



## THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

### MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

**FROM** The Registrar, Supreme Court of Appeal

**DATE** 29 May 2019

**STATUS** Immediate

*Please note that the media summary is for the benefit of the media and does not form part of the judgment.*

*Schoeman & others v Lombard Insurance Co Ltd (1299/2017) [2019] ZASCA  
66 (29 May 2019)*

The Supreme Court of Appeal (SCA) today dismissed the appeal of Ms A Schoeman, Mr C Schoeman and the trustees of the Erf 260-2 Middelburg Trust (the Trust), in their capacities as sureties for the debts of Golden Sun Retailers (Pty) Ltd (Golden Sun), against a judgment in favour of Lombard Insurance Company Ltd (Lombard).

Golden Sun had entered into a facility agreement with Lombard to enable it to purchase fuel from Sasol Oil (Pty) Ltd (Sasol) on credit. To this end, Lombard had issued a demand guarantee in the maximum amount of R60.5 million on behalf of Golden Sun in favour of Sasol. The demand guarantee provided, inter alia, that Lombard was required to pay Sasol under the guarantee when a written demand was presented to Lombard at Sasol's address.

Golden Sun defaulted and Sasol made a demand for payment. It hand-delivered its demand at Lombard's address. Lombard paid on the demand. When Lombard instituted proceedings to recover from the sureties, they raised the defence that no proper demand for payment had been made in terms of the demand guarantee because the demand had been made at Lombard's address, rather than at Sasol's address. The court below, having found in favour of Lombard, the SCA dismissed the appeal of the sureties on the basis that a proper demand had been made: the stipulation as to the place at which the demand was to be made was directory and not mandatory, with the result that an effective demand had been made.