Postal address:

P O Box

- 3.2 Either party hereto shall be entitled to change its domicile from time to time provided that any new domicile selected by it shall be an address, other than box number, in the Republic of South Africa, and any such change shall only be effective upon receipt of notice in writing by the other party of such change;
- 3.3 All notices, demands, communications and payments intended for either party shall be made or given at such party's domicile.
- 3.4 A notice sent by one party to another party shall be deemed to have been received:
 - 3.4.1 on the same day, if delivered by hand, or email;
 - 3.4.2 on the 5 (fifth) day after posting, if sent by prepaid registered mail.

4 Distribution Rights of Branded Products

In the event of the SUPPLIER, losing the distribution rights to specifically branded Goods or product(s) in Southern Africa and/or countries outside of Southern Africa ILIAD will, from the date of loss of such distribution rights, retain 5% (five per cent) of the total Rand value of the affected goods purchased by ILIAD during the 12 (twelve) months period prior to the date of loss of such distribution rights. This is in order to cover it's customer's guarantees or warranties and/or any service costs, which may be incurred by a participating store / ILIAD during the warranty period according to ILIAD return policy / or overstock. Once the guarantee or warranty period has lapsed, a full reconciliation will be forwarded to the SUPPLIER and any moneys due less any costs incurred during the relevant period will be refunded to the SUPPLIER within 30 (thirty) days of the 12 (twelve) month period lapsing.

5 Warranties

- 5.1 The SUPPLIER warrants that unless otherwise requested by the Customer, that ALL goods so marked comply with the relevant specifications of the South African Bureau of Standards or other relevant authority as the case may be. All products must be accurately labeled in both the SUPPLIER'S product and price lists.

- 5.2 The SUPPLIER warrants the fitness of the product for the purpose it is designed or specified for and indemnifies the Customer against loss or injury arising from the supply of goods & services, including any loss attributable to any failure or negligent act of the SUPPLIER's servants, staff, agents, representatives, poor manufacturing standards, subject to correct installation and application as per the manufacturer's specifications.
- 5.3 The SUPPLIER warrants that all Goods supplied to ILIAD will be supplied in full compliance with the provisions of the Consumer Protection Act, No. 68 of 2008.
- 5.4 The Customer has the right to claim against the SUPPLIER in respect of any loss or damages in terms of the Consumer Protection Act No. 68 of 2008.
- 5.5 The SUPPLIER hereby acknowledges having received, read, fully understood and agreed to the Trading Terms. The SUPPLIER warrants to and in favour of ILIAD that:
 - 5.5.1 the SUPPLIER is duly incorporated, registered and existing under the laws of the country in which it has its principle registered office.
 - 5.5.2 acceptance of this agreement and the Trading Terms has been duly and fully authorized by it;
 - 5.5.2.1 this agreement and the trading terms constitute the obligations that are legal, valid, binding and enforceable against the SUPPLIER in accordance with the terms thereof; and
 - 5.5.2.2 the provisions of this agreement and the Trading Terms are not in conflict with and will not constitute a breach of the provisions of any other agreement, obligation, restriction, or undertaking which is binding on the SUPPLIER.
- 5.6 The SUPPLIER warrants that none of the Goods supplied or to be supplied to ILIAD in terms of this Agreement will be "counterfeit goods" as defined in the Counterfeit Goods Act, Act No. 37 of 1997.
- 5.7 The SUPPLIER further warrants and gives assurance that all duties, tariffs and taxation in respect of Goods supplied to ILIAD and its subsidiaries have been fully paid including;
 - 5.7.1 no under-valuation of Goods has occurred.
 - 5.7.2 no mis-declaration of information has occurred in any way in respect of tariff codes .
 - 5.7.3 all payment in respect of *ad valorem* duties have been paid in full.
 - 5.7.4 all payments for the Goods have been paid in full and are up to date.
 - 5.7.5 all the relevant Vat and Registration numbers provided to ILIAD are correctly linked to the registration and the SUPPLIER will furnish an update to ILIAD timeously in the event of any change thereto.
 - 5.7.6 all Goods so marked are fully compliant with SABS and or relevant Certification requirements or relevant specifications and / or action determined by relevant Government Departments from time to time, read with clause 5.1 above.

6 Set Off

ILIAD shall be entitled, but not obliged, to set-off any and all amounts owing to the SUPPLIER, against any amounts owing by ILIAD to the SUPPLIER. ILIAD will give the supplier 30 (thirty) day's written notice of its intention to apply set-off in terms of this clause.

7 Amendments

No agreement contrary to or additional to any stipulation of this Agreement or any novation, including a novation or any amendment having a suspensive effect on the stipulations of this agreement, or any agreement relating to the extension of any date or cancellation of this agreement, will be binding on any of the parties unless reduced to writing and signed by both parties unless specifically provided for elsewhere in this agreement.

8 Jurisdiction

The parties herewith grant their consent to the jurisdiction of any Magistrate's Court that has jurisdiction in terms of Section 28 of the Magistrates Court Act, Act No. 32 of 1944, as amended, concerning any lawsuit directly or indirectly arising from this Agreement.

9 Dispute Resolution

- 9.1 In the event of there being any dispute or difference between the Parties arising out of this Agreement, the said dispute or difference shall on written demand by any Party be submitted to arbitration in Johannesburg in accordance with the AFSA rules, which arbitration shall be administered by AFSA.
- 9.2 Should AFSA, as an institution, not be operating at that time or not be accepting requests for arbitration for any reason, then the arbitration shall be conducted in accordance with the AFSA rules for commercial arbitration (as last applied by AFSA) before an arbitrator appointed by agreement between the parties to the dispute or failing agreement within 10 (ten) business days of the demand for arbitration, then any party to the dispute shall be entitled to forthwith call upon the chairperson of the Johannesburg Bar Council to nominate the arbitrator, provided that the person so nominated shall be an advocate of not less than 10 (ten) years standing as such. The person so nominated shall be the duly appointed arbitrator in respect of the dispute. In the event of the attorneys of the parties to the dispute failing to agree on any matter relating to the administration of the arbitration, such matter shall be referred to and decided by the arbitrator whose decision shall be final and binding on the parties to the dispute.
- 9.3 No party to the arbitration may appeal the decision of the arbitrator or arbitrators in terms of the AFSA rules for commercial arbitration which decision shall be final and binding on the Parties.
- 9.4 Nothing herein contained shall be deemed to prevent or prohibit a party to the arbitration from applying to the appropriate court for urgent relief or for judgment in relation to a liquidated claim.

- 9.5 Any arbitration in terms of this clause 9 (including any appeal proceedings) shall be conducted in camera and the Parties shall treat as confidential details of the dispute submitted to arbitration, the conduct of the arbitration proceedings and the outcome of the arbitration.
- 9.6 The provisions of this clause 9 will continue to be binding on the Parties notwithstanding any termination or cancellation of the Agreement.
- 9.7 The Parties agree that the written demand that a dispute or difference be submitted to arbitration by a party to the dispute in terms of clause 9.1, is to be deemed to be a legal process for the purpose of interrupting extinctive prescription in terms of the Prescription Act, 1969.

10 General

- 10.1 All payments due to ILIAD not received within the agreed terms will accrue interest at Iliad's banker's prime rate plus 2 (two) per cent per annum and will be deducted from the SUPPLIERS account. Interest will accrue from the date the amount is due until the date the payment is made, both days inclusive. Interest will be calculated monthly in advance and will be compounded.
- 10.2 The PARTIES verify that this Agreement constitutes the entire contract including "Conditions of Sale" between the two PARTIES and that no preceding representations, including notices, announcements, guarantees or securities were given in writing or verbally by ILIAD, or someone acting on behalf of ILIAD, that impelled the SUPPLIER to conclude this agreement, except in so far as is included in this agreement.
- 10.3 This agreement shall be governed and construed in all respects in accordance with the laws of the Republic of South Africa as constituted from time to time. Each provision of this agreement is separate and severable from the other provisions. Should any provision hereof be found by a court of competent jurisdiction to be invalid or unenforceable for any reason, the PARTIES will consult with one another in good faith in order to agree, if possible an alternative provision in accordance with the intent and tenor of this agreement. The remaining of the provisions of this agreement shall nevertheless be binding and continue with full force and effect.
- 10.4 The obligations of the PARTIES in terms of this agreement are in addition to and not in substitution of any of the PARTIES' common law obligations, provided that where such common law obligations directly conflict with the provisions of this agreement, the provisions of this agreement shall prevail.
- 10.5 No indulgence or concession which the PARTIES may grant to each other shall constitute a waiver or novation of any of their rights and they shall not hereby be precluded from exercising any rights against each other which may have arisen in the past or which might arise in future.
- 10.6 The SUPPLIER shall not without the prior written consent of ILIAD, cede, delegate, assign or otherwise transfer or encumber all or any of its rights or obligations under this agreement or Trading Terms or sub-contract the whole or any part of its obligations under this agreement or the Trading Terms.
- 10.7 The PARTIES verify that the stipulations of this Agreement convey their intentions correctly and the SUPPLIER will not be entitled to apply for rectification of the agreement.
- 10.8 This agreement supersedes all previous or other agreements entered into between the PARTIES.
- 10.9 All prices quoted exclude VAT, but includes services, delivery charges, shelving, stands, racking (where applicable) and advertising material.
- 10.10 ILIAD will be responsible for insuring all of the SUPPLIER's equipment on ILIAD premises i.e. furniture, merchandise materials and shelving provided to ILIAD for own use, and all risks associated therewith will be borne by ILIAD unless stipulated otherwise.

11 Counterparts

This agreement may be signed in any number of counterparts, whether by facsimile or otherwise, all of which taken together **shall constitute one and the same agreement. Any party may enter into this agreement by signing any such counterpart.** Any alteration to a line, a clause or an appendix to this document, not countersigned or initialed by both parties, deems that alteration to be null and void and not enforceable.

12 Acquisitions

- 12.1 In the event of the SUPPLIER acquiring a controlling interest in a company that has outstanding debts, (as well as all future indebtedness of that company or entity to ILIAD) will remain the responsibility of the company. Outstanding debts of the relevant company will be settled in full by the company prior to the listing or purchasing of any further products of that company by ILIAD. Should the said company have furnished any warranties to ILIAD or its Customers, the company will honour those warranties for the full duration thereof.
- 12.2 If ILIAD forms or acquires another Subsidiary, ILIAD may at its discretion notify the SUPPLIER that this Agreement and / or the Trading Terms shall also apply to such new Subsidiary.

13 Liquidations

Excluding corporate restructuring which is not as a result of solvency issues, then:

- 13.1 In the event of a SUPPLIER being placed under provisional or final liquidation or winding-up and where Goods supplied to ILIAD carry a Warranty or Guarantee of any form e.g. 6 (six), 12 (twelve), 24 (twenty four), 36 (thirty six), 48 (forty eight), 60 (sixty) months, an amount equal to 5% (Five) of the previous 12 (twelve) months purchases from the SUPPLIER by ILIAD will be deducted off the SUPPLIER's account and retained by ILIAD before final agreed settlement to the Liquidator. Over the next 12 (twelve) months, any guarantee replacement stocks, damaged stocks, repair costs will be offset against the retainer and final payment of the balance of the money retained will be made at the end of period of 12 (twelve) months after first notification of liquidation.

- 13.2 Should the SUPPLIER be placed under provisional or final liquidation or winding-up, ILIAD may raise invoices after the provisional liquidation according to the Trading Terms. If the Trading Terms specify rebates and or any other allowances or incentives, subject to growth such rebate / incentives will be applied at the highest stipulated percentage or Rand value achieved against previous year purchases / performance for the same period. ILIAD will only make payment to the Liquidator once ALL outstanding claims, returns, and or queries including rebates and incentives have been deducted / set off the agreed amount due to the SUPPLIER.

14 Conditions in respect of Allowances

- 14.1 The terms and Conditions contained in this document will be applicable to ILIAD i.e. both the General Building Material Division and Specialised Building Material Division – Refer to clause 1.2.5.
- 14.2 All allowances as defined in **ANNEXURE “E”**, unless otherwise stipulated, are based on TOTAL NET INVOICED VALUES to ILIAD and its affiliated companies as defined in this agreement, inclusive of services, delivery charges, VAT and settlement discounts but after trade discounts, and are retrospective FROM RAND ONE (R1.00).
- 14.3 Growth rebates/allowances based on the preceding year’s turnover are calculated over the 12 (twelve) months and are payable at the end of the period but no later than 1 (one) month in arrears.
- 14.4 A late delivery penalty for all campaigns will be charged at the maximum rebate against the order value of the late deliveries applicable to the relevant campaign.
- 14.5 The PARTIES reserve the right to set off any outstanding moneys due the other PARTY relating to allowances e.g. rebates, incentives, advertising, store billings etc. exceeding the agreed terms, provided the PARTY is given 30 (thirty) days prior written notice thereof.
- 14.6 Iliad will issue a VAT invoice on receipt of a breakdown from the SUPPLIER of all purchases by branch, by month and totals that have been received.
- 14.7 In the event of the SUPPLIER insisting on targets it remains the SUPPLIER’s responsibility to inform ILIAD’s Head Office in advance and on an ongoing basis of the status of the targets (if any) as to allow the opportunity to “buy-in” within the agreed lead times in order to maximize the full potential of the deal/target.
- 14.8 Failure to comply with clause 14.7 above will result in the SUPPLIER paying the full applicable rebate amount at the maximum rate or highest target.
- 14.9 Targets apply to a full 12 (twelve) month period subject to receipt and execution of orders up to the last working day of the period. If and where targets apply, ILIAD may at its sole discretion consider taking into account the value of the confirmed overdue orders that the SUPPLIER failed to execute for the applicable period, in order to determine the target level achieved for purposes of the calculation in clause 14.2.

15 Compliance & Ethical Conduct

- 15.1 The parties to this agreement commit themselves to promote fair trading practices and sound relations in order to achieve a mutually and beneficial trading environment. In addition thereto and without limiting the foregoing, the parties agree:-
- 15.1.1 Not to accept, nor offer, nor induce, permit or promote the acceptance or offering of, any gratuity, enticement, incentive or gift that could reasonably be regarded as bribery or an attempt to otherwise exert undue influence over the recipient, and will use its best endeavours to prevent its officers, employees, agents and contractors from doing any of the aforementioned. All campaigns, branch, regional and individual incentives must be approved by ILIAD’s Procurement Executive.
- 15.1.2 Not to otherwise act in a manner which a reasonable person would regard as unethical or do anything which could reasonably be expected to damage or diminish ILIAD’s reputation or business image.
- 15.2 The SUPPLIER hereby warrants to and in favour of ILIAD that:-
- 15.2.1 All of the Goods supplied or to be supplied to ILIAD in terms of this Agreement will comply with all relevant laws and other provisions having the force of law.
- 15.2.2 None of the Goods supplied or to be supplied to ILIAD in terms of this Agreement will be “counterfeit goods” as defined in the Counterfeit Goods Act, Act No 37 of 1997, and;
- 15.2.3 The SUPPLIER will comply with all applicable laws in respect of the manufacture, sale and distribution of such Goods, including laws and regulations relating to customs and excise, taxation and labour, and if the SUPPLIER is not the manufacturer of the Goods, the SUPPLIER will procure such compliance by the manufacturer and;
- 15.2.4 If the Goods may be classified as electronic Goods the SUPPLIER specifically warrants and represents to and in favour of ILIAD that such Goods, if so marked, will comply with the latest SABS requirements / standards in respect thereof (if applicable) and upon request by ILIAD, the SUPPLIER shall provide ILIAD with the relevant Certificate of Compliance;
- 15.2.5 The parties mutually warrant, agree and undertake that the totality of this agreement will be treated as CONFIDENTIAL and will NOT be disclosed to ANY third party, WITH THE EXCEPTION OF THE SUPPLIER’S FINANCE INSTITUTION(S).

16 Broad-Based Black Economic Empowerment (B-BBEE)

- 16.1 ILIAD is committed to the principles and objectives of B-BBEE.
- 16.2 All SUPPLIERS are required to provide ILIAD with their B-BBEE score as calculated with reference to the Department of Trade and Industry’s scorecard. The contact person(s) in this regard are **Harry Smit, Daan Esterhuyse** or **Stephen O’Connor**, whom can be contacted on **(011) 847-7300** during office hours.
- 16.3 SUPPLIERS are also required to provide independent verification of their B-BBEE score by an accredited B-BBEE verification agency.

Signed for and on behalf of SUPPLIER:

At _____ on this _____ day of _____ 2013.

_____	_____	_____
Signature	Designation (must be Director)	Name

Who warrants that he is duly authorized thereto.

Signed for and on behalf of ILIAD AFRICA TRADING (PTY) LTD

At _____ on this _____ day of _____ 2013.

_____	Merchandise & Procurement Executive	H.S. Smit
Signature	Designation	Name

Who warrants that he is duly authorized thereto.

STANDARD PRICE LIST

This Annexure "A" will commence and be effective from: _____

ANNEXURE "B"

CONTRACT PRICE LIST (KVI, EDLP, PROMOTIONAL, DEAL SHEETS)

This Annexure "B" will commence and will be effective from: _____

DISCLOSURE OF ENTITIES

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

This Annexure "C" will commence and will be effective from: _____

BRANCH LIST

This Annexure "D" will commence and be effective from: _____

REBATES, INCENTIVES AND OTHER ALLOWANCES

GROUP REBATES			
CATEGORY	TYPE	TYPE	COMMENT
	%	MONETARY	
BASE REBATE			
BASE ADVERTISING			
TRAINING SUPPORT			
SWELL ALLOWANCE			
MARGIN SUPPORT			
GROUP SUB TOTAL INCENTIVE			
GROWTH REBATE TABLE (% GROWTH ON PRECEDING YEAR PAYABLE ANNUALLY ONE MONTH IN ARREARS)	FIXED TABLE %	TABLE MONETARY	COMMENT
➤ 5.0%	0.5%		
➤ 10%	1.0%		
➤ 15%	1.5%		
➤ 20%	2.0%		
➤ 25%	2.5%		
➤ 30%	3.0%		
➤ 35% PLUS	5.0%		
GROUP TOTAL INCENTIVE (All Inclusive)			
ADDITIONAL STORE ALLOWANCES (ALL STORES)			
CATEGORY	NEW & ALTERATIONS		
	% OF PURCHASES	MONETARY VALUE	FREE STOCK VALUE
OPENING ALLOWANCE SUPPORT			
OPENING ADVERTISING SUPPORT			
SHELVING & RACKING SUPPORT			
FLOOR SPACE RENTAL SUPPORT			
TOTAL			
OTHER STORE ALLOWANCES (ALL STORES)			
CATEGORY	ALL STORES		COMMENT
	% OF PURCHASES	MONETARY VALUE	
NEW PRODUCT / BRAND INTRODUCTION			
CLUSTER COMPLETION (PER CLUSTER)			
ADVERTISING LOGO SPACE (PER AD / SLOT)			
COMPULSORY ADMIN FEE (PER NEW STORE ACCOUNT)	NA	2500.00	
GRAND TOTAL			
<ul style="list-style-type: none"> Commencement date of this Annexure is effective from 20 All allowances are payable MONTHLY/QUARTERLY * to Iliad's Head Office at the end of each term, but not later than 1 (one) calendar month in arrears. The above excludes all "Theme Promotions", "Corporate Signage", "Mark Downs", "Ad-hoc Margin Support", "Tally & Till Funds", "Stock Support", "Ad-hoc Store Development", "Sports", "Supplier Events", "Regional or Ad-Hoc" arrangements, Events, "Anniversary / Birthday" events etc. Special Conditions: All Grey areas are fixed and are strictly for office use only. 			

TRADE, SETTLEMENT DISCOUNTS & TERMS

TRADE DISCOUNTS & TERMS

Trade Discount Structure Off Standard National (Distributors / Wholesalers) Pricelist List Dated::-

[illegible]

Comments:-

NOTES

- Special prices e.g. Contracts, Projects, Tenders, Quotations KVI, EDLP, Promotional, Campaigns, Deal Sheets) etc. agreed too with HQ or the Operations from time to time irrespective, supersedes standard / normal prices reigning at the time.
- Opening orders (Buy-in period) are valid for 30 / 60 / 90 days (*delete which is not applicable).

SETTLEMENT DISCOUNTS & TERMS

SETTLEMENT DISCOUNTS & TERMS						
STANDARD SETTLEMENT DISCOUNT	15 DAYS FROM DATE OF STATEMENT %	30 DAYS FROM DATE OF STATEMENT %	45 DAYS FROM DATE OF STATEMENT %	60 DAYS FROM DATE OF STATEMENT %	90 DAYS FROM DATE OF STATEMENT %	120 DAYS FROM DATE OF STATEMENT %
EARLY SETTLEMENT DISCOUNT	07 DAYS FROM DATE OF DELIVERY %	15 DAYS FROM DATE OF DELIVERY %	30 DAYS FROM DATE OF DELIVERY %	OTHER %	OTHER %	OTHER %
SPECIAL SETTLEMENT TERMS (NORMAL SETTLEMENT DISCOUNT APPLY)	HALF YEAR – END NUMBER OF EXTRA DAYS	FULL YEAR- END NUMBER OF EXTRA DAYS	NEW OR REFURBISHED STORES NUMBER OF EXTRA DAYS FROM DATE OF OPENING EXTRA DAYS		OTHER	OTHER

NOTES

Comments:-

- Standard settlement discount will be subject to Clause 2.6.7.
- All Grey areas are fixed and are strictly for office use only.
- **This Annexure “F” will commence and will be effective from:**

